

[Shri Nath Pai]

and abstinence when we know how we leaders are subject to this kind of thing? This is not a charge which I am making. It is a speech made in a very important meeting of the Congress Party, I mean, the one which the Home Minister had the honour and privilege of leading. That was made in his presence. I do not know the veracity of it. I do not know whether it is true or wrong. These 3 Rs are: Rum, Rama and Rummy. The fact remains it is no use imposing this false sense of virtue on the boys. I do not believe in imposing virtue.

Then, my another submission is that in recruiting them don't forget those heroes of India, the I.N.A. people. A lot of them can still be invited. Of course, you are right in providing employment to those who are being discharged from the Army. But let priority be given to these I.N.A. people.

SHRI RANDHIR SINGH: This is a good suggestion.

SHRI NATH PAI: Priority will have to be given to the sons of the soil, the local people. The local people will have to take the brunt of the blow. If the enemy's blow is to be blunted before the Army can move in and deliver the counter-blow, may I get an assurance from Mr. Chavan that priority will be given to this thing that every able-bodied man and woman in the border area will be given the basic training in the use of arms so that they will be the foundation of this Force? I hope Mr. Chavan will not turn a deaf ear to what I am saying. I hope he will take this into consideration. I must also record my protest to his turning down a very constructive proposition of referring this Bill to a Select Committee. I hope I will get a satisfactory reply from him.

17.38 hrs.

[MR. SPEAKER in the Chair]

SHRI Y. B. CHAVAN: Sir, I do not want to reply to many points that were referred to. I must explain that I did not refuse to refer the Bill to a Select Committee. It was not because I was afraid of going to a Select Committee. But I thought it was not necessary to go to a Select Committee because all the questions can be considered here itself.

About one personal reference he made about some speech made in Maharashtra in my presence . . .

SHRI NATH PAI: A colleague of yours.

SHRI Y. B. CHAVAN: Your colleague also. It was a committee meeting of workers of the Congress Party and it was a committee meeting which was meant for self-criticism. It only shows that the Congress Party has got the courage to have self-criticism. I hope if you meet in your party meeting and have the same courage, you will also find interest in Rum, Rama and Rummy.

MR. SPEAKER: The question is:

"That the Bill, as amended, be passed"

*The motion was adopted.*

17.40 hrs.

#### HALF-AN-HOUR DISCUSSION

##### PRICE OF INDIAN TEA IN INTERNATIONAL MARKETS

SHRI JYOTIRMOY BASU (Diamond Harbour): Mr. Speaker, Sir, I would specially deal with marketing structure of Indian tea which has been one of the most important commodities of this country in the field of export trade.

MR. SPEAKER: Now we are having tea!

Markets (H.A.H. Dis.)

**SHRI JYOTIRMOY BASU:** Sir, they do not believe in the economics of it. This tea trade involves over a million workers and billions of rupees. I will tell you how the Government of India has neglected it. Sometimes, it is due to ignorance or putting too much reliance on people who have not got the experience and also due to pressure of foreign monopolists. I am making a charge that the Government of India, as far as tea export trade is concerned, has been subjected to serious pressures from foreign monopolists.

The marketing structure of tea suited the British because they always had a twin organisation, a Company producing tea here and the same Company doing buying and marketing. But the moment the things changed, that twin organisation ceased to function as far as our interest is concerned. But this Government had neither the wisdom nor the foresight to go into details to find out how we are losing money everyday, to the tune of millions of rupees.

I would not deviate from the subject. I have got two main charges against the Government. The first is that they are failing to bring home the full sale proceeds or the nearly full sale proceeds of tea that the consumers are actually paying abroad. I had gone out of the way and I had pointed this out. I published a leaflet last year showing the amount that the exchequer was losing but they have not moved an inch; they are diverting their attention to something which will not benefit this country at all.

