

tions, in which case, if there is a connection, then, an amendment even to a section which is not touched by an Amending Bill may be permissible. Each case has to be judged on its own facts. No general rule can be laid down on this. I merely wanted to give a general direction. I can see from the amendments tabled that there was a general misconception. It has also been disclosed during the short discussion on this point that some misconception or misunderstanding has been there.

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**COFFEE MARKET EXPANSION  
(AMENDMENT) BILL—concl'd.**

**Mr. Speaker:** The House will now proceed further with the Coffee Market Expansion (Amendment) Bill.

**Shri Keshavalengar (Bangalore North):** Mr. Speaker, I was submitting to this House yesterday that from any point of view, this is an industry which is akin to agriculture and resorted to mostly by small scale planters and it eminently deserves every help at the hands of the Government.

[MR. DEPUTY-SPEAKER in the Chair]

I would like to suggest that from a consideration of the nature of the commodity involved, coffee is not an essential commodity. Nor is it a semi-essential commodity. It is almost a non-essential commodity. In spite of that, we have to consider other facts. It is the export of this commodity that fetches us a large amount of dollars. Taking into consideration one other aspect namely the consumers who are involved in this matter, even there, coffee is not a drink of the common man. A few rich and perhaps many middle class people resort to this drink. From the production of coffee, it looks as if barely about 20 lakhs of our citizens drink coffee. It comes to this. Barely about 1 per cent. of the population of 36 crores in our country resort to this drink. Even from the point of view of production, this commodity has a world-wide market. Out

of the world output, India is producing only one per cent. and that too of the finest variety of coffee. This variety of coffee is deemed to be so fine that in England and other places, they purchase this coffee even though it may be in a small measure, and blend it with other kinds of coffee from Brazil, South America, South Africa and other countries. That shows how important it is that we should devote every attention possible for the well-being of this industry and improvement of the same.

We find that under this Bill, quite a large number of significant and far-reaching modifications in the structure of the Coffee Board are sought to be made. Before I go into the nature of the changes involved, I would like at once to ask my colleague to point out the need for these changes. Where is the hurry for these changes? Are we to understand that the Coffee Board as it is now in existence is not functioning properly or it has ceased to function. If only you will please see the report on the working of the Coffee Board for 1953 by the Ministry of Commerce and Industry, the Ministry has bestowed some compliments on the working of Board. It reads like this:

"After the industry was helped to tide over the crisis, the Board came to be established on a more permanent footing with a view to setting the industry firmly on the road of steady rehabilitation.

The trend in expanding coffee acreage and increasing production since the Board was founded in 1940, is a measure of the stability and confidence restored to the industry."

These are the terms in which the Ministry of Commerce speaks about the working of the Board.

When we take into consideration how the Board has functioned, we find that the coffee acreage which was 183,000 acres in 1940 now stands at 250,000 in 1952. The production of coffee which was 15,550 tons in 1940 has risen to 29,000 tons this year. In

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1940, 99,000 labourers were employed; now the figure has risen to about 2 lakhs in 1950. Perhaps, it is a little more today. These facts and figures speak volumes about the efficient way in which the Coffee Board in existence is functioning. Evidently, the reason for these significant and far-reaching modifications in the structure of the Board is not the unsatisfactory functioning of the Board. If at all anybody has got a grievance against the working of this Coffee Board, it is this humble self of mine. The labour employed in this industry is about 250,000. About Rs. 3,50,00,000 is the wage bill every year. But, the conditions of working for labour are far from satisfactory. Nothing has been done to ameliorate the conditions of working in these plantations. I cannot understand what are the schemes that the Government has tried to put forward for the amelioration of the conditions of labour, which the Board had turned down.

I would like to suggest that the main reason for the changes sought to be made in this Bill appears to be the anxiety on the part of our Minister that the Government has no dominant voice in the functioning of the Board. He is not the operating agent: that is what he is complaining about. He cannot initiate things. I fail to understand what is it that has got to be initiated. Initiate what? In fact, there were two Members of the Government on this Board. The Minister himself said in his previous speech at the time of the introduction of the Bill,

"I do also recognise that all is not well, but unfortunately, there are certain difficulties so far as I am concerned, because I am not an operating agent here. I have really no powers."

At another stage, he said:

"Formerly, there were three representatives from the Government of India which had a deciding voice to ask others to vote."

Is that not a dominant voice in the functioning of the Board? What has happened is, Government has withdrawn these two officers and now, it seeks to put in every Member on the basis of nomination. Is that a proper thing to be done? Even now, as the Board stands, the Chief Coffee Marketing Officer is a government servant, who is appointed by Government. Invariably we have on this job the most senior civilian servant of the Government of either the State or of the Centre, and it is quite possible for Government to initiate any move in the direction of improving the industry or ameliorating the conditions of the workers through this officer. And if any power is required, and if it is found necessary he should be invested with these powers, a Bill to that effect could be placed before us. Nothing of the kind is done. The withdrawal of these representatives does not in any way improve the functioning of the Board. Nor, I would like to suggest, does it in any way reduce the interference of Government in the affairs of the Board. I find that while we have now the Chairman of the Board who is absolutely an elected person from the coffee growers, we are now seeking to place in his position a full-time paid appointed person. Is there any justification for this?

In fact, we have got to take into consideration the other factors behind this matter. You will be pleased to note that these coffee producers, purely as a matter of co-operative effort for getting a better market for their coffee, voluntarily agreed among themselves to pool every ounce of coffee that they grow, and that coffee in the pool was taken over for marketing by this statutory institution of the Coffee Board. Is not the Board in the place of a trustee on behalf of the producers? And has that Board not to assure a fair return to them? Of course, as I was suggesting before, the labourers are as much partners in this interest and their interest also has got to be taken into consideration.

Now, trying to withdraw our members on the Board and instal an appointed full-time civilian Chairman of the Board makes me feel that we want power without any responsibility for the functioning of the Board. If I may be pardoned to say so, this matter of seeking power without responsibility is almost the privilege of a prostitute as Bacon has said so. I really cannot understand any justification at all for any helplessness that is being now apprehended in the mind of the Government.

**Mr. Deputy-Speaker:** I was not able to follow the expression which the hon. Member used.

**Shri Keshavalingar:** Seeking power without responsibility.

**Mr. Deputy-Speaker:** Very well.

**Shri Keshavalingar:** This helplessness has no justification at all. And in case more power is desired, we could as well even abolish the Board altogether. That does not in any way endanger the interests, I believe, of the coffee growers. Natural forces will come into play and their interests will find their own level.

Even the small coffee growers of Mysore met the other day on the 16th November, as has been announced in the *Thai Nadu*, the local paper with the largest circulation. They have met in a body in conference in Chickmagalore and resolved, among other things, that we should hold up this Bill at least till the report from the Plantation Enquiry Committee is received. In the same way there was a conference some time ago of all the people interested in coffee in Wynad under the chairmanship of our esteemed colleague, Mr. Damodaran, and they have also passed a similar resolution. I wish we respect the wishes of these persons who are interested in this matter and await the report of the Plantation Enquiry Committee. We have appointed an Enquiry Committee to go into all these matters. It does not matter if coffee got into their jurisdiction a little later and not at the initial period itself. We appoint a Committee for enquiry and afterwards something happens

somewhere, and we circumvent the whole matter and try to pass legislative measures to suit our needs. Such a thing, I presume, ought not to be very permissible.

One word more regarding the question of the panel system. It was suggested the other day that the interests of the small scale coffee growers are ensured and safeguarded as it is proposed to appoint their representatives by means of a panel. If at all we give representation, let us give it in the right royal manner by means of election. If the small coffee producers have not had representation, let us ear-mark for the small estate owners two out of the four seats, i.e. 50 per cent. meant these coffee producer interests. And we can ask them to elect from among themselves. We are conducting this kind of election among the labour organisations in our country. Members of several recognised labour associations jointly vote and elect their representatives to participate in the deliberations of many statutory bodies. The same kind of rules may be framed for this purpose and representation for the small scale coffee producers may be secured by means of the election itself. I feel this is a sort of retrograde step to go into nomination. As the Bill is now framed we see that every member of the Board is likely to be a person nominated by Government from the Centre or from the State.

I would like to suggest that we need not bring into comparison here the situation of the Tea Board. There is no necessity that one uniform rule must be observed in respect of all the Boards appointed by our Government. There is no regimentation so far as Committees and Boards are concerned. And coffee is an industry by itself. It is a different kind of industry altogether, and there is no harm in having a different kind of Board, with a little difference from the other Boards in this matter.

I would like to suggest that under these circumstances, it is very necessary that we should wait until we

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receive the full report of the Enquiry Committee. With these few words, I commend my amendment to the House.

**Mr. Deputy-Speaker:** Before I call upon any other hon. Member to participate in the debate, I would like to settle the question of time. Four hours and 23 minutes, or, say, 4½ hours today are reserved for this Bill. That is, we started at 12-30. We can go on till 5. Now, I would like to have the opinion of the House as to the time to be allotted to the stages of this Bill. There are 22 clauses and there are amendments to many of the clauses. In those circumstances, will it not be necessary to have at least an hour for the clauses?

**Shri N. Somana (Coorg):** Half an hour.

**Shri Velayudhan (Quilon cum Mavelikkara—Reserved—Sch. Castes):** They are only token amendments.

**Mr. Deputy-Speaker:** If they are taken beyond half an hour, I can apply the guillotine?

**Shri N. M. Lingam (Coimbatore):** One hour is necessary.

**Mr. Deputy-Speaker:** One hour is necessary, we will assume. Half an hour for third reading.

**Shri N. Somana:** Third reading is not necessary.

**Mr. Deputy-Speaker:** At least the hon. Minister will have to reply.

**The Minister of Commerce and Industry (Shri T. T. Krishnamachari):** Yes, Sir.

**Mr. Deputy-Speaker:** He will take 15 to 30 minutes. That comes to 1¼ hours. Then, we will have three hours today for general discussion. We started the general discussion at 12-30 P.M. We shall close it at 3-30 P.M.

As far as possible, hon. Members will confine their remarks to fifteen minutes. Of course, I am prepared to allow more time in the case of persons who are developing arguments, but let them have this idea

before them. I find already a number of Members are intending to participate in this discussion on coffee.

**Shri Damodara Menon (Kozhikode):** I have given a Minute of Dissent to the majority Report of the Select Committee. My Minute of Dissent deals with two main points, to which reference was made by the hon. Minister in his speech yesterday.

The first concerns the question of the appointment or election of the Chairman of the Board. The hon. Minister wants an appointed Chairman or a paid Chairman, and he feels that the provision in the principal Act, whereby the Chairman was elected by the members of the Board from among themselves, is not a very good provision. I cannot find my way to agree with this view. My fear is that if the Board is going to have an appointed Chairman, it will be more or less a limb of the Commerce Ministry. It will unnecessarily bureaucratize the Board, and that is not a healthy development. I have not been able to find from the elaborate arguments advanced in favour of an appointed Chairman, that the conduct of an elected Chairman so far has been unsatisfactory. There has been very little argument to show that the elected Chairman has not acted in a way which was conducive to the development of the industry as well as the general prosperity of the nation in respect of this industry. My hon. friend from behind suggests that if it is the intention of Government to make it a limb of the Ministry, it is better that the entire Board is scrapped, and in its place a Department of Government is started.

An elected Chairman will normally be a non-official, and it is all to the good of the Board that a non-official attitude of mind is brought to bear upon the problems connected with the coffee industry. Normally, we have always found in the bureaucratic set-up that Government takes advice and decides questions, according to the opinion or advice tendered by their man on the spot. So, if Government

are going to appoint a Chairman, then normally, we may expect that the decision of this appointed Chairman will be accepted by the Ministry. I do not want that always to happen. There may be cases where the advice tendered by the Board, and the decision of the Chairman may not be the same. There may be differences of opinion, and in that case, I do not want the Commerce Ministry to simply follow the advice of the appointed Chairman. They must use their discretion and apply their mind to the problems that are posed, in case of difference of opinion, and for that too, it is healthy to have a non-official Chairman.

I cannot see why, in these Commodity Committees, Governments should try to impose their will to an extraordinary extent, as is contemplated in this Bill. It must be the endeavour of Government to develop, so far as these Commodity Committees are concerned, something of an autonomy. They must be able to tackle their problems, and also to advise Government from their own experience as to what is best for them, for the country, and for the industry. An appointed Chairman will normally follow Government's general policy, and it will not be to the interest of the industry. I think it would not be to the interest of the industry or the country, if we have a departmental man to conduct the affairs of the Board.

In his speech yesterday, the hon. Minister stated that an appointed Chairman of the Coffee Board is generally according to a scheme which he has applied to all other commodities under his Ministry. As has been just now pointed out by my hon. friend, there is no necessity for any such uniformity. I personally think it would be good to have an elected Chairman, and leave to him a certain amount of discretion in the affairs of the Board, and also some kind of an initiative in the matter of marketing, and the fixing of prices of coffee. It has been suggested that the Board, from time to time, has

been acting in a way that has not been quite satisfactory or quite conducive to the interests of the consumers. I personally feel that this Board, when it was constituted, was primarily intended to protect the interests of the producer, and to help him to advance the industry. The consumers' interests could be protected by fixing the price of coffee, and even now, Government have ample powers whereby they can fix the price of coffee. For fixing a fair price for coffee, it is not necessary to have a Board of this kind. When we thought of this Board, we felt that the coffee industry is a national asset, and it has ample scope for development. As has just been pointed out, it is employing a large number of labourers, and if we have more and more coffee estates in this country, we shall, in a way, be able to solve the unemployment problem. Apart from its being a dollar earner for our country, from a purely national point of view, it has an immense value for the country. Therefore, it was felt that the coffee producer needed encouragement. So, we should not run away with the idea that the producers' interests are something which will conflict with the consumers' interests.

As a matter of fact, even in the present Board, you will find that out of the thirty-two members, only twelve are supposed to be persons from among the producers. Therefore, there is no preponderating voice for the producer in the Coffee Board, and as such, Government need not be afraid that the coffee producers will act in such a manner that the consumers' interests will be prejudiced. And why should the coffee grower generally act in a manner by which the interests of the consumer are prejudiced? The consumers are really his asset, and without the consumer the coffee grower cannot expect to sell his product. Therefore, it is to the interests of the consumer generally that he will attend. When I am saying this, I am not unaware of the fact that there may be avaricious producers who want to make a lot of profit at the expense of

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the consumer. But generally, in this country it may be expected that the producer will realise that his interests and the consumers' interests will not generally come into conflict with each other unnecessarily.

