

**ESTIMATES COMMITTEE
(1965-66)**

NINETIETH REPORT

(THIRD LOK SABHA)

MINISTRY OF COMMERCE

Action taken by Government on the recommendations contained in the Forty-Sixth Report of the Estimates Committee (Third Lok Sabha) on the erstwhile Ministry of International Trade—Tea Board, Calcutta.



**LOK SABHA SECRETARIAT
NEW DELHI**

February, 1966 Magha, 1887 (Saka)

Price : Re. 0.80 p.

**LIST OF AUTHORISED AGENTS FOR THE SALE OF
LOK SABHA SECRETARIAT PUBLICATIONS**

Sl. No.	Name of Agent	Agency No.	Sl. No.	Name of Agent	Agency No.
ANDHRA PRADESH					
1.	Andhra University General Cooperative Stores Ltd., Waltair (Visakhapatnam)	8	11.	Charles Lambert & Comp., 701, Mahatma Gandhi Road, Opposite Clock Tower, Fort, Bombay . . .	30
2.	G. R. Lakshmi Pathy Chetty and Sons, General Merchants and News Agents, Newpet, Chandragiri, Chittoor District . . .	94	12.	The Current Book House, Maruti Lane, Raghunath Dadaji Street, Bombay-1	60
			13.	Deccan Book Stall, Ferguson College Road, Poona-4 . . .	65
ASSAM					
3.	Western Book Depot, Pan Bazar, Gauhati . . .	7	14.	Information Centre, Government of Rajasthan, Tripolia, Jaipur City . . .	38
BIHAR					
4.	Amar Kitab Ghar, Post Box 78, Diagonal Road, Jamshedpur . . .	37	15.	Swastik Industrial Works, 59, Holi Street, Meerut City . . .	2
GUJARAT					
5.	Vijay Stores, Station Road, Anand . . .	35	16.	Law Book Company, Sardar Patel Marg, Allahabad-1 . . .	48
6.	The New Order Book Company, Ellis Bridge, Ahmedabad-6 . . .	63	17.	Granthaloka, 5/1, Ambica Mookherjee Road, Belgharia, 24 Parganas . . .	10
MADHYA PRADESH					
7.	Modern Book House, Shiv Vilas Palace, Indore City . . .	13	18.	W. Newman & Company Ltd., 3, Old Court House Street, Calcutta . . .	44
MAHARASHTRA					
8.	M/s. Sunderdas Gianchand, 601, Girgaum Road, Near Princess Street, Bombay-2 . . .	6	19.	Firma K. L. Mukhopadhyay, 6/1A, Banchharam Akrur Lane, Calcutta-12 . . .	82
9.	The International Book House (Private) Limited, 9, Ash Lane, Mahatma Gandhi Road, Bombay-1	22	DELHI		
10.	The International Book Service, Deccan Gymkhana, Poona-4	26	20.	Jain Book Agency, Connaught Place, New Delhi . . .	1
			21.	Sat Narain & Sons, 3141, Mohd. Ali Bazar, Mori Gate, Delhi . . .	3
			22.	Atma Ram & Sons, Kashmere Gate, Delhi-6 . . .	9
			23.	J. M. Jaina & Brothers, Mori Gate, Delhi . . .	11

CONTENTS	PAGE
COMPOSITION OF THE COMMITTEE	iii—iv
INTRODUCTION	v
CHAPTER I—Report	I
CHAPTER II—Recommendations that have been accepted by Government	3
CHAPTER III—Recommendations which the Committee do not desire to pursue in view of the Government's reply	30
CHAPTER IV—Recommendations in respect of which replies of Government have not been accepted by the Committee	41
CHAPTER V—Recommendations in respect of which final replies of Government are still awaited	46

APPENDICES

I. The Gazette of India dated the 1st May, 1965 notifying amendment to Tea Rules, 1954.	47
II. A statement showing areas replanted in both North and South India during the years 1962-63 and 1963-64	49
III. Analysis of the action taken by Government on the recommendations contained in the Forty-Sixth Report of the Estimates Committee (Third Lok Sabha)	51

**ESTIMATES COMMITTEE
(1965-66)**

CHAIRMAN

Shri Arun Chandra Guha

MEMBERS

2. Shri Bhagwat Jha Azad
3. Shri Dinen Bhattacharya
4. Shri C. K. Bhattacharyya
5. Shri Brij Raj Singh Kotah
6. Shri Jagannath Rao Chandriki
7. Shri Chuni Lal
8. Shri R. Dharmalingam
9. Shri Digambar Singh Chaudhri
10. Shri Indrajit Gupta
11. Shrimati Jamuna Devi
12. Shri Narayan Sadoba Kajrolkar
13. Shri Gauri Shanker Kakkar
14. Shri C. M. Kedaria
15. Shri L. D. Kotoki
16. Shri Narendrasingh Mahida
17. Shri Dwarka Dass Mantri
18. Shri Jaswantraj Mehta
19. Shri Mahesh Dutta Misra
20. Shri Mohan Swarup
21. Chowdhry Ram Sewak
22. Shri B. Rajagopala Rao
23. Shri J. Ramapathi Rao

(iii)

- 24. Shri P. G. Sen**
- 25. Shri H. Siddananjappa**
- 26. Shri Nardeo Snatak**
- 27. Shri N. M. R. Subbaraman**
- 28. Shri Ramachandra Ulaka**
- 29. Shri Vishram Prasad**
- 30. Shri Yudhvir Singh**

SECRETARIAT

Shri B. B. Tewari—Deputy Secretary.

Shri B. K. Mukherjee—Under Secretary.

INTRODUCTION

I, the Chairman of the Estimates Committee, having been authorised by the Committee to submit the Report on their behalf, present this Ninetieth Report on action taken by Government on the recommendations contained in the Forty-Sixth Report of the Estimates Committee (Third Lok Sabha) on the erstwhile Ministry of International Trade—Tea Board, Calcutta.

2. The Forty-Sixth Report of the Estimates Committee was presented to Lok Sabha on the 13th March, 1964. Government furnished replies indicating action taken on all the recommendations on the 10th December, 1964. Government replies to all the recommendations were considered by the Study Group 'E' of the Estimates Committee (1964-65) on the 26th April, 1965 who desired that further information in respect of 8 recommendations might be called for. Further information in respect of 8 recommendations was called for from Government on the 4th May, 1965. This was received on the 4th August, 1965 and was considered by Study Group 'E' (1965-66) on the 26th August, 1965. The draft Report was adopted on the 4th February, 1966.

3. The Report has been divided into the following Chapters:—

- I. Report.
- II. Recommendations that have been accepted by Government.
- III. Recommendations which the Committee do not desire to pursue in view of Government's reply.
- IV. Recommendations in respect of which replies of Government have not been accepted by the Committee.
- V. Recommendations in respect of which final replies of Government are still awaited.

4. An analysis of the action taken by Government on the recommendations contained in the Forty-Sixth Report (Third Lok Sabha) of the Estimates Committee is given in Appendix III. It would be observed therefrom that out of 54 recommendations made in the Report, 38 recommendations i.e. 70.4 per cent have been accepted by the Government. The Committee do not desire to pursue 11 recommendations i.e., 20.4 per cent in view of Government's reply. The reply of Government in respect of 4 recommendations i.e. 7.4 per cent has not been accepted by the Committee. The final reply of Government in respect of 1 recommendation i.e. 1.8 per cent is still awaited.

ARUN CHANDRA GUHA,

NEW DELHI;
February 14, 1966.
Magha 25, 1887 (Saka).

Chairman,
Estimates Committee.

CHAPTER I

REPORT

Survey of Soil Conditions

The Committee in para 13 of their Forty-Sixth Report (Third Lok Sabha) on the Ministry of International Trade—Tea Board, Calcutta, (March, 1964) had observed that no action was taken by the Tea Board or the Government to pursue the recommendation made by the Plantation Inquiry Commission appointed by the Government of India about seven years ago for undertaking a comprehensive survey of soil conditions and suitability of land for tea plantation in the country. The Committee in para 14 had further observed that a comprehensive survey of the existing as well as potential areas for tea cultivation in the country was an essential pre-requisite for planned development of the tea industry and initiative therefore should have come from the Tea Board. They had indicated that such areas might be found in the Himalayan foothills, Kashmir, NEFA, Nagaland etc. and recommended that the concerned State Governments should be approached to undertake the survey for which technical assistance, if necessary, might be rendered by the Tea Board.

In reply, Government have stated that the Tea Board does not have enough machinery of its own nor would it be advisable to duplicate the machinery of State Governments. The problem of a comprehensive survey of soil conditions and suitability of land for growing tea may, therefore, be allowed to rest with the State Governments.

It would be recalled that the Plantation Inquiry Commission had emphasised that "the Tea Board should with the help of the State Governments have a proper survey made of virgin land suitable for tea growing, maintain a proper record of them, and come to an agreement with the States so as to ensure that the lands are not diverted to any other purpose".

Keeping in view the fact that the Tea Board has assessed that an annual programme of expansion of 24,000 acres of new tea plantings is necessary and also that the Central Government are considering provision of financial and other assistance to the industry through the Tea Board, the Committee consider that the Central Government/Tea Board should try and persuade the State Governments to undertake early survey of virgin lands suitable for tea growing. In this

context the Committee would also like to point out that as a Soil Survey Organisation has been set up at the Centre under the aegis of the Department of Agriculture, the Tea Board may take their assistance as necessary for the aforementioned survey.

Provision of Selected Tea Seeds etc.

2. In paras 55 and 56, the Committee had with regret observed that Government did not fully accept the recommendation of the Plantation Inquiry Commission regarding the provision of quality seeds to the tea estates. In the opinion of the Committee what was more regrettable was the casual manner in which the Tea Board dealt with the suggestion of Government that it should first assess the requirements of tea seeds and planting material. Instead of doing so, the Board left the arrangement for the supply of tea seeds, etc. to private parties—an arrangement which the Plantation Inquiry Commission had earlier found to be inadequate. The Committee had stressed the need for making adequate arrangements for provision of selected tea seeds and good planting material to all the tea growers and had reiterated the recommendation of the Plantation Inquiry Commission that the Tea Board should undertake this responsibility.

In reply the Government have stated that they could not find it possible to accept in its entirety the Plantation Inquiry Commission's recommendation regarding provision of quality seeds to the tea estates because they felt that the Tea Board would not be the appropriate agency to be vested with the responsibility for production and distribution of tea seeds and clones. The Tea Board has, however, kept a close watch over the situation of supply and demand of tea seeds and clones and has made periodical assessment. Further, the Government have no reason to believe that there is any shortage of tea seeds and clones, nor to apprehend that the further programme of extension and replanting will suffer for lack of suitable planting material in adequate quantity. The Government have further stated that a close watch will, however, continue to be maintained by the Tea Board in this regard.

The Committee are not satisfied with Governments' reply. In their view Tea Board should exercise close supervision over the production and distribution of tea seeds and clones to ensure their quality and availability even if it cannot directly take over this responsibility of distributing good quality seeds. It is also necessary that a proper assessment should be made to determine the requirement of good planting material. The Committee therefore reiterate their earlier recommendation.

CHAPTER II

RECOMMENDATIONS THAT HAVE BEEN ACCEPTED BY GOVERNMENT

Recommendation (Serial No. 1) Para No. 11.

In the context of the need for the increased production of tea in the country for internal consumption as well as for export, it is rather surprising that the Tea Board has not prepared any planned programme of increasing the acreage under tea so far. The Committee feel that the Tea Board should have prepared such a programme in consultation with the Tea industry and ensured its implementation. The Committee hope that the Board would at least now take suitable steps in this regard.

