

13.07 hrs.

The Lok Sabha then adjourned for Lunch till five minutes past Fourteen of the clock

The Lok Sabha re-assembled, after lunch at Eleven Minutes past Fourteen of the clock

[MR. DEPUTY SPEAKER *in the Chair*]

TOBACCO BOARD (AMENDMENT)
BILL—Contd.

[*English*]

MR. DEPUTY SPEAKER : We now take up further consideration of the following motion moved by Shri P.A. Sangma on the 20th August, 1985, namely :

“That the Bill further to amend the Tobacco Board Act, 1975, be taken into consideration.”

Now Shri V. Sobhanadreeswara Rao may continue his speech. He may kindly be brief.

SHRI V. SOBHANADREESWARA RAO (Vijayawada) : This is a very important Bill, Sir. Only a few Members have given their names. Our State of Andhra Pradesh is producing 90% of the Virginia tobacco.

MR. DEPUTY SPEAKER : Time is allotted according to the strength of the parties, and not on other considerations.

SHRI V. SOBHANADREESWARA RAO : I would make only some points. I resume my speech by drawing the attention of the hon. Minister to the Report of the Estimates Committee, in which they have clearly said :

“The Committee are glad to note that the Government have decided in principle to raise the representation of growers on the Tobacco Board from four to six.....”

The report also says :

“The Committee attach equal importance to the necessity of appointing only *bona fide* growers as their representatives of the Board and urge the Government to lay down criteria and procedures for their selection/election with a view to ensure not only that growers' representation on the Board is not usurped by any extraneous interest but also adequate representation is given to small and medium farmers.”

I humbly request the Government to nominate the real representatives of tobacco growers and people who know their problems, and not others, simply because somebody in the Government is interested in them.

I also request the Government to agree to the amendment which I have proposed, *viz.* for the insertion of clause (dd) after clause (d) of the sub-section (2) of Section 8 dealing with the functions of the Board which expects the Board to recommend minimum export prices to the exporters. According to this, the function of the Board will be to recommend to the Central Government that the minimum support price for virginia tobacco may be fixed for the purpose of purchase by the Tobacco Board at auction platforms, in the event of failure of the trade to purchase tobacco from growers at the minimum support price, for the respective grades of tobacco.

It is a very important suggestion. I request Government to consider it sympathetically. Otherwise, the very purpose for which the Tobacco Board was constituted, will be defeated. At least nine years after the Tobacco Board came into being, I hope Government will agree to this, and make the Tobacco Board itself recommend the minimum support price to the growers, just as the Rubber Board and other Boards are doing.

Secondly, there is a large quantity of Natu tobacco, sub-cured tobacco and burley tobacco grown. Unfortunately, when for all these items of tobacco, a

minimum export price is fixed by the Government, there is no support price fixed for the growers. I request the government to announce minimum support prices for these items also. Clearly, it is recommended in the Committee on Public Undertakings Report which was given some time back that the minimum support prices should be given for these varieties also. There is nearly a difference of Rs. 600 between the minimum export price and the minimum support price. While it covers the entire cost of expenditure which is met by the exporter, apart from that, you are giving a very high profit also. In fact, the difference of Rs. 250 to Rs. 300 is quite sufficient, whereas you are giving Rs. 600. So, I request, this additional benefit which the exporter gets or the trader gets, should be actually passed on to the growers by way of increasing the minimum support price.

I welcome the amendments that have been proposed by the government to Sections 10, 11, 13 and 33. I fully agree with the Statement of Objects and Reasons that have been mentioned in this Bill. Unless you bring two more amendments to the original Tobacco Board Act 1975, these provisions cannot be effectively implemented; and for that, I had proposed two amendments, but they were rejected on the ground that the government have not made a proposal to any amendments to those sections. Section 28 says as follows:

“No prosecution for any offence punishable under this Act shall be instituted except with the previous consent of the Central Government.”

For this, I propose ‘no prosecution for any offence punishable under this Act shall be instituted except by or with the consent of the Central Government or with the Board.’ The usual practice till now is, whenever the Tobacco Board officials find that a certain company or a trader or an exporter is doing something wrong, they go against the provisions of the Act—they have no power to take action against those persons—they have to write to the Ministry of Commerce and the Ministry of Commerce in turn writes to the Ministry of Law, who again refer the matter to the

law experts. After getting their opinions, then again those opinions are communicated to the Commerce Ministry which in turn will be sent to the Tobacco Board. Then only the Tobacco Board can take action. Meanwhile, the culprit would have gone scot-free. The injustice done to the farmer is not rectified. So, I suggest that the hon. Minister will look into it and make that amendment at least by bringing another amendment in the coming session.

Regarding Section 31A, the provision of this Act shall be in addition to and not in derogation of the provision of any other law for the time being in force. In the past, a lot of injustice was done to the tobacco growers by these traders and company people, and the amount which they had evaded, amounts to crores of rupees. But, now, with the Tobacco Board introducing this voucher system, there is an adequate protection. But, unfortunately, when this system was first proposed some time back, the traders went to the court and obtained a stay order. But the subsequent understanding between the growers and the traders made the court to negative that petition. But there is every possibility that these traders do not want to pay the growers immediately. I want this should also be considered by the government and taken care of by another amendment.

Regarding export of tobacco, unfortunately, it should not be left as merely the concern of a particular trader or an exporter. It is a question concerning the entire country and the government. By sending tobacco which is not in relation to the sample which they had given, which they have sent is not correct, it is of low quality and if that sort of tobacco is exported it is bringing bad reputation to our country. Some countries are returning the tobacco that has been sent to those countries and we are losing our opportunities in the international market, and the tobacco grower in the country is denied the rightful place.

So, I would request the Government to take all necessary precautions to ensure quality control.

[Shri V. Sobhanadreeswara]

The Estimates Committee has clearly made some suggestions, in its Eighth Report on page 90 :

“Mere deregistration of companies indulging in such nefarious activities is not enough as it helps the cheated farmer in no way. If the Board has no such power at present, the Committee would like such power to be made available to the Board through an amendment to the relevant Act.”

Also, here it is clearly recommended by the Estimates Committee, on page 104 :

“They recommend that the functions of quality inspection in respect of Virginia tobacco exports should appropriately be transferred to the Tobacco Board so that effective checks could be exercised in this regard and in future there are no complaints on this score from foreign importers.

The Committee also suggest that there should be a provision for taking punitive action against unscrupulous traders who deliberately export sub-quality goods, thereby lowering the image of the country in the international market and affecting adversely our export effort.”

MR. DEPUTY-SPEAKER : Mr. Rao, you wind up now.

SHRI V. SOBHANADREESWARA RAO : I am very happy that the hon. Minister has agreed to the amendment proposed by me to Section 18 and he thought it fit to bring up an amendment. I am not elaborating on it here.

But even after so many years the administrative office of the Tobacco Board at Guntur has not so far been constructed. I do not know the reason. Tobacco is giving an income of Rs. 906 crores to the Government, including Rs. 30 to 40 crores in foreign exchange. But so far no permanent building has been constructed. I request the Government to take up that, at least now.

MR. DEPUTY-SPEAKER : Mr. Ranga is going to speak. He will add some more points. Mr. B.N. Reddy, you can start.

SHRI V. SOBHANADREESWARA RAO : I am concluding.

I am requesting the Government to conserve the amount. We are spending so many crores of rupees on the bio-gas plant : for solar barns also a lot of additional money has been spent. I request the Government to conserve the subsidy for the benefit of the farmer which is of national interest.