So, to think that if we have an elected Chairman, the Board will be dominated by producers' interests, is not quite correct. It is not necessary that the elected Chairman is always a producer. In a Board which consists of thirty-two members, only twelve are producers, and therefore, the elected Chairman need not normally be a producer at all. I am not convinced by the arguments advanced by the Minister that it would be healthy to have an appointed Chairman.

1 P.M.

I now come to the second point and that is representation of the producers on the Board. The hon. Minister wants nominated representation. In his speech yesterday and also in the Select Committee, he said that nomination will be from a panel which will be submitted to the State Governments by the producers organisations themselves. I am willing to concede that this an advance from the original proposal; but, still, I think the Government and the hon. Minister should accept the principle that the producers' representative on the Board must be the real representative of the growers generally. They must be given absolute freedom to send their best men. If a panel is suggested, they will have to send in four or five names and there is no knowing which of these four or five names the Government will accept. I think, when the producer is asked to send or the grower is asked to send his representative, he must be given freedom to choose his representative and the Government should not interfere. After all, why does the Government want the growers' representative on the Board? It is because the Government want to get the advice of the grower. The Government want also to

understand their problems. And, who are the persons who can really place the views of the growers before Government in a truly representative manner? I have no doubt that it can only be the true elected representative of the grower. It is not a person who is nominated at the sweet will and pleasure of the Commerce Ministry or the State Ministries concerned. Therefore, I am not speaking from any general point of view. I am speaking only from the standpoint of this particular industry. If the Government is anxious to see that they get proper advice regarding the industry, let them not change the old rule whereby the growers' organisations were allowed to send in their nominees. The penal system will not satisfy the need that the real representative of the grower should be on the Board. Why should we be so distrustful of the growers? It has been pointed out that there are a number of small growers who will not find proper representation on the Board if nomination is given to growers' organisations in the different States. I do not think there is any sharp conflict between the large grower and the small grower. There are a number of small growers in the country. My hon. friend who spoke before me referred to a conference that was held at Wyanad over which I presided. In Wyanad, which forms part of my constituency, there are about 7,000 small growers and many of these people were present in this conference. I was able to find that they did not hold the large grower in any kind of suspicion. There was no conflict between their interests and the interests of the big growers. Even from the evidence that was tendered before the Select Committee, it was not found that there was any such sharp conflict, between the big grower and the small grower in this industry. I am not saying that the small grower needs no protection. He needs protection. His interest must be safeguarded and his representative must also find a place on the Board. That can be done by making

proper rules and the Government have got the rule-making power.

There is another thing also. If we insist that proper growers' organisations should alone send their representatives to the Board, there will be a healthy tendency in the country and in the coffee industry for growers' organisations to develop. If, today, there may not be small growers' organisation properly developed, it must be the interest of the Government as well as the coffee industry to see that there are organisations in which every grower is a member. It is only by organising the industry on this basis that we will be able to develop. Surely, the small growers must be induced to form themselves into Co-operative societies and the big growers also must become members of the growers' organisations. Then it will be possible for the Government to approach the growers through these organisations and there will be a healthy sense of Co-operation and solidarity among these growers. Even for that, it is necessary that we give representation to the accredited representatives of the growers' organisation. This panel system will not certainly satisfy that requirement. Therefore, I cannot support the idea of this panel system. I would suggest to the hon. Minister to accept the amendment whereby it is sought to make the representative of the growers on the Board truly their representative and not a nominated one. I do not understand why the Government should be so much afraid of the growers' representatives on the Board. As I said before, they are a small minority and it is not likely that they act in a manner which will be prejudicial to the general interests of the country.

It has been suggested that the Board, in the past, has not been acting in a proper manner. The evidence that has been placed before the Select Committee does not warrant such a presumption. The hon. Minister, in his statement, also hinted that.

He also said when he introduced the Bill that the Board has not been functioning, that the Chairman has not been functioning in a proper manner, especially regarding the sharp price rise during 1952. It is not fair to blame the Board, because the Government had always the authority to amend or alter or even entirely to give up or scrap any of the decisions of the Board and the Government's own man was there; the Chief Marketing Officer was the person who was responsible to market the coffee in the pool and also to advise the Government as to the manner in which coffee should be marketed. Therefore, it is unfair to blame the Board for any act whereby it was found that the prices went up rather sharply. The contention of the Board is that it was because the Commerce Ministry did not act with promptness on the advice given by the Board that the price went up very sharply. This is a controversial matter and I do not want to pronounce any definite opinion on that matter. But, I would request the hon. Minister—even if it is true—not to view this lapse as a very serious one. I am not sure it would justify any such radical measure by which the Chairman is appointed and the representatives of the growers on the Board are nominated. These things really do not warrant a healthy development of the industry.

I can tell the hon. Minister what I found during my tour in Wyanad. There are a number of small growers as well as big growers. I can tell my experience from my presiding over the conference at Wyanad. It is that the growers are generally very much dissatisfied with the manner in which this Board is now sought to be reconstituted.

It must be our endeavour to seek their co-operation and help. After all, the concession they demand is very small. They want an elected Chairman. And, as I said before, I do not see any great harm in having an elected Chairman. They want their own representatives on the Board.

[Shri Damodara Menon]

Why should not the hon. Minister be generous enough to concede that point, if thereby it will be possible for him to create a sense of satisfaction among the growers and also get their healthy co-operation? Without their co-operation, I am afraid, this industry will not develop properly and if this industry does not develop properly, at least in that part of the country wherefrom I come, people will suffer generally because coffee forms a vital part of our economy. Therefore, I would appeal to the hon. Minister, even at this stage, to see that the amendment which is given to make the representative of the growers truly their representative and not a nominated one, is accepted by him.

I have to make one more point. There is provision made in the section dealing with the rule-making powers of the Central Government, for the Government to make rules regarding the pay, allowances and other conditions of service of the workers of the Coffee Board. Recently I had occasion to preside over a conference of workers of the Coffee Board at Bangalore, and there I found from the facts placed before me that the workers of the Coffee Board are suffering from a number of disadvantages, especially those workers who are residing in the coffee houses. You know there are a number of coffee houses throughout the country and the internal consumption of coffee in recent years has advanced to a great extent because of the work of the coffee houses, and even here in Parliament we have a branch of the coffee house. Therefore, it is necessary to have more coffee houses in the country and these coffee houses must function properly. I am not suggesting that they are not doing so now; they are functioning properly, but I find that the employees of these coffee houses are not getting proper wages, their housing conditions are miserable, the wages they get also are not enough for them to maintain themselves in a proper condition, especially in big cities. They must be

given housing allowance and also travelling facilities. All these things I hope the Minister will look into.

It must also be possible for the rules to provide for the recognition of the Coffee Labour Union. The principle of recognition of the labour union is now generally accepted by the Coffee Board and therefore it must be possible for the Government to make a provision in the rules whereby the conditions of the Coffee Board employees are improved. They are miserable and I hope the hon. Minister will send some officer to conduct an enquiry about their conditions and also understand their difficulties and problems. I would go further and suggest that, when the hon. Minister appoints labour representatives—four of them are to be appointed on the Board—he will take care to see that a representative of the employees of the Coffee Board is also taken on the Board.

This is all what I have to suggest.

**Shri N. M. Lingam:** The three controversial aspects, according to me, of the Bill are those relating to the constitution of the Coffee Board, the appointment of a chairman thereof, and consultation with the Board by the Central Government. The previous two speakers have laid great stress on the need for the Government to have elected members instead of nomination by the Central Government. I realise there is great force in what they say, but here it is a commodity board and we have to judge its worth purely from the point of view of its contribution to the development of the industry. Yesterday, in the course of the debate on the resolution for the enhancement of the export duty on tea, I was pointing out how the Tea Licensing Committee, which by the way is an elected body, had failed to develop the industry and how the Tea Board had also committed so many faults in the propagation of tea. It is not as if we achieve everything by merely adhering to the principle of election. What we want is efficiency. The

accent of the Bill, as the House will realise, is on development of coffee. So the need is to see that we only stress on the expansion of the acreage under cultivation of coffee, on research which will contribute to increase in yields and the control of pests and on better marketing. I am afraid the main issue is lost sight of and there is, what I would call, a storm not over a tea cup but over a coffee cup.

Secondly, I come to the question of the appointment of a chairman to the Board. Experience has shown that an appointed chairman—appointed by the Central Government—is more amenable to the policies of the Government with regard to these bodies. For instance, we have a chairman for the Tea Board who is a highly qualified civilian appointed by the Government, and it is as yet too early to say that he has not carried out the wishes of the Tea Board. After all, the chairman, whether he is elected or nominated, has to be responsible to the Board. There cannot be constant friction between the two. If the Board finds that the chairman behaves in a manner which is prejudicial to the interests of the country, it is open to the members of Board to resign, or otherwise manifest their protest. So, although we could have an elected chairman, there is really nothing wrong in having a chairman who will be appointed by the Central Government.

The members of the Board represent some interest or other. There are the growers, there are the representatives of labour, there are the representatives of the I.C.A.R. and if the chairman is a member, who is unattached and who can bring an open mind to questions coming up before the Board, the scheme has its own advantages, because he will have an objective view of the problems that come up before the Board. If a member of the Board is elected as chairman, he will have a predisposition to identify himself with the views of some section of the Board or other. So, it is not as if this is bureaucratisation—an extension of the

hold of the Commerce Ministry to the Coffee Board. It is purely from the point of view of the proper working of the Coffee Board. As I said earlier, if experience shows that the chairman is not alive to his responsibilities, that he flouts the decisions of the Board and that his activities are inimical to the growth of the industry, then it will be time to think of a change in the method of appointing the chairman; but I would appeal to the House to give a fair trial to this system of having a chairman.

I also learn that even the Chief Coffee Marketing Officer had difficulties in dealing with certain abnormal situations that arose in the Coffee Board. So, it is out of experience only that Government have thought of having a paid, full time chairman, to be appointed by them. Let us give a fair trial to this proposal and it is always open to the House to effect a change in the Act when a need arises.

Yesterday, I was saying that the Tea Board and the Tea Licensing Committee did not do much for the development of the tea industry. I am afraid I have to level the same charge against the Ministry itself for not having developed the coffee industry in particular and the plantation industries in general. Yesterday, we passed a resolution enhancing the export duty on tea. That was a windfall to the Government to an extent of Rs. 5 crores. I had tabled an amendment that Government should set apart this sum for the development of the industry. That was ruled out of order on technical grounds. My point is that we have launched on a scheme of vigorous development of these industries. I am glad to note that in this Bill there is a provision levying a customs and excise duty of Rs. 6 on every hundredweight of coffee. It is a most salutary provision and if it is properly utilised for the development of the industry for research, I am sure it will go a long way in promoting the welfare of the industry.

[Shri N. M. Lingam]

I would, in this connection, suggest that the Government, at the time of presenting the budget, ask for more allocations if necessary from the general and consolidated fund, in addition to what accrues from these customs and excise duties so that we may have a planned development and expansion of areas under coffee. I know coffee estates need rehabilitation on a large scale. They require extensive and costly cultural operations. They require new strains, they require manuring. So, if we have to increase the yield—the average yield now is about 3 to 3½ cwt. per acre—we have to see that the results of our researches are applied and are brought to the doors of every small grower. I am happy to see in the Bill that the small grower is at last being thought of so that he may come into his own. I particularly welcome the proposal to have nomination for the Board of Directors from among the small growers, because the small growers are yet not in a position to understand the technicalities of the industry. If they are allowed to elect a man from among themselves, the election degenerates into an election of a member to the District Board or the local Panchayat. It will be a fight for some recognition. So, the proposal of the Government to nominate to the Board members from among the small growers is a salutary one. I only hope that the recent history of the relationship between the Ministry and the Coffee Board will be forgotten. After all, they arose on account of abnormal conditions. We do realise that prices soared during the year 1952 and they got almost out of control with the result that the Ministry had to intervene effectively. I would appeal to the House not to apportion blame for what happened during the year 1952 and later on. For us, it is enough if the hon. Minister in charge assures that he proposes to give the fullest autonomy to the Board. There is also a provision in the Bill itself that the Board may be consulted ordinari-

ly. So, I take it that it is no pleasure to any Minister to intervene or to unnecessarily interfere in the affairs of any commodity Board. The nominated members of the Board have, after all, to look after their own interests. They will not be there simply to please the Minister or any officer representing the Commerce Ministry. If they do not look after the interests which they represent on the Board, there is the public who will not tolerate these members' presence on the Board. So, let us not try, in the discussion of this Bill, to win a debating point or apportion blame or to delve into what happened in the recent past. Let us concentrate, on the other hand, on the main theme of the Bill, namely, the development of the industry.

**Shri V. P. Nayar** (Chirayinkil): But let us not be side-tracked also.

**Shri N. M. Lingam**: I am not going to be said-tracked. I was only sorry that the previous speakers were side-tracked to a certain extent. So, let us have a community of objectives and aims so that this industry, along with the other plantation industries, may prosper and bring the largest good to the largest number in the country.

**Mr. Deputy-Speaker**: Mr. C. R. Narasimhan.

**Several Hon. Members** rose—

**Mr. Deputy-Speaker**: I am giving opportunities to all. I have disposed of Mysore, Travancore-Cochin, then Nilgiris. Now, it is Salem. Then Travancore-Cochin. Shri Damodaran spoke for Travancore-Cochin.

**Shri V. P. Nayar**: He is from Malabar—Madras

**Mr. Deputy-Speaker**: I will come to Travancore-Cochin. All Members from coffee areas will have opportunities to speak.

**Shri C. R. Narasimhan** (Krishnagiri): It is a pity that the amendment which

the hon. Minister proposed for providing for the inspection by the Auditor-General was ruled out of order. According to the Constitution, and for the proper control of the expenditure by Parliament, such a provision is necessary and I hope sooner or later the Minister will come forward with a provision of that nature and have it included in the main Act.