The second charge is that they have failed totally to arrest the declining tea consumption abroad. The rot has already set in. I shall give some random notes if my hon. friend, Mr. Qureshi, would like to make a note of them and verify. Last year they were kind enough to give me an opportunity, two or three weeks, for making a random survey quickly and with my old contacts I have collected some . . .

**MR. SPEAKER:** Whatever he wants to give, he may give in ten minutes.

**SHRI JYOTIRMOY BASU:** This is India's money, Sir.

In U.K. the intake of Indian tea is going down; more coffee is being drunk. Specially the younger generation feel that drinking tea is an outmoded habit, that tea is old man's drink. I had been to various places and talked to the customers and this was the impression that I got and Mr. Qureshi's people who are there agree with me. The rise in the case of coffee has exceeded 7 per cent because the coffee producers have been very energetic; they have their multi-million dollar propaganda scheme and they are selling coffee. As a matter of fact, coffee is drunk by most of the people; it is more thick.

Another big rival has come into the market. We are only sleeping people and as long as we get some money, whether it is Rs. 130 or 100 or 90 or 80 crores, we are happy. Another rival is the fruit juice from America. It has penetrated into the European markets—artificially flavoured, thick, fruit juice; it was a beautiful drink; I drank it everywhere. Who will then drink tea? The tea that is sold today was discovered 50 years ago, the same old liquor; 'nam ke vaste' there is the caffeine content. You have not tried to do research and improve it to keep pace with the other rival beverages.

I was surprised to see that visiting tea houses in England is considered to be an old-fashion and they go to coffee houses which have a better counter, better reception and better offering. The younger generation who could really give a part of their affluence to us was not coming to drink your tea. They say that it is a grandmother's habit and they do not want to take it; they want to drink fruit juice or coffee. So, the rot has set in.

Another thing is this. I do not know whether Mr. Qureshi knows why a man drinks tea. A man drinks

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tea for two things—caffeine and tannin; one is a drug and the other is a stimulant. If you do not give enough of it in a cup, then he gets disappointed. Lot of tea which are very old are sent. If caffeine and tannin in tea are not properly oxidised, it does not give colour, strength and pungency and the man gets disappointed. The type of manufacture is called C.T.C. Has the Government taken steps to tell the producers that those who do not produce quality tea should go for C.T.C.? You have not got the man. You have a bureaucrat who changes every two years. He makes a round-the-world trip—Rs. 50,000 in one trip—and the export goes down. The quantity goes up but the money that comes is less. What is the use? What is the use? They have failed utterly and miserably. Let them read the Plantation inquiry Committee Report of 1956. It is a valuable document. Let them read Shri Swamy's note of dissent. But they do not want to do it. They are under the thumb of British manipulators. They are frightened and run away from their duties.

What is happening in packaging in the UK, Europe, even in India? They are spending more money in packing, using printed aluminium foils, and beautiful cortons, spending a lot on advertisements, neon lights and so on. But the content is not attended to. The contents are not good. What the man requires is the contents. He looks to the tea and its quality. But we spend more money on the other things and less on the tea itself.

**SHRIMATI ILA PALCHOUDHURI** (Krishnagar): What about Darjeeling tea?

**SHRI JYOTIRMOY BASU:** I will tell the hon. Member about it.

What has Ceylon been doing? They have been dumping tea in London at 26d. How do they do it? We should have gone to Ceylon. I would have even fallen at their feet, because as far as business is concerned, for God's

sake, do not kill our business. Government are sending very impressive delegations, composed of which persons? Persons who have never seen a tea bush for at least 20 years. Have they taken care to put in such delegations people who understand and know about tea? No. They send bureaucrats who can do beautiful file-pushing. Only such people are sent to negotiate with the Ceylon Government. They will do us more harm than good.