REPLY OF GOVERNMENT

It would not appear correct to interpret Sec. 10(2) (a) of the Tea Act necessarily to mean increase of production. The normal connotation of the term "regulation" as well as the fact that when the Tea Act of 1953 was enacted, the International Tea Agreement to which India was a party, was in force would indicate that if anything, its purpose was perhaps restrictive. For, under the International Tea Agreement, the acreage and exports were restricted to specified limits. Even after the abrogation of the Agreement, there was a widespread apprehension of world supply outstripping demand thereby making the producers diffident about increasing their acreage. This was strengthened by an assessment of the FAO in 1959-60 to the same effect. Sir Percival Griffiths, a leading representative of the non-Indian tea producing community in India, which constitutes nearly 70 per cent of the Industry in the country, also made a similar assessment. As a result of persistent efforts on the part of the Board and Government backed by Board's own studies of world trends, the FAO agreed as late as March 1963, with our views that there was no danger of world production exceeding world consumption in the foreseeable future. About the same time, the non-Indian section of the Industry also accepted the Board's assessment that there was no danger of world production of tea outstripping demand in the foreseeable future. The removal of this very real inhibiting factor by the Board's efforts was perhaps the most significant step in going in for increased production.

The programme of infilling, replanting, replacement and extension for the Third Five Year Plan elicited by the Board from individual tea estates works out to about 3 per cent of the existing acreage. The actual performance is about 2 per cent.

While the Industry is fully willing to co-operate, they are in need of certain measures of assistance like treating expenditure on extension as a revenue charge or allowing depreciation|development rebate on Tea bushes to undertake such programmes. The Board has taken up the matter which is under consideration of Government. In the meantime, to increase acreage, the rules relating to extension of tea gardens have been fully liberalised and permits are granted as a matter of course to all applicants. The Forest Enactments of certain State Governments and resumption of land suitable for tea cultivation by certain other State Governments come in the way of increasing the acreage under tea.

In consultation with the industry, the Tea Board has assessed that an annual programme of expansion of 24,000 acres of new plantings is necessary. With a view to enable the industry to carry out this programme provision of financial and other assistance is necessary and the Tea Board is pursuing the matter.

[Ministry of Commerce O.M. No. 5(3) Plant (A)/64 dated 10th December, 1964]

Recommendation (Serial Nos. 4 and 33) Para Nos. 21 and 129.

Para. 21. The Committee find that no co-operative of small growers for the purpose of making available technical help, fertilisers and other assistance has been organised so far by the Tea Board although one of the functions of the Board is 'to promote co-operative efforts among growers and manufacturers of tea'.

It is well recognised that the solution to the problems of small growers lies in organising them into co-operatives for production, manufacture and marketing. The Committee, therefore, recommend that the Board should take more positive interest in the matter of organisation of co-operatives of small and uneconomic gardens and give them incentives to join such co-operatives. They hope that a planned programme for development of co-operatives would be evolved and implemented at an early date.

Para. 129. In order to help the small growers who are in greater need of guidance and have no easy access to sources of scientific knowledge, the Committee recommend that the Tea Board should organise an effective advisory service. It should be the function of

the service to contact small and medium growers to find out their problems and give them prompt advice and guidance in the matter of suitability of soil, its conservation, planting methods, selection of seeds, application of fertilisers etc.

The Committee suggest that a phased programme may be prepared, for this purpose by according priority to regions where response will be immediate and the need greatest.

REPLY OF GOVERNMENT

The Board is assisting with technical advice and finances the setting up of co-operative tea factories. It is also rendering technical advice through its Field Advisory Officers posted in Kangra and South India. Steps are being taken to post a few other Advisory Officers in the different tea growing regions. The Field Advisory Officers are rendering to small growers technical advice on improved methods of tea planting etc.

A special research scheme has been started at the Palampur Demonstration Farm with financial assistance from the Tea Board to help the small growers in Kangra. A co-operative tea factory has been established at Kundah with financial assistance from the Board. Another co-operative tea factory is being set up in Teekoy, Kerala, for which the Board has advanced a loan of Rs. 3 lakhs. Another loan of similar value has been advanced to the Punjab Government towards the cost of setting up of a co-operative tea factory at Bir in the Kangra District. A number of other co-operatives are being formed in the Nilgiris.

The State Governments concerned have been requested to draw up in consultation with the Board suitable schemes for rendering aid to small growers through co-operatives out of funds to be placed at their disposal. A scheme drawn up by the Madras Government to cover all small growers in the Nilgiris with co-operative societies has been sanctioned by the Board. It has also approved of a scheme for the grant of fertilisers subsidy to small growers who are members of co-operatives.

The starting of tea auctions by the Board in Coonoor is also a step calculated to help the small growers. The Board's assistance has been made available to the Kerala Government in formulating a scheme to set up a co-operative tea garden by small growers who have encroached on forest lands from which they have been evicted.

It will, therefore, be clear that the interests of the small growers have continued to receive the attention of the Tea Board. The assis-

tance generally has been on co-operative lines. However, the Estimates Committee's recommendations regarding a planned programme for development of co-operatives and expansion of the Advisory Service for the benefit of small and medium growers have been noted.

[Ministry of Commerce O.M. No. 5(3) Plant (A)/64 dated 10th December, 1964.]

Recommendation (Serial No. 5) Para No. 23.

Since fragmentation results in uneconomic estates, loss of efficiency and lower yield, the Committee suggest that Government should bear this problem in mind and may examine, at a suitable stage, whether any control is necessary over the fragmentation of tea estates in the country.

REPLY OF GOVERNMENT

Suggestion of the Committee has been noted.

[Ministry of Commerce O.M. No. 5(3) Plant (A)/64 dated the 10th December, 1964.]

Recommendation (Serial No. 10) Para No. 38.

The Committee appreciate that climatic conditions play a very important part in the yield of agricultural commodities like tea. Nevertheless they feel that the absence of a well laid out programme of replatings, replacements and extensions of tea gardens along with the lack of irrigation and fertilisers facilities is also responsible for industry's inability to sustain the present level and achieve a better rate of production. The Committee hope that the Tea Board and the Industry would prepare suitable plans and take vigorous measures to increase production of tea in the country.

REPLY OF GOVERNMENT

The observations of the Estimates Committee have been noted. The different measures adopted for increasing production have been explained in detail in our replies to paras. 11, 28, 29, 30, 33, 66-68 of the report.

[Ministry of Commerce O.M. No. 5(3) Plant (A)/64, dated the 10th December, 1964.]

Recommendation (Serial No. 11) Para Nos. 42—44.

Viewed from the past trends in total production and yield per hectare alike, it is evident that the target of production of 408 m.kg

in 1965 i.e., an increase of 64 m.kg in production in the remaining two years, is difficult to realise.

While the Committee recognise that unforeseen circumstances like bad weather conditions can arise which may require adjustments in production programme, they consider that the targets of production in such cases should be based on scientific and detailed data and in consultation with the industry. It is unfortunate that targets fixed for the third plan were not realistic. For planned development it is essential that targets are realistic and capable of achievement. The Committee would, recommend that targets of production for the remaining two years of the Third Plan may be revised realistically and every efforts should be made to achieve them. They trust that targets of production for the Fourth Five Year Plan, would be fixed realistically with full and frank consultation with the industry and on scientific data so that there will not be any difficulty in achieving those targets by the industry.

REPLY OF GOVERNMENT

The Sub-Group on Tea set up for formulating targets for the Fourth and Fifth Five Year Plans has suggested that the targets for production and exports at the end of Third Five Year Plan should be revised from 900 m.lbs and 610 m.lbs to 830 m.lbs and 530 m.lbs respectively. The Committee's suggestions in regard to the fixation of targets at the end of the Fourth Plan period have been noted.

[Ministry of Commerce O.M. No. 5(3) Plant (A)/64 dated the 10th December, 1964.]

Recommendation (Serial No. 12) Para Nos. 46-47.

The Committee do not share the views of the Chairman of the Tea Board "that further increase in the average all India yield of tea per hectare may not be much as the industry has already achieved a good deal". On the other hand they feel that there is considerable scope for improvement in the yield per hectare. They have no doubt that by planting high yielding strains of tea and by adopting improved methods of cultivation on a large scale, the yield can be considerably increased. The Committee recommend that energetic and effective measures should be taken by the Board to increase the yield per hectare. One of the measures that should immediately be taken is to popularise improved methods of tea cultivation and the planting of better strains among tea growers, particularly small growers.

REPLY OF GOVERNMENT

The Tea Board has adopted measures for increasing the yield of tea per hectare. It will be asked further to intensify these measures.

[Ministry of Commerce O.M. No. 5(3) Plant (A)/64 dated the 10th December, 1964.]

Recommendation (Serial No. 13) Para No. 50.

It appears that the Board has not studied the problems and difficulties faced by the Tea Estates in these areas to improve their condition and the measures taken by it have proved ineffective. It is evident that there is vast scope for increasing the yield of the Tea in these areas. The Committee recommend that concrete and immediate steps should be taken by the Board to help the growers of tea in these areas to increase their output.

REPLY OF GOVERNMENT

The problems of tea growers in Bihar, Tripura, U.P., Punjab and Himachal Pradesh are constantly under review by the Tea Board.

[Ministry of Commerce O.M. No. 5(3) Plant (A)/64 dated the 10th December, 1964.]

FURTHER INFORMATION CALLED FOR BY THE COMMITTEE

Please indicate the concrete steps taken by the Tea Board to, help the growers of tea to increase the average yield and quality of tea in the following areas:

- (i) Bihar, (ii) Tripura, (iii) Uttar Pradesh, (iv) Punjab, (v) Himachal Pradesh.

Please also clarify in particular the steps taken to rectify the two known shortcomings, lack of up-to-date "know-how" and poor management.

[Lok Sabha Sectt. O.M. No. 5(3) EC/65, dated the 4th May, 1965].

FURTHER REPLY RECEIVED FROM GOVERNMENT

Bihar—There are only three tea estates in Bihar with a total area of about 1300 acres and they do not have much scope for expansion.

A meeting between the representatives of the State Government, Tea Board and the owners of the existing gardens was held at Patna

in September, 1964, to consider ways and means for development of tea plantations in the State. It was suggested in the meeting that having regard to the climatic conditions, there was scope for opening up of new tea plantations in North Bihar. The owners of the existing gardens expressed willingness to start new plantations in the area if suitable land and other facilities were available. It was decided that the State Government would examine the availability of suitable land in North Bihar for tea plantations purposes.

(ii) *Tripura*.—The Tea Board and the Government of Tripura have agreed to offer all possible assistance for development and expansion of tea gardens in Tripura and the Tripura Tea Association has been asked to draw up a comprehensive programme in this behalf.

(iii) *Punjab and Himachal Pradesh*.—As the long term rehabilitation and the development of the tea industry in this region depends mainly on new plantation, agricultural trials with improved varieties of seeds and clones are being undertaken under the auspices of the Board with a view to finding out the varieties most suited to the region. Manufacturing trials with an "8" Rotorvane are also being undertaken in a selected tea estate with a view to improving the processing and quality of made tea. A considerable amount of further research work both in the field and factory will, however, have to be undertaken on a continuing basis for planning and long term development of the industry in this region. Since the T.R.A. would be the best agency for the purpose, steps are being taken through the producers Association to persuade the planters to join the T.R.A. as early as possible.

With a view to improving the yield of the large number of small tea plantations in Kangra and Kerala, the Board has recently introduced a fertiliser subsidy scheme for the small growers in these States. In case of Kangra, the scheme is applicable to all tea estates with an area of 50 acres or less which are members of co-operatives.

(iv) *Uttar Pradesh*.—Agricultural trials similar to those in Kangra are also being undertaken in selected tea estates of Dehra Dun District for planning the long term development of the industry in this region. As irrigation is one of the major problems of the tea plantation in this area, efforts are being made to introduce a pilot scheme for artificial irrigation by sinking a deep tubewell in a selected tea estate.

