

(Development and Regulation)
Amendment Bill

[Shri T. T. Krishnamachari]

are correct. This is not a thing I am completely ignorant of. I am aware of it. But I cannot see how a measure of this nature can alter the structure of industry in this country so far as ownership is concerned. That has got to be done by other means. That is probably where we fundamentally differ. I might be proceeding slow and he wants me to go fast.

I might give one additional information. The position with regard to Dunlops is much better than Firestones where the capital is small and profits are large. It is a private limited company where all the profits are sent out; they are not even ploughed back in this country. Dunlops are much better where 53 per cent. of the capital is held by Indians. In the other company it is not so.

I am not unaware of the position. But that cannot be remedied by this particular measure. This particular measure can only keep the wheels of industry moving, see that labour is being properly treated, that production is going on as it ought to. If we confine ourselves to these narrow objectives we have,—narrow but very useful objectives in the interests of our national economy,—I think we will succeed. Once we get away from it and seek to use it as a weapon for other purposes, however desirable they may be, then I think the efficacy of this instrument that we are now forging would to that extent be detracted. So I would ask hon. Members to bear with me a little if in the administration of this measure which we are now passing Government does not go as far as they want and make it an all-embracing measure. Well, we want to do it at the proper time. It may not be the proper way in the minds of the Opposition Members. We have to choose other weapons for remedying a disequilibrium of an industry which is totally different from the one we seek to remedy by means of this measure.

I shall only say finally that I am grateful to the House which, by and large, has given me a great deal of support and has heartened me in the responsibility which this measure would impose on Government, and I do hope that at the end of a year when we review the working of this measure I shall be entitled to recall the amount of consideration I have had at the hands of hon. Members when this measure was passed.

Mr. Chairman: The question is:

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

The motion was adopted.

TEA BILL—Contd.

Mr. Chairman: Let us proceed with the further consideration of the Tea Bill. Mr. Thomas.

Shri T. K. Chaudhuri (Berhampore): Shall we continue tomorrow also with this Bill?

Mr. Chairman: I am told that the Air Corporation Bill is likely to be taken up tomorrow.

Shri T. K. Chaudhuri: It will be postponed again!

Mr. Chairman: It appears so.

Shri A. V. Thomas (Srivaikuntam): Sir, the other day, I was referring to some of the actions taken by the Ministry with reference to the International Tea Marketing Board, i.e., our withdrawal from the Board and that too without consultation of the industry or the Tea Board which is now functioning. I also said about the new arrangement that had been made with the U.S.A. for tea propaganda in that place. I pointed out that the terms arrived at by us were not very advantageous to this country. There is a provision in the existing Bill for consulting the Board on these matters. That was not done and in the present Bill, the question of consultation has been completely left out.

The Minister in introducing the Bill and in referring it to the Select Committee made a speech the other day. I listened to that with a bit of surprise and amusement and also I must say with a little pain. He was introducing a very important Bill and at the same time brought in there certain remarks made by the Chairman of the Association of the tea industry and said that this Chairman used a language of abuse and vilification, etc. I am very sorry he made reference to that from his privileged position in this House.

Yesterday, while speaking about some other Bill, an hon. Member made reference to someone outside this House and I saw the Minister getting very indignant over that matter and chastising that Member that when a person is not in the House, the Member concerned should not talk of that person when he is unable to defend himself. I suppose it does not apply to the Minister.

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): I am sorry that the hon. Member made a reference to it. When an attack is made on the Government, I suppose I have a right to reply. It is

not a question of dealing with somebody who has made no attack on the House, no attack on the Member. Here is a specific attack made in a presidential speech calling Government names. I have got to reply. I cannot keep mum. I cannot understand the hon. Member taking exception to it.

Shri A. V. Thomas: I am coming to that. I called for a copy of that speech and I have it in my possession. In the interest of justice and fairplay, I wish that every Member of this House will read it. This speech was made at the annual general meeting of the Planters' Association where as is generally the case....

Shri T. T. Krishnamachari: Comment is always abuse.