MR. DEPUTY-SPEAKER : Mr. B.N. Reddy, you can start now. Mr. Rao, you please sit down.

SHRI V. SOBHANADREESWARA RAO : Some speeches have been going on for half an hour or more. I will take only one minute more.

MR. DEPUTY-SPEAKER : You have already taken 25 minutes. Whatever further you want to say, you write to the Minister.

SHRI V. SOBHANADREESWARA RAO : Regarding the Tobacco Leaf Purchase Voucher Scheme, I request the Government to enhance the subsidy aspect because it is in the interest of the farmers, not only the tobacco growers but also the ordinary farmers. I request that the Government should write off the loans to the tobacco growers and farmers, especially the amounts given to them after the 1977 cyclone for repair of the barns. Unfortunately, only Rs. 3 crores were given. And even the interest on them is only Rs. 80 lakhs. But hundreds of crores of rupees are written off from industrialists on account of their sick untis. I request the Government to consider this sympathetically and they should write off those loans which were given after the 1977 cyclone.

SHRI B.N. REDDY (Miryalguda) : Unfortunately, I fell in trouble because our Telugu interpreter has taken ill. So,

I will still try to express my views in the English language.

First point is, the Tobacco Board is predominantly consisting of the growers. But here eight to hon. Members have mentioned that it is not sufficient or conducive for best production as well as to the specific requirements of the growers. It will boost production and satisfy the requirement of the growers. So, what I would like to mention is that the number of representatives of the growers in the Board should be increased substantially and pre-dominantly the Board must have representatives of growers of tobacco.

MR. DEPUTY-SPEAKER : The Telugu Interpreter is there. If you want to speak in Telugu you can do so.

SHRI B.N. REDDY : Thank you, Sir. I would like to speak in Telugu.

[Translation]

*Mr. Deputy Speaker, Sir, the Tobacco Board must represent the tobacco growers. Though the number of representatives has been increased from 8 to 10, it hardly benefits either the tobacco growers or the tobacco production in the country. In order to do justice to the tobacco growers, their representation in the Board must go up. Essentially the Board must represent the growers. The Board must echo the voice of tobacco growers. Then only the Board can serve the needs of farmers and can take care of their produce. So, when looked from this angle, the increase in the number of representatives is not sufficient enough.

Sir, the number of representatives to represent various categories appear to be an odd mixture. Now, there will be representatives representing farmers, traders and middlemen. It has not been mentioned in this Bill as to how many members represent the tobacco growers. This is an important thing to note. While replying to the debate, I hope the hon. Minister will tell us as to how many repre-

sentatives of the Growers will be there on the Board. This Amendment Bill is silent about it. It must be mentioned about the number and majority. But no indication to this extent has been given in this Bill. Sir, the way the representation is provided for various categories like traders and middlemen shows us that the Government have not come out of the influence of trading community. Instead of providing more representation to the farmers, traders and other middlemen were given prominence in this Bill. It shows how deep the influence of trading community has been on the Government. It shows that the Government had made no effect to get out of it. Radical changes should have been made in this Bill. This Bill should have also been clear about the nature of representation. So also the Board should have been entrusted with certain responsibilities like providing marketing facilities to the growers. Lakhs of tonnes of tobacco is being produced in the country. But there is no market for it. The farmer has no guarantee that his produce will be sold. There is no guarantee that all the tobacco produced will find a ready market. Uncertainty looms large over the growers. Tobacco is a precious cash crop. Even then there is no body to purchase tobacco from the farmers. Large stocks of unsold tobacco are lying with farmers. Farmers are disposing off such stocks at throw away prices. It is a loss not only to the farmers and to the State of Andhra Pradesh, but is a loss to the entire country. The Central Government must think about this problem seriously. There is no market for the tobacco. The growers have no facilities to sell their produce. This Bill is silent about this point. The Board has not been made responsible to guarantee the farmers about the selling of their produce. There is nothing in this Bill to make the board responsible for the disposal of all the tobacco grown by farmers. So the main purpose of the Board is not being served by this Bill.

It want to say about the experience of Andhra Pradesh in this regard. About 95% of the Virginia tobacco produced in the country is grown in Andhra Pradesh.

* The speech was originally delivered in Telugu.

[Shri B.N. Reddy]

We are proud about it. But our pride has been injured by lack of taking responsibility by the Centre to ensure the market. So our Telugu people pride also injured and the value whichever these producers got have been very low. So, Sir, what I say is that the farmers have been neglected in this regard. I want to give you one more example. Andhra Pradesh touched the peak level when that State had produced 1 crore and 40 thousand tonnes some time back. But the production has fallen down to a mere 93 thousand tonnes in 1984. The reasons for the fall in production is mainly due to the lack of marketing facilities, no guarantee of the disposal of their produce at a reasonable price. These factors contributed to the fall in production. Tobacco is a valuable commercial crop. The interest to grow more tobacco is waning among the farmers as the Board has not shown any responsibility to market the tobacco produced by them. The growers have been disappointed. Their disappointment has resulted in the fall in production.

There is no support price fixed for tobacco. This is most important for the farmers. The Board must take responsibility not only to fix the support price but also see that every grower gets that price for his produce. Though the support price is announced from time to time, no where any growers get that price. No buyer comes forward to purchase tobacco at the declared support price. Farmers continue to be at the mercy of middlemen. Some time back, it so happened that tobacco Board has fixed the price at Rs. 1425/- per quintal. But farmers got hardly anything between Rs. 800 to Rs. 1000. So the exploitation of the growers by the traders and other middlemen continues to go on. The very purpose of the existence of the Board has been negated as the Board has not been entrusted with the responsibility to ensure the market for the growers. So this Amendment is not enough, for, it does not protect the interests of the growers substantially. No arrangement was made to offer support price or to provide a market for the produce. This amendment Bill has not taken care of all these points.

Sir, the Amendment should be such as to make the Board responsible for ensuring the market for growers, that it can guarantee a remunerative price and thus safeguarding the interests of the farmers. So also to make the Board predominantly the representative of the growers. The amendment should be in that form. The Board should reflect the hopes and aspirations of the growers.

Sir, I thank you for giving me this opportunity.

[English]

PROF. N.G. RANGA (Guntur) : Mr. Deputy Speaker, Sir, I wish the Government had made up their mind to give effect to the recommendations of the Estimates Committee and also of the growers in favour of charging the Tobacco Board to fix minimum prices as well as remunerative prices, and take necessary action in order to enforce them. But they have, on the other hand a palliative move and that is to organise the auction sales. Even these auction sales had been delayed for a very long time. Last year an experiment was made in Mysore in Karnataka, and it was found to be beneficial to the farmers. It has also come to be introduced in Andhra at the fag end of the last season. Its working has been found quite satisfactory but nevertheless the interests of the farmers can be better safeguarded if in addition to these, the Tobacco growers are assured a minimum price, under any circumstances, to be paid to them. If by any chance the sales go down and the production far exceeds the demand, farmers are obliged to make distress sales. Such distress sales should be prevented.