Apart from the measures stated above, the following steps have also been taken to rectify the lack of upto date know-how and poor

management in the tea plantations of Kangra, Himachal Pradesh and U.P.:—

- (a) A regional office of the Tea Board has been established at Dharmasala under a Field Advisory Officer for rendering technical advice and guidance to planters in the up-to-date methods of tea cultivation and manufacture and the over-all supervision of the Directorate of Tea Development.
- (b) The Board is sponsoring periodical visits of groups of planters from these areas to tea estates of Assam and West Bengal with a view to making them conversant with the modern techniques of tea cultivation and manufacture.

[Ministry of Commerce O.M. No. 5(3) Plant (A)/64 dated the 31st July/4th Aug., 1965].

Recommendation (Serial No. 17) Para No. 58.

The Committee recommend that the Tea Board should at least now take effective steps to see that there is steady improvement in the quality of tea produced in the country from year to year. For this purpose they should encourage producers to rehabilitate their factories and gardens with modern equipment, to replace worn out bushes to plan extensions and replantations and use the best methods of producing quality teas at cheaper cost.

REPLY OF GOVERNMENT

Improvement in the quality of tea produced cannot be adequately reflected in statistics. Improvement is a constant process. The term quality is relative and also varies, to some extent, in accordance with the taste of consumers in different countries. Bulk tea is sorted into grades which are associated with quality and a broad division of this bulk into percentages of high quality, medium quality and low quality always exists. In fact the qualities under the three categories continue to improve with the result that for instance, what is termed as high quality tea today may, 10 years hence, be defined as low quality tea.

The Tea Board does receive regular reports from the broker's firms as to the quality of teas sold in Auctions. The quality has been improving and such improvement has been due to replanting, use of improved jats, vegetative propagation, modernisation of factories and better manufacture, etc. The encouraging increase in

exports during the last 3 years, even though the total crop had not increased in 1962 and 1963 compared to 1961, is an index of the increased demand for Indian tea which, in the face of higher production in all other countries, can be attributed mainly to improvement in the quality of Indian tea.

[Ministry of Commerce O.M. No. 5(3) Plant (A)/64 dated the 10th December, 1964.]

Recommendation (Serial No. 19) Paras Nos. 66—68.

The Committee regret to observe that so far no detailed study of irrigation difficulties faced by the tea estates had been made and that the State Governments have not taken much interest in providing irrigation facilities to them in their respective areas. Due to the vagaries of nature and the drought conditions repeating themselves year after year, the provision of the irrigation facilities to tea estates is of paramount importance for increased production and to improve the quality of tea, the Committee recommend that a detailed study of the irrigation difficulties faced by the tea estates in the various regions should be undertaken by the Board without any further loss of time. At the same time the State Governments may be approached to render active assistance in this matter.

The Committee have no doubt that the State Governments in their own interest would help the tea estates within their areas as the tea industry plays a very important role in the economy of these areas and contributes substantially to the revenues of the State Governments. In case any difficulty is experienced by the Tea Board in obtaining assistance from State Governments in this regard, it should seek the assistance of the Central Government.

REPLY OF GOVERNMENT

The industry and Tea Board are cognisant of the need for irrigation in the tea plantations in North-East India. The services of a number of established firms are being utilised by the industry for purchase of irrigation equipment. The Tea Board also assists the industry by providing irrigation equipment under the Hire Purchase Scheme which has a foreign exchange allocation also for import of necessary items.

The main problem, however, is provision of sources of water, the most economic source being reservoirs of surface water and sources of running water located generally outside the tea areas. Provision

of these resources falls under minor irrigation facilities, a State subject. The Tea Board is not equipped for the task of carrying out a survey of irrigation facilities. This can appropriately be done only by the irrigation Department of the State Governments. The Tea Board accordingly requested the State Governments of Assam and West Bengal to make a survey in order to provide sources of water either by dams or bunds. The response from the State Governments unfortunately has not been encouraging. The Tea Board has prepared a scheme for sinking tubewells for irrigating tea estates. The scheme has been approved and is being implemented.

In view of the recommendation of the Estimates Committee it is proposed to approach the State Governments again for surveying irrigation facilities available for the plantations.

[Ministry of Commerce O.M. No. 5(3) Plant (A)/64 dated the 10th December, 1964.]

Recommendation (Serial No. 20) Para No. 72.

The Committee have dealt with the recommendation of the Plantation Inquiry Commission regarding replantation of overaged bushes in paras 32 and 33 of the report. Even if Plantation Finance Scheme is considered to be in implementation of the recommendation of Plantation Inquiry Commission, it is regrettable that the Board has taken six years in doing so. From the results achieved so far, it appears that the scheme has not made much headway. The Committee hope that wide publicity will be given to popularise this scheme among the tea growers so that full advantage is taken of it. Any procedural or other difficulty in its implementation should be removed as early as possible.

REPLY OF GOVERNMENT

The scheme was sanctioned by Government in March, 1962; necessary arrangements with the Bank authorities in regard to the form of agreement were finalised in October, 1962. There was a set back at this stage because of the Emergency. The scheme could be effectively started only from February, 1963. In one year, applications amounting to nearly Rs. 5 crores have been found acceptable and an amount of over Rs. 2 crores has been committed.

Wide publicity was given to the scheme in the tea growing regions all over India. In addition, the scheme was publicised through the Tea Producers Association. Individual estates were also addressed: the shortfall in their programmes of plantation was pointed out and the facilities available under the scheme were

spelt out. A printed pamphlet bringing out—the schemes of financial and other assistance to the tea industry including the Plantation Finance Scheme was brought out and circulated. The Board has also simplified the procedural details in sanctioning loans under the Scheme.

[*Ministry of Commerce O.M. No. 5(3) Plant (A)/64 dated the 10th December, 1964.*]

Recommendation (Serial No. 21) Para No. 81.

The Committee are not convinced by the reasons for the delay in taking up development schemes. It is unfortunate that it took two years for the Board and Government to fill the post of Director of Production Control. Even after the appointment of the Director of Production Control in 1958, the Board took another three years to initiate and activise their schemes. The Committee hope that at least now the Board will pay increasing attention to the development of tea production which is its primary function.

REPLY OF GOVERNMENT

There was delay in filling up the post and in activising the schemes but the following observations will indicate that the delay occurred due to circumstances beyond the control of the Tea Board.

(a) *Filling up of the post of Director, Tea Development.*—According to the normal procedure, the post was advertised but no suitable candidate could be found. Efforts were made thereafter to locate a suitable candidate from the industry and this took a long time because really suitable persons were not too willing to come.

(b) The schemes were drawn up by the Tea Board immediately after the appointment of the officer and submitted to Government. The schemes put together involved an expenditure of Rs. 2/3 crores meriting a detailed examination at Government level which took time.

The work of development has since gathered momentum; the amounts sanctioned by Tea Board so far are:

Tea Machinery	— Rs. 2.4 crores
Irrigation equipment	— Rs. 0.5 crores

2. As desired by the Estimates Committee the Tea Board will continue to pay increasing attention to the development of tea production.

[*Ministry of Commerce O.M. No. 5(3) Plant (A)/64 dated the 10th December, 1964.*]

Recommendation (Serial No. 22) Para No. 84.

The Committee are glad that the requirements of tea industry for the supplies of fertilisers and coal are being met satisfactorily. They appreciate the difficulty in the supply of Cement and Iron and steel to the industry during the present emergency. The Committee trust that the Board would continue to help the industry in securing essential stores of good quality at fair prices. The desirability of establishing cooperatives to supply these stores particularly to the small growers may also be considered by the Board.

REPLY OF GOVERNMENT

In the matter of procurement and distribution of essential controlled materials, the assistance rendered by the Board is towards securing allotment of available quotas from the authorities concerned and sponsoring their movement through rail/river. The prices of such articles are fixed by Government. As regards importation of machinery, essential snare, insecticides, irrigation equipment, etc. the Board renders all possible help in getting the import licences out of the foreign exchange allocation placed at its disposal. The prices are on the basis of ruling market prices as acceptable to the garden who negotiate it directly. So far as small growers are concerned the Board's programme is to organise them into co-operatives through State Governments. The co-operatives would handle all essential supplies wherever possible. Three such co-operatives have already been formed and six are in the offing.

[Ministry of Commerce O.M. No. 5(3) Plant (A)/64 dated the 10th December, 1964.]

Recommendation (Serial No. 23) Para No. 85.

The Committee feel that since marketing and communications are of great importance to the industry, it is very desirable that the programme for laying the Railway lines is completed as early as possible.

REPLY OF GOVERNMENT

The recommendation has been noted.

[Ministry of Commerce O.M. No. 5(3) Plant (A)/64 dated the 10th December, 1964.]

Recommendation (Serial Nos. 24, 25, 26 and 27) Paras Nos. 91, 93, 97 and 110.

Para No. 91: The Committee appreciate that increase in the internal consumption of tea as well as good prices prevailing in the internal market have affected the exports of tea from the country during the recent years. They feel that the supply from this country is also not keeping pace with the demand for tea in the international markets. Such a situation would have been avoided, had the Board prepared estimates of production, internal consumption and exports of tea earlier. Timely and effective measures were also called for to increase production. In that case the need to put curbs on the increasing internal consumption of tea would have been obviated. Apart from the compelling necessity of increasing the production of tea in the country, which has been stressed earlier, the Committee recommend that the Tea Board should make vigorous efforts to increase the exports of tea. They hope that necessary steps would be taken in the matter.

Para No. 93: Considering that there has not been any significant improvement in the export of tea during the last four years, and the production has also not increased in the last two years, it is doubtful if the Tea Board would be able to achieve the export target laid down in the Third Five Year Plan. In this connection it is significant that the Second Plan export target of about 500 million lbs. was also not reached and there was a shortfall of about 69 million lbs., which could have earned over Rs. 10 crores of foreign exchange. The Committee are not happy at the shortfalls in achieving the targets laid down in the Plans. They recommend that targets should be fixed realistically and every effort should be made to achieve them otherwise the significance and importance of laying the targets would be lost. The Committee further recommend that Plan targets should be split up into annual targets so that the progress made in achieving them is watched from year to year and action is taken in time to remedy the deficiencies, if any.

Para No. 97: The Committee feel concerned at the declining trend of export of Indian tea in foreign markets particularly the traditional ones. What is more disturbing is the fact that in spite of Indian tea being the best and India the largest producer and exporter, the image of Indian tea has not been well projected in the importing countries. On the other hand, Ceylon has stolen a march in as much as all good tea is now considered to be 'Ceylon Tea'. The Committee cannot over-emphasise the importance of vigorous and effective measures to propagate and popularise Indian tea in foreign

countries. They recommend that concerted efforts should be made by the Board to increase and boost up the exports to the traditional markets and explore new ones by intensifying and gearing up their propaganda machinery and campaigns in those countries.

Para No. 110: The Committee recommend that a review of the effectiveness of the methods of publicity and propaganda abroad may be undertaken by the Board so as to make them more vigorous and purposeful. In this connection they suggest that the publicity methods adopted by the Ceylon Tea Propaganda Board may also be studied by the Board for adopting them suitably to gear up its propaganda machinery abroad.

REPLY OF GOVERNMENT

In para 91 of the Report, the Committee have referred to the need for timely and effective measures to increase production which would have obviated the need of putting curbs on increasing internal consumption. No curbs have so far been put on internal consumption. Only the anomalous position under which export teas were subject to higher fiscal levies by way of export duty has been removed by abolition of export duty with effect from fiscal year 1963-64. The measures for increasing production have been dealt with earlier. However, the following table will make clear the trend of rising production.