Now, what about African tea? Government are sleeping over this matter. Seeds were smuggled for years. African companies have started operation. I have tasted African tea in 1952. Last year I met some of my old friends and I was surprised to see the improvement effected in African tea. In 1952, it was undrinkable. The liquid was so horrible; it used to be used as a blender to muck the tea to reduce the price by 10 per cent in a packet. This was to reduce the price of the bulk. But today they have got companies with vast paid-up capital and millions of pounds sunk into them. They have got machineries, freezing chambers and other types of plucking. They have improved the quality. I have drunk it in London. It can be compared favourably with our high-grown tea. But Government are not bothered about these things.

Then in marketing, there is a lot of manipulation, because the middlemen are there, powerful and moneyed. Government are at the mercy of these people. Mr. Gray of Brook Bond is there. They are at his mercy because Brook Bond controls today over 42 per cent of the total world tea consumption. One day Mr. Gray will come and say: 'Look if you do not give it at 2 shillings a lb. London, you stop it'. What will Government do? What will happen to the 13 lakh labour and the vast tea gardens? Government are doing nothing.

I have remedies to suggest. First do intense scientific propaganda. Now they are doing propaganda as I saw in certain European countries. But Mr. Gray of Brook Bond is reaping the harvest. The proper image of Indian tea has not been rejected. Government's propagandists have no idea of how to describe our tea. If you ask them 'What is second flush tea?', they just do not know. I do not blame them. They have not been trained. I held a brief class in Brussels for half a dozen of them. But it takes months to train them adequately. You cannot teach them all at once.

Then export package tea direct from plantation centres to maintain its freshness. Have small packets for export. Kill those middlemen who have been reaping the harvest; kill them because they have already killed our tea.

Then there should be intense research to improve quality. Bring new things into tea such as artificial flavouring. That is my strong recommendation. In China in olden days, they used to make Jasmine flavoured tea. It is not uncommon or unknown.

Then make the tea more thick. I would even go a step further and say: alcoholise tea, if you can. Ask the chemists about it, if it can be done. I have been to at least three German houses where they offered tea with whisky.

You should try to make instant tea in cold water.

The orange juice which they sell in the market is better than the fresh orange juice you can make at home. It is because of artificial flavouring and thickening. Your method of blending should be changed. The housewife is always disgruntled. She says it is too strong. But the steel worker's wife will say it is too thin. Do the people in the ten-storey building in Calcutta, that white elephant,

know what it is? They are much too conceited. They do not want to understand these things.

Ban all export of off-grades. When CTCs are produced through the process, you get an off-grade which shows more stalk. The off-grade produces better liquor. So, the foreign blenders are always anxious to buy them, but they are sold so cheaply. Therefore, ban all export of off-grades.

Get hold of Ceylon and at least see that they agree to a floor price, that they do not export tea at a price lower than that.

I have got here an index from British Wholesale Grocers' Association. The labour wages have gone up by about three times, but the price of tea or sugar that went from India has remained the same. The prices of other commodities which they import from European countries, whitemen's countries have shot up, but the price of tea is almost the same. A labourer who was getting £10 is now getting £35. He was paying six shillings for a pound of tea before and now he is paying the same. Why can't we charge more money for our tea? Is it because you want to starve your labour here? Is it because you have got tea plantation workers working for a song?

The Tea Centre is losing money. It is serving little or no purpose. I had been there once formally and in disguise two or three times.

I suggest you consider acquiring an interest in some big blending firms in Britain. I am told that Tyfoons' shares are on sale. I am not making a positive recommendation, but it is worth considering.

Are you aware that American and Japanese capital has come to Indonesian tea, a big rival of ours? Does the Chairman of your Tea Board know it? If so, what action has he taken? If they come, they will swallow you. Of course, you love to be

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subservient to the Americans.

Forty per cent of the European consumption of tea goes via the London auction, the British middlemen. In Paris I went to a departmental store where they were making tea. The tea they gave me was not drinkable. Who checks that they give the right stuff? Have you made sure that the housewife who likes a sample of tea can go to a known grocer to get that tea?

The Government of India is spending money to build up the image of Mr. Gray of Brooke Bond.