Then, there should be a larger and better representation for the growers. I do not understand why the Government have thought of reintroducing the same words which were there earlier also and which are very vicious words so far as the farmers are concerned. The words are 'not more than so many places for the farmers on this Board'. Why should it have been so in the past and why should

it be even now, I cannot understand it. The Government alone should be knowing it, or perhaps they have not given sufficient thought to it. There should be no protection to trade, export and import trade, and cigarette manufacturers against farmers; on the other hand, there should be protection to farmers as against all the other people. Therefore this word 'more than' is ill placed so far as farmers are concerned. And now for the time being out of 10 farmers are assured of 6 places. That is satisfactory. But next time when they have a chance of amending this Act I would like them to be more careful about the rights of farmers for larger representation on this. Government have not enabled or encouraged the board to spend even $\frac{1}{2}$ as much as has been sanctioned to it for its expenditure. The managers' and some other officers' posts are kept vacant for years, Why? They alone know. The Estimates Committee has taken very strong objection to it. Here is now a complaint that new offices or jobs which are being created are being kept without any proper safeguards. I would like Government to be very careful about it and see that no jobbery is indulged in by the applicants or by the officers concerned, it is not enough to have merely name-sake research organisation. It should be further strengthened. The Estimates Committee has taken notice of it. Minimum price is not being assured to them. Remunerative price, though promised, is not being given to them. Even to the extent this open auction system is working more satisfactorily than the earlier system, there is a great need for immediate allotment of Rs. 5 to Rs. 6 crores for the construction of warehouses at number of places wherever Virginia tobacco is being grown and being marketed. Without the strength of these warehouses and warehousing system and the protection that warehousing system assures to the growers to place their bills before the banks and draw money, it would not be possible for the farmers especially small farmers to keep their tobacco waiting till a good enough price is made available to them either by Government or by the trade. And today we don't have that warehousing system. That facility has got to be created without any more delay.

USSR and its economic allies are making their purchases. We welcome them as purchasers. But then they exercise their right of purchase of our tobacco through private merchants. Why is it that our Government in Commerce Ministry has not negotiated with them in such a way that just as they have got their monopoly purchase system and sale system, similarly, here also the USSR and their economic allies should also be willing to purchase our tobacco through STC? Till now no effort has been made. I am supposed to be one of the fathers of this STC as well as Tobacco Board. When STC was being founded I asked for it. When it was coming I asked for it for the special purpose of our raw produce being made available to all those countries where there is totalitarian system and complete nationalisation of export as well as import business. Our sales should be made available through our STC to those countries. Unfortunately that policy has not been accepted till now. I would like the Government to keep the STC also in the market along with private merchants so that both the STC and private merchants are in a position to compete with one another in order to make our produce available to the exporters at the highest possible price. Some years ago STC was brought into the market to some extent due to the pressure brought to bear upon the Janata Government as well as our Government by people like me and on those occasions our farmers were benefited. Now the Government wants to withdraw STC from out of it and they would like the Board also to withdraw from it and leave everything to the open auction system. That would not be satisfactory. It is not good for us that the proletarian countries, the Soviet or the Socialist countries should be free to go into the open auction system, in cooperation or in collusion or whatever it is, with our own Indian merchants and get our tobacco at as low a price as possible. It is natural for them to think of purchasing it at as low a price as possible, but it should be equally considered to be natural for us also to ensure that our farmers get the highest possible price and they cannot get it. If you were to leave it to the tender mercies of our merchants here, may be they are sterile, may be they are strict, but it does

[Prof. N.G. Ranga]

not matter ; they are not as strong as the sole purchaser who comes from USSR or her allies or all of them put together. Therefore, I want the STC to be very much in the market and also the Tobacco Board.

Then, Sir, there is the export cess. Is it being abolished? If it is not being abolished, it ought to be abolished. It should have been abolished long time ago. I do not know why they are continuing it.

Then there are agricultural workers. Not less than a lakh of them are engaged in it. They have got to be protected. They must be assured of minimum wage. Nothing is being done and there is this health hazard also. Tobacco business is not a very healthy thing. When you open it, when you dry it, when you grade it and then when you pack it, there is so much of health hazard—from the health point of view, I do not know the technical terms, it affects the respiratory apparatus of these people, men and women and out of them more women than men—they have to be protected. For all these things there is need for a welfare fund. Where from you get the money? Not by levying a cess on the farmers, but you should certainly levy a cess on cigarettes, cigars and snuff and also on the exports. Utilise all those proceeds for the purpose of financing this welfare administration that you should introduce now. It should have been introduced so long ago ; now it is already too late.

The last thing is, the one which my honourable friend, Mr Sobhanadreeswara Rao has raised it. Credit is needed by our farmers, it is being borrowed at very high rate—15 per cent to 24 per cent—and that is the reason why he has suggested that some of our farmers have been so heavily indebted that they are not able to repay it. Therefore, to some extent they should be given some relief by moratorium or scaling down of these debts. That is for the past. In regard to the future also, I want the Tobacco Board to have the opportunity of advancing credit

either directly themselves or through the banks and when it is making advance at concessional rates and after it has advanced, it must be repaid again as and when farmers are able to sell their tobacco. Careful attention has got to be given to this.

There is need for research. There is also need for advancing, as I have said earlier, credit and also subsidy in regard to seeds, fertilizers, pesticides. Expenditure on these things is very high so far as Tobacco is concerned. Therefore, Tobacco Board has to give them subsidies. "How much?" is another matter. It is a matter of detail. But this must be one of the most important functions of the Tobacco Board.

Now Sir, my hon. friend has touched upon a very sensitive point. Why is it that the headquarters building has not yet been constructed in Guntur? Have the officers in Delhi as well as in Hyderabad got some kind of a secret idea of shifting it from there to Hyderabad, so that they would be able to conveniently move from Delhi to the Tobacco Board headquarters in Hyderabad and then back again? That was their game some years ago. I happened to be in Rajya Sabha at that time. By a majority of one vote in the Rajya Sabha we were able to defeat their game and we saw to it that the Tobacco Board was kept there in Guntur. I would like my hon. friend to keep this very seriously in his mind and see to it that the headquarters buildings are constructed there in Guntur at the earliest possible time, so that it would not be possible for these officers to try to play that kind of a game any longer.

Lastly Sir, when the Ministry has taken the power to prosecute people either through the authority of the Ministry or through the authority at the centre, it does not mean that the Board is not going to be consulted. It is only after consulting the Board that they would be ordering the prosecution. Therefore, we need not make any bone of contention in regard to this matter. I welcome this Bill.

MR. DEPUTY SPEAKER : I request the Members to be very brief, because

the time allotted to this subject is two hours and only half-an-hour is left. Therefore, Members may speak only for two to three minutes.

[Translation]

*SHRI R. JEEVARATHINAM (Arakkonam) : Hon. Mr. Deputy Speaker, Sir, I wish to make a few suggestions, while extending my support to the Tobacco Board (Amendment) Bill.

This amending Bill seeks to increase the representation of tobacco growers on the Board to six, that is to say, out of 10 members of the Board six will be representatives of the tobacco growers. I welcome this proposition of the Government. I suggest that all the six representatives should be from virginia tobacco growers. There is universal demand for virginia tobacco produced by India. Next to China and U.S.A. in Andhra Pradesh virginia tobacco is being produced in such large quantities. In 1984-85 we have earned foreign exchange of Rs. 220 crores from the export of virginia tobacco. The Government have conceded that the export of virginia tobacco has declined because of malpractices that have crept in the export trade of tobacco. That is why I have demanded that all the six members of the Board should be representatives of virginia tobacco growers so that such malpractices in export can be eliminated and that we will be able to capture the lost export market for virginia tobacco.

In order to ensure that the tobacco growers get remunerative prices, the Government since September, 84 have adopted the system of auctioning. In Karnataka five auction centres have been established and after this system, the tobacco growers are getting fair prices for their produce. In 1984-85 Annual Report of the Commerce Ministry there is reference to the steps that have been taken by the Board to reduce the area of cultivation of virginia tobacco. It is inexplicable to me why such a retrograde step has been taken by the Board. In fact, there should

be no such reluctance on the part of the Board. The area of cultivation of virginia tobacco should be increased so that we produce more tobacco and also export more virginia tobacco.