Shri A. V. Thomas: The Chairman put forward their achievements, their hopes and their failures and at the same time he did point out some of the difficulties which the industry had to face, and how applications had been made to the Government and in what circumstances and in which cases they wanted help and the cases in which they did not get any redress. If fair criticism or a statement of fact could be taken as an abuse, I do not understand whether we can open our own mouths. In any case I see nothing else in this report. I do not want my friend to get agitated over this. There is nothing in this report. Perhaps if he read it in a calmer moment, he will find that there is no charge against the Government.

There is also praise in the Chairman's speech. For instance, he refers to the medical side of the work for the labour plantations and for the staff of the estates and gives certain figures: I wish such attention could be given for our villagers. I commend this to the Health Minister and her Deputy; of course they are not here. I think it is an example for us to follow. I have read the speech over and over again and there is nothing in it. I repeat, no charge has been made on the Government of India. If that has been made, I will be the last person to stand here and speak about it.

It cannot be denied that the non-Indian element in the tea planting industry is in a majority. At the same time we have to admit that they were the pioneers in this business and they did open wild tracks in the country and it is really for us to take over those places in course of time but that is a different matter altogether. Even a little while ago, some gentleman wanted that Tea should be included in the Industries Bill and that he did not like the large

percentage of non-Indian investments in the country. If it is decided to nationalise all industries including the planting industry, of course the industry is not at all against the Tea Bill that is being introduced but we do ask for certain amendments or certain changes in the clauses so that it may help the industry and help the Government to have the desired control without taking everything away from the people who work the estates and who have built up this industry which is today a great national asset. That is all we ask them. The Bill is here. According to this Bill, not exceeding 40 Members are to be nominated to the Board. The representation is allotted to various interests but the nomination will be entirely in the hands of the Government. Well, we are asking for certain adjustments here. There is, of course, the question of a Chairman. The Chairman is to be appointed by the Government on such terms and conditions as they consider desirable. Then there is the question of the Vice-Chairman. The Vice-Chairman also is to be appointed by the Government. I take it that the Minister will accept this amendment. The Executive and other Committees are to be constituted but no specific rules are yet drawn up. The Secretary and the staff are to be appointed again by the Government. In the case of staff, of course, people drawing a salary upto Rs. 350 or so are to be appointed in consultation with the Public Service Commissioner but anyone drawing over and above that salary will be appointed by the Government. It is in these matters that we have asked for certain changes. On the question of the appointment of Secretary and staff, we desire that the Government may do so but in consultation with the Board. The Board as constituted or as it is proposed to be constituted, is entirely a Government affair because the Government say that the Board would be constituted by such persons who are, in the opinion of Government, capable of representing the various interests. Even after appointing their own people, or people whom they consider fit, Government have the authority to dismiss them. Clause 11(1) reads like this:

"The Central Government may, by notification in the Official Gazette, direct that the Board shall be dissolved from such date and for such period as may be specified in the notification."

Then, there are various other provisions. On the question of export allotment, Government have kindly given some consideration. Clause 19 says: "The Central Government

[Shri A. V. Thomas]

shall, after consulting the Board and paying due regard....." When this concession—I would call it a concession—is allowed in the case of allowing export allotment, I do not see any reason why it should not be granted in the case of the Selection of Secretary and the staff.

I am not quite clear about clause 26. It is said in clause 26, that the money collected will be first credited to the Consolidated Fund of India and then from out of such proceeds such sums of money as it may think fit after deducting the expense of collection will be paid to the fund. I would like to know whether all the money collected will be placed at the disposal of the Tea Fund. The total amount involved here is about Rs. 94 lakhs or practically a crore of rupees. The money collected as a cess from a particular industry has to be utilised for the benefit, for the advantage, and for the objectives mentioned in this Bill.

Shri T. T. Krishnamachari: It is left to Parliament. Parliament will say whether that money shall be used for that purpose or not because it sanctions appropriation.

Shri A. V. Thomas: So, it goes into the general fund.