Production.—Production of tea in India during the period 1952—61 has risen from 614 m. lbs. to 780 m. lbs. an increase of 166 m. lbs. which is roughly 25% of the total production and between 1952—63, the increase is 146 lbs. which is about 23% of the production. Production during 1952 and the last three years both in the North and South India is as follows:—

Year	North	South	Total	Increase over 1952		
	India	India		North India	South India	Total
	(in m. lbs.)			%	%	%
1952	504	110	614			
1961	603	117	780	79(15.7)	67(60.9)	166(27.4)
1962	580	180	760	76(15.1)	70(63.6)	146(23.8)
1963	566	194	760	62(12.3)	84(76.4)	146(23.8)

During the last two years production has suffered on account of a repeated unfavourable weather in North-East India which region alone accounts for nearly 76 per cent of the total crop. The likely estimated production for 1965 is 830 m. lbs.

2. Para 93 of the Report refers to a Second Plan export target of 470 to 500 m. lbs. That does not appear to be correct as no specific targets for either production or export were fixed for the second Plan period.

3. In para 97, the Committee refers to the declining trend of exports. This is not borne out by facts as will be evident from the following table:

Exports: Quantity and value of exports year-wise between 1955 and 1963 is as follows:—

Year	Qty. in lbs.	Value in m. crores Rs.	% of World export share
1955	368	113.6	36.9
1956	524	142.8	42.2
1957	443	123.4	39.1
1958	505	136.5	40.8
1959	471	126	39.6
1960	425	120	36.5
1961	455	124	37.9
1962	472	125	38.2
1963	493	132.4	40.0

It will thus be seen that since 1960 both in terms of quantity as well as in terms of foreign exchange earnings, exports have been increasing.

4. In para 95 of the Report, the Committee have commented on the significant decline in exports to U.K. in 1962. It has to be borne in mind that from October, 1962 to January, 1963, nearly 100 m. lbs. of tea were locked up in Assam and North Bengal as a result of the river crew strike and effect of Emergency on movements. In 1963, our exports to U.K. are higher by about 35 m. lbs. over 1962, accounting for over 53% of total imports of tea in U.K. compared to 47% in 1962.

Our share of world exports have also gradually come upto 40% as against 36.5% in 1960-63 exports were the highest in the last five years, both quantitatively and as regards foreign exchange earnings.

The following table relating to expenditure will indicate that increasing attention is now being paid to publicity and propaganda abroad in respect of tea. However, as suggested by the Committee, the Tea Board will be asked to review the methods of publicity and

propaganda adopted by them and convey the results of the review to them.

(Lakhs of Rupees)

	1959-60	1960-61	1961-62	1962-63	1963-64
Generic	42.46	22.74	17.33	12.83	14.72
Uninational	3.26	7.37	13.32	23.43	44.30
Total	45.72	30.11	30.65	36.26	59.02

[Ministry of Commerce O.M. No. 5(3) Plant (A)/64 dated the 10th December, 1964.]

Recommendation (Serial No. 28) Para No. 114

While the Committee concede that there may be some justification for running Tea Centres in the country, they feel that a definite criterion of performance should be laid down for them. It would be desirable that efforts are made that these Centres at least meet their running expenses.

REPLY OF GOVERNMENT

It is conceded that by and large the tea centres/buffets aim at meeting their running expenses out of their receipts. In practice, however, it has not been possible to make them pay their way. These units have been set up primarily with an eye on the foreign visitors. As long as their function is to serve as model tea servicing units and not as commercial catering establishment, expenditure may continue to exceed income. Note has, however, been taken of the recommendation of the Estimates Committee.

[Ministry of Commerce O.M. No. 5(3) Plant (A)/64 dated the 10th December, 1964].

Recommendation (Serial No. 29) Para No. 119

Apparently no concrete results have been achieved from the various research schemes, on which an expenditure of about Rs. 5 lakhs has been incurred. The Committee are doubtful whether such schemes would prove effective and beneficial to the industry. They recommend that a review of these schemes may be carried out on the basis of the results achieved so far.

REPLY OF GOVERNMENT

In pursuance of the P.I.C.'s recommendation, the Board made a comprehensive survey of the existing facilities for research on tea

in the country and decided to sponsor and finance certain schemes of research on problems which have not been covered by the existing tea research establishments. As a result of these endeavours, different schemes of research on tea have been in operation at various universities and technical institutions, the results of which are being published from time to time in the Board's Scientific Publications series and also in other accredited scientific journals. Amongst the concrete results achieved from these research schemes are:—

- (i) Comprehensive data have been collected about the different vitamins content in Indian teas and these have contributed to the world knowledge on the question of nutritional aspects of tea. The results are of considerable value for the promotion of tea as a nutritious beverage.
- (ii) Data on the Chemical composition of Indian teas with particular reference to the seasonal, regional and grade variations therein have been collected and these provide the main basis for formulation of Indian standards for tea.
- (iii) Methods have been devised for the detection of certain types of adulteration in tea.
- (iv) Methods for the preparation of Instant Tea and similar soluble concentrates of tea have been developed using either made tea or green leaf as the starting material.
- (v) Information based on an intensive survey has been obtained in regard to the possibility of biological control of certain pests of tea.
- (vi) Preliminary information regarding the nature of microfauna population in tea soils of Kerala and the various cultural operations on the microfauna population have been collected.

The Schemes are normally sanctioned by the Board on a 3-year tenure basis. The progress of the schemes is reviewed from time to time by the Research Liaison Committee of the Board which includes eminent scientists from all over the country.

Annual assessment of the progress achieved in each of the schemes of research financed by the Board is carried out by a special Advisory Panel set up by the Tea Research Liaison Committee of the Board. Such an assessment was carried out at the end of the financial year 1963-64. The Advisory Panel was satisfied with the progress made in all the *ad-hoc* schemes of research and recommended their continuance during the financial year 1964-65, and this recommendation was accepted by the Tea Research Liaison Committee and the full Board at their meetings held in Calcutta on the 24th and 26th March, 1964 respectively.

It will be seen from the preceding paragraphs that the results of the researches carried out by different Universities and Technical Institutions are being reviewed regularly. It is also evident that the results achieved so far are satisfactory.

[Ministry of Commerce O.M. No. 5(3)Plant (A)/64 dated the 10th December, 1964].

Recommendation (Serial Nos. 30 and 32) Para Nos. 123 and 128

Para No. 123: The Committee regret that the Tea Board which is charged with the responsibility of undertaking research, did not ensure that the fruits of research are available for practical application to all tea growers, particularly the weaker section. They hope that the Tea Board would take suitable measures in this direction in future.

Para No. 128: The Committee regret the delay in setting up Central Tea Research Institute. The delay indicates that the question of research on tea has not been given due importance by the Tea Board. Consequently no unified research on tea has so far been carried out. The achievements of research have not been widely disseminated and thus have not contributed to the maximum development of the industry in the country. The Committee consider it hardly necessary to emphasise the need for scientific research and the practical application of scientific knowledge for the progress of any industry. Since the promotion of research is of vital importance to the development of any such industry, the Committee hope that every effort will be made to set up a Central Tea Research Institute at a very early date. At the same time it would also be necessary to set up regional research centres to deal with the problems pertaining to each region.

REPLY OF GOVERNMENT

In order to undertake co-ordinated research on tea directly under the aegis of the Board, a scheme was prepared for setting up a

Fundamental Tea Research Institute with its attached sub-stations in different tea growing areas in the country. The scheme was drawn up under the supervision of the Board's Tea Research Liaison Committee which virtually functioned as the Directorate of Tea Research. It was, however, subsequently superseded by the proposal for converting the existing Research Institute at Tocklai into a Central Research Organization with financial assistance from the Board and C.S.I.R. and T.R.A. came into existence in January this year. The Tea Board pursued the proposal vigorously. With the T.R.A. functioning, the Board would be able to remove the existing difficulty regarding non-availability of knowledge of research to the weaker section of the tea industry by insisting on regional sub-stations.

As an interim measure, the Board have instituted a scheme under which the weaker section of the industry can avail of the scientific advice from the existing research stations by paying only half of the prescribed fee, the other half being subsidised by the Tea Board. Regarding the question of the Board taking over the Experimental Farm at Palampur, the Punjab Government was approached to hand over the Farm to the Board for necessary expansion to cater to the needs of the tea industry in Kangra. The State Government, however, did not agree with the proposal. They suggested that while the farm should be retained by the State Government, the Board should assist in its development through technical advice and financial assistance. Accordingly a five year scheme of research for the improvement of the tea industry in the hilly areas of Punjab was instituted at the Palampur Experimental Farm with financial Assistance from the Tea Board.

[Ministry of Commerce O.M. No. 5(3)Plant (A)/64 dated the 10th December, 1964].

Recommendation (Serial No. 34) Para No. 130

The Committee feel that standardisation is very essential to maintain and improve the quality of tea, and hope that the work of fixing the grade standards of tea would be expedited.

REPLY OF GOVERNMENT

With the active collaboration of the Tea Board, the Indian Standards Institution have already drawn up a draft Indian Standard Specification for black tea. The draft is now under wide circulation for eliciting comments before finalisation. These standards are, however, meant to be 'quality' standards from the point of view of

purity rather than 'grade' standard in the trade sense as the latter will depend largely on the buyers' requirements and any precipitate action to prescribe such grades will affect exports.

[Ministry of Commerce O.M. No. 5 (3) Plant (A) /64 dated the 10th December, 1964].

Recommendation (Serial No. 35) Para No. 134

The Committee are rather surprised to note that no systematic research has so far been carried out by the Board on the specific uses of tea waste which is being produced in the country to the tune of 10 million kgs. annually. It is regrettable that no statistics are being maintained of tea waste which is used as manure or is being dumped or destroyed and hence the Committee are unable to assess the quantity that is being used for adulteration of tea. The Committee suggest that these statistics should be maintained and effective measures should be taken to find out alternative use for the tea waste and its proper utilisation.

The Committee would further urge that research on Instant Tea should be expedited and its production put on commercial basis without any delay as it will open new market for tea. In this connection it is significant that Ceylon has already achieved a measure of success in the development of manufacturing Instant Tea.

REPLY OF GOVERNMENT

The uses of tea waste as manure and for the production of Caffeine are already known. The Board maintains statistics relating to production, export and utilisation of tea waste for manufacture of Caffeine. Destruction of tea waste is done under the strict supervision of the Central Excise Authorities. Statistics relating to such tea waste can, if required, be collected by the Board. Instructions will be issued to the Board to organise research with a view to finding out other uses for tea waste.

Concentrated research on production of Instant Tea is already being pursued by the Board at the University College of Science and Technology, Calcutta, and the Central Food Technological Research Institute, Mysore. The experimental samples produced by the methods developed in these researches are comparable to popular commercial brands of instant Tea produced in foreign countries both in regard to solubility in water as well as in cup character. As a matter of fact, the samples produced have been found by tasters more acceptable than many of the Commercial brands of Instant Tea

available in the market. Possibility of commercial utilisation of the process developed by the research is being pursued by the Board.

A plant in the private sector for the production of instant tea having a rated capacity of about one million lbs. a year is nearing completion in Kerala and is expected to go into production by August, 1964. The Plant will utilise a patented process developed by private commercial firms. More firms have evinced interest in the manufacture of Instant Tea.

[Ministry of Commerce O.M. No. 5(3)Plant (A)/64 dated the 10th December, 1964].

Recommendation (Serial No. 36) Para No. 135

The Committee hope that the problem of adulteration of tea would continue to be effectively dealt with by the Tea Board with the cooperation of administrative authorities.

REPLY OF GOVERNMENT

The recommendation has been noted.

[Ministry of Commerce O.M. No. 5(3)Plant (A)/64 dated the 10th December, 1964].