As for the industry itself, the plantation industry with which we are concerned, very great issues are at stake. Great interests are at stake. There is capital, there is labour, there are the consumers, there is the export trade in which the country and the State are interested. Apart from that, there is the great question of employment. As Mr. Thomas was saying yesterday about the tea industry, there are labourers who are likely to return from Ceylon and they have to be absorbed. Coming as I do from Salem, I know that lots of labour from my district go to Ceylon, Malaya and Penang, and so, if labour comes back from Ceylon, it will be a serious problem for my district. Therefore, I request the Government to take particular care of the plantation industry and in its application to my district as a whole. The Select Committee was aware of all these issues that were involved, and have tried to reconcile all the conflicts that arose. The report—I refer to the majority report—is the result of the attempt on the part of most of us to tackle the problem successfully. I am sure, after its emergence from the Select Committee, it has become—compared to the original Bill—more acceptable to the House. Moreover consultation with the Board has been very elaborately provided for. That will remove all misgivings. But whatever is said and done, we do hear even now, in spite of all these small improvements having been made, strong protests here and there, a murmur this side and a murmur on the other side. Also, it is no use hiding the fact that the captains of the industry are quite alarmed and

are very fussy about some of the provisions. Therefore, my submission is that the Minister should try to carry the industry with him if he really wants to make the working of this Act successful. He is a man of experience, and as a person, humble and less experienced, I cannot say I advise him, but I only appeal to him to see that certain view-points which have been put forward by the captains of industry are accepted. If relaxation is made in the matter of nomination to the Coffee Board, I am sure much of the opposition to this Bill will melt away, and will help in the successful working of the Act which is after all the main object of the Minister himself.

**Shri Nambiar (Mayuram):** Sir, unfortunately, I had no occasion to take part in the deliberations of the Select Committee, because I could not be present at their meetings. I could not, therefore, put forward the view-points of the growers, the consumers and the labour, on that occasion. As an example of the view of the growers I wish in this connection to quote two of the resolutions passed by the Coffee Growers' Convention of Wynad, held on Saturday, the 30th January, 1954. The first resolution says:

"The coffee-growers of South India view with concern the attitude of the Ministry of Commerce and Industry of fixing prices, marketing and export of coffee and protest against the nature of reference made by him in the Parliament about coffee."

Resolution No. 7 says:

"The policy pursued by the Ministry of the Commerce and Industry has not been sympathetic to the producers of coffee and has resulted in great loss to the people of producing areas and appeals to the Prime Minister of India to transfer "Coffee" which is purely an agricultural crop to the Food and Agriculture Ministry."

[Shri Nambiar]

They do not want this subject to be dealt with in the Commerce and Industry Ministry. So, they appeal to the Prime Minister to transfer that subject to another Ministry. Let us see who are the participants at this Conference.

**Mr. Deputy-Speaker:** How is all this relevant to the present Bill. The hon. Member may as well say that this Government is useless, or the participants at that Conference may pass a resolution to that effect.

**Shri Nambiar:** The planters of South India.....

**Mr. Deputy-Speaker:** I will allow only those points which are relevant to this issue. If the hon. Member had read out any resolution concerning the composition of the Board, I can understand that. The resolutions read by the hon. Member may be interesting outside, but they are not relevant.

**Shri Nambiar:** This is the reaction.

**Mr. Deputy-Speaker:** The hon. Member must come to the point under discussion.

**Shri Nambiar:** Let us see who are the participants at this Conference.

**Mr. Deputy-Speaker:** I am not going to allow it. We have already seen what the resolutions are. So, whoever might have passed them, however good they may be, it is not relevant now.

**Shri Nambiar:** The planters do not like the policy of the Commerce and Industry. It seems that the Government has declared a war on the producers and we have to see that the industry is saved from this situation. The House has to take realities into consideration. When the industry feels so much against the policy of Government, are we to allow the Ministry to carry on as they like.

**Mr. Deputy-Speaker:** This is not a general discussion as to which subject should be under which Ministry.

The hon. Member has to confine himself to the scope of the Bill. He can for instance say that election should give place to nomination, or that wider powers ought to be given to the Board, etc. Other things may be interesting, but they are not relevant here.

**Shri Nambiar:** I shall come to the point. Nomination to the Board by the Ministry is not acceptable to us. Therefore, we want the whole Board to be elected.

Let me then take the point of view of the consumer. The consumers find that they do not get coffee at cheap rates. Government in the present machinery fix prices for internal consumption as well as for export. The result is that people who want really to take to coffee are not getting coffee at cheap rates. Government must see that internal consumption is encouraged and coffee is sold cheap to the people, seeing at the same time that the producer gets a fair price. Government should not try to make a profit out of the situation, in the name of pooling the resources. For whose benefit, if it is not for the benefit of the producers, or of the consumers or of labour, that the organisation is to go on? Is it with a view to give some crumbs and loaves to certain individuals who are to be nominated, or appointed. That is the reason why we do not approve of this amendment.

Then I come to labour. The hon. Minister is very much particular to see that the Chairman whom he wants to appoint is given a particular scale of pay. Let us take the condition of the employees of the Coffee Board who number about 1,200, and who are mainly responsible for propaganda, marketing, research, etc. These men are getting a very low pay. I do not think that such low pays are prevalent anywhere in any industry in which Government has any say. Take for instance the Marketing Section. The pay of the Class IV employees is Rs. 10 and Rs. 40

dearness allowance. In the Propaganda Section they are paid Rs. 14 plus 40; in the Research Section the daily wages are 14 annas for men, 8 annas for women and 6 annas for boys. These managers of Coffee Houses are also paid low. Class III employees start with Rs. 40. Leave alone the conditions of labour in coffee plantations, which are mostly small ones. For the moment I wish to confine myself to labour in the Coffee Houses, which are directly under the control of Government. I feel that the industry as such will not develop if this sort of thing is permitted. I feel that the labour employed in Coffee Board should be given a fair deal, and they should be given the Central Pay Commission scales.

The hon. Minister in the course of his speech while introducing this Bill said that he has no control over the Board,—that he has no executive authority in the matter and that he can only advise the Board, or initiate. My submission is that whether he can initiate or not, it is a fact that the Board is under his control; he is going to have an appointed Chairman hereafter. He can tell the Board as to how it should look after its employees, and can suggest terms of their appointment. There is no meaning in saying that he has no executive authority and that he has no powers to decide. He has to make up his mind as to whether he wants to give them a fair deal.

My submission is that they should be given Central Pay Commission scales of pay, better treatment; at the same time the Ministry should see that the India Coffee Board Labour Union which has got the maximum rate of membership (95 per cent) is recognised. On that point also the hon. Minister at the initial stage said that he approves the recognition of that organisation but he cannot force the Board to recognise it. That was his argument. If it is so, he can tell the Board that the Ministry is for its recognition and

the Board should do it, and he could make the Board act.

From the amendment brought forward I submit there is nothing which is acceptable to the House, because this makes the whole organisation a department of the Ministry wherein the producer as well as the consumer has practically no say, except some nominated members coming and dancing to the tune of the Ministry concerned. Otherwise, if the object is to raise the industry as such, the policy must be changed. That is the main reason why we oppose this. At the clause by clause consideration stage also I have amendments. But the hon. Minister must take it in a good spirit and not think that at every corner there is opposition. There has been opposition from the Congress, from Mr. Keshavaiengar who is such a leader of the Congress; he himself opposed it, and he says: it must be thrown out. And there is Mr. Somana whose Dissenting Note I saw. They are veteran Congressmen. Not only is the opposition coming from the Opposition Benches but from the real Congress; and Congress of the olden days and not of the new people who have just come into the Congress organisation for some purpose; even the Congressmen of the olden days are opposing it, from the point of view of the whole industry, of the people, of the consumer, labour and everybody. I therefore think it is high time for the hon. Minister to think really and well on this issue.

**Kumari Annie Mascarene** (Trivandrum): I view this Bill from the consumer's point of view. On going through the Bill it is quite clear that the object of this Bill is to benefit the consumer and as such I cannot but say that it is a salutary object. At the same time we have to take into consideration the aspects of the policy accepted by the Government. We understand that the Government has accepted the policy of mixed economy, and as such not only the interest of the consumer but the interest of the producer also should be taken into consideration. When one understands

[Kumari Annie Mascarene]

the constitution of the Board as suggested by this Bill one is forced to say that this Bill has got the aspects of a totalitarian legislation. From the point of view of the producer this is nothing but legislation running riot! From the point of view of the consumer I must admit that this Bill is a solution for the problems that have confronted the Ministry during the last two or three years. You will remember, Sir, that the question of the high price of coffee has arisen in this House many a time, and the hon. Minister had more than once assured this House that he would look into the matter. The constitution of the Board, as it is today, is capable of fixing the price of the coffee to benefit the producer more than the consumer. Even then we have to take into consideration the principles of demand and supply that govern the price of coffee in the market. We cannot forget the fact that the price of coffee in India is 35 or 30 per cent. lower than the price of coffee abroad. Even then it is a fact that the price of coffee had gone up beyond the reach of the common man. I wonder whether those who oppose this Bill here consider this fact, whether they are representing the planters or the producers or the consumers. The common man did find it difficult during the last two years to have this national beverage at least once a day. Therefore such a Bill is important.

But there are certain defects in this Bill. The hon. Minister has forgotten the principle of democracy in constituting the Board. I am really surprised at the way they are handling the principles of democracy. The representation in this Board is by nomination! That shows the high-handedness of the Government in controlling the industry. I can accede to it provided they are willing to admit that they are entering a totalitarian policy as far as this industry is concerned. I have often heard the leaders of this country speaking about the democracy in

India and that is the only principle to be followed in our country. I wonder what the hon. Minister thought when he introduced this nomination principle. Remember please that it is nomination of the Board members from the planters to the labour and trade interests. How can we tolerate such a principle in a country which sings the glory of democracy? That is the defect in this Bill. I would very humbly suggest to the hon. Minister that the principle of nomination-and-election should be accepted as a mixed policy in order to justify this Bill. He referred to a panel of names. That is indeed good. I appreciate it. But should the State nominate the representatives of labour? Have we ever heard of democracy running riot like this? And the trade interests.

Then again, there is a paid Chairman here. Government must have felt the necessity for having such a measure. And in spite of the statement issued by the Coffee Board as a reply to the hon. Minister's speech in this House, saying that he has not got sufficient relevant matter for such a judgment, I think that Government is justified in taking such a stand to maintain the interests of an industry like that of coffee.

Again, I wish to point out to the hon. Minister another defect in the Bill. Suppose this Bill becomes an Act. What is its repercussion on the producers? Suppose the producers think that the Act is too hard on them and the production retrogrades, is there a penal provision in this Bill to prevent that? I have seen penal provisions regarding offences. But I wish to know if there is a retrogression in the industry, is the Government willing to undertake the production of coffee in our country? Or, is there any provision in this Bill to prevent the planters from retrograding the industry? This is only my humble suggestion to the hon. Minister. I hope he will make suitable changes in this Bill in order to prevent such retrogression.

With regard to the proceeds, it is stated in clauses 13 and 18 that the proceeds will be utilised for the development of the industry. What I am able to see in this Bill is that the proceeds go more to the maintenance of the Board rather than developing the industry. Of course, there are certain clauses for research work and development. I would request the hon. Minister to place before this House a report on the progress of the industry during the last few years, under the supervision of the Board. The Board's statement was that they have progressed. The hon. Minister in his speech in this House said that the industry, as far as the small producer is concerned has suffered a setback and that he has been exploited by the larger producers. But, the Board says that it is a question of diminishing returns on the part of the producers and that the small producer, at times or often, produced much more than the large-scale producer. That is a matter to be taken into consideration. What are the ways and means by which Government is going to apply the proceeds of this cess to the development of the industry. But for these facts, I think some such measure is salutary under the circumstances. The industry cannot be entrusted completely into the hands of the Board. There must be Government intervention. But, the Government interference should not be totalitarian and should not oppress the principles of democracy for which the nation has stood and shed blood. I hope the hon. Minister will, with suitable changes get this measure passed.

**Shri Velayudhan:** On the whole, I agree with the amendments made in this Bill, even though many of our colleagues from this side were of the opinion that it was a kind of violation of democracy or a venture towards totalitarian legislation. The legislation to nominate the Chairman as well as the members of the Coffee Board was brought about as the Coffee Board, as it was constituted earlier, was not functioning satisfac-

torily, not only to the interests of the producers, but to the interests of all the people concerned in this coffee affair. From that point of view, it is my humble opinion that this Bill as it has come out today, is a welcome change. I welcome it not only from the point of view of the interests of the producers, but also from the interests of the coffee industry as well.

A lot of criticism was made regarding the nomination of the Chairman or the nomination of members. I must tell you that it is, I think, democracy running riot, because it was the false interpretation of democracy that led those friends to speak in such a way condemning the action of the Government. The Board has got very limited functions in the industry. Of course, nomination is a bad thing in a legislature or in a panchayat or a district board. Here, the Coffee Board is intended only for a limited purpose. It has not even wide powers regarding production of coffee or development of the industry or even in matters regarding consumers also. Even though the Commerce Minister was interpreted as violating the principles of democracy and being anti-producers in coffee or tea or rubber, I must tell you that it is in the best interests of this industry that this Board is being reconstituted in the way it is being done.

I wish to say a few words about the consumer as such. The Indian Coffee Board was constituted in 1940. Since that time, I do not know whether the Coffee Board has done anything substantial in the interests of the consumers or even of labour as such. As the hon. Member Kumari Annie Mascarene said, the Board was only helping to increase the price and helping the producers to have certain subterranean activity in order to create a boom in the coffee market. This has primarily affected the consumer. I came across a report in the press, of course, last year, that when there was scarcity of coffee in the country for consumption, when a sale was ordered, last year's stocks

[Shri Velayudhan]

were sold. When there was scarcity of coffee in the country and when there was a higher price, it was surprising how the producers were manipulating to create a situation in the country so that they can earn more money by selling coffee. Because of this kind of anti-social activity, I feel the consumers have lost. I think the country too, lost in the international market. I do not know whether a proper estimate has been taken of the loss sustained. Perhaps, on account of scarcity of coffee, they thought that they will get more money by selling it locally.

The labour conditions in the coffee plantations are most pathetic. The same is the case in other plantations like tea or rubber. As my hon. friend Shri Nambiar said, the conditions of medical facilities, housing, wages, etc., are appalling. This was the kind of exploitation that has been going on in these plantations unlike in other industries. Coffee, tea and rubber plantations are practically in the hill areas. They are malarial areas. In many of the plantations—I have visited many—we can say that there are no medical facilities at all. Even the Labour Act says that there must be qualified doctors there. Perhaps, in the reports, it may be stated so. Actually, the practice is, there may be a compounder or a quasi-doctor or something like that, in these plantations. These are the conditions that I have witnessed in some plantations.