[**Shri T. T. Krishnamachari:**] The idea is, the Government will allocate the money and they will make a proposal. It is Parliament which will have to sanction. We are now labouring under a constitutional difficulty. We cannot, according to the present ruling of the Auditor-General, collect this cess and make it over to the Board. It must come into the Consolidated Fund and Parliament must re-appropriate. It is more a procedural matter than any intention to deprive the Board of its legitimate resources.] The position is, Parliament is supreme.

Shri A. V. Thomas: Then all right. I did not understand that. What I wanted to know is whether the Government would recommend that whatever amount is collected will go back to the Board for propaganda, etc. That is the question. We have a proverb in my part of the country:

"*Yanai vayil pona karumbu.*"

Sugar candy that goes into the mouth of an elephant,—you can never see that afterwards.

Shri T. T. Krishnamachari: That is not sugar candy, nor am I an elephant.

Shri A. V. Thomas: The question is whether all the amount collected as cess will be utilised for the tea industry. Supposing they collect Rs. 94 lakhs and you spend Rs. 90 lakhs. There is a balance of Rs. four lakhs. What happens?

Shri T. T. Krishnamachari: They might spend Rs. six lakhs more and make it a crore.

[**Shri A. V. Thomas:**] When there is a surplus, what happens? God alone knows. Let us leave it to the future.

[Now, I come to clause 30 which is a very important provision. The industry as a whole is very much disturbed about that: the power to control price and distribution of tea or tea waste.] I do not know why tea waste finds a place here. I may, in this connection, inform the House that after the Rajaram report was published, Government very hastily, and without consulting the Board passed orders and they thought that they had made a concession in allowing tea waste to be sent out without payment of an export duty. The Board was not consulted; the industry was not consulted. I think they found that they had made a mistake and after five or six weeks, they rescinded the order and re-imposed the duty. The result of that little mistake was that waste tea which was not fit for human consumption, which generally used to be destroyed, came into the market and it was sold to a certain extent—not a very great extent. Fortunately, the mistake was discovered quickly. It helped some of the merchants to adulterate bad quality tea with good quality tea. Had that been allowed for a long time, I think many of our people would have given up the use of tea altogether. Anyway, I am glad that Government was able to rectify the mistake in time.

[As far as this clause is concerned, Government want power to fix the maximum price or minimum price or the maximum and minimum prices which may be charged by a grower of tea, manufacturer or dealer, wholesale or retail, whether for the Indian market or for export. I think we have really no objection for their fixing the prices for the Indian market. But, we cannot understand why the price for the export market should be fixed.] We are now producing more tea than is needed by our home market. In the case of the export markets, sometimes, for a pound of tea which we sell in India for Rs. two we may get eight annas more or Rs. three. Why should a maximum price be fixed for tea which we have

to sell to an outside country? I cannot understand that.

Another point is this. [Government can also control the maximum quantity which may in any one transaction sold to any person.] There is control over the quantity of tea that you can sell at one time. There is also a further clause, controlling the quantity sold to any particular person at a particular price. [This is a very dangerous clause to be introduced.] The tea industry, in many cases, as far as our own people are concerned, is not in a prosperous state. It is more or less like agricultural produce. I may produce tea of the value of Rs. 10,000. I have not got much finance. Naturally, I look forward to sell all this tea in order to get money and pay the wages of my labourers and to meet other expenses. If I am restrained from selling freely and licenses are to be issued to merchants, naturally, I would be at the mercy of the man who holds the license. My tea will be held up. I will get into difficulties and I may not be able to pay my staff and labour. Careful consideration has to be given to this matter. I appeal to the hon. Minister to go into this question carefully.

Then, there is clause 34. The hon. Minister did make some reference to this matter in his speech. Here it is said:

"Any person authorised in this behalf by the Central Government or by the Board or any Member or officer of the Board may enter at all reasonable times any tea estate or any place of premises where tea....."