Recommendation (Serial No. 37) Para No. 139

The Committee consider that the labour welfare schemes of the Board should normally be confined to the tea garden workers rather than to higher pay groups as the workers are large in numbers and in greater need of assistance. They hope that necessary steps would be taken to this end.

REPLY OF GOVERNMENT

According to the definition of "Worker" under the Plantation Labour (Amendments) Act 1960, a "worker" means a person employed in a plantation for hire or reward directly or through any agency, to do any work skilled, unskilled, manual or clerical, whose monthly wages do not exceed Rs. 300. Medical Officers and managerial staff are excluded from the definition of "worker". As such higher pay groups are already excluded from the benefits of the labour welfare schemes.

[Ministry of Commerce O.M. No. 5(3)Plant (A)/64 dated the 10th December, 1964].

Recommendation (Serial No. 38) Para No. 141

The Committee note that the actual expenditure during the last three years has fallen short of the grants sanctioned by the Board against approved general labour welfare schemes. They feel that the performance of the Board in this respect needs to be improved considerably.

REPLY OF GOVERNMENT

The grants made towards labour welfare schemes are in respect of schemes approved by the Board in a particular financial year. The actual disbursements against the sanctioned grants are made on the basis of the progress of work in respect of each scheme. It will be seen that expenditure during the last three years was on the basis of the actual progress of work, since the entire amount is not disbursed at a time but is phased according to the completion of the constructional work, there is bound to be some gap between the grants sanctioned and the actual expenditure. This is inherent in the nature of the scheme. Tea Board will of course continue to ensure that the gap between the grants sanctioned and the actual disbursement is not large.

[Ministry of Commerce O.M. No. 5(3) Plant (A)/64 dated the 10th December, 1964].

Recommendation (Serial No. 41) Para No. 153

The Committee are constrained to observe that there has been undue delay in the construction of the new Tea Warehouse at Calcutta. It is surprising that in spite of the decision of Government that Tea Board should take over the management of these warehouses, the matter has not been finally decided so far. The Committee urge that an early decision should be taken in this regard and steps taken to ensure that the warehouse which has been built at considerable expenditure is put to use without loss of further time.

REPLY OF GOVERNMENT

The new Tea Warehouse is being constructed by the Calcutta Port and not the Tea Board.

The Tea Boards has already given a guarantee of occupation of the new Tea Warehouse for 60 years on certain terms to the Calcutta Port Commissioner. A similar guarantee was given by the Board in respect of the existing public Tea Warehouse when the lease with Balmer Lawrie would expire and the warehouses would be taken over by the Board.

The Tea Board does not have the organizational resources for this special type of work. It, therefore, approached the Central Warehousing Corporation for taking over the management of the warehouses. The Corporation, in spite of protracted negotiations, did not agree to take over the job. The Board had therefore to explore other alternatives e.g. consortium of the Tea Traders Association etc. for running the Tea Warehouses. In the meantime, however, the Central Warehousing Corporation have reconsidered their earlier decision and expressed their willingness in principle to run the Tea Warehouses. The details have yet to be negotiated, but it is expected that the arrangement will be tied up well before the construction of the new Tea Warehouse is completed.

[*Ministry of Commerce O.M. No. 5(3) Plant (A)/64 dated the 10th December, 1964*].

Recommendation (Serial No. 43) Para No. 156

As there is a risk of the contagion spreading over from the smaller estate to the bigger estate, the Committee feel that necessary steps should be taken to make spraying equipment easily available to the small growers, where necessary.

REPLY OF GOVERNMENT

The recommendation has been noted.

[*Ministry of Commerce O.M. No. 5(3) Plant (A)/64 dated the 10th December, 1964*].

Recommendation (Serial Nos. 44 and 45) Para Nos. 160 and 164

Para No. 160: The Committee consider that the tasks before the Board for the development and promotion of tea are quite heavy and would require it to undertake increased activities in the fields in future. They suggest that the desirability of augmenting the resources of the Board suitably may be examined by Government.

Para No. 164: It is noted that cesses are levied in Ceylon to meet specific activities relating to the development and promotion of tea industry. The Committee trust that while considering the measures for augmenting the resources of Tea Board, the comparative position of the levies in India and Ceylon will be taken into account.

REPLY OF GOVERNMENT

The suggestions of the Committee have been noted.

[*Ministry of Commerce O.M. No. 5(3) Plant (A)/64 dated the 10th December, 1964*].

Recommendation (Serial No. 46) Para Nos. 165—167

The Committee feel that heavy cash balances at the end of the years do not reflect well as very large amounts are unnecessarily blocked which could usefully be utilised for other purposes. They recommend that every effort should be made in future to keep the closing balances to the minimum and invest the same in interest bearing deposits as far as possible. The Committee trust that the Board would be more careful in preparing its budget estimates. Having budgeted for a certain amount, the Board should see that the funds are fully utilised in a planned and economic way.

REPLY OF GOVERNMENT

The recommendation has been noted.

[Ministry of Commerce O.M. No. 5(3) Plant (A)/64 dated the 10th December, 1964].

Recommendation (Serial No. 48) Para No. 171

The Committee consider it desirable that the Annual Reports of the Board should among other things, clearly bring out the physical and financial programme, achievements in relation to the programme and the prescribed objectives and functions. The Tea Statistics which are hitherto being published annually may however continue to be published separately.

REPLY OF GOVERNMENT

The recommendation has been noted.

[Ministry of Commerce O.M. No. 5(3) Plant (A)/64 dated the 10th December, 1964].

Recommendation (Serial No. 49) Para No. 173

The Committee feel that there are obvious advantages in having a smaller and more composite Board. They suggest that the matter may be examined by Government in consultation with the tea industry and the Chairman of the Tea Board.

REPLY OF GOVERNMENT

The recommendation has been noted.

[Ministry of Commerce O.M. No. 5(3) Plant (A)/64 dated the 10th December, 1964].

Recommendation (Serial No. 50) Para No. 175.

The Committee consider that frequent changes of the Chairman are not conducive to the efficient functioning of the Board as he is responsible for the proper functioning of the Board and to introduce schemes for improvement and watch their results. In this context the Committee would invite reference to paras 15 and 16 of their 125th Report (Second Lok Sabha) on Coir Board wherein they have recommended that changes of Chairman before the normal expiry of their tenures, merely on ground of administrative convenience should be avoided as far as possible. The Committee feel that the Chairman of the Board should normally hold this appointment for periods not less than four to five years, with provision, in case of contract, to terminate it earlier on grounds of inefficiency and corruption. In their view such a step will ensure continuity in the services and improve general efficiency of the Board. This will also help in building up a good management team.

REPLY OF GOVERNMENT

The recommendation has been noted.

[Ministry of Commerce O.M. No. 5(3) Plant (A)/64 dated the 10th December, 1964.]

Recommendation (Serial No. 51) Para No. 177.

In view of the fact that the functions and activities of the Board particularly for the development and export promotion of tea, assistance schemes etc., have increased considerably, the creation of the post of Deputy Chairman to assist the Chairman appears to be a step in the right direction. This arrangement should not only relieve the Chairman from his day-to-day work but also enable him to devote greater attention towards the achievements of the objectives and targets set for the Board. In this context the Committee note that this post has been treated as temporary for over seven years. They suggest that if the post is to be continued further, the question of its conversion into a permanent one may be considered by Government.

REPLY OF GOVERNMENT

The recommendation has been noted.

[Ministry of Commerce O.M. No. 5(3) Plant (A)/64 dated the 10th December, 1964].

Recommendation (Serial No. 52) Para No. 181.

The Committee feel that the desirability of continuance or otherwise of the two Licensing Committees which held no meetings during 1962-63 may be examined by the Board/Government. They also trust that the Board will go into the matter of working of all the Committees with a view to retaining such of those as may be really necessary. The Committee also feel that a Technical Committee to hold the Board on all Technical matters may be constituted by it which may, if necessary, include outsiders.

The Committee regret that till March, 1963, there was no Committee for small growers whose problems required special consideration. They trust that this Committee would prove effective in studying the difficulties faced by the small growers and providing necessary assistance and guidance to them.

REPLY OF GOVERNMENT

The functions of the two Licensing Committees of the Board relate mainly to : (i) extension of tea area on virgin soil; (ii) planting of the virgin soil in replacement of old areas; and (iii) recording of changes in ownership of tea estates, etc. Much of the work of the Licensing Committees is being done through circulation. At present the Committees are doing useful works. However, when the Tea Act and the Tea Rules are amended to liberalise the existing restrictions on the cultivation, extension, replacement, etc. the volume of work to be carried out by the two Licensing Committees will stand reduced. A decision will be taken at that time regarding their continuance or otherwise.

The existing Standing and *Ad hoc* Committees of the Board consist of experts who are thoroughly conversant with the specialised nature of the work entrusted to the respective Committees. The deliberations of these Committees help the Board in framing its policies in respect of its programme of work. The Research Liaison Committee of the Board includes members who are eminent scientists. The Board itself includes outsiders, representatives of Trade, Industry, Labour, etc. At present, there is no necessity to constitute any other Technical Committee to help the Board in technical matters.

Before March, 1963, the interests of the small growers were being looked after by the Development Directorate of the Tea Board at the instance of which various schemes of assistance to these growers were initiated. Later on in March, 1963, a Committee for looking after the interests of the small growers was constituted because of

the special and urgent emphasis paid by the Board for helping the small growers.

[Ministry of Commerce O.M. No. 5(3) Plant (A)/64 dated the 10th December, 1964]

FURTHER INFORMATION CALLED FOR BY THE COMMITTEE

Please supply copies of the proceedings of the last 3 meetings of the Research Liaison Committee.

Please also state when the Government propose to bring forward legislation to amend the Tea Act and the Tea Rules to liberalise the existing restrictions on the cultivation, extension, replacement, etc. of tea plantations.

[Lok Sabha Sectt. O.M. No. 5(3) EC/65 dated the 4th May, 1965].

FURTHER REPLY RECEIVED FROM GOVERNMENT

A copy each of the proceedings of the last three meetings of the Research Liaison Committee is attached.*

The Tea Rules, 1954 have since been amended to liberalise the restrictions on the cultivation, extension and replacement. A copy of the relevant notification is at Appendix I.

[Ministry of Commerce O.M. No. F. 5(3) Plant (A)/64 dated the 31st July, 1965/4th Aug., 1965].

Recommendation (Serial No. 54) Para No. 189

The Committee trust that a Branch of the Supply Department of the Board will be set up in the South at an early date.

REPLY OF GOVERNMENT

The Boards Regional Office at Coonoor is being strengthened, and an Officer of the status of Assistant Director of Tea Development will be posted there. This Officer will function as the Board's Chief Liaison Officer in South India, and reasonable powers will be delegated to him to expedite disposal of cases and to do all preliminary work relating to the applications received from the industry for financial and other assistance from the Board.

[Ministry of Commerce O.M. No. 5(3) Plant (A)/64 dated the 10th December, 1964]

*Not reproduced.

CHAPTER III

RECOMMENDATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF THE GOVERNMENTS REPLY

Recommendation (Serial Nos. 6 to 8) Paras No. 28 to 33

Para No. 29: Considering that though there may be cases where over-aged tea plants even after 60 years will continue to give good yield, the Committee feel that the progress in replanting has been unsatisfactory.

The Committee regret to observe that inspite of the importance attached to replanting by the Plantation Inquiry Commission no systematic programme therefore has been formulated as yet. It is well known that a constant process of renewal of aged and diseased plants is necessary if a tea garden is to be kept at a high level of productivity and in a healthy condition. The Committee consider that a higher rate of progress in replanting is necessary to prevent the industry gradually running down in vitality and productivity owing to progressive ageing of plants.