2 P. M.

Then, let us take the educational facilities given for the children of the employees in the Plantations. Last time we found that in a big estate in the Travancore-Cochin State, the proprietor refused to start a school, and he plainly told us that it was the Government's affair and not his responsibility. That was his audacity though there were 1,600 employees working in his estate. This is the attitude of the management of plantations every where in India. I am very sorry to say that the most ex-

ploited industrial labour in the country is the plantation industrial labour and they have been neglected there from the very beginning. I know that thousands of labourers had to be victims of malaria and all kinds of other deadly diseases in these plantations. They are a neglected lot. Their wages are very bad, and the treatment of the management is so cruel and so wicked that there is a kind of emotional frustration and helplessness discernible among the labourers. I could see it from the faces of the labourers. They would never compromise with the management as they believe the management are their mortal enemies. Of course, they are silent there simply because there is a bigger force on the management's side; if the managements ask for a police protection, certainly it will come and suppress the labour. That is not the type of labour-management relation that we require in the country. Therefore, it is very high time that the Coffee Board which will consist of some labour representatives too, should take up this matter.

Then, regarding the India Coffee House, I want to say a few words, and then I will finish. My friend Mr. Nambiar has said a few points about this. The India Coffee House is the creation of a citizen of my own State, and it is perhaps one of the pioneer commercial concerns in the country maintained by the State. We all welcome that institution. I think it is perhaps one of the best run institutions in the country by government management or quasi-government management. At the same time, we have been recently noting certain points that must receive the attention of the Government, of the Commerce Minister and also the producers too.

About the wages, of course the wages of the third class employees begin with a basic wage of Rs. 45 and a little allowance. And then the fourth class employees start with Rs. 16 or Rs. 17. It is very unfortunate and even unthinkable, that

fourth class employee start with Rs. 16 in the India Coffee House whereas in government service a fourth class employee starts with between Rs. 30 and Rs. 35. Including the allowances and everything, a fourth class employee will get about Rs. 95,—I think the Coffee Board should now begin to give the same salary to the fourth class employees.

Then, about their housing. Take for example the India Coffee House quarters for fourth class employees here. In Old Delhi they have got a small quarter. Even in New Delhi they have got a quarter. In one small room of 12' x 10' there are eight or ten people together. One can imagine such an appalling condition, that in a small room eight or ten or twelve people should be huddled together. It is not because the Coffee Board could not find means that such wretched condition is existing in these places. It was, to speak plainly, not interested in the welfare of the employees.

The Commerce Minister has got a chance to take interest in the employees. Before it was not so because the Board was mostly influenced by the coffee producers. Now the Government is seized with the power and the authority. I welcome that power because Government should have such powers in order to see that the capital interests, the producer interests, the big business interests should not come and sit tight over the interests of the labour. Government here acts only as a trustee. I do not think this is in any way a violation of democracy or introducing a totalitarian regime as far as the Coffee Board is concerned.

One point more regarding the Coffee Board appointments and other administrative matters. As I said, it was started by a friend from our State. Of course, he organised it very well. All the people in the Coffee Board and even the Government, I think have recognised the services rendered by Mr. Simon who is the founder of the India Coffee House. Now, after his death, new

changes have come. I hope my friend Mr. Keshavaiengar and other friends from Mysore will not take objection to what I am saying. There is a feeling among the employees of the Coffee Board that the Mysoreans are dominating it and trying to oust other people, and that a lot of malpractices and prejudices are going on in the administration of India Coffee House.

**Some Hon. Members:** No, no.

**Shri Velayudhan:** Of course, this is the opinion of the majority of the employees of the Coffee Board. I was not trying to create any rift or provincial feeling between Mysoreans and Travancoreans. But I must tell you frankly that employees in the South are straightaway transferred to some other place in the North. What is the necessity for such transfers. So many third class officers and even fourth class officers have come and told me that such a thing is happening, and that it was done only after such and such officer of Mysore has taken interest in the matter. A man who is employed in Ootacamund is immediately transferred to Delhi, and afterwards he is immediately transferred to Bombay or to some other place. Such autocratic things are happening. Now that the Minister is seized with the power and authority—I know that the Commerce Minister will use it very judiciously—he should look into these grievances. I feel that the Government should, for some time to come be a trustee between labour and capital, and I hope this Bill will serve that purpose. I welcome the changes introduced in the Bill.

**Shri N. Somana:** The hon. Member Mr. Lingam has correctly analysed the aspects of the Bill when he stated that there are three aspects in this Bill, viz., the appointment of the Chairman of the Board, the nomination of the Members of the Board, and also with regard to consultation on matters with the Board. It is on these principles I beg to differ entirely from the recommendations made by the Select Committee.

[Shri N. Somana]

My chief reasons are that the Select Committee has not actually understood the working of the Board for the past 12 years.

The hon. Members may kindly remember that the Board was constituted first in the year 1940 by an Ordinance and subsequently by an Act of the Central Legislature in 1942. So, for the last 13 years the Board has been working with an elected Chairman and with an executive officer, called the Chief Marketing Officer, appointed by the Government of India.

Now, actually, the history of this Bill makes it clear that certain differences arose between the Government of India and the Coffee Board and the hon. Minister in his speech when he introduced the Bill stated that it was mainly on account of the rise in the prices of coffee in the year 1952. Now, hon. Members have been given two versions in this connection. The version of the Government is that the Chairman of the Board was then away in England and so the Government could not take any effective measures to control the prices which were soaring high. On the other hand, we find from the evidence given before the Select Committee which has been supplied to us that the cause for this rise in the price of coffee was mainly due to the Government's action in asking the Board to send over 3,000 tons of coffee abroad. It is stated by the Board that in the year 1951-52 the coffee that was grown in the whole of India was round about 21,000 tons and the Board was reluctant to export any portion of this coffee lest there should be shortage in the internal market and prices should soar high. As against this, the Government was insisting that 3,000 tons of coffee must be exported for earning sterling and dollar exchange. On account of the fact that there was a controversy of this sort, naturally the markets went unsteady, and people speculated, and the price went up. That is the version that is given

by the Board. Whatever may be the correct version, my humble submission is that this one incident seems to have been the cause for the introduction of this Bill of a very far-reaching consequence. I say far-reaching consequence, because the Board has done its work for the last twelve years, happily and satisfactorily, with the elected representatives of recognised associations of coffee growers in the four States of Mysore, Madras Travancore-Cochin, and Coorg. It was working very satisfactorily with an elected Chairman. But suddenly this difference arose between Government and the Board, and that was the cause for the introduction of this Bill. My submission is that in the first instance, a far-reaching Bill of this type should not have been introduced merely on account of the one difference that arose at that time. We find subsequently, from 1952 onwards, when Government did intervene, things have been working satisfactorily, and there has been no complaint whatsoever; and the hon. Minister himself will pay a tribute to the working of the Board subsequent to 1952. It is not merely my opinion, but even the Commerce Ministry in their report have stated as follows. With your permission, I would like to refer to the passage that is found in the report of the working of the Indian Coffee Board for the year 1953 by the Ministry of Commerce and Industry. This is what it states:—

“With the year ending 1953 the Indian Coffee Board completes 13 years of service to the Coffee industry in India. These 13 years have witnessed a remarkable rehabilitation of the industry. The extent of the rehabilitation can be best appreciated if the present position of the industry is compared with that in 1940 when the Coffee Board was brought into being. The long economic depression of the thirties had hit the coffee producing industry in every country. This fact is strikingly illustrated by the destruction of large quantities of

coffee in Brazil and elsewhere in a vain effort to prop up the price of coffee at a minimum economic level for the grower. In India large tracts of coffee were being either abandoned or neglected because year after year the growers were finding it an increasing liability to maintain them. This growing crisis in the industry in India was suddenly brought to a head in 1940 when with the German occupation of Western Europe the export outlets for Indian coffee were blocked up and the home market was threatened with a glut of surplus coffee amounting to about 10,000 tons annually. The grower was consequentially faced with the prospect of a disastrous slump in the already uneconomic price for his produce. It was at this juncture that the Indian Coffee Board was constituted as an emergency measure by Central Government. After the industry was helped to tide over the crisis the Board came to be established on a more permanent footing with a view to setting the industry firmly on the road of steady rehabilitation.

The trend in expanding coffee acreage and increasing production, since the Board was founded in 1940, is a measure of the stability and confidence restored to the industry."

So, it is clear that during the thirteen years of its working, the Board has rehabilitated the coffee industry, and put it on a firm footing. My hon. friend Shri KeshavaIengar has already referred to the figures, but I would like to refer to them again in order to emphasize the points which I have raised. As is stated in the report I have already referred to coffee acreage which was 1,83,000 in 1940 stood at 2,40,000 acres in 1952. Production which was 15,550 tons in 1940 has risen to 29,000 tons last year. Employment, i. e., labour, which was 99,000 in 1940 rose to 1,77,300 in 1950.

From these, it would be clear that for the last thirteen years, the Board has done a good lot for rehabilitating the industry. And we see absolutely no reason why Government at this stage should step in and take it over, except for the fact that Government wish to have control over this industry.

So far as the growers are concerned, we find that in the new Bill that is now before us, they have very little representation. Out of the thirty-three members—it was thirty according to the amended Act, and it will become thirty-three, if the amendment that is to be introduced by the hon. Minister to have three Members from Parliament is accepted—in the Board, we find that there are only twelve members representing the growers' interests. My submission is that we cannot forget the fact that the grower is essentially the most important factor in this industry, and if his representation is neglected or is kept in the minority, I have no doubt that the industry is bound to suffer at some stage or the other. My main objection to this Bill is that the grower is not properly represented.

The other point that I would like to comment upon is this. Whatever may have been the grievance against the Chairman of the Board in 1952, according to Government, there was absolutely no reason why the whole constitution of the Board should have been changed in this manner, and the choice of the members by election should have been changed to nomination by Government. We find according to the Bill that has been placed before this House by the Select Committee, that the whole Board becomes a nominated body. I would make an appeal to the hon. Members to find out whether this is a proper step to be taken. Everybody should admit that this is a retrograde step which should not have been taken. As I said earlier, whatever might have been the grievance of Government against the Chairman, there was absolutely no reason why Government should reconsti-

[Shri N. Somana]

tute the whole body so as to make it a nominated body. I should think that in these days of democracy, we would certainly be taking a very retrograde step, if we permit this sort of thing.

Now, let us see the position with regard to the Chairman. The only complaint that the hon. Minister has lodged against the Chairman is that Government had not sufficient control to have a say in the matter of fixation of price. If that were so, this House should have had no objection to give Government more powers as regards fixation of prices, and the matter would have been solved. But there was no reason why Government should have gone further and said that the Chairman of the Board should be appointed by Government. After all, when we have got the representatives of the consumers, the growers, as well as labour etc. in this body, there was no reason why a Chairman of their choice and of their confidence should not have been chosen. I cannot find any reason for this except, perhaps, as hon. Members have already stated, Government want to have a control over the industry.

As I submitted in the beginning, this coffee industry needs very much rehabilitation, in spite of the fact that there has been a lot of rehabilitation. It is not like a trade or commerce; it is an exceptionally agricultural commodity, and unlike other things, this has to be tended all the 365 days in a year. If that is not done, the coffee industry will not be able to thrive. Let us not be under the mistaken impression that coffee simply grows as wild bush. It needs care, and it needs constant tending throughout the year. Unless we act cautiously, unless we see that the growers' interests are protected, and the grower is given sufficient leniency to develop this industry, we will be treading on a very dangerous point, and a crisis may well happen in this industry.

My next point is about labour. Hon. Members who have referred to this matter earlier have kept before themselves two points in view. One is as regards labour that is employed on the estates. This Act is not intended,—nor was it ever intended,—for the purpose of enlarging the cause of labour. As the title itself shows, this Act was intended for the market expansion of coffee. It has nothing to do with labour, nor can it give power to control labour on the estates.

So far as the labour on the estates is concerned, hon. Members may be aware that the labour wages are fixed by the Government of India from time to time, and I am told that a Bill is already on the anvil to increase the wages, and to make suitable safeguards for the protection of labour. As regards the labour in the coffee-houses, that is employed by the Board itself, my submission is that this is not a new matter. The Chief Marketing Officer, as he stands today, has full powers of control over the coffee-houses which are in his charge. In fact, he is in charge of this Coffee Board. He is a nominee of Government; he is appointed by the Government of India. If the Government of India thought that labour was not properly treated, then it was up to them to have issued the necessary instructions to this Marketing Officer, who should have come forward with proper measures to relieve their distress. My humble submission is that this Bill, even as it is now, cannot go further than what the conditions exist today.

Another point was made about the small growers. My humble submission is that probably hon. Members have not really understood what is the position of the small growers in this industry today. I would like to know from the hon. Members who talk of small growers, whether during the last 13 years of the working of this Board, the small growers' cause has been affected in any way. I would submit that the small

grower has been very much benefited by the Board as it is working now. Because, what happens in the case of the small grower is that as soon as coffee is delivered, the full price is given to them; but, in the case of the large growers, the price is given in instalments covering the whole year. This was to enable the small grower to rehabilitate himself and to meet his daily needs. That is the reason why the Board has been doing that. Apart from that, there has been absolutely no complaint from these small growers. I would like the hon. Minister to tell the House whether there has been any single complaint from the small growers as regards the working of the Board. After all, as I said, this coffee industry is an agricultural industry and the small grower has to benefit from the bigger growers, has to learn from the bigger grower, how he nurtures coffee and how he deals with the industry and all that. My humble submission is, to say that the small growers' interests are affected by the present constitution of the Board is certainly a camouflage and I do not believe that there is any thing which is acting against the interest of the small growers. My humble submission is that this Bill is an absolutely unnecessary interference with the working of the Board which was properly constituted and elected by the growers and also by the consumers, and none of their interests were adversely affected. If the Government are thinking that the Board was not able to control the prices of coffee, Government could have taken ample powers to regulate the prices. The coffee marketing organisation was theirs and they could have taken ample powers and dealt with this matter. There is no necessity to bring forward a Bill of this retrograde nature. So, I feel that this Bill has to be opposed.