I must point out that it would be a very great hardship if any Member or any officer of the Board just walks into an estate. The hon. Minister referred to the Criminal Procedure Code or some such thing. I am not a lawyer. But, if that protection is given to an ordinary person, why should not that protection be given to an estate or garden owner? Why should anybody walk into his office, factory or his house and call for papers, and have the whole house examined? It should be considered whether these words in particular "any Member or officer of the Board" should not be omitted.

In clause 38, there is a little consequential change that has to be made. Government have a number of controls under this Act. As I said at the beginning, times are changing and of course, the industry has to submit itself, in the interests of the country, to any reasonable laws. But, if you deprive me of my liberty to sell the 143 P.S.D.

goods, I produce, agricultural produce or otherwise, it puts a very great restriction and it will also dislocate my work on my estates.

The Minister in his speech made some reference to coffee. I really do not know why that reference was made when the Tea Bill was being discussed. In the case of coffee, I have certain figures which at a later date I will place before the House. But I am afraid that he was rather uncharitable in the remarks he made. The price of coffee went up, it is true. But really, if I may say so, it was due to certain Government action that was taken. (Interruption). There was a little surplus coffee which the Board themselves wanted to be sold in the country. It might have happened some time ago, not perhaps in the present Minister's regime. There was a stock of coffee which the Board recommended should be sold in India in order to keep the prices even. But from Government quarters orders were sent in that because exchange was required, they must release a certain quantity for export. That was the beginning of the trouble. The surplus coffee was taken away. The merchants knew, of course, that the stock of coffee had fallen low and naturally they put up their prices. Even now when some reference was made by the Minister, he used a very uncharitable word again, because he said the Coffee Board was trying to sabotage certain arrangements.

Shri T. T. Krishnamachari: I propose to maintain my statement every time, charitable or uncharitable.

Shri A. V. Thomas: It is a very bad expression to have been used by the Minister. I would be able in course of time to prove that it was not the intention or the desire of the Coffee Board to sabotage any instructions which went from this side. They may sometimes perhaps resent the instructions which are passed on from here, but they will never dare to disobey or refuse to carry out such instructions. It is a pity that that reference was made. After all, we ask for certain things from the Government. Well, if Government are not agreeable to that; there may be difficulties. The Raja Ram Rao Committee went round to tea areas but the Government refused to give relief in duty. Sometimes a hungry man is an angry man. Well, naturally when he feels hungry, he may say certain things, perhaps in a bit of temper, but that is not abuse. He may state his case rather forcibly; that is all what the industry did, and I do not see any reason why the Minister should take offence at it.

I would appeal to the hon. Minister to consider the various amendments

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that I have given notice of. Unfortunately, at the close of his speech, he warned the planting industries. The people engaged in these planting industries are all as he said, (unless they are proved to be bad people), good people. I will exclude myself from that group and say that all others are good people.

Shri B. S. Murthy (Eluru): You are an honourable gentleman.

Shri A. V. Thomas: That is beside the point. The planters as a rule are good people.

An Hon. Member: As a rule.

Shri A. V. Thomas: They do hard work and they are really good people. So I again appeal to the hon. Minister to be a little more charitable and try to meet our wishes as far as it is possible. I know he may have difficulties, in which case we would like him, if it pleases him, to tell us what those difficulties are. That will clear a lot of ground.

One more matter, Sir. Of course, tea is under discussion. The Minister referred to coffee and I would bring in the rubber question also. There is also a rubber industry there in the south.

Mr. Chairman: I am sorry I have to interrupt, the hon. Member. He should be relevant. He has already taken about half an hour or more. I would request him to allow other Members also, who are equally anxious to speak, to have their say.

Shri A. V. Thomas: I would not take long.

Shri N. M. Lingam (Coimbatore): May I know, if the Tea Bill is as elastic as rubber?

Shri A. V. Thomas: I brought in this question because we had a surplus stock of rubber. We appealed to the Government....

An Hon. Member: How does rubber come in at all?

Shri A. V. Thomas: It is an export/import question.