Para No. 30: The Committee feel that sufficient vigour has not been shown in dealing with an important problem like replanting. They recommend that immediate steps should be taken by the Board to collect information about age group of tea bushes in the various tea estates and gardens in the country so as to have a comprehensive idea about the present condition of the tea plantations. At the same time it is necessary that a detailed assessment of the area requiring replanting is made and a long term plan to replant the same within a reasonable period is drawn up by the Board in consultation with the Tea Industry. The Tea Board should also ensure that programmes of replanting formulated by the various tea estates are implemented properly.

Para No. 33: The Committee are not convinced by the reasons given by Government for not accepting the recommendations of the Plantation Inquiry Commission regarding the creation of a "Tea Replanting Fund". The Fund was intended to be created for the benefit of the Industry for its rehabilitation and replacement of the wasting assets of the tea estates concerned. Since replanting of the tea bushes has been neglected, it is necessary to ensure that replanting is done by the tea industry from out of its own resources so that

its productivity and vitality may not be affected. The expectation that the industry would carry out a programme of phased replanting has been belied by subsequent events.

REPLY OF GOVERNMENT

On examination, the Government of India did not accept the recommendation of the Plantation Inquiry Commission for constituting a Tea Replantation Fund and after careful consideration, the Tea Plantation Finance Scheme was accepted which is now being implemented by the Tea Board. Under this scheme Government have placed at the disposal of the Board a sum of Rs. 5 crores to be used as a revolving fund for carrying out replacement planting as well as expansions planting. The scheme has been in operation since the beginning of 1963, and already applications for nearly the entire amount have been found acceptable and more than Rs. 2 crores has actually been committed.

Incidentally, Government while considering the Plantation Inquiry Commission's report, did not think it practicable to prescribe rigid target of replanting every year or over a period of years though they were in favour of every step being taken to ensure adequate renovation of the assets represented by the bushes.

In the context of Five Year Plan targets of production and exports, the imperative necessity is more of extension than of replanting. Full emphasis is being laid on this aspect and necessary programme have been chalked out and measures taken to achieve this goal.

So far as drawing up of a programme of replanting is concerned, as has been indicated earlier, necessary programme which was considered by and large adequate, was drawn up by the industry at the instance of the Tea Board.

[Ministry of Commerce O.M. No. 5(3) Plant (A)/64 dated the 10th December, 1964]

FURTHER INFORMATION CALLED FOR BY THE COMMITTEE

The following information may please be supplied:

- (i) *Government may clarify whether detailed assessment of the area requiring replanting has been made. If so, the details thereof.*

(ii) *Details of the programme drawn up for replanting and the extent to which it has actually been implemented. In particular information may be furnished on the following proforma regarding progress made in replanting since 1962-63:*

Year	Total area under tea cultivation	Area Replanted		Total	Percentage of (5) to (2)
		North India	South India		
1	2	3	4	5	6

[*Lok Sabha Sectt. O.M. No. 5(3) EC/65 dated the 4th May, 1965.*]

FURTHER REPLY RECEIVED FROM GOVERNMENT

(i) The area requiring replantation depends on the age and condition of bushes which varies from garden to garden. Each garden draws up its own replanting programme according to its requirement and financial capacity.

In order to keep up-to-date information relating to age groups of bushes in the tea gardens of different regions, the Board is collecting and will continue to collect necessary data from the gardens. A statement compiled on the basis of these data showing the position as at 31-3-63 is enclosed (Appx. II). These data will enable the Board to keep a watch on the situation from year to year.

The actual quantum of replanting necessary would, however, depend on the condition of the bush and the economics of their outturn. Moreover emphasis on immediate extensive replantation would depress production till the new bushes planted come into reasonable bearing (normally a period of 6-7 years at least) and would affect the 4th and 5th Plan targets of production.

(ii) Particulars relating to replanting programme for the 5 years 1961-62 to 1965-66 were called for from the tea estates and according to returns received, the programme for the five year period is as follows:—

Programme of reporting gardens	% of area of reporting gardens	Estimated programme of all gardens arrived at by applying % in Col. 2 to total area of all gardens
Hectares		Hectares
N. India	15,637	7.75%
S. India	554	1.52%
TOTAL	16,191	21,203

Programmes for 5 years 1966-67 to 1970-71 are being called for.

A statement showing actual areas replanted in both North and South India during 1962-63 and 1963-64 is placed at.

Appendix III. Figures for 1964-65 are not yet available.

[Ministry of Commerce O.M. No. 5(3) Plant (A)/64 dated the 31st July, 1965/4th August, 1965].

Recommendation (Serial No. 9) Para No. 35

The Committee feel that with a view to ensure that new planting is done on suitable soil and that seed/seedlings of approved and high yielding variety are planted there, the desirability of retaining the existing conditions of Tea Act, 1953 under which prior permission of the Board is necessary for this purpose may be examined by Government. The representative of the Ministry agreed to examine the matter in greater detail in consultation with the Tea Board before removing all restrictions and controls on tea extension, replacement etc.

REPLY OF GOVERNMENT

The recommendation of the Estimates Committee is being examined in consultation with the Tea Board.

[Ministry of Commerce O.M. No. 5(3) Plant (A)/64 dated the 10th December, 1964].

FURTHER INFORMATION CALLED FOR BY THE COMMITTEE

Action taken on the recommendation may please be indicated.

[Lok Sabha Sectt. O.M. No. 5(3) EC/65 dated the 4th May, 1965].

FURTHER REPLY RECEIVED FROM GOVERNMENT

The matter has been examined in greater detail in consultation with the Tea Board. Different varieties of seeds and clones are suitable in different soil and climatic conditions and gardens, in their own interest, try to use the best possible planting material which they can procure. Soil conditions also vary from region to region and the gardens have to utilise whatever suitable lands are available within the existing grants. The tea industry is well organised and scientifically equipped to assess the suitability of soil and planting material for new plantation in different areas. In the circumstances, Government consider that the imposition of any conditions regarding suitability of soil and planting material will unduly restrict the scope for expansion of tea acreage and will cause unnecessary delays.

Government are of the view that increased production which is the paramount need of the day, cannot be achieved, unless the restrictions and controls on tea extension etc., are removed. With this end in view, they have decided as follows:—

- (i) All existing tea estates should be granted permission to plant tea to any extent the owner may desire; and

(ii) Any person—irrespective whether he is the owner of any tea estate or a joint owner of a tea estate or has any large interest in any existing tea estate or any person, who is in no way connected with any tea estate—should also be granted permission to open a new tea estate for any area desired, subject to the conditions specified.

The Tea Rules have been amended accordingly. A copy of the Notification amending the Rules is attached.

[Ministry of Commerce O.M. No. 5(3) Plant (A)/64 dated the 31st July, 1965/4th August, 1965].

COMMENTS OF THE COMMITTEE

The Committee while accepting Government's reply hope that the Tea Board will ensure that the quality of tea does not suffer in our anxiety for greater production as quality is also as important as quantity particularly for improving the prospect of export. It should also be the concern of the Tea Board that cost of tea also may be kept at a competitive rate in the world market.

Recommendation (Serial No. 14) Para No. 52

It is obvious that no attempt has so far been made by the Board to publicise and popularise clones of high yielding tea for the use of the growers of tea. The Committee feel that it is of utmost importance that only the best strains of high yielding tea should be used for replanting and extension of areas under tea. While large well-managed tea estates may not always require the help of Tea Board in this regard, it is essential that such a list is made available to the small growers. It should further be ensured that high yielding planting material is supplied to the growers at reasonable cost. This will result in increasing the yield of tea per hectare ultimately.

REPLY OF GOVERNMENT

In the absence of a full-fledged research organisation of their own with extensive sub-stations in the field, the Tea Board are not equipped with the technical expertise needed to popularise effectively the use of selected planting material among tea growers in the various regions. The Board does, however, make annual assessments of the tea industry's requirements of tea seeds and the supply position thereof. It has been found that the production of tea planting material of good quality has been more than adequate to meet the estimated needs.

With the establishment of the Tea Research Association which will serve the research needs of the Northern India tea gardens and the proposed setting up in the near future of a full-fledged Research

Station by UPASI in the South India; the primary responsibility for propagating selected planting material among tea growers should appropriately vest with these Association. It may be necessary, however, to help the small growers in this regard in areas like Kangra and the Tea Board has already taken steps in this direction.

[Ministry of Commerce O.M. No. 5(3) Plant (A)/64 dated the 10th December, 1964]

Recommendation (Serial No. 15) Para No. 53

The Committee feel that with a view to ensure that only high yielding material is supplied by the nurseries and planted by the growers, some measures of control over the nurseries is necessary. They recommend that the matter may be examined by Government.

REPLY OF GOVERNMENT

This recommendation is under examination of the Government.

[Ministry of Commerce O.M. No. 5(3) Plant (A)/64 dated the 10th December, 1964].

FURTHER INFORMATION CALLED FOR BY THE COMMITTEE

The result of the examination may please be stated.

[Lok Sabha Sectt. O.M. No. 5(3) EC/65 dated the 4th May, 1965]

FURTHER REPLY RECEIVED FROM GOVERNMENT

There are no separate or central nurseries supplying planting material to the garden. Each garden has to select clones suitable for its particular conditions and sets up its own nursery using well known commercial varieties of seeds and clones developed either by itself or by the Tea Research Association. The question of control over nurseries, therefore, is not considered necessary.

[Ministry of Commerce O.M. No. 5(3) Plant (A)/64 dated the 31st July/4th Aug., 1965].

COMMENTS OF THE COMMITTEE

While the Committee do not like to pursue the matter further, they, nevertheless, hope that the Tea Board will see that the services of the Tea Research Association are more extensively utilised by the tea gardens to ensure high yielding and better quality seeds and seedlings.

Recommendation (Serial No. 31) Para No. 125.

The Committee regret to note that although the Plantation Inquiry Commission had recommended as far as in 1956 for setting up Model Tea Farm for the benefit of the tea producers, no concrete action has so far been taken by the Board. As the establishment of good demonstration farms will be of great benefit to growers of tea, the Committee trust that early action would be taken to set up Model Tea Farms with attached research facilities in different regions of the country for developing them into efficient demonstrating units.

REPLY OF GOVERNMENT

Considered from the practical point of view, model tea farms of the nature envisaged by the Plantation Inquiry Commission can be run effectively only by institutions having facilities for conducting research themselves. This was recognised by the Commission themselves as will be seen from the wording of the Commission's recommendation which reads as follows:

"Government may embark on running of model state farm, of thousand acres each, along with research stations in different regions."

The Tea Board which never had any research organisation of its own could not have undertaken this activity with efficiency. Moreover for reasons stated below, entrusting such activity to the Board would have been, and will still be, a needless duplication of facilities already provided by the existing tea research institutions.

2. The existing tea research institutions in India, *viz.* the Tocklai Experimental Station (which has been taken over by the newly formed Co-operative Tea Research Association) the Tea Experimental Station of the United Planter's Association of South India and the Tea Experimental farm of the Punjab Government which is run with financial assistance from the Tea Board are already running well organised experimental farms attached to their respective research establishments. These farms are being utilised not only for carrying out field experiments on various aspects of tea culture but also for training planters in modern scientific methods of tea cultivation. In addition, the Tocklai Station has arrangements with a number of well organised tea estates for taking trainees in tea cultivation and manufacture. The UPASI have also been urged by the Board to start a model tea farm in Annamalais at a site adjoining their new Central Laboratory, with land and other facilities offered by the Tea Board.

[Ministry of Commerce O.M. No. 5(3) Plant (A)/64 dated the 10th December, 1964].