**Shri Venkataraman (Tanjore):** Mr. Deputy-Speaker, my friend Mr. So-mana was very eloquent. In fact, he gave the impression of one who makes

a special pleading. The idea with which this Coffee Market Expansion Act was originally brought into existence is no longer prevalent. The purpose for which it was first enacted is no longer the ruling thing in the country today. Why was this Coffee Market Expansion Act brought into existence? The coffee growers in South India had a large stock of coffee which they could not market. The foreign markets were closed to them. Therefore, the prices slumped and they were becoming uneconomic and almost ruinous. Then, all the producers joined together and, just as they form cartels for the purpose of exploiting the consumer, they formed a cartel. This is nothing less than that. They formed themselves into an association and they said, we will buy up all the coffee and see that it is not bought into competition in the market and the prices are reduced thereby and marketed through this organisation. Far from the producer being compelled to go and deliver his coffee to this organisation, he was very anxious to come and deliver his coffee into this pool because he wanted to get a fair price which could be done only if there is a regulation of the supply of this commodity in the market. But, coffee growers make it appear to the Parliament and to the country outside as if they are put under fetters and restrictions by a legislation which compels them to surrender their coffee to the pool. On the contrary, it was for their benefit and it was for the purpose of rigging up the prices and for the purpose of seeing that they get a good price by a sort of controlled distribution of the commodity that they got this Act passed.

Now, the conditions have changed. Instead of the prices slumping, the prices are rocketting. They have got a foreign market in which they can get a fairly high price, much higher than what this poor country can afford. This coffee, unlike tea, is largely consumed within the country. I can say that out of roughly 25,000 tons, 20,000 tons are consumed within

[Shri Venkatraman]

the country. It can be exported to the detriment of the coffee consumers within the country. From the basis on which this Act was passed, namely, to protect the coffee grower from a fall and a slump in prices, the situation has so changed that they can get higher prices and it has become necessary to control the prices so that they do not go up. The need of the country today is that there should be control and regulation of the prices at the ceiling. The need of the country in 1942 was that there should be control and regulation of the floor price. Now, the Act provides only for the floor price. What the Coffee Board does is to regulate the floor price and then it offers the commodity in the market on the auctions. In the auctions, if there is no bid at the floor price, the quantity is withdrawn. If there is a higher price, then it is sold and the proceeds are credited to the pool account and distributed amongst the coffee producers. So, the conditions under which this original Act was passed no longer exist. Today there is no question of controlling the floor price; it is a question of ceiling price and I submit, if you examine the Act, as it stands, today it is very difficult for the Government to control the ceiling prices. It is not possible today, to control the ceiling because originally the idea was to control the floor price.

Having explained the change in the circumstances which has necessitated a change in this Act, we have only to confine ourselves to a few controversial matters. One is the Chairman and the other is the elected representatives. My friend, Mr. Somana, asked very eloquently, has any small grower come and complained about the Coffee Board? The members of the Select Committee are well aware that it was the unanimous desire of the witnesses who came and gave evidence before the Select Committees, as well as of the members of the Select Committee that rules

should be so framed as to provide for protection and representation of the small growers. If that was not so, I do not see why this recommendation has been included in the Select Committee.

[PANDIT THAKUR DAS BHARGAVA in the Chair]

Sir, if you will kindly refer to the report of the Select Committee, one of the recommendations is that with a view to assisting the small growers and others connected with the coffee production and marketing, the Select Committee are of the view that small coffee growers who own less than 50 acres of coffee estate should be given proper representation on the Coffee Board. This was the point of view which was expressed by almost all the witnesses and by all the members of the Select Committee. This is a unanimous recommendation of the Select Committee.

Before I take these two questions, I would draw the attention of the House to a few improvements which the Select Committee has made. Member after Member made a reference to the Select Committee as if they have bungled all along the line and it never occurred to any one of them to point out one or two improvements which the Select Committee has made in the original Bill. You will find that we have provided for the representation of the small grower. We have also recommended that the Robusta growers should also get representation on the Coffee Board. You are aware that one-third of the coffee grown in India is the robusta or the cheaper variety and therefore it was thought necessary that the Robusta grower should also get a representation. Then, we have provided representation for the curer. So long, there has been no representation for the curer, those establishments which cure coffee. One representative has been

allotted for the curers. We have increased the number of labour representatives. And, we have also increased the number of representatives of the consumers from two to three. In fact, all that could possibly be done has been done by the Select Committee to see that the representation is so wide and well spread as to cover every aspect of society.

The question which has now agitated this House is, that why should there be nomination for representing the interests of the producers. And, invocation is made to democracy and all the principles of liberty, equality and fraternity and it is said that we have given the go-by to these principles merely because we have failed to provide representation to certain capitalists.

I was surprised to find my friend Mr. Nambiar making a gallant fight. I thought he would turn round and say these vested interests need not be represented at all. On the contrary, he was pleading very vehemently before this House that they should be represented by their own men. Apart from the parenthesis, let me proceed to answer this point. If Government wants to provide for representation of the Robusta grower and also for the small grower and to protect the interests of the various people, it has necessarily to do it by means of some nomination. It is not possible for the Government to have an election for the representative of the Robusta growers. They are not organised in any association; nor is it possible for us to get a representative of the small growers with less than 50 acres to elect their representative to the Coffee Board. Naturally, Government have to choose one representative on the recommendation of the State Government. If you really want to provide for those interests whom you intend to protect, it is unsafe to leave it to the election of the register-

ed and recognised associations like the United Planters' Association. In the Evidence before the Select Committee, at page 9, I asked this question—

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

The answer is—

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

The question is—

“It all depends on who controls these associations, is it not?”

Even in the year 1953, when representation was given to an association like the United Planters' Association they had not the courtesy to send even one Indian to the Coffee Board, but they sent all their three European representatives and you want the world and this House to believe that this Association will ensure a fair representation of the coffee growers' interests. It is well known that the 600 odd coffee estates, big estates, practically control the entire coffee industry and there are 27,000 odd small growers who have very little voice or say in the matter. I am afraid that this idea of asking these planters' associations to send their representative to the Coffee Board will only be allowing them to perpetuate themselves and perpetuate their interests. My submission is, even though, theoretically speaking, it looks as if that the principle of election has to

[Shri Venkataraman]

be resorted to or arrived at in forming this Board, when applied to the particular facts and circumstances of the case it is found that it does not really subservise the national interests. I submit with all the emphasis that I can command that this so-called appeal to democracy is wholly and totally irrelevant in this particular case. If the Government so chooses, perhaps in order to accommodate the other point of view, they may say that the Board may consist of representatives who may be elected partly and nominated partly. That is a suggestion which the Government may consider, and it would serve as a compromise, but I can not say that the principle of nomination, which has been embodied in this amending Bill, is so totally wrong or so totally at variance with the interests of the country at large.

Then I come to the question of the Chairman. The Chairman can be one of two functionaries—either he may be a mere dignitary presiding over the meetings of the Board, wearing perhaps a gilt cap or a crown or a turban, or he may be a chief executive officer of that particular body. What is it that we want? If we want that the Chairman should be a chief executive officer of that body and should protect all the conflicting interests in this Board, then he should be an independent man, and if he has to carry on the functions which will be allotted to this Board, namely, regulation of production, regulation of supply, regulation of marketing, it would be far better to have a person who is an independent man whom the Government will control and who will not be subject to influences from outside. If you want a mere nominal Chairman who will preside over meetings and do nothing more, it can be had, but it will not serve your purpose. The object of a commodity board like this, whether it is the Tea Board or the Coffee Board, is to see that the commodity is made available to the country at reason-

able prices, and secondly that the industry is allowed to develop and progress. If it has got to be done, then I think, in order to reconcile the conflicting interests, it is far better to have an independent person than one who is elected. My friend, Mr. Damodara Menon said that there is no conflict between the consumer and the producer. How I wish it were true! In fact, it would be an ideal state of things if there is no conflict between the consumer and the producer. As a member of the Board, I know there is always a conflict between the consumer and the producer. The consumers' representative would want a certain quota to be allotted to the India Coffee House and to the co-operative societies and the producers' representative would totally oppose it and want that a certain amount should be exported so that they may partake of the higher prices. The consumers' representatives are very nervous because if this large quantity is allowed to be exported, the prices here will rocket. So, at every moment, there is always a conflict between the producer and the consumer in these composite Boards, and unless the chairman is an independent person, it would be very difficult for him to arrive at a compromise. After all, such boards have to be carried on with the goodwill of all the members. If the system of election by planters' associations is accepted, and if the principle of election is accepted, the Chairman will only be a planter. Let us not delude ourselves of the facts. It is well known that he will be a planter, and if he is a planter, I am afraid his interests will always come into conflict with the other interests and he will not be able to defend the other interests.

**Dr. Lanka Sundaram** (Visakhapatnam): Would you want an official as Chairman?

**Shri Venkataraman:** I will come to that. If you are agreed that he should be an independent Chairman, how to choose him? The office of the chief

marketing officer and the office of Chairman of the Board are there. If you want the Chief Marketing Officer to do all his functions and in addition to be the Chairman, then you cannot expect him to do much except presiding over the meetings—he will not be able to do anything else as Chairman. There is nothing wrong about the same person being the Chairman and also performing the functions of the Chief Marketing Officer. If he is not to be an official, you cannot get a non-official who will find time to sit and do work for 24 hours of the day for the Board. I know from the functioning of both the Tea Board and the Coffee Board, of which I have been a member, that it is a whole-time job and it is not like the municipal meetings. One has to attend to it from day to day and unless you have a whole-time man, it is not possible to do the job satisfactorily. The members of the Coffee Board will certainly bear me out when I say that it is a whole-time job, and if it is a whole-time job, you cannot get a non-official without salary, without any pay, to come and give work for all the 24 hours, and if he does it, he may probably be doing it for some ulterior purpose. Let us have a man whom we can control than having the so-called honorary people, who are neither honorary nor honourable.

So, I beg to submit the idea of having an appointed Chairman does not go against the idea of democracy. On the contrary, it will lead to a very efficient administration, he will be under the check and control not only of the administration but of the House, and if anything goes wrong, it might even be raised in the House when the demands for grants come up in the Budget. Therefore, it is far better to have a Chairman appointed by the Government rather than having an elected Chairman who will merely be presiding over the meetings.

**Shri A. V. Thomas (Srivaikuntam):**  
The speaker who preceded me made an eloquent speech but he painted

only, or touched only, one side of the picture. He had been on the Coffee Board and has the experience also of having been the Chairman of the Select Committee on this Bill. So, I can well understand his painting of the picture on his side.

There has been a lot of controversy over this Coffee Market Expansion (Amendment) Bill which has been introduced. I do not propose to go into the details, as many of the aspects have been pointed out by those who spoke before me. There are only one or two points which I would like to touch upon. Mainly, if this Bill helps the industry to be developed in the proper manner, I will be more than satisfied. At one time, the total area under coffee exceeded or came very nearly to three lakhs of acres but owing to various causes, it dwindled down by about 1,00,000 acres. During the past few years there has been an increase, but it has not yet reached the maximum level we had some years ago. What I am desirous of and what I am myself keen about is that the development of this industry should be taken in hand and carefully gone into so that the vast areas of Malnad which are excellent for coffee cultivation could be brought under cultivation and the area under coffee in India increased so that the country may benefit from the large production that we place on the market which will incidentally reduce the price for the consumer—of which we have been hearing a lot—and also help the grower to get a reasonable return on the capital invested and give labour its due share and make every one connected with the industry happy and contented. That is the main theme which I am anxious about. Consumers' interests have always been taken care of, but at the same time, if the grower is not given his legitimate and due share of the prices, there will be nothing for the consumer to consume. That fact has to be kept in mind.

Coming to the Bill, the proposal is to appoint a full-time paid Chairman.

[Shri A. V. Thomas]

It had been said by the speaker who preceded me that the Chairman should be an independent man. The trouble really starts when there is more than one independent person in any Board. Supposing the Chairman is an independent person, and then the gentleman at the top—the hon. Minister—is also an independent person, then comes the trouble. It is like two bulls meeting and if two bulls meet, you know gentlemen, the consequences. I do admit that there have been some difficulties in the past. The Chairman, either by mistake or due to misunderstanding, may have done certain acts which of course did not meet with the approval of the Government, but at the same time, there have been occasions when the Chairman believed that the Board's careful and well-thought-out recommendations have been either thrown overboard by the Ministry or sufficient attention was not given to its views. So, I do admit there has been trouble. However, that is a thing of the past. The new Bill is here, and we have again come to the appointment of the Chairman. I still hold, in view of the difficulties that may have happened in the past that it is very desirable in the interests of the industry that the Chairman should be a non-official and elected by the Board. Fears have been expressed that if the Chairman is elected, he is bound to be one of the growers. This is entirely wrong, because, out of 24 or 35 members, there will only be about 12 growers and the majority are the others. Why should the Member fear that if the Chairman is elected, only the representatives of the growers would come on the Board? Anyone else can come. However, I suggest, if the Minister still considers that a paid Chairman should be appointed, and if it is absolutely impossible to constitute the body with a Chairman elected from among the members of the Board—the appointment of a paid Chairman may be for a short period. The time suggested under the Act is three years. What I would suggest is that, in the

first instance, perhaps they may appoint a paid Chairman for a period of say, one, 1½ or even 2 years. Then, in the light of the experience that could be gained during that period, we may consider whether it would be advisable and whether it would be better to have an elected Chairman rather than a paid Chairman. The Chairman could preside at meetings and generally conduct the main affairs of the Board. He need not necessarily be paid. He may be an elected honorary Chairman, and then any officer they may appoint can be given full powers, to do the executive side of the job and also keep in close contact with the Government. However, that is a matter which I now leave entirely to the hon. Minister.

There is then the question concerning the members of the Board—whether the members should be elected or nominated. I think most of the Members who spoke in this House on this subject are entirely agreed that the Board members should be elected. I sincerely hope that the Minister will give due consideration to the wishes of the Members who spoke on this particular matter. The Board has been in existence for some years. I quite agree that the idea of starting it was entirely different, but I must emphatically repudiate the charge that has been levelled by my friend who just preceded me, that the original Board or association was formed to exploit. He used the word 'exploit' and I take very great exception to that word. It was done to safeguard the interests of a dying industry. By their joining together, they have been able to bring it up, of course, with the help of the Government. The Government realised the necessity for this association or Board, and they came to the help of the association; prices moved up, conditions became better and the coffee industry was saved from ruin. No exploitation of any sort was intended. I want to emphasise that point again.

There is one more matter. It is stated in the Bill that the members of

the Board may ordinarily be consulted. I only hope that no extraordinary circumstances will arise during the life of this Board so that consultations will be given up. I hope all matters that may arise in connection with this Bill will be ordinary and that in every matter the Board will be consulted.