This emphasises the need for setting up the Tobacco Marketing Corporation. In our country, crores of people are depending upon tobacco for their livelihood. In beedi industry, lakhs and lakhs of families are having their job opportunities. Similarly, in the manufacture of snuff, chewing tobacco, etc. thousands of people are engaged. It is unfortunate that those who are engaged in beedi manufacturing are not getting quality tobacco in sufficient quantity throughout the year. The intermediaries are exploiting both the tobacco growers and the beedi industry. They buy beedi tobacco at low price from the growers and sell it at a higher price to the beedi manufactures. This should be looked into and the needful should be done by the Board.

There is great demand for India beedi in foreign countries. But the Board has not taken any interest in the export of beedi. The Tobacco Marketing Corporation should be set up and steps should be taken to export India beedi.

Sir, I suggest that the State Civil Supplies Corporation should purchase the beedi tobacco in substantial quantity and ensure equitable distribution of tobacco to the beedi manufacturers. If the beedi industry is not to become extinct, the Tobacco Board should ensure adequate supply of beedi tobacco to beedi industry, in which more than 31 lakhs of people are working. It is in the interest of beedi workers that this should be done immediately.

So far no steps have been taken to have modern warehouses for tobacco. The Tobacco Board should initiate steps to have scientific modern warehouses near the places of cultivation of tobacco so that the tobacco growers are not compelled to sell tobacco at distress prices; they can store the tobacco in those godowns

* The speech was originally delivered in Tamil.

[Shri R. Jeevarathinam]

and sell the tobacco at the opportune moment.

As I said earlier, there are malpractices galore in tobacco trade. There are deficiencies in grading of tobacco. The low grade tobacco is mixed with high grade tobacco. Adequate training facilities should be established in grading techniques. The Board should allocate specific funds for training in grading of tobacco. The processors of virginia tobacco should also be directed to register themselves with the Board.

In Salem District, Dharmapuri District, North Arcot District, Madras City and in Tirunelveli Districts of Tamil Nadu, beedi industry employs lakhs and lakhs of workers in producing beedi. The Board should formulate a plan to produce quality beedis with the help of these workers and export such beedis to foreign countries. Then alone the hon. Minister of Commerce and the Tobacco Board would ensure better standard of living for beedi workers. A portion of foreign exchange earned from the export of beedi should be earmarked for the welfare schemes of beedi workers.

With these words I conclude my speech.

*SHRI SODE RAMAIAH (Bhadra-chalam): Mr. Deputy Speaker, Sir, I represent Bhadrachalam constituency which is also famous for tobacco cultivation. Only one crop is grown there during the year. During monsoon, the entire area is flooded by Godavari and Shabari rivers. Much devastation takes place. Crops like paddy and maize are very rare. Even if the farmers venture to raise these crops, they are washed away by the floods. Virginia tobacco is grown extensively in the districts of Khammam, East and West Godawari. Only 4 tobacco companies are operating in this area. Only these four companies are purchasing tobacco from the growers in this area. I take this opportunity to request the Government to

open auction centres at Kunavaram and Gopalapuram. This entire area is an agency area and hence establishing the auction centres at Kanavaram and Gopalapuram will go a long way in helping the farmers of this area. As the prices of fertilizers have gone up, the farmers now spend Rs. 3000 to Rs. 4000 per acre. But after facing all these difficulties, when the growers take tobacco to the auction centres, the owners of the companies join hands and see the prices are pegged at the lowest. That is how the traders and company people are cheating and exploiting the poor farmers. Since there is no other go, these farmers dispose off their produce at the rates which are not enough to cover their expenses. As a result of this the farmers have to sell all their belongings to repay the loans. These farmers finally turn out to be agricultural labour. Such is the plight of the farmers in this area. Sir, Globe company purchased tobacco worth crores of rupees from the farmers of this area 3 years ago. But money has not been paid to the farmers even today. I request the Central Government to enquire into this matter and take necessary action in regard. The Company must be directed to clear all the amount which it is due to farmers. I also request the Government to take action against this defaulting company which made farmers suffer. Justice should be done to farmers. The farmers should have facilities to sell their tobacco at their places. Sir, last year in Bhadrachalam, auction centres the company buyers tried to play a dubious role in subverting the interests of the farmers. They tried to peg the prices at the lowest. When the farmers objected to it, there were verbal exchanges. The company buyers told the farmers that the rate will be decided according to their sweet will. This is the fate of our farmers. They face every trouble, every challenge and take every risk, only to get a price which depends on the mercy of Company buyers. Sir, the Government should not allow the companies to exploit the farmers. This exploitation must come to an end. The representatives of the people should be appointed as members of the Selection Committees, Shri Mahapatro, who is now the Chairman

*The speech was originally delivered in Telugu.

of Tobacco Board in Andhra Pradesh should be retained there itself for one more year. STC centres should be opened at all places which are convenient to the tobacco growers. The Government should also see that the company pays remunerative price to the growers. Farmer is the back bone of the country. Country cannot exist without farmers. So the farmers should get remunerative price for their produce. The Government must rescue the farmers by offering remunerative prices for their produce. The interests of the agricultural workers also have to be protected. They should get proper wages. Hoping that the Government will discharge its responsibility by taking necessary steps in this direction, I conclude.

***SHRI G.S. BASAVARAJU (Tumkur) :** Mr. Deputy Speaker, Sir, I welcome the Tobacco Board (Amendment) Bill, 1985 brought by our hon. Commerce Minister. I would like to draw the attention of our Govt. towards some important aspects of tobacco cultivation and its market. In India tobacco is one of the important commercial crop. Andhra Pradesh, Karnataka, Gujarat are the States where this crop is grown abundantly. Even though tobacco is injurious to health this crop has been given much importance because it earns large amount of foreign exchange. During the year 1984-85 the amount of foreign exchange earning is of the order of Rs. 220 crores. Therefore the Govt. and the Board should take keen interest in the development of tobacco cultivation.

First of all the growers of tobacco must be encouraged. There are different boards for different crops like coffee board, Tea Board, Coconut Board, Coir Board, Tobacco board etc. But, inspite of these boards the farmers' interests are not protected properly. Tobacco growers are not getting remunerative prices for their produce. Unless this is done our agriculturists and farmers cannot think of any progress.

In this Bill Section 2, 10 and 33 have laudable objectives and for this I congratulate

our hon. Minister. The objectives are good and the intentions of the Govt. are also good. But the problem arises at the implementation stage. IAS officers and other administrative officers should be asked to take keen interest about the welfare of the farmers. Otherwise injustice to the farmers will continue.

The tobacco board is taking care of virginia tobacco, but not in the case of other varieties of tobacco, like chewing tobacco, snuff tobacco, beedi tobacco which are grown abundantly in Karnataka and lakhs of people are engaged in beedi industry. In African countries there is a great demand for Mangalore Ganesh Beedis. Therefore it is very essential to encourage the growers of local tobacco. I hope that the Ministry of Agriculture will take note of this fact and do the needful in this regard. Various difficulties some of the tobacco growers have stopped cultivating tobacco. In Mysore very fine quality of tobacco is grown. Therefore, I urge upon the Govt. to open branch office of the tobacco board as we have the head office Guntur.