We made our request to the Government. Perhaps somebody may have said our request was not attended to in time. I would state what actually happened. We were unable to convince the Minister that there was a surplus stock of rubber and somehow or other it took quite six months before he could be convinced. Then, of course, very graciously he did allow about 400 tons to be sent

out of the country to relieve the congestion here. But then we are still hoping for something to come out because there is still surplus rubber. It is taking time. Naturally when it takes time, somebody cries out for help; somebody cries out for succour. That should not be taken by the Minister as an insult or an abuse. We only ask for what we want. These are the observations I have to make.

Shri A. K. Basu (North Bengal): I wish to press a plea for the special protection of the so-called uneconomic tea gardens in North East India. The prices of tea have gone up by eight or ten annas per lb. and it is likely that this higher level will be maintained.

Shri A. V. Thomas: Last week the market price has come down.

Shri A. K. Basu: But I think the higher level is likely to be maintained in future. It is to a certain extent due to the decision of the tea gardens to restrict the crop production by twelve and a half per cent. of the bumper years between 1949 and 1951. It is estimated that this will reduce the total crop by 50 million lbs. But in my view, the main cause for the rise in price is the expectation that the uneconomic tea gardens will go out of existence, which will reduce the crop by another 50 million lbs. It is true, perhaps, that the industry, as a whole, has turned the corner, but the tragedy is that it has turned the corner at the expense of the uneconomic gardens which are, by and large, all Indian gardens.

Now, the position, in short, is this. Eighty per cent. of the Indian gardens came into existence between the years 1918 and 1930. By that time, all the European gardens had attained full maturity. Perhaps the only exceptions were about 27 of the European tea gardens in the Darjeeling Hills out of 77 which could not grow enough on account of topographical reasons. These new Indian gardens, because of the difficulties of finance, started as small gardens, with sufficient elbow-room for gradual extension. Then came a slump in the tea trade in the year 1930, and in 1934 by International Trade Agreement the export quota for India was reduced. The consequence was that there was a restriction put on the extension of the existing tea gardens. The tea gardens of a proprietary character were not allowed to be extended beyond 150 acres and tea gardens of a non-proprietary character were not allowed to be extended beyond 300 acres. Now, these acreages, at that time, were economic units, but at the present day,

on account of the increase in the cost structure, no garden can be considered to be an economic unit if it is below 500 acres.

[MR. DEPUTY-SPEAKER *in the Chair*]

I suggest that the restrictions on the growth of these small gardens put by Section 28 of the Indian Tea Control Act may be relaxed and these small gardens may be permitted to be extended up to 500 acres. I also suggest that there should be no restriction on the crop production of these small tea gardens. The control over production should not be extended to these uneconomic gardens.

Lastly, I suggest that the export quota must be controlled by Section 14 of the Tea Control Act, but these tea gardens must be allowed to export up to the full extent of their production. If these things are done, it would allow most of these uneconomic tea gardens, which are, as I said, by and large Indian gardens, to become economic units within a few years. I would ask the hon. Minister of Commerce and Industry to consider these points while dealing with the question—which he indicated he would deal with in his speech—of finding a satisfactory footing for these uneconomic gardens. I submit that these smaller gardens deserve this as a matter of justice, because it is the past policy of the Government that has crippled them.

Shri T. K. Chaudhuri: It seems that the star of ill-luck has been pursuing this Bill inspite of the best intentions of the hon. Minister of Commerce and Industry. I remember that when the original Bill was introduced during the last session, it was taken up at the fag end of the session. It was committed to a Select Committee. The Select Committee's report has been before us for some time, but somehow or other, this Bill is again being taken up at the fag end of the present session, and it is again going to be relegated to some future date—I do not know when. I suspect that very powerful forces are working inscrutably behind the scenes.

Mr. Deputy-Speaker: Does he not want this Bill to be finished in this session?

Shri T. K. Chaudhuri: I do, Sir. I am complaining that it has come at the fag end.

Shri Punnoose (Alleppey): The stars are against it.

Shri Sarmah (Goalghat-Jorhat): But the Tea Bill will continue tomorrow.