**Shri Basappa (Tumkur):** Mr. Chairman, in the light of the speeches delivered for and against the Bill, I am just trying to know what justification there is for the appointment of a paid Chairman. I was very much surprised to hear from my hon. friend Mr. Venkataraman saying that this Bill should be treated in a different way. I do not see why it should be treated in a different way. As my hon. friend Mr. Thomas said, he gave a one-sided picture of the whole thing.

Coming to the arguments of Mr. Lingam, I was very much surprised to hear him say that though an elected Chairman is better, but still let us give this experiment of a nominated Chairman a trial. If we are really convinced about the necessity of an elected Chairman what is the justification for this experiment. Is it the suggestion of the hon. Minister that the development of this industry cannot take place in the hands of an elected Chairman? Is it seriously suggested that the interests of the growers, consumers and labour, will be prejudicially affected under an elected Chairman? Is that his case? I want to know if Government still have not got sufficient powers in its hands to put matters right, if such an eventuality happens. These are matters in which we are vitally interested and I feel that sufficient justification has not been shown to us for a nominated Chairman.

The whole industry, as I see from the discussion, has to be put on a sound basis. The coffee industry plays a vital part in the national economy of our country, particularly in the Malnad area, which I have the honour to represent here. A large part of Mysore State is in Malnad area, and coffee is one of our main products. A

large number of people are employed in it. Vast areas under jungle have been converted into coffee plantations. From the point of view of the exchequer, coffee brings in a large revenue by way of excise and export duty. If we are serious about the development of this industry, I feel this subject should be transferred to the Food and Agriculture Ministry.

The Statement of Objects and Reasons appended to the Bill says that we are now passing from the marketing stage to the development stage of the industry. I do not agree with this view. Much still remains to be done by way of propaganda and otherwise to expand the market of coffee, as is suggested by the title of this Bill. I say that a lot of attention has still to be paid to the marketing side also.

It is time that several important questions affecting this industry have to be referred to the Tariff Commission, or any impartial committee of enquiry. The Minister has told us that Robasta coffee is a wild growth. The hon. Minister showed us a graph to indicate that the price of coffee has gone very high, compared to the cost of production. That, I think, is a misleading chart. These are things which are agitating the minds of the public and it is only just and fair that the matter should be referred to the Tariff Commission. There is a conflict of opinion among the grower, the cost accountant and the Government, about the cost of production. The only authority that can decide these matters is the Tariff Commission. I was surprised to hear the hon. Minister saying that it is only the whims and fancies of the Chairman if he asks for a Tariff Commission to decide these matters. Again, he said that the Tariff Commission is an over-worked body and it may not be competent to do this work. This is not true. The Tariff Commission was only recently asked to investigate into the rubber plantation industry and it has given its findings. So, we cannot agree that the Commission is not competent to decide this matter.

[Shri Basappa]

There is already a Committee enquiring into the problems of the Plantation industry. If the terms of reference to that committee, are not wide enough, they can easily be enlarged as to cover these matters. The Mysore Government has also suggested that as the Plantations Enquiry Committee is investigating into the problems of the coffee industry this Bill may be postponed for some time pending the Committee's report.

I do not deny that the Bill contains some good features. The cess that is going to be raised for the development of the industry is a good feature; there are also safeguards provided for the small-growers. But, unfortunately the bad features of the Bill outweigh the good features. One of such features is the nomination of the Chairman, who is going to be a wholetime servant. In the proceedings of the evidence taken by the Select Committee (which has been circulated to us) I find the hon. Minister saying:

"Let me tell you, Mr. Radcliffe, that it is not possible for Government to send a man senior enough to attend the meetings of the Board, because Government have other work. That is why we propose appointing a Chairman. In the Act as it stands you have taken away the representation of the Government altogether. There is no representation of Government, excepting that on occasions we send somebody to be present at the meetings. You would have noticed that Government have the powers under Section 42, but they do not want to take that responsibility, because they cannot spare a senior officer Bangalore is far away."

I think that it is not sufficient justification: because Bangalore is far away, therefore, we are going to appoint or nominate the Chairman. After all they send one or two of their

senior officers to attend some of these meetings. They can initiate any proposals through their men. It must be admitted that they are powerful enough to initiate any proposals and get work done through them. I see that sufficient justification has not been given by the hon. Minister either to have a nominated Chairman or to take away the right of consultation with the Board.

I say that from all these points of view, though there are some good features, the bad features of it, the undemocratic features of it, outweigh the good features. Particularly, when the hon. Minister is reconstituting the Board, it should be given some autonomy. Let him have some powers in the hands of Government: but at the same time he must allow the Board to develop in its natural way. I hope the hon. Minister will see his way to have an elected Chairman.

In regard to consultation with the Board, we hope the hon. Minister will not use his power, but see that when decisions on important questions are taken, he will not give up this consultation and act in a way that may not be liked by the Members of the Board.

3 P.M.

I have not much more to say. The only thing I want to say is that in Malnad this is a very important industry. The late Shri Kidwai, our late Minister of Food and Agriculture, when he went there, assured the people that the development of Malnad will not be forgotten. I hope that the Central Government in every way will see that this part of the country which has got very many potentialities is developed. Coffee is the main industry in that area and therefore I hope every effort will be made by the hon. Minister in this direction. Of course, if he gives his attention to it, it can go a long way to develop this area and he would reconcile all the various elements in the Board and see that this industry thrives very well.

**Mr. Chairman:** It is three o'clock now. I will call upon the hon. Minister.

**Shri T. T. Krishnamachari:** I was to be called at half past three, Sir.

**Mr. Chairman:** The discussion is to conclude at 3-30.

**Shri T. T. Krishnamachari:** May I explain? The position was that the clause by clause consideration should commence at four, and if the Chair will call me somewhere at half past three or a little later, it will be all right.

**Mr. Chairman:** If that is the arrangement I have no objection. But the Deputy-Speaker was kind enough to tell me that the hon. Minister is to be called at three so that he can finish at 3-30.

**Shri T. T. Krishnamachari:** Since we work backwards, Sir, and since the time that is allotted for the clause by clause reading is one hour, 4 o'clock is the time when we should take it up.

**Mr. Chairman:** Then there will be no time for the third reading.

**Shri T. T. Krishnamachari:** No time is allotted for the third reading.

**Mr. Chairman:** In that case I will call upon him at 3-30.

**Shri N. Rachiah (Mysore—Reservé—Sch. Castes):** I think this is a very simple Bill which seeks to protect the coffee industry in the country and as such it deserves the full support and sympathy of the House. The coffee industry is a growing and important industry and it should be protected at any cost. To protect the industry there must be the control of the Central Government. The main object of this piece of legislation is to provide for the development, under the control of the Union, of the coffee industry. This is the main feature of the amending Bill. More than all that, the coffee industry was an industry monopolised by foreigners. Of late Indians

have been very cautious and vigilant about the promotion of the industry under their own hands. Nobody will object, if Indians take care of this industry and promote it. At the same time the history of the Coffee Board has been so peculiar, though it has been working for the past thirteen years.

At the outset I think I have to deal with the allegations or the charges made by my hon. friend Mr. Gurupadaswamy. He said yesterday that the Government, particularly the hon. Minister, is trying to concentrate power in his own hands and that he wants to encourage and appoint wholly his henchmen. I refute those allegations, because even the Opposition Members have been nominated in so many of the Standing Committees appointed by the State Government and also by the Central Government. To go to that extent and make that charge, therefore, is I think very uncharitable to the Ministry, and particularly to the Minister.

Apart from that, my hon. friend Mr. Velayudhan said that the Coffee Board is monopolised or dominated by Mysoreans. I must refute that charge also, because there is no such thing as domination of Mysoreans in the Coffee Board. Let them take statistics. I think the people of his State are more in the Coffee Board, both in the higher and the lower cadres. So he should not have made such remarks about Mysoreans.

**Shri Nambiar:** Is it a quarrel between Mysoreans and Travancoreans for the drinking of coffee?

**Shri N. Rachiah:** It is my duty as a Mysorean to give answers to those who have made these charges against Mysoreans.

Coming to the industry itself, Mr. Somana and Mr. Lingam and so many other friends were in favour of the planters, the big capitalists. I am very sorry that a Member like Mr. Nambiar,

[Shri N. Rachiah]

who is the champion of the poor classes, who is the champion of the workers, should say that this Bill is a sort of declaration of war against the planters. That is because the election is coming, I suppose! And he wants to gain the sympathy of the planters even. I am very happy about it! I thought he stood solely for the workers and peasants. Now he thinks that he should safeguard the interests of the planters. There is a very good future for India!

**Shri Nambiar:** Tanjore does not produce coffee.

**Shri N. Rachiah:** I feel strongly that the interests of the consumer and the interests of the labour should be protected. Many of the Members who have spoken this time are in favour of the capitalists, the planters. According to their own statement, the planters are only thirty thousand in number, whether big or small planters. But there are more than two lakhs of people, according to Mr. Keshavaiengar; there are nearly two and a half lakhs of workers in the coffee industry. What about their fate? It has been the tradition of India and Indian society that the rich always exploit the poor. What is the percentage of poor people in India. It is more than 90 per cent.

We are always for safeguarding the interests of the planters. But what about the interests of labour? The planters want fifty per cent of the members on the Board from the planters. But I say that more than fifty per cent should be given to labour. Even in a country like England, though it is a capitalist country, the Labour Government was there and the Labour Government may come to power in the next General Elections again. When such is the case even in advanced democratic countries like England, what is the protection given to labour in India? We are all people who represent peasants and workers. The Board might have been work-

ing more satisfactorily. I do not deny it. What is the protection or what is the safeguard that it has given so far, ever since its inception of the Coffee Board to the labour problem? When as a member of the Select Committee I put some questions to a witness, he said that they have not been taking care of labour. What does it mean? It means they want to exploit the poor people, and also they do not want that the consumer should get the benefit out of this industry. There may be the planters, there may be even their estates. Without the labour I do not think they could produce coffee.

So the primary and the most important point in this industry is about labour. It should have been properly protected. According to Mr. Somana Government should pass legislation. But it was their moral obligation so far to give amenities and all protection and all safeguards to the labourers and their children. I strongly support this Bill because it is in favour of safeguarding the interests of all parties: parties like consumer, labour, planters, large-scale holdings and small-scale holdings. Even with regard to planters, the small-scale holdings are larger in number than large-scale holdings. There was a cry that the small holdings were not properly represented on the Board. I think there are many members in the Board representing various interests. When there are so many members, I do not think that there could be any apprehension about the appointment of an officer as Chairman. If there is an officer, he will, I am sure, take more vigilant action to safeguard the industry. Apart from that, he could be in touch with the Government and whatever the Government directs, he will carry out immediately. If it is a non-official or somebody other than an official, he may not co-operate with the Government. He may try to safeguard the interests of only coffee planters because, generally, in India the rich people are very greedy as

compared to other countries. They belong to a class which is really rich and they want to mass more and more money exploiting all other people. We have had enough experience of exploitation of poor people by the rich people. It is because of that feeling of injustice, the Government wants a democratic way. Even as it is provided in the Constitution, that wealth should not be allowed to be concentrated in the hands of a few. When such is the intention, of our Constitution, it is not fair on our part to do anything to encourage the vested interests, as has been properly put by Shri Venkataraman. I completely associate myself with what he said. This is a country where at every step Government interference is necessary. My hon. friends like Shri M. S. Gurupadaswamy, belong to the Praja Socialist Party. They want only nationalisation of industries. Here, they do not want it; they say that private people should be left alone. They must have one principle or one policy with regard to the economy of the country and with regard to the social welfare of the people. Whereas in other socialist countries, they have so many social security measures, in India we have little. Ours is a country where everything should be guided and regulated by the Government itself. The Minister has moved in the right direction. He is taking the proper step to see that industry is protected and at the same time, other interests are also protected. I do not know why there is so much confusion in the minds of so many Members who are supporting the planters. This is a very simple piece of legislation, which seeks the support of all parties and it is going to safeguard the interests of all sections of the society.

With regard to the Coffee Board, why I want Government control is, a certain percentage of appointments has been reserved for the Scheduled Castes. The Scheduled Castes form more than one-fifth of the population. If it is a case of Government control,

they can make a claim. According to the Central Government order or under the Constitution, these unfortunate people have been given a reserved quota in services. If we go to these private institutions, they say, this is not a Government concern, even here you have come. We are not demanding any such thing in the name of caste. It is some people who are doing all these things in the name of caste because the caste system has not been abolished in this country. If the Coffee Board is controlled by the Government, these unfortunate people could claim the appointments. I would beg of any hon. Member to say whether they have given any appointments to the Scheduled Castes so far. I do not want only the vested interests to grow in this country. We have suffered enough; we do not want to suffer more. We cannot tolerate all this injustice. If it is a Government institution, we can demand and if they do not give, according to the quota reserved, we can bring questions in Parliament and we can bring it to the notice of Ministers that the officer has not obeyed the orders of the Government or the constitutional provision. We will not tolerate that. Government will come to the rescue of these people. From all points of view, I think this Bill deserves to be supported.

Apart from that, every year, the report has to be placed before both the Houses of Parliament. There is also a provision that in all matters of importance connected with the Coffee Board, Government has been directed under this Bill to consult the Board. When there are all interests represented in the Board, when there is Government control, when the reports are submitted to Parliament, I do not think there is need for any apprehension. Because if anything goes wrong, immediately, we can hold the officer responsible. We can hold the Ministry responsible. So, from all points of view, I am strongly of opinion that this Bill should be passed without any

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further delay. It has the stage of consideration by both the Houses. It need not be postponed or circulated for eliciting public opinion. This is a legislation connected with public interest, labour interest, consumers interest. etc. I may take coffee. I am not a labourer; I am not a planter; I am a consumer. We should get coffee at a cheaper rate. We must have a larger cosmopolitan outlook. We have not come here to safeguard certain interests. We have to look to the larger national interests. This Bill is in the larger interests and as such I fully support this legislation which will go a long way to protect the industry in particular and other interests in general.

**Dr. Krishnaswami (Kancheepuram):**  
I should like, with your permission, to lift the level of the debate to a discussion of basic issues. Many hard things have been said about the Minister. I am not inclined to accept the version of his motives made by my hon. friend who has preceded me. Motives are an ambiguous affair; it does not serve any useful purpose to discuss what the motives of the hon. Minister are, introducing this amending Bill. What we are interested in are the consequences of the legislation that is sought to be placed on the statute book by my hon. friend.