COMMENTS OF THE COMMITTEE

The Committee while accepting Government's reply hope that the Tea Board will try to persuade the Tocklai Experimental Station to have a model farm which will facilitate research and that a model tea farm in Annamalais would be set up by UPASI at an early date at a site adjoining new Central Laboratory. Government should also keep a watch to ensure that these demonstration units function efficiently in different regions of the country where tea is grown.

Recommendation (Serial No. 39) Para No. 143.

The Committee appreciate that the Board may not be in a position to undertake effective welfare measures for the tea workers. Even so, welfare of workers in any industry is a matter of great importance. The Committee suggest that the Government may examine the feasibility of having a separate organisation to look after the welfare of tea labour, as is being done for coal and mica industry.

REPLY OF GOVERNMENT

The Plantation Labour Act has now been in force for over a decade, and considerable progress has already been made in the provision of various facilities such as, hospital, creches, etc., and even housing to a great extent. The Plantation Labour Act has now set the pattern for labour welfare in plantations and the responsibility has been placed on the employers by statute. Any change in the system at this stage would impede progress without securing any advantages. In the circumstances, a separate Welfare Fund for Plantations on the model of Coal and Mica Mines is not considered necessary.

[Ministry of Commerce O.M. No. 5(3) Plant (A)/64 dated the 10th December, 1964].

COMMENTS OF THE COMMITTEE

The Committee while accepting the Government's reply hope that after sometime a review will be made to see whether the purpose sought to be served by having a separate Welfare Organisation has been fulfilled or not by the existing system and then if necessary, the required measures as suggested by the Committee will be taken.

Recommendation (Serial No. 40) Para No. 149.

The Committee are of the opinion that in the existing circumstances it may not be necessary or desirable for the Tea Board to assume the functions of regulating the sale of tea. But in view of

the importance of this industry in the economy of the country and the fact that considerable quantities of tea are sold through private sales in the country and abroad, it is desirable that the Board should keep a close watch on the pattern of sales and associate itself at least directly with the trade. The Committee hope that necessary steps will be taken in this direction.

REPLY OF GOVERNMENT

The major portion of the tea crops produced in India is sold through auctions held either at Calcutta or at Cochin. Recently, another auction centre has been started at Coonoor at the instance of the Board primarily to help the small growers in offering their teas at the auctions and thereby getting better prices. Nearly 55 per cent of the total tea production now pass through the auctions, 25 per cent is consigned directly to the U.K. for sale at the London auctions or under forward contracts/private sales and the balance of about 19 to 20 per cent is disposed of locally ex-godown. The auction sales are subject to the rules and regulations of the Calcutta Tea Trader's Association in respect of the sales held at Calcutta and the rules and regulations of the Tea Trade Association of Cochin in respect of the sales held at Cochin. A firm of brokers conduct the sales at Coonoor. As a matter of fact, the tea trade is organised on sound basis. While the Board keeps a watch over the pattern of sales through the sale reports regularly published by the different broking firms and maintains a close liaison with the trade and industry in every possible way, it is not clear how the Board can directly associate itself with the trade in the existing circumstances.

[Ministry of Commerce O.M. No. 5(3) Plant (A)/64 dated the 10th December, 1964].

Recommendation (Serial No. 42) Para No. 154.

The Board has not so far taken any steps for training of persons in tea tasting which is entrusted to it under Section 10(2)(g) of the Tea Act, 1953. The Committee consider it unfortunate that the Board did not carry out the functions entrusted to it under the Act in this regard. In case, there was no need for such training, the Board should have at least apprised the Ministry of the position for necessary direction. They trust that the Board will now take suitable steps to arrange the training of persons in tea tasting. It would also be desirable if the courses of training are also started for imparting training in blending, improved methods of planting cultivation, manuring and spraying also.

REPLY OF GOVERNMENT

The question of provision of training in tea tasting had been considered by the Ministry of Commerce and Industry. That Ministry came to the conclusion that there was no such shortage of trained tea tasters as to warrant the organization by the Tea Board of courses of training in tea tasting. Further, this training is a long-drawn-out process and is directly associated with the question of employment of trained personnel. The traders have all along been assessing their own requirements in this regard and arranging training of personnel for which they are well equipped.

In regard to the imparting of training in blending, improved methods of planting, cultivation, manuring, spraying etc., the Assam Government have at the instance of the Tea Board, agreed to the introduction of a Degree Course in the Assam Agriculture College. A proposal for introduction of a post-graduate course in Plantation Crops with specialisation in tea at the Coimbatore Agriculture College and Research Institute, with financial assistance from the Board, has been approved in principle by the Government of India. The details are being worked out. Training facilities are also available to personnel from tea gardens at the Toklai Experimental Station on various aspects of tea culture and manufacture.

[Ministry of Commerce O.M. No. 5(3) Plant (A)/64 dated the 10th December, 1964].

Recommendation (Serial No. 47) Para No. 168—70.

The Committee feel that the Board should give its income and Expenditure Accounts in its Annual Report which indicate a full picture of its incomings and outgoing over a specified period. It would also be desirable if the position regarding operation of the various financial assistance schemes of the Board i.e., the amount committed, the amount disbursed, recoveries made, if any etc., is also indicated therein. They also recommend that as far as possible the Annual Report of the Board should contain audited accounts.

REPLY OF GOVERNMENT

The Board prepares a comprehensive Balance Sheet, in addition to the Receipt and Expenditure Account; that is a more detailed accounts than an Income and Expenditure statement. Whether an Income and Expenditure statement could be prepared in lieu and audited in time to permit of inclusion in the Board's Annual Administration Report to be published by July of the following financial year has been under examination in consultation with the Comptroller

and Auditor General for some time. As apparently the substitution of the Balance Sheet would require amendment of the Tea Act and Rules, and as the processes of Audit could not be completed before November-December of the following financial year to which the accounts related, it has been agreed by the Comptroller and Auditor General that the certified Accounts and Audit comments will appear separately in the Audit Report.

[Ministry of Commerce O.M. No. 5(3) Plant (A)/64 dated the 10th December, 1964].

CHAPTER IV

RECOMMENDATIONS IN RESPECT OF WHICH REPLIES OF GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE

Recommendation (Serial Nos. 2 and 3) Para Nos. 13 and 14

Para 13: *The Committee are constrained to observe that no action was taken by the Tea Board or the Government to pursue the recommendation which was made by the Plantation Inquiry Commission—a Commission appointed by the Government of India, about seven years ago regarding undertaking a comprehensive survey of soil conditions and suitability of land for tea plantation in the country.*

Para. 14: *The Committee consider that a comprehensive survey of the existing as well as potential areas for tea cultivation in the country was an essential pre-requisite for planned development of the tea industry and initiative therefor should have come from the Tea Board. Such areas may be found in the Himalayan foothills, Kashmir, NEFA, Nagaland etc., They, therefore, recommend that the concerned State Governments should be approached to undertake such a survey for which technical assistance, if necessary, may be rendered by the Tea Board. The data collected as a result of such a survey would be immensely useful in preparing long term plans for development to increase the area under tea cultivation not only in the existing gardens but also in other regions and places.*

REPLY OF GOVERNMENT

The Plantation Inquiry Commission recommended *inter alia*, that

- (i) “State Government in collaboration with the Tea Board and the Tea Industry should have detailed surveys made of the land resources other than land under tea at present held by tea plantations and the uses to which they are put. A suitable policy regarding utilisation of such land should be drawn up. With surplus land available, State Government might be able to develop schemes for agriculture, animal husbandry etc., to relieve the pressure of unemployment in those States”.

(Chapter VIII, Section D, para 6)

(ii) "The Tea Board should with the help of the State Governments have a proper survey made of virgin lands suitable for tea growing, maintain a proper record of them, and come to an agreement with the States so as to ensure that the lands are not diverted to any other purpose".

(Chapter XXI, para 8).

Both these recommendations were considered by the then Ministry of Commerce and Industry. As regards the first recommendation, it may be clarified that all the land in a tea estate cannot be brought under tea. Ancillary land constitutes an essential part of a tea estate. This has been recognised by the different State Governments at the time of fixing principles for resumption of surplus land. It should also be borne in mind that at the State level generally there is such a pressure on land suitable for agriculture that many of the tea estates are hard put to conserve even such land as is necessary for running a tea estate efficiently and for providing for future expansion. It is felt that in view of the circumstances mentioned above, it would be both unnecessary and inappropriate on the part of the Tea Board to undertake a survey of land that the tea estates could be asked to release for agriculture purposes.

The recommendation that the Tea Board should have a proper survey made of virgin lands suitable for tea growing and ensure that they are not diverted for any other purpose, presents some difficulties:

- (1) As a rule, for every piece of land there are a number of competing crops. It would not be practicable therefore to earmark certain plots of land for purposes of being utilised for cultivation at some future date. It would in fact be in the interest of national economy that these plots are utilised for production, e.g. of foodgrains if they are suitable for that purpose. It is hardly necessary either for the Government or the Tea Board to take upon itself the task of earmarking land which may not eventually attract any tea grower.
- (2) Ever since the Plantation Enquiry Committee submitted its report a total area of 13,500 hectares has been brought under tea. The larger estates usually are competent to make their own choice of suitable land for extension and to the small growers Tea Board's technical advice in the selection of suitability of land is always available.
- (3) One of the main deterrents against extension of area is the fact that expenditure on extensions and replacements of

existing outworn tea bushes is being treated as capital expenditure. The Ministry of Commerce are already processing in consultation with the Ministry of Finance a proposal to treat such expenditure as revenue expenditure. It is expected that if this proposal is accepted, a fillip would be given to extension of tea cultivation on suitable areas.

- (4) Many of the tea estates have within the areas of their existing grants of land areas suitable for cultivation of tea. According to the assessment of the Tea Board the extent of such areas is two lakh acres. The estates continue to utilise these areas for extension and in case the incentive referred to in para (3) eventually becomes available, they would prefer utilising contiguous areas for the purpose rather than go to land surveyed and earmarked for them by the State Government or the Tea Board.
- (5) It may also be stated that the scope for increasing production of tea is not unlimited and that increase in production is to be achieved not only by extension of area but also by intensive cultivation. With greater use of fertilisers and larger availability of irrigation facilities and improved seeds and seedlings, it would be possible further to increase the total production of tea.
- (6) The Tea Board does not have enough machinery of its own nor would it be advisable to duplicate the machinery of State Governments. The problem may therefore be allowed to rest with State authorities.

[Ministry of Commerce O.M. No. 5(3) Plant (A)/64 dated the 10th December, 1964]

COMMENTS OF THE COMMITTEE

Please see Chapter I.

Recommendation (Serial No. 16)—Para Nos. 55 and 56

The Committee regret to observe that Government did not fully accept the recommendation of the Plantation Inquiry Commission regarding provision of quality seeds to the tea estates. What is more regrettable is the casual manner in which the Tea Board dealt with the suggestion of Government that it should first assess the requirements of tea seeds and planting material. Instead of doing so, the Board left the arrangement for the supply of tea seeds etc. to private

parties—an arrangement which the Plantation Inquiry Commission earlier had found to be inadequate.

The Committee cannot over emphasise the need for making adequate arrangements for provision of selected tea seeds and good planting material to all the tea growers. They, therefore, reiterate the recommendation of Plantation Inquiry Commission that the Tea Board should undertake this responsibility. In this connection they would point out that another Board viz., Rubber Board, is maintaining nurseries for the supply of high yielding material to the growers.