Once again I welcome the tobacco board amendment bill and hope that our hon. Minister will consider all my suggestions and come forward for the upliftment of the poor marginal tobacco growers. I thank you for giving this opportunity to speak and with these words I conclude my speech.

****SHRI AMAR ROYPRADHAN (Cooch Behar) :** Mr. Deputy Speaker, Sir, with great anguish and pain I have to say that..

MR. DEPUTY SPEAKER : Regarding tobacco most of the members want to speak in their own language.

SHRI AMAR ROYPRADHAN : Sir, as I was saying with great sorrow and anguish in my heart that we had all along asked for a comprehensive Bill on the subject which has not come and in its place again another amendment Bill has come

* The speech was originally delivered in Kannada.

** The Speech originally delivered in Bengali.

[Shri Amar Roypradhan]

before us. Through this Bill, it is said, that production of tobacco will be increased. The objective, for fulfilling which the hon. Minister has said that production will have to be increased, does not come under the purview of his Ministry. It comes under the Health Ministry or the World Health Organisation. We know that 'smoking is injurious to health.' Virginia tobacco for cigarette forms 37% of the total tobacco production of our country. Therefore, you will have to state clearly and categorically whether you are going to increase the production of tobacco only to increase the 'injury to health' or there can be any other reason for that? When Cigarette smoking is injurious to health, then you should try for reducing the production of tobacco what is the justification for increasing the production of tobacco? Sir, I regret to say that through this we are only bringing about a decadence and harm in the lives of the people. Mr. Deputy Speaker, Sir, I do not know whether you have any children. Now, when you light a cigarette your son will be watching. He has been told that cigarette smoking is injurious to health. You will smoke your cigarette and your son will be seeing. What effect or repercussion it will have on your son?

MR. DEPUTY SPEAKER : Then growing tobacco is also injurious to health, you want to say!

SHRI AMAR ROYPRADHAN : No Sir, I am saying this because the Bill speaks of increasing tobacco production. Now let us come to tobacco production. It is a fact that if we consider the area of land under tobacco cultivation and the quality of tobacco production, India occupies the third position in the world next to China and U.S.A. 10% of the total land area in the world under tobacco cultivation, is in India our share of tobacco export is 6% of world exports. In 1983-84, according to your figures, we earned nearly 1000 crores of rupees from excise duty on tobacco. We also earned nearly 220 crores of rupees in foreign exchange. In 1984-85 420 million Kg. of tobacco was produced in 4 lakh hectares of land. India produces almost all varieties of tobacco. Out of 420 million Kg. of tobacco produced in the country,

bidi tobacco accounted for 34%, Virginia cigarette tobacco was 37%, hookka tobacco, Khaini tobacco, chewing tobacco etc. together was 25% and nattu choorutu and snuff tobacco formed 14%. But Sir, what I want to ask with sorrow, with anguish and with a burning in my heart is, is tobacco grown only in Andhra or only in Karnataka or only in Gujarat? Sir, tobacco is grown in West Bengal also. In only one district of West Bengal viz., Cooch Behar, which is my constituency also, 3.07% tobacco is produced. Out of the total production of tobacco in the country, Cooch Behar produces 3.07%. Sir, I want to ask only one thing to the hon. Minister and that is about the working of the Tobacco Board and the territory covered by the Board. Sir, you have the Coffee Board, the Tea Board, the Jute Board etc. Now West Bengal produces the major quantity of jute in the country. Out of 70 lakh bales of jute produced in the country as a whole, West Bengal produces 40 lakh bales. Does that mean that the jute board should pay all its attention to West Bengal alone? If I say that the jute Board should look after West Bengal alone and it should not look after any other areas, then what feeling will it generate in your mind? My friends from Andhra are also present here. You will be surprised to hear that Cooch Behar produces virginia tobacco which is termed as 'Jayshree' according to its grade. This 'Jayshree' tobacco is produced in Cooch Behar by the farmers there, but they have no opportunity or facility to sell the same directly to the buyers. He has to take his produce to far off Guntur. There the farmers are cheated and their tobacco is consigned as 'hookka' tobacco. Afterwards the same tobacco is sold in the black market thus providing opportunities to the middlemen to earn huge profits at the cost of the farmers. I will request you to pay attention to this aspect. The Board members should not stay put in that area alone ignoring all other areas. This will not do. They should pay due attention to Cooch Behar and other smaller tobacco producing areas also. Not only that, due attention must be paid to all grades and varieties of tobacco also. They should not confine themselves to virginia cigarette tobacco only. They must attend to and take necessary steps to promote 'hookka' tobacco, chewing tobacco etc. etc. What I want is,

that the interest of the tobacco farmers growing any variety of tobacco should be protected. Sir, I will deal with one more point before I conclude. In this Bill it has been stated that "for the word 'eight members' the word 'ten members' shall be substituted." This is not proper. The number you propose to take is all very good. But you have provided that this will be the maximum number. Why so? You say that this is the minimum number that should be taken. If vacancies are there more can be taken. You provide that from amongst the growers a minimum number of 6 persons shall be taken on the Board. I once again urge upon the Minister to pay proper attention to the tobacco growers of Cooch Behar and with that I conclude my speech.

SHRI HARISH RAWAT (Almora) :

Mr. Deputy Speaker, Sir, I come from a State where tobacco cultivation is insignificant, but it is leading in the matter of consumption. That is why my interests are linked with it.

Tobacco Board has rendered commendable service in the past. We earn good amount of revenue by way of Central Excise Duty and we earn foreign exchange also. Hon. Members have raised matters regarding the functioning of the Tobacco Board in this House on many occasions. I am happy to note that the hon. Minister has agreed to the suggestion of the hon. Members and has increased the representation of growers on the Board. Previously, growers' representation used to be at par with the representation of the cigarette manufacturers, but after this amendment, growers' representation will increase. It should also be ensured that this representation is maintained. Generally, press reports appear to the effect that certain vested interests manage to enter Tobacco Board and other such Boards and take care of their own business. The result is that production of that particular commodity is not promoted. I would urge the hon. Minister to ensure fulfilment of the objectives for which he has increased the representation of the growers. Otherwise, the representatives of big growers will enter the Tobacco Board. It should be ensured that marginal and small farmers get representation on it. Unless, this is

done, I do not feel that we shall be able to provide its benefit to the majority of the people.

Today, more than one lakh growers are scattered all over the country. The Board alone cannot watch the interests of the growers and ensure smooth functioning of the trade on such a large scale. It would be better if the functions of the Board are made more representatives and in order to benefit the lower strata, regional committees are set up and coordination between them is ensured.

I would urge the hon. Minister that Tobacco Board should be asked not only to identify new areas in the field of tobacco cultivation but also to explore new markets in order to increase its production.

We talk about increasing our production and also of giving incentives therefore, but its real benefit will not accrue unless we explore new markets for it. The Tobacco Board and the Ministry have not taken active steps to explore new markets for it. Active steps are required to be taken in this regard.

SHRI C. JANGA REDDY (Hanamkonda) : Sir, certain restrictions have been imposed on the farmers in the Bill brought before us. The farmers will have to obtain licence from the Board before producing tobacco. Under the provisions of this Bill certain levy is being imposed on the production of tobacco in a nursery. During the discussion on tobacco, cotton, jute and agricultural production in this House, we do not spell out the steps proposed to be taken to ensure remunerative prices to the farmers for their produce. Many restrictions have been imposed on the farmer in this Bill. He will have to obtain licence from the Government or the Board for grading his produce. Now, certain restrictions have been imposed on the farmer under which he will not be able to undertake grading work of the tobacco produced by him as per the specification of the company. The tobacco grower will not be able to undertake grading work and sell it in the market. They cannot take up grading work relating to Virginia Tobacco as desired by the companies. They have not been permitted to undertake this work.