What is the purpose or object of forming a Board? Basically, the plantation industry is liable to fluctuations; the lag between the decision to produce and production being long, demand and supply does not function quickly to enable the normal markets to operate smoothly. If no coherent attempt had been made to bring into being a Coffee Marketing Board all these years, the monopolists would have got together and possibly rigged the market.

Secondly, we want exports of coffee to be regulated. There is an internal

market which we have to take into account and this was done by the Coffee Marketing Board subject to over-all control by the Government of India. Thirdly, although the coffee industry today is small in size, it is expected to expand with proper effort, and therefore we have to find out how exactly this objective has been achieved until today by the present Coffee Marketing Board; only when we are satisfied on one or more of the counts mentioned by me that the previous Board has failed, should we countenance changes being effected in the constitution of the Board.

At the outset let me point out that in the present Board the growers are in a minority. Out of fourteen growers representatives three are nominated by the Mysore State, while eleven are elected by their respective Associations. The remaining 19 members are nominated by the various Governments, and I take it that those nominated by the Union and the States, are there to safeguard the interests of the consumer. During the past 13 years the working of the Board has proved that it has discharged its duties more efficiently and better than many other nominated Boards of Governments. But the charges that have been levelled against the Board by spokesmen of Government are two: firstly it has acted against the interests of the consumers and secondly it has acted only in the interests of the larger producer. Now, let me analyse the validity of these charges, because, obviously, if they are established, I for one would be prepared to accept reforms of the Marketing Board suggested by the hon. Minister.

May I ask a simple question? Has the consumer of coffee been worse off as a consumer than he has been of many other articles which he is consuming? In this connection, the fundamental point that we have to

bear in mind is not the rise in price of coffee,—many commodities rose in price due to rising cost—but how far the prices of coffee have been stepped up in relation to the prices of other commodities. During the past three or four years, particularly up to 1952, we know that many of the commodities that enter into the budget of the middle class consumer shot up to great heights. Pepper, for instance, shot up by about 2,220 per cent. Therefore there was some reason for expecting the price of coffee also to move up sympathetically. The price of coffee did not shoot up and if it had done so, the Government would have under section 16 of the Coffee Marketing Act of 1942 intervened to control the price, and possibly even fixed a maximum price for coffee.

What of the other argument that export prices were higher than internal prices and that growers were anxious to export, to the detriment of the consumer. I do not for a moment gainsay the anxiety of growers to earn as large a profit as possible, but it ought to be clear to anyone familiar with import and export controls, that we are not living under a free exchange market. It has been established in this debate and by the statistical material that has been submitted to us that export prices of coffee have always been higher than the internal market prices. But here again let me pose the question which I posed at the outset? Who is in charge of controlling the prices and export of these commodities? Obviously, it is the Government of India. It is the Government of India that gives export permits for coffee. The Government has already enormous powers to regulate exports, to vary the orders of the Board under sections 16, and 42 and if it has not exercised them why in the name of sanity does it come to this House and plead lack of powers to control greedy growers?

Great play was made of the position of the small grower; we were told that he was being exploited by the large grower. I agree that if there had not been a Coffee Marketing Board there would have been chances of exploitation of the small producer by the big grower but what is the truth of the matter? Today there is no dichotomy of interest between the large grower and the small grower and if anything the constitution of a Coffee Marketing Board under the 1942 Act, has helped to consolidate the position of the small grower and make his position more stable.

There are three distinct advantages which he enjoys and which I trust will be borne in mind by the House. In the first instance, there is an assured price of coffee which all producers irrespective of whether they are small producers or big producers can obtain. These prices are arrived at after calculating the costs of certain representative estates in which small estates are included as well. As soon as this price is determined payment is made by the Board out of funds to the small producer. The large producer is however paid in instalments sometimes a year after the produce has been surrendered to the pool.

Secondly in the event of the prices of coffee being higher after auction a proportion of the increment in incomes realised is distributed to small and large producers. The small producer is not forgotten; on the other hand he is very much in the picture.

Thirdly, I should like hon. Members to bear in mind that the small producer obtains proportionately more benefits from research facilities provided by the Coffee Marketing Board. The scales are weighed more in favour of the small producer than in favour of the big producer. There is a maximum limit for the seeds that can be given to producers by

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the research bureau and the figures that have been made available to us, it is clear the maximum number of seeds given to each producer, irrespective of whether he is small or big takes account of the needs of a small grower. No matter whether he is a big producer or a small producer the maximum that he can obtain is fixed.

It does not serve any useful purpose to enter into a discussion of other complicated matters as the time is short. But let me warn the House against taking a serious and what may probably be a fatal step. The State of Mysore can nominate three people to the Board, three people representing coffee interests. Am I to understand that the State Government which would have heard the cries and wails of the small growers has ignored their demands and that we are in a better position to nominate these representatives of small growers on the new and transformed Marketing Board?

I should like to point out that whatever we might do, we must take into account the producer. Yesterday it was pointed out that we could have the panel system for selecting representatives of growers of differing interests. Here is a coffee growing interest which enjoys today the right to elect its representatives on the Board. Tomorrow you intend asking them to have a reduction in status of representation. This is what submission of a panel of names implies. We know the difficulties experienced by association when they submit panels of names. We know that many associations have broken up on this ground, that if they submit panels, difficulties are experienced in preserving harmonious relations among different members. Moreover, it is indeed a dubious proposal to suggest that they should be there as merely nominated representatives of the Government

The old marketing Board—which will cease to exist if my hon. friend has his way provided for a system of checks and balances. The Chairman was the head of a deliberative body. The Chief Executive Officer was the controller and marketing officer. The latter was the Chairman of the Marketing Committee which, was always in session and which had the right and duty to bring to the notice of the Government all facts pertaining to prices, and other decisions of the committee.

This Coffee industry I venture to suggest has not acted as a cartel favouring restrictive practices. In other cases I know associations have not acted in the social interest. For instance, we have producers getting together to restrict output and thus putting up the price for the consumer. But what has been the history of this industry since 1942?

In 1942 the acreage under coffee was 180,000 acres. In 1952 it was about 240,000 acres. There occurred an increase of 60,000 acres which could not have been possible but for the reinvestments of profits in the coffee estates. Does this House realise what it amounts to in the shape of additional employment? Even if we make a strict estimate, even if we make a most unfavourable estimate, we should admit that each additional acre would employ another two workers. In about ten years or thereabouts, we have had 1,20,000 employed additionally on these estates. This is indeed a record of which an industry, an expanding industry, can be proud. I feel that if we were able to get this done, if we were able to make the planters, give of their best, by election of their representatives to the Board and consultation, it is better to stick to it rather than abandon it in favour of union patronage in the shape of nomination.

The fundamental, the basic difference that divides those who sponsor this Bill from those who oppose this Bill is that those who support believe in planning by direction while we who oppose believe in planning by inducement. I think in the case of the planting industry particularly, where there is great scope for additional employment, Government would be well advised in thinking of planning by inducement. Planning by inducement is most useful where it is not a case of financial investment alone, but also of careful watching. Where the growers attempt to go against the social interest, there are sufficient powers in the existing statute for the State to interfere. Where there is a majority of non-growers and consumers represented on the Board, how can the growers by themselves be able to dominate the decisions of the Board? It is true that on certain occasions where they happen to differ from the majority of those who are present, they can place their points of view; when those points of view are placed, when there is a conflict between the majority and the growers, it is, the duty, the imperative duty of the Ministry of Commerce and Industry to intervene and exercise its judgment and settle the issue. That after all is the proper manner in which a democracy functions; that after all is the right way in which we can bring to bear on many of these vexed questions, that All-India approach, that perspective which takes into account not only general welfare but also local difficulties.

Some hon. Members suggest, that the Tea Board is called upon to submit panels of names. I do not think it is an exact parallel, because here it is a case of your down-grading the representation of Coffee associations, whereas there it is a case of your granting representation for the first time. But more important than this—and this is a point which I should like to place before the House—is the fact that all the produce of the

coffee growers is brought into a pool. Have not their representatives a right to express their point of view?

I do think that when we are considering this measure, we should find out whether we are doing the wise thing in suggesting that there ought to be a right of nomination given to Government to nominate everybody. What does this amount to? Today, it might be all right, because we have a Minister who tells us that he is personally interested in coffee; and who will nominate only after exercising thought. But tomorrow who will nominate members? It might be the Joint Secretary or the Deputy Secretary or some other underlying who just nominates these various members to these Boards. What would be the consequences of such a development? The Board would be reduced to the position of a reflection of some Minister or civil servant in Delhi. This centralisation of authority is wrong. It will not bring about a development of the plantation industry, development which we have in view. The estimates—the rosy estimates—that have been made by my friends on the other side, that there would be an increase of 100,000 acres and thereafter another 300,000 acres probably in another ten or fifteen years, will not be borne out by experience. After all, such development has to be achieved by voluntary effort; these things have to be done by co-operation between the various growers and others interested in the trade. These changes in scope and development of plantations cannot be done by issuing administrative flats. It is the central point which hon. Members have to bear in mind. Unless we are determined to enlist the co-operation of all these people, I do not think we can develop the coffee industry. I would like the hon. Minister who is interested in the coffee industry to consider these aspects. Otherwise, the clause about development in the new Bill would be merely a pious wish, a piece of rhetoric

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meant to mislead the wary and cloud our visions.

**Shri T. T. Krishnamachari:** Fifteen people spoke on this particular measure. The last speaker very rightly said that the level of the debate had to be raised. The only trouble was that in raising the level of the debate, he raised it above my head. I was not able to understand very much of what he said.

**Shri Achuthan** (Crangannur): Some others also may feel as you feel.

**Shri T. T. Krishnamachari:** I must express my gratitude to some hon. Members who have supported this Bill. Shri Rachiah was very eloquent and convincing. My hon. friend Shri Venkataraman practically answered all the points that had been raised, and he has the advantage of being a member of the Coffee Board as well as having been the chairman of the Select Committee. And if his words would not convince this House, I am afraid my weak voice would not.

To begin in the order in which hon. Members have spoken. I find that my hon. friend Shri M. S. Gurupadaswamy is not here. I have read his speech,—because I was not here when he spoke—a very vehement speech, a lot of words jumbled together; some of them have no meaning, some of them have perhaps a meaning which my hon. friend did not seek to import into them. Some of us here have, as the Chair should remember, been on the other side, for quite some years. We have also spoken harsh words. We have drawn fire. But I do not think we ever crossed the lines of decorum, because we knew at that time that harsh words broke no bones. I must tell my hon. friend Shri M. S. Gurupadaswamy that my bones are still intact. He has not

adduced any argument. He has not answered any question which demands an answer from me. And therefore, let Shri M. S. Gurupadaswamy pass.

My hon. friend Shri Keshaviengar, with his experience in public life, was trying to make out a case for an attitude that he took up some time back, and incidentally quoted Bacon. I am afraid I do not know very much about Bacon myself; my education is incomplete. What he said seemed to have sounded, or rather jarred, the ears of the Deputy Speaker who was presiding. But let that pass. I do not think he said anything except repeating the main theme that the Board has been a wonderful Board, that it has been doing wonderful work.—and he quoted what Government have said in their administrative reports about this Board—the Board has increased production, all this is for the benefit of the country and so on. I grant all that he has said.

What I say now is that in view of the fact that consumption has risen, and the prices have risen to a degree where the consumer cannot bear any more rise in the price, I am unable to leave in the hands of the Board unfettered discretion to raise the price, and absolve myself of any responsibility for the consumer of this country. It is certainly a matter of absolute irrelevance, which Ministry handles it. My hon. friend and somebody else here also said that it is the proper duty of the Agriculture Ministry. May be, it might be the proper duty of the Agriculture Ministry to look after plantations; it might be the proper duty of the Commerce and Industry Ministry to look after sugar mills or the vanaspati industry. But Government arrange it as they think fit. I know where the origin of this particular suggestion comes from. It comes from an ex-Chairman of the Board who told everybody: "I shall

get the portfolio changed from this particular Ministry." Pressure politics, power politics were rampant in the Board for a number of years, and raised the prices consistently from year to year, so that this poor unfortunate non-vocal consumer can no longer bear the burden—that is the cause for Government interfering in this particular matter. There is no other reason. There is no reason for my hon. friend Dr. Krishnaswami to raise the debate above a particular level and say, what is the reason behind this. The reason is the prices shot up to a degree which the consumer could not bear and the consumption was reflected by dropping steadily. The reason also, is that having raised the price, the floor price, and allowed the ceiling to operate, as they wanted it to operate, they wanted to a further increase from Rs. 2-4-0 a point to Rs. 2-7-0 a point. If Government did not interfere, the thing would have gone on. (Interruptions). And the industry itself would have been killed. My hon. friend Dr. Krishnaswami is not expected to know these things, because they are small, petty, little details, which I do not think, need enter into his head at all.

**Dr. Krishnaswami:** No, no.

**Shri T. T. Krishnamachari:** The point really is that I have got to worry about the details. It is my job because I am held responsible if anything goes wrong and things did go wrong to a degree where Government could not keep quiet any longer. And, it looked as though the prices were going up further and further and further. Mr. Keshavaiah does not know anything about it. All that he knows is what he has been briefed to say about this particular matter and he has seen the administration reports. He has seen the very good work done by various people; he has seen those beautifully illustrated brochures that have been circulated, replies to Government statements

which the UPASI with its enormous command of finance is able to dump on the innocent public, not merely educate Members of Parliament but also write in newspapers. They are also able to engage a number of agents *provocateur* and able to see that the coffee prices are raised and particular interests are safeguarded. Hon. Members who spoke here, did they know of the fact that once the prices were raised, no matter by whom, they went from Rs. 212, which was the floor price to Rs. 351. There have been changes and exchanges in the ownership of shares of particular companies. Does any hon. Member know about it? Has he looked into the share market reports from time to time? Private transactions took place whereby shares changed hands and the composition of the ownership in one particular company has changed beyond any recognition, overnight; from a European Company it has become an Indian company. Do you mean to say that the Government here should keep quiet merely because a few hon. Members have been told something about it?