DR. MAITREYEE BASU (Darjeeling): Not of Jayshree?

SHRI JYOTIRMOY BASU: Very seldom.

For consumption of tea in Aden, which by steamer is two or three days' journey, they take tea from Great Britain. That should be a shameful thing to the Government of India.

From a marketing corporation, start today. Try to sell tea in packages through grocers' channels, help the industry and bring some more money home.

SHRI SRADHAKAR SUPAKAR (Sambalpur): It has been said that in the export of tea to the tea-consuming countries, there should be closer collaboration with Ceylon. This advice has been given not only by industrialists but also by our High Commissioner in Ceylon. How far has that advice been pursued? I want some concrete answer, not a vague reply that we are taking adequate steps.

MR. SPEAKER: I see some hon. Members rising. Twenty names had been given and they had been balloted; only four names had been selected. Only those will be called for putting a question not others. This is half an hour discussion.

श्री जाजं फरनेन्डज (बम्बई-दक्षिण):  
अध्यक्ष महोदय, इस बात में कोई शक नहीं है कि इस नीति विहीन सरकार और टी बोर्ड के भ्रष्ट आचरण, इन दोनों के कारण हिन्दुस्तान का चाय का उद्योग देश के अन्दर भी और बाहर से विदेशी मुद्रा कमाने में भी बिल्कुल बरबाद होता जा रहा है। मेरा मन्त्री महोदय से एक ही प्रश्न है। मैं समझता हूँ सरकार को अब कुछ नीति बनानी चाहिये, हो सकता है यह कुछ भारी काम हो। आज टी बोर्ड में भ्रष्टाचार है वहाँ के अफसर विदेश यात्रा के सिवा और कुछ नहीं सोचते हैं और विदेशी मुद्रा कमाने की जगह पर उसको कैसे खर्च किया जाय इसका ही ज्यादा खयाल रखते हैं। टी बोर्ड के कर्मचारियों की ओर से वहाँ के अफसरों के बारे में एक आरोप-पत्र भी सरकार के सामने पेश किया गया है। इनलिये मैं जानना चाहता हूँ कि क्या सरकार उसकी जांच करने के लिये तैयार है और टी बोर्ड के भ्रष्टाचार को खत्म करने के लिये तत्काल कोई कदम उठाने जा रही है ?

SHRI RANDHIR SINGH (Rohtak): I must appreciate the constructive suggestions put forward for the first time by Mr. Basu; I recommend to the Government to accept them. Secondly, my question is: what are the measures adopted by the Government of India to evolve a better quality tea as we have in African and Ceylon brands? What sort of steps are they taking for publicity and research? Do they seriously consider utilising the services of experts in place of high-salaried bureaucrats? If necessary, will they get experts from abroad, if experts are not available in this country? (Interruptions).

What concrete steps have been taken to improve quality, propaganda, research as this is a very valuable means of earning foreign exchange.

**SHRI BEDABRAJA BARUA** (Kalinor): The plantation side is doing well and there is nothing wrong there. There are new forms of cultivation, and they are producing good quality tea. Assam still produces tea incomparable in the world. At the same time we have not been able to extricate tea industry from the monopoly hold of the British interests, even after twenty years of freedom. We have constituted a Tea Board. There are those who are charged with furthering India's interests as against the monopolies of Brookebond and Lipton and others who are interested in not paying our tax here but actually paying tax to the British Exchequer, charging high prices and making large profits. They are not even aware of these problems and I do not know whether they represent that interest. The Tea Board is full of people who belong to those very interests which serve Brooke Bond or Liptons. I would like to know what steps have been taken to see that this monopoly is broken. The Tata-Finlay concern is trying to produce instant tea. Instant-tea is very popular in the United States because it does not require even quality tea for production of Instant-tea. Brooke Bond goes and under sells. It watches where our tea packages go and under-sell there with the result that the market there is closed for us. Therefore so far as instant-tea is concerned and so far as breaking this monopoly is concerned I want to know whether Government has taken or is prepared to take a fresh look.

**THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI MOHD. SHAFI QURESHI):** Mr. Speaker, Sir, at the first instance I admire the remarkable qualities of Shri Basu more as a tea-taster than as a tea trader. He has laid much emphasis on the blend of tea and tea tasting which according to him the people in other parts of the world feel is no better. The basic problem about tea is that India does not enjoy monopoly of tea in the world. New countries from Africa are coming up

and we have to face severe competition. We are alive to this fact that if we have to sustain our markets in which we have already existed for so many years and if we want to make dents in new markets then we have to keep up a certain standard.

I must make one thing clear, that so far as good quality tea is concerned India has no other rival in the world. We are still probably the best producers of quality tea. The only competition comes from cheap tea? There is competition from Ceylon and other countries. All these exporting countries have realised this and that is why this consortium between Ceylon and India is coming up not to sell tea in bulk but to sell tea in packages. The question is, when we think of packages of tea being sold outside they should be sold as Indian packages. Difficulties are there in countries which are already selling their own packets. Tariff and non-tariff barriers arise in these countries.

**SHRI JYOTIRMOY BASU:** That is untrue.

**SHRI MOHD. SHAFI QURESHI:** I have got the figures here.

**SHRI JYOTIRMOY BASU:** They are bogus figures.

**SHRI MOHD. SHAFI QURESHI:** The trouble with Shri Basu is, as I said earlier, he has laid more emphasis on tea tasting and not on tea trade. If he knows what happens in world tea trade he will possibly follow my point. There are countries which have now raised—countries like West Germany, France, Italy, Belgium, Luxemburg and Holland—the duty. There is a 5 per cent *ad valorem* duty on tea imported from India. Now New Zealand has also raised import barriers against tea. Naturally, we have got to look to these matters. I can give him a break-up of what we will get out of the whole thing if we enter the market of packaging.

**SHRI JYOTIRMOY BASU:** Are you disputing my last year's list?

**SHRI MOHD. SHAFI QURESHI:** I have got a report from the Royal Tea Commission of Ceylon which says:

"We were unable to obtain particulars regarding blending and marketing cost from any large packer . . ."

The point raised by Shri Basu was that we are not getting the foreign exchange which is realised from the consumers in other countries and most of it is taken by trade people there. But here the report says:

"We have, however, a confidential analysis given to us indicating that the cost and margin for a typical blend by a regional firm of packers and distributors should be as follows:

For a tea which will sell at 7 sh. per pound the other things that go into its cost are:

Blending and packing cost—1 sh. 1 d.

Packer's profit margin—4 d.

Wholesaler's profit margin—5 c.

Therefore, even if we go in to sell tea in packages, the wholesaler's profit, the blending and packing cost charges will be retained by those countries. There is a report of GATT also on this point. They have very categorically stated that in their examination they have found that there is a concentration of buying power within a limited group who manipulate the prices. There is no dispute about this. A limited group of monopolists are the dictators of prices. Our effort is to break this monopoly. We cannot do this, the exporting countries cannot break this unless they come together. That is why both India and Ceylon—not only India and Ceylon but all the tea-growing countries—should join hands to get a higher unit value for their tea. They should try to see that tea in the international market gets the highest price.

18 hrs.

It is not only that we should get more tea, but we should sell more tea. I must inform this hon. House that this year we are having a record production of 380 million kilograms. Though internal consumption is going up, at the same time, we have to look for other markets. We are doing that.

I do not think Shri Basu has raised any other point. One suggestion that he has made is that we have to intensify the propaganda for our tea outside. It is a fact that the tastes of people change and habits of people change. India should not take upon itself the duty of being the custodian of the habits of the people. But it should be our endeavour and effort to see that we give the best quality of tea to the people and we should see that our sphere of activity expands every day. That we are doing; and we have achieved success in it.