[Shri C. Janga Reddy]

Each farmer will have to obtain licence from the Board for this purpose. You want that a uniform variety should come in the market. The export price has been fixed by you but I would like to know what steps are proposed to be taken to ensure remunerative price to the farmer ?

You have increased the number of Directors on the Board in order to please the farmer. But I would like to know whether in his capacity as a Member of the Board, he will have the powers to fix the minimum and the maximum price of his produce ? You will have to fix the minimum and the maximum price before the sowing season. With a view to support the dealers and to provide them with an opportunity to earn maximum profits, you have fixed the export price, but remunerative minimum price for the farmers should be fixed before tobacco arrives in the market. You have also imposed a restriction that everybody cannot put up his nursery by bringing his own seedlings. Only the farmer who has got the licence from the Board would be able to purchase the seedlings and put up a nursery of good variety. With this restriction you want to control the buyers in the export market in respect of Virginia variety or other variety of tobacco. I am happy about it but I would like to ask what price you propose to fix for the farmers ? When tobacco is grown, the farmer does not get its price at that time. People's representatives raise their voice in his favour in the Assembly and in Parliament, but the farmer has to suffer. The buyers for tobacco do not come at that time. Several crores of rupees have been allocated by the Government for agricultural production and many boards have been formed, but there is not even a single Board to purchase the tobacco of the farmers. You might have come to know that firing had to be ordered at many places in Madras and other neighbouring States. When firing takes place on two or three occasions every year, only then exporters purchase their tobacco and payment to the farmers is made after two or three months of purchase of tobacco and that too when hue and cry is raised in the Assembly and Parliament. What protection do you propose to provide to

the farmers ? You want to improve the quality, but what do you want to do for the farmers ?

In this connection, I would like to add that Shri Charan Singh, our former Agriculture Minister had given great relief to the farmers by removing the excise duty on tobacco ; similar steps should be taken to free the farmer from the clutches of the tobacco dealers. Necessary provision should be made for permanent relief and minimum price should also be fixed. Besides, export licences should also be issued on co-operative basis. Why should it be the monopoly of a few people only ? Their monopoly should be ended. Board has been constituted for it. We have State Trading Corporation in Andhra Pradesh also. Therefore, tobacco should be bought and exported only through these Boards. It is beyond one's comprehension as to why the agriculturists are being left at the mercy of the dealers. Government themselves should purchase and export tobacco after fixing the minimum and the maximum price. The dealers promise 'A' grade tobacco to the foreign clients and later supply them 'B' grade tobacco which mars the country's image in the world market. Some forces are working within the country and trying to impose foreign control ... (Interruptions)... C.I.A. and the K.G.B. are spending enormous funds to divide the country. .. (Interruptions) I would, therefore, request you to give remunerative price to the tobacco growers. To protect the country from foreign elements, it would be proper to export tobacco through the corporations at the State as well as at the Central level and not to leave it to the dealers.

[English]

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.A. SANGMA) : Mr. Deputy Speaker, I thank the hon. members for having participated in this debate and also for having expressed their interest in the tobacco crop, particularly for the welfare of the growers for which the Tobacco Board exists.

One hon. member has said that the government should bring forward a more

comprehensive amendment Bill. Prof. Ranga, Mr. V.S. Rao and many other hon. members referred to the recommendations and observations of the Estimates Committee and the Committee on Public Undertakings. After having gone into all these recommendations of the Estimates Committee as well as the Reports of the Committee on Public Undertakings, the Government of India in 1981 constituted an expert group to go into the whole aspect of tobacco industry and tobacco growers. This Bill is the

15.19 hrs.

[SHRI SHARAD DIGHE *in the Chair*]

result of this exercise. In my view, the present amendment Bill is very very comprehensive and I have no doubt in my mind that this Bill, when passed, will go a long way to help the farmers in our country.

Tobacco Board has been entrusted primarily with three functions.

First is to regulate production, second is to ensure remunerative prices to the growers and the third is to maximise export of tobacco from our country. Many hon. Members have expressed their concern as to why the production of tobacco in our country should be regulated,

It is a fact that in the last few years we have been resorting to the regulation of production. In 1981, I think it was 1.9 lakh hectares—the area which was under tobacco production in 1982 we had brought it down to 1.3 lakh hectares, in 1983 to one lakh hectares and the latest thinking is that we will bring it down to 90,000 hectares. The reason for regulating the tobacco production in our country is very simple. We do not want to put our farmers in distress. Unless the Government can give them remunerative prices, unless we give them market at home and abroad, there is no point in growing more tobacco. If we look at the situation in the country and the world as such, we find that almost in all the countries the production of tobacco is going down and the world production of tobacco is also

quickly coming down. I do not know whether I should go into all the details why the production has been reduced and all these things, but I can only say one thing, because Shri Amar Roypradhan has vehemently made a point that tobacco should be banned as it is very very injurious to health. The campaign against smoking in the world is really gaining ground. Now, in the United States of America there are certain places where smoking is totally banned.

AN HON. MEMBER : But the number of smokers is going to be increased day by day.

SHRI P.A. SANGMA : It is not. If we take the United Kingdom, the latest reports show that the Government of the United Kingdom has decided to ban smoking in the London underground trains for a period of twelve months as a trial.

PROF. N.G. RANGA : We should do that in our Lobby also.

AN HON. MEMBER : Do you smoke ?

SHRI P.A. SANGMA : I smoke That is how I help the growers. I do not know how many hon. Members who have expressed their concern for tobacco growers smoke. But I smoke at least 30 cigarettes a day.

The Insurance companies in the United Kingdom have also, of late, been refusing to bring the smokers under insurance cover or they are insuring for only some reduced amounts. They are allowed a minimal amount.

One of the studies has shown that, from a record annual rate of 137 billion cigarettes, in 1984 the consumption has come down to 100 billion cigarettes ; and with all this campaign, the consumption may go down. I do not know whether the number of persons smoking is going down or not but the number of cigarettes smoked has certainly been coming down. And therefore the Government has to take a very very conscious view and take a decision as to whether we should encourage our

[Shri P.A. Sangma]

farmers to grow more or whether we should tell them frankly that they should not grow more tobacco, and try to find out some other means of livelihood.

In our view we feel that it is better that under the special circumstances obtaining today, it is not conducive for us to grow more tobacco. We feel that it is the duty of the Government to tell the farmers that the situation as it stands today, is not conducive for us to go in for more production of tobacco in our country. Therefore, we have been telling our farmers very frankly that they should try to find out some other means of livelihood. And therefore, we have to resort to regulations in terms of production.

In fact, on two or three occasions, as Prof. Ranga has rightly pointed out, our farmers did really have problems because there were no buyers of tobacco. In 1978, 1979 and 1983 the Government had to give the direction to the STC to enter into the market in order to help the farmers. In 1978, the STC purchased 14131 million kgs, in 1979 5660 million kgs, and in 1983 18000 million kgs. In this the expenditure incurred by the Government in 1979-80 was Rs. 13 crores and in 1983 Rs. 21.40 crores. And I myself had to go to Guntur to supervise the tobacco purchase.

Our concern is to help the farmers. The fact is that farmers were in distress. The fact is that they were not getting a chance to dispose of their product. At the request of Prof. Ranga and many other leaders the Government had intervened to rescue the farmers and in the process Government lost Rs. 21 crores. But we are proud of that.