Shri T. K. Chaudhuri: We do not know when it will come up again; we do not know either whether it will

be passed into law during this session.

Shri T. T. Krishnamachari: I hope it will be.

[**Shri T. K. Chaudhuri:** Anyway, Sir, I was one of the Members of the Select Committee, and both as a Member of that committee and as a signatory to one of the minutes of dissent I have no hesitation in endorsing the statement made by the hon. Minister that the Select Committee as a whole supported the principles underlying the Bill.]

[This Bill proposes to hand over the control of the tea industry in all its stages, *viz.*, from cultivation up to marketing, to the State or the Central Government. As hon. Members can find for themselves from the Bill, except in the matter of price control and distribution of quotas, power for which is reserved with the Central Government to be exercised directly, the proposed control would be normally exercised by the Central Tea Board which would be set up under the terms of the Bill.] We have been given some sort of a verbal assurance by the hon. Minister that various tea interests—the estate owners, growers, manufacturers, traders and blenders—and labour, too, will have their say when appointments are made to the Board for representing various interests. I am, however, not prepared to say that the lines indicated by the hon. Minister as regards the representation of labour fully satisfy us. Whomsoever he may appoint from the estate owners, that representative will still remain an estate owner. I would request the hon. Minister to appreciate the difficult conditions under which labour operates in the tea estates. Feudal conditions and feudal oppression, reminding one of the middle ages, prevail still in these inaccessible areas of Assam etc. where tea estates mostly are. It is very necessary, therefore, that all-India central trade union organisations which work in these areas should be given the right to nominate their representatives to the Board, so far as representation of labour interests on the Board is concerned.

I am also not satisfied with the national composition of the Board, as proposed under the terms of this Bill, particularly in regard to the national composition of the representatives of the estate owners and growers. I will deal with the question later on as to how this industry right from the cultivation stage up to the marketing stage and also in the matter of transactions in the international market is fully dominated by British and British interests alone to the exclusion of Indian owners and growers. We have just heard Mr. A. K. Basu complain-

[Shri T. K. Chaudhuri]

ing about the position of the so-called uneconomic growers, or uneconomic estates which are by and large Indian-owned. If these India-owned estates and these Indian growers have to be given due weightage and if the industry is to be controlled in real national interests, then I feel very strongly that enough representation should be given to Indian estate owners and Indian owners, may be to the exclusion of foreign interests which have been dominating the tea gardens and the tea trade all these years. [We would also have liked to have incorporated in this Bill provisions analogous to those of Chapter III-A of the Industries (Development and Regulation) Amendment Bill.] We had this day some discussion on that point, and we hope the hon. Minister will give us convincing reasons why such provisions cannot be incorporated in the body of this Bill so far the tea industry is concerned. [Why under certain conceivable circumstances units of the tea industry cannot be taken over by the State to be managed in the national interest passes our comprehension.]

Now I come to the more important aspect of the matter. We, on this side of the House, have agreed in principle to the passing of this Bill, but at the same time we must also point out that so far as the power to control the industry is concerned, which we propose to hand over to the Government it has to be viewed in the background of the policy followed by the Government with regard to the tea industry in general in the recent past. I propose to review the policy of the Government in the background of two or three factors: firstly, the domination of the tea industry and the tea trade by British interests; secondly, the background of the recent phoney crisis through which this industry is supposed to have passed; and thirdly, the policy of the Government in connection with tea estates labour.

The hon. Minister has pointed out that 80 per cent. of the tea industry in this country is controlled by foreigners. I would have liked him to be more specific. I tried to collect information from all available authoritative sources, and I think, so far as ownership is concerned, nearly 75 per cent. of the capital invested in the tea industry is European, but so far as control and management is concerned, the hon. Minister is certainly correct. Some 80 to 82 per cent. of the tea estates are controlled and managed by European, and more precisely, by British interests. And you shall also have to remember the other fact,—the connection of the

British-owned tea industry with the rest of the British-owned industry in this country. It is not merely that certain individual Britishers belonging to the planting community with some adventurous spirit going over to the hills or inaccessible regions and opening up the country to tea cultivation and tea manufacture for our benefit. Now, as the position stands today, it is some thing more dangerous more frightful, more insidious, and more harmful to our national interests than we could ever conceive. With your permission, Sir, I shall mention certain patent facts and data which I have taken care to collect from authoritative sources. I looked into the Investors' Indian Year Book 1952 where 121 of the leading tea estates and tea manufacturing companies are listed.