He said that the consumption of tea has declined. On the one hand he says that the consumption of tea has declined. On the other hand he says that new countries are coming up with bigger production. So, he must give credit to us that we have been able to sustain ourselves in the world market despite keen competition. In spite of consumption coming down and production going up, we have not lost any serious market. We have been gaining successfully and we have made a dent in other markets of the world.

**SHRI NAMBIAR (Tiruchirappalli):** But the population also increases in the world. You must give credit to that also.

**SHRI MOHD. SHAFI QURESHI:** It is not only growing in the tea-drinking areas.

So far as the question of sending tea in packages, and not in bulk, is concerned, the government is making every endeavour to sell tea in packages. In the year 1966 we sold a quantity of 7 million kg. which has now gone up to 8 million kg. So, we are making every effort to see that packed tea is sold in the world market. But, then, there are insurmountable difficulties in our way, because the packers in their countries are safeguarded by their own governments which make laws for them. We cannot dictate to them the laws which they should make for our tea. They have to safeguard the packing industry in their own country. In spite of all these difficulties we are straining every nerve to see that we maintain our markets.

Coming to other points, Shri Supakar said that we should have closer collaboration with Ceylon. Without going into the details I may say that we are working in that direction. The Ceylon government also realise the necessity of working together in the world market. Unless both countries work together in the world market, we will be under cutting each other and both countries will lose precious foreign exchange. That realisation has come to both countries and we are working in that direction.

भाई फरनेन्डीज ने कहा है कि टी बोर्ड में बड़ा भ्रष्टाचार होता है। मैं समझता हूँ कि इस किस्म के बगैर कोई छानबीन के एकदम में गलत इलजाम लगा देना कि वहाँ टी बोर्ड में भ्रष्टाचार होता है कि यह माननीय सदस्य के लिये कोई वाजिब बात नहीं है। अगर माननीय सदस्य ने यह कहा होता कि टी बोर्ड ने यह खराबी की है, उस में यह रिश्वतसतानी हुई है तो यकीनन टी बोर्ड वालो को मैं नहीं छोड़ूंगा। भले ही कोई अफसर कितना ही बड़ा क्यों न हो अगर उस ने भ्रष्टाचार में कोई हिस्सा लिया है वो हम उस के खिलाफ पूरी पूरी कार्यवाही करेंगे। लेकिन बगैर कोई प्रूफ के इस तरह से

दो जुमले कह देना कि टी बोर्ड में भ्रष्टाचार हो रहा है माननीय सदस्य को शोभा नहीं देता है। मैं चाहता हूँ कि माननीय सदस्य मेरा हाथ बटायेँ, मेरी मदद करें। अगर बानई उस किस्म का भ्रष्टाचार हो तो उस को दूर किया जाना चाहिये और मुझे उस में कोई ऐतराज नहीं है।

Then coming back to Shri Randhir Singh, he summed up the entire thing so far as the policy, the propaganda and the extension of the markets are concerned. I quite agree with him. We need more publicity in foreign markets and we have also to locate new markets.

I do not think that Shri Basu has been able to make much use of this half-an-hour discussion. The only thing is that he has induced in me a sense of taste for different varieties of tea. Of course, I do not like the alcoholic tea which he is very much propagating, but if he can find markets. . . We shall consider this proportion. Tea with whisky is a little risky, he should try lemon tea. (*Interruption*).

MR. SPEAKER: Both of you may lose the taste.

SHRI MOHD. SHAFI QURESHI: It will not be either whiskey or tea, but something which surely will not be tea.

We want to retain the pure character of tea, but we want to diversify it. For instance, now we have gone into the world market with instant tea and it is making good headway. We are confident that with the diversification of tea and with the quality of tea we will be able to sustain and retain our position as the largest growers and of tea in the world.

18.06 hrs.

The Lok Sabha then adjourned till Eleven of the Clock on Thursday, July 25, 1968|Sravana 3, 1890 (Saka).