Many hon. Members have rightly expressed that the farmers should get remunerative prices for their produce. I quite agree with the feelings of the hon. Members. It has always been the consistent effort of the Government of India to see that the tobacco growers do get remunerative prices for their produce.

Mr. Rao has said that as there is a minimum export price and there should be a minimum support price also. Minimum support prices do exist.

SHRI V. SOBHANADREESWARA
RAO : But the difference is too large.

SHRI P.A. SANGMA : The Agricultural Prices Commission takes into consideration the cost of production and all that. This is not my assessment, this is the assessment of the APC. They come out with the fixation of prices. But I can only tell from our experience that the price of tobacco that has been ruling in the last many years, has always been above the minimum support price fixed by the Government of India. It was particularly so last year when the Government of India had introduced the auction system. After having introduced the auction system I can only say that the prices have gone up. In fact, before the auction started we had made it a compulsory regulation that the first bid in the auction would be 15 paise more than the minimum support price. So the lowest auction price cannot come below the minimum support price. In fact, in Karnataka in 1984 the highest price that we got through auction was Rs. 25 per kg. and in Andhra Pradesh it was Rs. 21 per kg and the average support price was Rs. 12. This is not so in all cases but in some cases. But the average auction price was not below Rs. 13 per kg. when the average minimum support price was Rs. 9.

Another point I would like to emphasise is, as many hon. Members have pointed out, that so long the farmers were being exploited by the trade in the sense that the farmers were not getting their price continuously for two years.

If they sold their tobacco this year, they would get their money after two years or even after three years. That was the condition of farmers. In Karnataka we have introduced the auction system where by the farmers can get their payment, hundred per cent payment, within ten days by cheque on the spot. Before that they had to wait for two to three years to get

the payment. In Andhra, we have made it a point that the farmers get 50 per cent of their payment within the first ten days and the remaining 50 per cent in the next 45 days. So, I think the Government is very much conscious of the problems of the farmers and this effort of the Government of India has certainly gone a very long way to help them.

Some hon. Members have expressed their views that there are dues which are still pending since before the introduction of auction system. I would not be able to exactly say what is the position but I will certainly have a look at it and see what can be done about this. So, we have tried our best to help the farmers, and in the process of introducing this auction system, Government of India have spent, in fact, to the tune of eight crores of rupees.

PROF. N.G. RANGA : What about construction of warehouses ?

SHRI P.A. SANGMA : Construction of warehouses and all that is being done. A point which Prof. Ranga and others have made is about the affair of shifting the headquarters from Guntur to Hyderabad. I can assure the House that the headquarters of the Tobacco Board shall not be shifted from Guntur. It will remain at Guntur, and we have already released Rs. 85 lakhs for the construction of an administrative building and the work has already been allotted to the CPWD.

Another point I would like to make is about increasing our exports. But as I have pointed out in the beginning, we are finding difficulties in the matter of exports, and, in fact, in the last two or three years our exports have been coming down. This is precisely because of lot of campaign against cigarette smoking and all that. In 1982-83, our export value was Rs. 192 crores ; in 1983-84 it came down to Rs. 161.8 crores; and in 1983-84 it further came down to Rs. 139.6 crores. We have to be conscious about it.

Mr. Rawat has made a point that we should not only depend on the traditional

markets that we have but we should also try to explore non-traditional markets and other markets. These have been our efforts and, in fact, in the last few months we have been able to get some other new markets. I have myself been to Morocco. For the first time, Morocco has agreed to buy tobacco from us and a trial shipment has already been done. In fact, we have already tried our best to see that we export more and more.

There are few individual points. Credit requirement is another point which has been vehemently made by the hon. Members. We are aware of this. In fact, when we tried to introduce the auction system, one of the points raised was that though the farmers were getting their payments two or three years after selling their goods to the traders or the exporters, but they also used to help the farmers by giving them advance money. They used to give them credit. This is what I was told. There are some people who told me that the farmers may be in trouble now. After the auction system is introduced, they may not get the credit which they used to get from the traders. I said, I will take the responsibility of even giving credit to the farmers but the auction system had to be introduced, and against many odds we have introduced the system.

PROF. N.G. RANGA : Cooperative credit system should be there.

SHRI P.A. SANGMA : Yes, we are certainly looking into that.

Then there was a demand that other types of tobacco like Bidi and Shrink tobacco could be brought under the Tobacco Board. Well we are concerned with the exportable commodities. Because we are Commerce Ministry, we are looking after the commodities which are exportable and 90 per cent of export of this commodity is of virginia tobacco. Therefore, Commerce Ministry's jurisdiction is only virginia tobacco. The other varieties of tobacco come under the administrative control of the Agriculture Ministry. (*Interruptions*)

[Shri P.A. Sangma]

I think you have made a point very vehemently that we have been trying to help the exporters and traders and you wanted to know whether the Tobacco Board exists for the protection of the growers. I have explained what we have done for the growers, but I must also emphasise that it will not be enough only to encourage and help the growers. We must also create conditions for the exporters, because unless your tobacco gets exported, growers have no place. Therefore, it is the duty of the Government not only to look after the interests of the growers, but also in the interest of the growers, it is the duty of the Government to see that we also help and create congenial conditions for our exporters so that they can export the product. Therefore, we cannot completely wide out the exporters.

The last point which has been made is about the representation of the growers, that it should not be less than rather than more than. Well, we have at the moment 20 members of the Board—of which eight are non officials and twelve are officials. Officials means representation of various State Governments, various departments—Agriculture Department, ICAR, Commerce Ministry, Finance Ministry and so on. Out of eight non-official members at the moment we have 50:50—four growers and four manufacturers and exporters. Now, we are going to raise it to six. So, from four, it will be raised to six. Therefore, out of ten total non-official Members, we are going to have six representations from the growers.

PROF. N.G. RANGA : Why don't you make it not more than.

SHRI P.A. SANGMA : It is quite all right. If you make it not less than, then all ten could go to the growers and we cannot exclude the exporters and manufacturers also.

They have to be given representation. But I think it is a very fair representation. And if you take effective membership of

the growers, I think easily three more members who are representing the growers are there. Under the official category there are three Members of Parliament, two from Lok Sabha and one from Rajya Sabha, who are representing on the Tobacco Board and I think I should take for granted that they would be representatives of the growers.

SHRI V. SOBHANADREESWARA RAO : You have not said anything about subsidising the solar barns.

SHRI P.A. SANGMA : I did not mention about your amendment, because I have accepted your amendment.

SHRI V. SOBHANADREESWARA RAO : No, I am asking about subsidising the solar barns.

SHRI P.A. SANGMA : The entire purpose of the Bill is to bring all the stages, as rightly pointed out by Prof. Ranga about the processing, grading and curing, into the purview of the Tobacco Board. Therefore, all other aspects will naturally follow.

MR. CHAIRMAN : The question is :

“That the Bill further to amend the Tobacco Board Act, 1975, be taken into consideration.”

“The motion was adopted.”

MR. CHAIRMAN : The House will now take up clause-by-clause consideration of the Bill.

Clause 2—Amendment of Section 4

SHRI V. SOBHANADREESWARA RAO : Since the hon. Minister has said that there will not be less than six, I request the Government to accept my amendment.

MR. CHAIRMAN : Are you moving your amendment or not ?

SHRI V. SOBHANADREESWARA RAO : For 'shall not exceed six' I said

'shall not be less than six'. It is my amendment.