1 P.M.

Shri B. S. Murthy: Out of?

Shri T. K. Chaudhuri: Out of several thousands. These are the top most. And look at the list of Managing Agents who control these tea estates: McLeod & Co., Williamson Mayor & Co., Shaw Wallace & Co.—all well-known names, not only in respect of tea but also in other industries—Gillanders Arbuthnot & Co., Duncan Bros. & Co., Octavius Steel & Co., Devenport & Co., Hoare Miller & Co., Andrew Yule & Co., James Finlay & Co., Jardine Henderson, Ltd. Kilburn & Co., Kettle Well and Bullen, James Warren & Co., and Brooke Bond (India) Ltd. Of course, several Indian Managing Agencies also are named. They control only one or two of these covetable gardens—Daga & Co., Glen & Co., Lohia Bros. Ltd., National Tea Corporation, Ramdutt Ramkishendas. But in general they only control comparatively smaller gardens, and these gardens are also very few in number.

Then, I would also like this House to appreciate the fact that these companies which are named here—I think these names are all well known; my hon. friend Mr. Bansal will be able to enlighten this House more fully on this if he chooses to do so, but I will analyse the position of certain of these companies. For instance, Andrew Yule & Co. is typical of this kind. What is this company? What are the concerns that this giant trust control? It controls eight jute mills, eight coal mines, sixteen tea estates in Assam, two power supply companies, two engineering companies, two steamship river lines, two paper and printing companies, one refractory, two lubricant companies, two jute presses, two land and investment companies and eight agencies for British insurance companies.

Similarly, take the case of James, Finlay & Co. Ten tea estates, three Engineering and Mica Companies, one Jute mill, one engineering company, one aluminium company, three cotton mills, fifteen agencies for British companies including machinery, paper mills, tea chests, cellophane etc., which are very important for the tea industry, sixteen agencies for shipping and steam-ship lines, seven British Insurance Companies. Similarly here is James Warren and Company.....

Mr. Deputy-Speaker: How are we concerned with their other activities?

Shri T. K. Chaudhuri: We are very much concerned, Sir, because in the tea industry the position of these companies is such that they control the most covetable gardens, the best organised gardens and, at the same time, they are linked up with other sectors of our national industry and thereby, it is not merely this tea industry over which they have the hold but they control other industries which enables them to control our economic life.

Shri B. S. Murthy: Spreading the tentacles of exploitation, Sir.

Shri T. K. Chaudhuri: James Warren and Company also hold Managing agency for 31 tea estates, agency for the famous Davidson & Co., Ltd., who are manufacturers of the still more famous Serako tea preparing machines, 18 Insurance agencies, five Steamship and Shipping Line Agencies. Similar is the famous McLeod & Co., which is more famous in the tea industry. I have not been able to get the number of concerns which they control but, in a recent advertisement in the Bengal Chambers of Commerce Centenary Number of the *Statesman*, they advertised themselves in bold letters as owners of jute mills, railways and tea gardens. Besides these, they control three principal agencies for British Insurance Companies, one agency for one shipping line. They control the Britannia Engineering Company who are makers of all sorts of tea machinery, and nine agencies for tea fanning machinery and tea chest and paper lining manufactures.

Shri Bansal (Jhajjar-Rewari): Does the hon. Member know that this has been mostly taken over by an Indian firm now?