REPLY OF GOVERNMENT

The Government did not find it possible to accept in its entirety the Plantation Enquiry Committee's recommendation regarding provision of quality seeds to the tea estates for the reason that they felt that the Tea Board would not be the appropriate Agency to be vested with the responsibility for production and distribution of tea seeds and clones. It would have been a needless duplication to build up in the Tea Board a vast research organisation with experimental substation all over the country, when work in this field was already being done by the Toklai experimental station for the North India gardens generally, and by the UPASI for the Tea estates in South India. Individual gardens have also been carrying out their selection work on a fairly large scale for use in their plantations. Tea clones have to be developed over a long period of years keeping in view the special requirements of each particular area and its problems. The Tea Board has, however, kept a close watch over the situation of supply and demand of tea seeds and clones, and has made periodical assessments. Government have no reason to believe that there is any shortage of tea seeds and clones, nor to apprehend that the future programme of extension and replanting will suffer for lack of suitable planting material in adequate quantity. A close watch will however continue to be maintained by the Tea Board in this regard.

[Ministry of Commerce O.M. No. 5(3) Plant (A)/64 dated the 10th December, 1964]

COMMENTS OF THE COMMITTEE

Please see Chapter I.

Recommendation (Serial No. 18) Para No. 62

The Committee are surprised to note that though the Tea Board has been in existence since April, 1954, no efforts have been made by it to compile the figures of cost of production of tea in various regions

of the country. Further it took the Board nearly five years to establish a Cost Accounts Unit, which was recommended by the Plantation Inquiry Commission in 1965. It is not clear how the Board satisfied itself about the economy, efficiency and competitive position of the industry in the absence of such vital information. Since the cost of production of a commodity affects its competitive position in the world market, the Committee recommend that very early action should be taken by the Board to complete the cost survey of the various tea producing regions in the country. At the same time, it should collect comparative cost data from other tea producing countries, particularly Ceylon. The various elements of cost will require to be examined in detail to find out why the costs are higher in India than in Ceylon particularly when the average annual yield per hectare of tea in this country is much higher and the labour wages are lower, compared to those in Ceylon. Vigorous efforts should also continue to be made to reduce the cost of production of tea so as to add to the competitive strength of Indian tea in the international market.

REPLY OF GOVERNMENT

A Cost Account Unit was established in the Board in February, 1959 not in 1962, but the Cost Accounts Officer who joined the Board on deputation from the Ministry of Finance reverted to his parent department in July, 1961. All efforts of the Board to find a suitable candidate for the post of Cost Accounts Officer by all India advertisements having failed, one candidate was ultimately selected through the help of the Institute of Cost and Works Accountants of India in September, 1962. Though some data has been collected earlier, those being out of date, latest data are now being collected for purpose of analysing the cost structure of the tea industry in the different tea-growing regions of the country.

It may not be possible to find the detailed cost structure of the Ceylon Tea Industry as obviously they may not want to impart such information to a competitor.

[Ministry of Commerce O.M. No. 5(3) Plant (A)/64 dated the 10th December, 1964]

COMMENTS OF THE COMMITTEE

The Committee hope that no time would be lost in analysing the cost structure of the tea industry and to initiate in the light thereof necessary measures to reduce the cost of production of tea so as to add to its competitive strength in the international market.

CHAPTER V

RECOMMENDATIONS IN RESPECT OF WHICH FINAL REPLIES OF GOVERNMENT ARE STILL AWAITED

Recommendation (Serial No. 53) Paras Nos. 182—187

The Committee consider that a statutory body like the Tea Board has to possess a considerable degree of elasticity and autonomy in working if it has to adequately discharge its functions and fulfil the targets of performance set for it by Government. The Committee recommend that the question of giving more financial and administrative powers to the Board consistent with its accountability to Government and Parliament might be re-examined by Government at an early date. They realise that this question has to be considered along with the larger issue of delegation of powers to other Commodity Boards. In such an examination, it is obvious that the specific requirements of each Board, if any, would be taken into account. Periodical reports and returns may be called for in regard to the powers, if necessary. The Committee hope that an early decision would be taken in the matter.

REPLY OF GOVERNMENT

The matter is engaging Government's attention.

[Ministry of Commerce O.M. No. 5(3) Plant (A)/64 dated the 10th December, 1964]

FURTHER INFORMATION CALLED FOR BY THE COMMITTEE

Please indicate the decision taken in the matter.

[Lok Sabha Sectt. O.M. No. 5(3) EC/65 dated the 4th May, 1965].

FURTHER REPLY RECEIVED FROM GOVERNMENT

The matter is still engaging the attention of Government.

[Ministry of Commerce O.M. No. 5(3) Plant (A) 64 dated the 31st July/4th Aug. 1965].

NEW DELHI;

February 14, 1966.

Magha 25, 1887 (Saka)

ARUN CHANDRA GUHA,

Chairman,
Estimates Committee.

APPENDIX I

(*Vide* reply to recommendation Serial No. 52 in Chapter II)

Published in sub-section (i) of section 3 of part 11 of the Gazette of India dated the 1st May, 1965/Vaisakha 11, 1887.

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE

*New Delhi, the 22nd April, 65
2 Vaisakha, 1887*

NOTIFICATIONS

(TEA CONTROL)

G.S.R. 639.—In exercise of the powers conferred by section 49 of the Tea Act, 1953 (29 of 1953), the Central Government hereby makes the following further amendments in the Tea Rules, 1954, the same having been previously published as required by sub-section (1) of the said section, namely:—

1. These rules may be called the Tea (Second Amendment) Rules, 1965.

In the Tea Rules, 1954,—

(1) in rule 2, after clause (vii), the following clause shall be inserted, namely:—

(viiia) 'tea estate' means the whole of the area of land commonly known as tea estate which is owned, or held under any grant or lease, by any person;

(2) in rule 30A,—

(a) for sub-rule (2), the following sub-rule shall be substituted, namely:—

"(2) The Board may grant permission, upon application, to any person to plant tea on land not planted with tea—

(i) where such person is the owner guarantee or lessee of an existing tea estate and where the permission applied for is in respect of land forming part of

that tea estate, for the whole of the area with respect to which such permission is applied for or part thereof, as the Board may think fit, provided that such person furnishes to the satisfaction of the Board such particulars as may be required by it;

- (ii) where the permission applied for is in respect of land not forming part of an existing tea estate, for the whole of the area with respect of which such permission is applied for or part thereof, as the Board may think fit, provided that such person proves to the satisfaction of the Board that—
 - (a) he owns or holds, under a grant or lease, the land in respect of which such permission is applied for;
 - (b) he is able to finance the undertaking including erection of a factory, where necessary;
 - (c) the land in respect of which such permission is applied for is suitable for tea plantation as regards the nature of the soil and climatic conditions; and
 - (d) the area of the land in respect of which such permission is applied for is not too small for economic plantation.”;

(b) sub-rules (3) and (3A) shall be omitted;

(3.) for rule 31, the following rule shall be substituted, namely:—

“31. Permission to Plant tea.

- (1) Any person being the owner, grantee or lessee of a tea estate, desirous of replacing tea areas by planting tea on areas not planted with tea, shall apply to the Board in writing for permission to do so and shall furnish, to the satisfaction of the Board, such particulars as may be required by it.
- (2) The Board may, in its discretion, grant such permission and prescribe such time-limit, not exceeding ten years, in regard to uprooting of bushes from areas replaced, as it deems appropriate.”

[F. 9 (2) Plant (A) /62].

Sd/- B. KRISHNAMURTHY,
Under Secretary to the Government of India.

APPENDIX II

(Vide reply to recommendation Serial Nos. 6 to 8 in Chapter II)

Statement showing areas containing different age groups in different districts of North and South India

State & District I	Age Groups of Tea Bushes as on 31-3-63			
	Below 10 years (Hects.) 2	10 to 25 years (Hects.) 3	26 to 60 years (Hects.) 4	Above 60 years (Hects.) 5
ASSAM				
Darrang . .	3,937.39	4,152.69	13,751.04	4,319.43
Goalpara . .	260.76	412.69	1,008.53	7.69
Kamrup . .	260.88	360.90	1,235.13	260.52
Lakhimpur . .	9,722.65	10,835.42	23,290.64	6,038.42
Nowgong . .	993.45	1,665.14	2,042.50	864.01
Sibsagar . .	6,574.26	9,019.49	20,061.26	7,783.04
Total Assam Valley	21,749.39 (16.9%)	26,446.33 (20.5%)	61,389.10 (47.6%)	19,273.11 (15.0%)
Gachar . .	2,899.49 (9.6%)	3,157.00 (10.5%)	13,541.01 (44.9%)	10,574.99 (35.0%)
Total Assam . .	24,648.88 (15.5%)	29,603.33 (18.6%)	74,930.11 (47.1%)	29,848.10 (18.8%)
WEST BENGAL :				
Darjeeling . . (including Terai)	1,790.35 (6.5%)	1,836.69 (6.7%)	10,625.50 (38.7%)	13,169.95 (48.1%)
Dooars . .	8,980.13 (16.5%)	5,602.56 (10.3%)	24,548.18 (45.3%)	15,119.24 (27.9%)
Cooch Behar . .	51.22	148.11
Total West Bengal . .	10,821.70 (13.2%)	7,587.36 (9.3%)	35,173.68 (43.0%)	28,289.19 (34.5%)

	1	2	3	4	5
Tripura . .	565.89	607.93	3,932.34	..	
Bihar . .	1.00	1.20	298.07	230.99	
Uttar Pradesh .	4.91	4.05	827.04	1,216.28	
Total—NORTH INDIA :	36,042.38 (14.5%)	37,803.87 (15.2%)	115,161.24 (46.3%)	59,584.56 (24.0%)	
Kerala State .	2,161.21 (5.4%)	2,396.06 (6.0%)	28,442.75 (71.6%)	6,743.09 (17.0%)	
Madras State .	5,039.96 (15.3%)	2,121.35 (6.4%)	23,000.89 (69.9%)	2,761.21 (8.4%)	
Mysore State .	30.25	16.38	1,732.52	..	
Total—SOUTH INDIA :	7,231.42 (9.7%)	4,533.79 (6.1%)	53,176.16 (71.4%)	9,504.30 (12.8%)	
Total—ALL INDIA	43,273.80 (13.4%)	42,337.66 (13.1%)	168,337.40 (52.1%)	69,088.86 (21.4%)	

*Statement Showing Progress made in Replanting Since 1962-63
(Figures in Hectares)*

Year	Total area under tea cultivation	Area replanted		Total	Percentage of (5) to (2)
		North India	South India		
1962-63	N.I. 255,218.34*	1,548.19	22.97	1,571.16	48
	S.I. 74,634.37				
	<u>Total : 329,852.71</u>				
1963-64	N.I. 258,914.69*	1,738.04	20.80	1,758.84	53
	S.I. 74,776.09				
	<u>TOTAL : 333,690.78</u>				

*Area under tea in Punjab (Kangra) and Himachal Pradesh (Mandi) are excluded.

APPENDIX III

Analysis of the action taken by Government on the recommendations contained in the Forty-Sixth Report of the Estimates Committee (Third Lok Sabha)

1. Total number of recommendations	54
2. Recommendations that have been accepted by Government (<i>Vide</i> recommendations Nos. 1, 4, 5, 10, to 13, 17, 19 to 30, 32 to 38, 41, 43 to 46, 48 to 52 and 54 referred to in Chapter II).	
Number	38
Percentage to total	70.4%
3. Recommendations which the Committee do not desire to pursue in view of the Government's reply (<i>Vide</i> recommendation Nos. 6 to 9, 14, 15, 31, 39, 40, 42 and 47 referred to in Chapter III)	
Number	11
Percentage to total	20.4%
4. Recommendations in respect of which replies of Government have not been accepted by the Committee (<i>Vide</i> recommendation Nos. 2, 3, 16 and 18 referred to in Chapter IV).	
Number	4
Percentage to total	7.4%
Recommendation in respect of which final reply of Government is still awaited (<i>Vide</i> recommendation No. 53 referred to in Chapter V).	
Number	1
Percentage to total	1.8%