MR. CHAIRMAN : There is no condition. Are you moving your amendment or not ?

SHRI V. SOBHANADREESWARA RAO : I beg to move :

Page 1, line 17,—

for "shall not exceed six"

substitute "shall not be less than six"(1)

MR. CHAIRMAN : Since Shri E. Ayyapu Reddy is absent, his amendment nos. 4 and 5 are not moved.

SHRI PRIYA RANJAN DAS MUNSI: I beg to move :

Page 1,—

after line 17, insert—

"Provided further that the total number of members appointed under this clause from amongst the growers of tobacco shall not in any case be less than half of the total number of members appointed under this clause by the Government."(7)

Page 2, line 7,—

for "Any officer"

substitute—"Any officer holding the rank of Deputy Secretary or above"(8)

SHRI V. SOBHANADREESWARA RAO : I have spoken already ; I will not take much time. Since the Government has agreed in principle why not accept it ? The appointment is in your hands. The Cabinet itself has agreed for six. Already Cabinet decision is there. So, it 'shall not be less than six'. I request the Government to accept it.

SHRI PRIYA RANJAN DAS MUNSI: The position is very simple. The entire Tobacco Board as per the present composition will again be dominated by officers only and not exactly by growers. The Minister is very intelligent to say that the whole concept in the Bill is that 6 people from the growers will be there. Then there are the non-officials. Out of 10, 6 will be there. Apart from 10, 12 will be coming from bureaucracy. It works out to 22. Out of that only 6 will be from growers. My amendment is very simple. Growers representation in Tobacco board should be not less than the total 50 per cent of its strength. Otherwise what will happen is this. State Governments representatives are there ; manufacturers' representatives are there ; the super bosses and official group will everytime dominate the affairs. These six people will only go there just to have a cup of tea or to smoke a cigarette. Nothing more than that. They have no say in policy matters. Secondly this term is very vague. You say, executive director or any officer. Specify the term. It is not merely any officer of any rank. It should be Deputy Secretary or more than that. Who will be the commanding authority in that Board ? That should be specified. That is precisely my amendment. I request the Minister to convince me about the whole concept and then I will see.

SHRI P.A. SANGMA : Sir, I have already explained this point. If we say, not less than 6, it can mean that all 10 could be growers. We want to strike a balance. I have made the commitment in the House that out of ten six will be growers and 4 will be exporters, manufacturers etc. I mentioned also that there will be 3 Members of Parliament. Even others are there who represent Agriculture Ministry, ICAR, Commerce Ministry, Government of Karnataka, Government of Andhra, Government of Gujarat etc. All of them are supposed to be for growers.

MR. CHAIRMAN : I shall now put Amendment No. 1 to vote of the House.

Amendment No. 1 was put and negatived.

MR. CHAIRMAN : Are you withdrawing your amendments Nos. 7 and 8 ?

SHRI PRIYA RANJAN DAS MUNSI:
Yes.

MR. CHAIRMAN : Does the hon. Member have leave of the House to withdraw his amendments Nos. 7 and 8 ?

HON. MEMBERS : Yes.

Amendments Nos. 7 and 8 were, by leave,
withdrawn

MR. CHAIRMAN : I shall now put Clause 2 to vote. The question is :

“That Clause 2 stand part of the Bill.”

The motion was adopted.

Clause 2 was added to the Bill.

Clause 3—Amendment of Section 8.

MR. CHAIRMAN : Now, Clause 3.

Amendments to be moved

SHRI V. SOBHANADREESWARA
RAO : I beg to move.

Page 2,—

after line 21 insert—

(ii) and after clause (d) the following clause shall be inserted, namely :—

“(dd) recommending to Central Government the minimum support prices for different grades of Virginia tobacco which may be fixed for the purposes of purchase by the Tobacco Board at auction platforms, in the event of there being no buyer at the minimum support price for that grade of tobacco.”(2)

MR. CHAIRMAN : Shri Ayyapu Reddy—Absent. His amendments to Clause 3 are not moved.

Mr. Rao, do you want to say anything ?

SHRI V. SOBHANADREESWARA
RAO : The only request to the Government is that since the other Boards are

performing the same function, that is, fixing up the remunerative prices with which they are concerned, similarly the Government should have no objection for inclusion of this sub-clause (dd) after (d).

SHRI P.A. SANGMA : I have already explained that one of the main objectives of the Tobacco Board is to ensure the remunerative prices to the growers and we have succeeded in carrying out this objective.

SHRI V. SOBHANADREESWARA
RAO : The tobacco growers are not even getting 30 per cent of what their counterparts are getting in other countries.

MR. CHAIRMAN : I shall now put amendment No. 2 moved by Shri Sobhanadreeswara Rao to the vote of House.

Amendment No. 2 was put and negatived.

MR. CHAIRMAN : I shall now put clause 3 to the vote of the House. The question is :

“That clause 3 stand part of the Bill.”

The motion was adopted.

Clause 3 was added to the Bill.

Clause 4 to 6

MR. CHAIRMAN : There are no amendments to clause 4 to 6. So, I shall put them to the vote of the House.

The question is :

“That clauses 4 to 6 stand part of the Bill.”

The motion was adopted.

Clauses 4 to 6 were added to the Bill.

Clause 7—Amendment of Section 14.

MR. CHAIRMAN : There is an amendment in the name of Shri Sobhanadreeswara Rao.

SHRI V. SOBHANADREESWARA RAO : I want to withdraw this amendment because the Government has accepted my proposal.

MR. CHAIRMAN : There is no question of withdrawing. You are only not moving, that is all.

Amendment made :

Page 4,—

for lines 1 to 7, substitute—

'7. In section 14 of the principal Act,—

- (i) for the words and figures "for registration of curers for the purposes of section 11", the words, figures and letters "for registration of nursery growers for the purposes of section 10A, for registration of curers for the purposes of section 11, for registration of processors and manufacturers for the purposes of section 11A, for obtaining licences for taking up grading work or construction and operation of barns under section 11B" shall be substituted ;
- (ii) for the portion beginning with the words, "the registration as curers" and ending with the words "as may be prescribed", the following shall be substituted, namely :—
- "the registration as nursery growers, curers, processors, exporters, packers or auctioneers of, or dealers in, virginia tobacco or as manufacturers of the products or virginia tobacco or in granting licences under section 11B, the returns to be submitted and the registers to be maintained by registered growers, nursery growers, curers, processors, exporters, packers or auctioneers of, or dealers in, virginia tobacco or the registered manufacturers of the products of virginia tobacco or the persons licensed under section 11B and the registers to be kept by the Board shall be such as may be prescribed".(9)

(Shri P.A. Sangma)

MR. CHAIRMAN : I shall now put clause 7, as amended, to the vote of the House.

The question is :

"That clause 7, as amended, stand part of the Bill."

The motion was adopted.

Clause 7, as amended, was added to the Bill.

(Clauses 8 to 13)

MR. CHAIRMAN : There are no amendments to clauses 8 to 13.

The question is :

"That clauses 8 to 13 stand part of the Bill."

The motion was adopted.

Clauses 8 to 13 were added to the Bill.

MR. CHAIRMAN : The question is :

"That clause 1, the Enacting Formula and the Title stand part of the Bill."

The motion was adopted.

Clause 1, the Enacting Formula and the Title were added to the Bill.

SHRI P.A. SANGMA : Sir, I beg to move:

"That the Bill, as amended, be passed."

MR. CHAIRMAN : The question is :

"That the Bill, as amended, be passed."

The motion was adopted.