Shri T. K. Chaudhuri: I am coming to that. Now, the veneer of Indianisation is sought to be given to some of these tea estates and also to these Managing Agency firms. I tried to analyse the composition of the Directorate. First, I shall take up the Tea Estate Companies. In the Brooke Bond Estates,—there are four Euro-

pean names along with one Indian name, Mr. G. C. Bangur (*Interruption*). In the Carron Tea Company,—it is a very good Estate—there are two Europeans along with two Indians, the same G. C. Bangur and the ex-Knight, Mr. B. P. Singh Roy—ex-Knight, after 1947 of course. With regard to Birpara Tea Company, we find there are three Europeans along with one Indian, the same G. C. Bangur again. In regard to Bormah Jan Tea Company—these are being taken up as typical instances—I do not have the time to go through the whole list of Directors—managed by McLeod and Company, there are two Europeans and two Indians, R. K. Dutt and Chunilal Kanodia, a famous name both in Calcutta Burra Bazaar and Netaji Subhas Road. Then there is the Bhatkhawa Tea Company. Here there are also three European Directors with one Indian, K. G. Goenka. This is so far as the superficial Veneer of Indianisation is concerned, which does not at all reflect Indianisation of ownership or control of management with regard to tea estates.

Shri Bansal: The ownership is Indian; the management may be still theirs, but the ownership is Indian.

Shri K. K. Desai (Halar): I think this information was made available to us by the hon. Minister. He said that 80 per cent. of the tea industry belongs to the foreigners.

Shri T. K. Chaudhuri: One hon. Member in this House was advocating the cause of the European Tea Estates. He seemed to contend the other day that since independence they have become changed men. I am not, of course, satisfied with the attitude of the hon. Minister. I do not think he goes far enough, but, at the same time, I endorse his statement that this industry is still predominantly controlled by Europeans—not only this industry, but along with this industry other groups of small industries also.

[With regard to the Indianisation question these Managing Agency firms which I had mentioned just now, McLeod & Co., Jardine Henderson & Co., Duncan Bros., Ltd., Gillanders Arbuthnot & Co., all these companies have always one or two Indian Directors. I do not think even Mr. Bansal would contend that the ownership of these companies has become predominantly Indian.]

Shri Bansal: The first four have become definitely Indian in ownership.

Shri T. K. Chaudhuri: It only proves that if Mr. Bansal's contention is true,.....

Shri Bansal: There is no contention; it is a matter of fact.

Shri T. K. Chaudhuri: If this information is true, it only indicates that there has been a fusion of Indian vested interests and foreign vested interests. At least I am of that view—I do not know about my other colleagues.

Shri B. S. Murthy: It is not an unholy alliance; it is a holy alliance.

Mr. Deputy-Speaker: I think we may safely come to the clauses.

Shri Sarmah: We are not coming to the clauses at this stage. Why should we mention the clauses, Sir.

Mr. Deputy-Speaker: That is because enough has been discussed about this.

Shri Sarmah: I beg to submit that enough has not been discussed.

Mr. Deputy-Speaker: Let us come back to that.

Dr. M. M. Das (Burdwan—Reserved—Sch. Castes): Let there be some time limit, Sir.

Shri Bansal: No time limit.

Shri T. K. Chaudhuri: My own contention in placing these facts before

the House is that the House should not lull itself into the complacent belief that so far as their control over the tea industry is concerned, the European agencies are at all on any manner of shaky ground. These Managing Agency firms not only control the tea gardens and tea estates but they control the whole tea industry and tea trade. Take the case of tea auction. Four European firms control the auction—I am told that one Indian firm has recently come into operation—four European, British-owned firms control these tea auctions. There also an apparent Indianisation with the inclusion of one or two Indian directors has taken place which enables these companies to claim that they are proper national companies looking to national interests. Not only with regard to manufacture, but also with regard to internal trade as also external trade....

Mr. Deputy-Speaker: Is the hon. Member likely to take more time.

Shri T. K. Chaudhuri: Yes, Sir.

Mr. Deputy-Speaker: Then the House will stand adjourned till 8.15 A.M. tomorrow.

The House then adjourned till a Quarter Past Eight of the Clock on Wednesday, the 6th May, 1953.