**Shri N. Somana:** Exports could have been stopped: it was in your hands.

**Shri T. T. Krishnamachari:** It is not in my hands to see that shares are not sold; it is not in my hands to see that the share prices do not rise. Then, it is not certainly in my hands to see that the auctions are not rigged up, because auctions are rigged up. As a matter of fact, we can always have four persons in an auction. I do not know if my hon. friends, Somana, Basappa or Mr. Keshavaiah—leave alone this section—have gone to an auction in which you can have four people raising the prices to a limit at which no decent man will buy? It will benefit somebody. If you raise it here, it may rise somewhere else. This is what has been done and hon. Members want me to tell them about all these things. I have some other business to do. The Commerce and

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Industry Ministry is entrusted with a responsibility which is huge. I do not have to worry about the Coffee Board, if circumstances are such that I need not have to worry. I have re-constituted the Tea Board because the 1952 depression was there and we had to devote some more attention.

My hon. friend Mr. Thomas wants me to see if I cannot prevent the Tea Quota prices going up. Because when he spoke the other day the price was one rupee; that evening the price was 201 pies and he now tells me that the price this morning was 232 pies. Now, you are asking Government to do something about it. It is only when something goes wrong that the Government is asked to interfere. But, when there is nothing wrong, there you must give them freedom, there should be democracy and all that. I do not want that democracy should exploit somebody else who has no voice in the matter.

I do not propose to deal with all the points that Mr. Keshavaiengar has said because the burden of the song has been that the Board has been working wonderfully well that the growers' interests are best represented by the Board, that there should be no nominated Chairman, that the elections of the growers' representatives should be free, that growers' representatives should be increased. This is the one burden of the song coming from Members coming from one particular area. I know that hon. Members are patriots and democrats. But, unfortunately, everybody can be misled. And, my only suggestion to my hon. friends happens to be that they are being misled. We happen to know exactly what was at the bottom of the trouble. If during the last one year, things have been moving fairly well and smoothly, I have not reduced the prices. The price is Rs. 2/4 per point. My cost accountant said it could be Rs. 2/1 or Rs. 2/2. We have not reduced the prices though the unfortunate con-

sumer would be affected. I cannot see the difference between the cost accountant of the Government of India and the cost accountant of the Tariff Commission. The Tariff Commission has got to employ a cost accountant. The Tariff Commission do not go into all the details. They cannot work out all the details of the cost of production in a particular estate. What happened in this case was this. The Cost Accountant of the Marketing Committee of the Board was sent to the same estates from out of which they had taken the previous figures. Unfortunately, he did not know that he had to go to other estates. Anyway, he came to the conclusion that Rs. 2/2 will be the normal price. There is frequently a difference to be provided for and it might be Rs. 2/2 per point. We agreed to 2/4 per point. So, the growers' interests have been protected and Rs. 2/4 happens to be the floor and not the ceiling. The ceiling this year might be Rs. 2/14 or Rs. 2/15 or even Rs. 3/-. Because, whatever profits are made in the auctions, whatever profits are made by way of exports go ultimately to the grower. Government does not take it. So, I cannot really understand what harm we are going to do to the growers by this measure.

Mr. Damodara Menon had presided over a meeting of the Wyanad planters. And, therefore, he must know little more about it. But, I do not know if he knows that the representative from Wyanad of the small growers on the Coffee Board was not a small grower but one of the big growers. Very possibly, the small growers had some confidence in the big grower. He said that if the Chairman is a nominated person and then he decides something on the advice given to him by the Board, the Government cannot off-set his views. I could not understand it because even with the Board as it might be constituted if this House and the other House pass this Bill, the Chairman would be part

of the Board, excepting that we can give him directions to initiate something. He will be a part of the Board. If he puts a proposition before the Board, unless it be that it happens to be marginal when the Chairman can exercise his casting vote, perhaps in favour of some view which the hon. Minister or somebody else possesses, the majority decision of the Board will obtain and Government will have to over-rule that decision if it thinks it necessary. But that has nothing to do with the making a decision at all.

Mr. Ananda Nambiar has said something about the workers of the Coffee Board. I am only dealing with one aspect of it, about the workers of the Coffee Board. I do maintain that, as it is at present, Government have no right to interfere. There is a certain amount of autonomy in the Board. We cannot really initiate anything. But, I do hope, if the Bill is passed, that we might be able to do something to better the condition of the workers under the Board. It may be we might not be able to accept the suggestion made by Mr. Nambiar that they should be put on the same scale as the Central Pay Commission scales and treat them as government employees. Even amongst the government employees, I do not know if Mr. Nambiar knows that officers and staff attached to the Secretariat are treated as a special class and people who are in the attached offices are treated in a lower category. So, I do not think it is possible for us to treat the members of the Coffee Board on any basis of parity with the Central Government servants. But, I think, there is undoubtedly room for considerable improvement in the manner in which they are being treated and I do hope to be able to do something about it, should the Bill be passed by this House and by the other House.

As I said, the whole issue, apart from Dr. Krishnaswami and Mr. Gurupadaswamy and some of the long speeches made by other hon. Members, the whole issue depends on two

things. One is the appointment of the Chairman and the other question is election. So far as the appointed Chairman is concerned, I would like to tell the House how the thing has been changing. I went to Bangalore on the 31st December, 1952 and attended an informal meeting of the Board. I met at that time, for the first time, the then Chairman, Mr. Ivor Bull. We had a talk with him for about an hour and then I had a discussion with the Board. Subsequent to my leaving, I asked him to examine this Bill. This is a Bill of 1952. He sent me a communication dated the 4th February, 1953, from Bangalore. In their memorandum on the Bill to amend the Coffee Market Expansion Act, 1942, they say this about Chairman and Vice-Chairman. This is what the Board has said in February, 1953.

"The Committee accept the proposal to have a Chairman to be appointed by the Central Government, but consider that the position of such a nominated Chairman would be strengthened if he has the backing of an elected Vice-Chairman who should also assist in the smooth working of the Board."

On the 4th February, 1953, the Board itself was prepared to accept a nominated Chairman, but because the Bill said about a Vice-Chairman being appointed, they said "You give us an elected Vice-Chairman and he might be able to guide the appointed Chairman." I do not know if my hon. friends, who opposed this proposal, were ever aware of it. I suppose they were, but they changed their mind....

**Shri Nambiar:** What was the reason for the change?

**Shri T. T. Krishnamachari:** How the mind of an individual or the minds of a group of people cerebrate is very difficult to say.

**Shri V. P. Nayar:** Not even the Minister knows! (Interruptions).

**Shri T. T. Krishnamachari:** One can study psychology and behaviourism happens to be a very important part of psychology and it is a thing which can be studied. You can piece together how the mind has worked subsequently when the difficulties are explained. Why does the mind work that way? The point really was that at that time the Chairman and the members of the Board were prepared to co-operate, because they were very penitent, because they found that the prices had shot up and they looked like had boys all over the world or in this little world of ours. The Chairman himself said that the Vice-Chairman was not able to handle the situation and therefore it was better for the Government to nominate a Chairman. In fact, at that time, I also felt that a man who was so wise, so profoundly knowledgeable about coffee interests, should not continue for some time. That is the view that I had, but then it is only later on that agitation was set up, that propagandists were appointed and meetings were held, and Mr. Ivor Bull went round making propaganda everywhere—he is intent on making money—and the result of it all is this avalanche of epithets which have been flung at my devoted head. I have mentioned this question of chairman at the beginning of my speech and I have also mentioned it again.....

**Shri M. S. Gurupadaswamy (Mysore):** On a point of order. Just now the hon. Minister said that all such epithets were hurled at him by some of us on behalf of Ivor Bull. It is a very grave charge and we are not holding any brief for anybody outside the House. I make it clear that we also know epithets and we are also people who can pay the Minister in the same coin. Let him understand it. This is very bad.

**Mr. Chairman:** But the hon. Member must realise that yesterday evening he said many things without giving any facts. He gave opinions and

criticised the hon. Minister in such a harsh way that he had to complain today. Now the hon. Minister has only said that it is his surmise that somebody is making propaganda and that the hon. Members were all patriots but they have been misled. Is it too much to say that?

**Shri M. S. Gurupadaswamy:** Not the previous statement.

**Shri T. T. Krishnamachari:** I do not have to explain myself after your ruling on this. The point really is that it is the result of that agitation that this avalanche of epithets has been flung at me. Actually he can give it back. My hon. friend has already given it and somebody is trying to tell him very mildly that he was too harsh.

**Mr. Chairman:** He has given it in advance!

**Shri T. T. Krishnamachari:** On this question of chairman, I made it very clear that if the Government were to shoulder the responsibility, they must have the means with which they can shoulder the responsibility. I do find that it is difficult for Government to undertake the responsibility and not have the tools for that purpose. I did put it to the vested interests who appeared before the Select Committee: if they felt so strongly about it, would they like the Board to be dissolved? Then Government could perhaps check in part the prices by merely controlling exports. They said 'No'. Nobody was in favour of it. They want to have the cake as well as eat it. They want the Board, but they must have unfettered discretion and powers. Government have a responsibility certainly to the consumer and that responsibility has to be discharged. I am afraid on this particular question we cannot admit of a compromise.

My friend Mr. Thomas said "Try it for two years". We are trying for three years and in the Bill, it is pro-

vided that the Board may be nominated for three years and the Chairman may be appointed for three years; and at the end of three years anything can happen.

On the other question of nomination, there is no intention of taking away the privilege from any class of people. The only trouble really was, as my hon. friend Mr. Venkataraman put it very rightly, what will happen if the UPASI has been given the right to elect the three members. The UPASI is an organisation which is dominated by a certain class of people; there are some Indian members there, and I think my hon. friend, Mr. Thomas, was Chairman at one time, but it did happen that the three representatives of the UPASI on the Coffee Board were all Europeans. Actually, when we tie up, as we have done in this instance, representation for the areas—so much for Mysore, so much for Madras and so much for Coorg—where does UPASI come in? It has got to be the Associated Planters of Coorg, the European Planters Association of Mysore; there is no body for Europeans in Madras. You have got the Yercaud people and there is the Wynad Planters' Association. The point is that UPASI would have no representation. It is a federated body dominated by a certain set of people, but I cannot see why the UPASI should have any representation. These associations change in character. In regard to another association in a different Board, when it was given two seats, I asked them the question: What is your total membership? About 120 or so. How many members are there in the Executive Committee? About 10. How many people do attend the annual meetings? About 10 or 12. How many people do they elect to be on the Board? Two people. So, ten people elect two people and that is democracy. We have to alter these things and sometimes one body goes and another body has to be recognised. It is rather difficult to put

it in a statute and that is why we feel that it would be better to ask for a panel from all these people and allow the Provincial Government to select. There is also the rider which has been added to the Select Committee's report that we should nominate small growers' also and they have to be accommodated. It is very difficult at the moment to create an organisation of small growers from which to elect. Something has to be done about it. Therefore, we thought that a panel of names may be had and we might leave it to the Provincial Government to select, and in that way we might be able to get adequate representation. But I am quite prepared to meet the wishes of the hon. Members and resile from that position and try out a slightly different system. What I propose to do is this. The nomination by the three Governments will be taken away but we will say that those persons who represent the interests for Coorg, for Mysore and for Madras, shall be elected or nominated as may be prescribed under the rules. What we shall do is that the rules will be specific and there will be no vagueness about it—I know that the Delegated Power Sub-Committee wants precision. So, the rules will be specific. In the rules we shall say that so many people for each area shall be elected by all these bodies. They might change it from time to time if the bodies also change, and the small growers might be nominated from out of the panels. We can enjoin on the Coffee Board to create an organisation for the small growers and then to change nomination to election. These will be done by the rules and the rules can be changed. I am, therefore, prepared to accommodate the hon. Members who wanted this power of election by amending clause 6, sub-clause (ii), in the manner that I have suggested.

That is all that I propose to say at the moment.

4 P.M.

**Mr. Chairman:** There are two amendments to this motion. One is by Shri KeshavaIengar. Does he want that it should be put to the House?

**Shri KeshavaIengar:** I beg to withdraw.

*The amendment was by leave, withdrawn.*

**Mr. Chairman:** The other one is by Shri M. S. Gurupadaswamy.

**Shri M. S. Gurupadaswamy:** I want it to be put.

**Mr. Chairman:** The question is:

"That the Bill, as reported by the Select Committee, be circulated for the purpose of eliciting opinion thereon."

*The motion was negatived.*

**Mr. Chairman:** The question is:

"That the Bill, further to amend the Coffee Market Expansion Act, 1942, as reported by the Select Committee, be taken into consideration."

*The motion was adopted.*

#### Clauses 2 to 4.

**Mr. Chairman:** There are no amendments to these clauses.

The question is:

"That clauses 2 to 4 stand part of the Bill."

*The motion was adopted.*

*Clauses 2 to 4 were added to the Bill.*

[**MR. DEPUTY-SPEAKER** in the Chair.]  
Clause 5.—(Amendment of Section

#### 3, Act VII of 1942).

**Shri KeshavaIengar:** I beg to move:

In page 2, lines 19 and 20, for "the first day of August and ending with the thirty-first day of July next following" substitute

"the first day of April and ending with the thirty-first day of March next following".

I propose this amendment in view of the fact that I wanted to bring the official year in the Coffee Board in consonance with the official year of the Government. I learn that there is some definite significance in the year as proposed in the Bill. Perhaps the season of the coffee crop, the harvesting of the crop and other things, have been taken into consideration. But even in the matter of accounting, perhaps the official year of the Government would be better suited.

**Shri T. T. Krishnamachari:** We adopt different years for different crops. For instance, for jute, the year happens to be from 1st July to 30th June. For cotton, it is a different year. So, we have got to fix our year according to the particular crop. I think any kind of symmetry in this matter would probably make statistics very difficult.

**Mr. Deputy-Speaker:** The hon. Member is not pressing it, I suppose.

**Shri KeshavaIengar:** No; I am not pressing it.

**Mr. Deputy-Speaker:** There are no other amendments to clause 5, I believe.

**Shri N. M. Lingam:** On a point of clarification. I want to know if the hon. Minister has any objection to the year being changed—from April to March of every year. If so, what is the exact nature of this objection?

**Shri T. T. Krishnamachari:** As I said, this is a thing which follows more or less the trends of the coffee crop. I have got to follow the crop year rather than some other year. The crop comes in trickling and then the new crop has to be taken up. We close the year with that.

**Shri N. M. Lingam:** I thought that the crop position becomes fully known only by March or April.

**Shri T. T. Krishnamachari:** The position is that trickling starts from December. We start making our estimates in September. There is a big rush in January, February and March. In April, it starts staling off. We have got to have some year where the main crop season will be in the middle, not at one end.

**Mr. Deputy-Speaker:** The question is:

"That clause 5 stand part of the Bill."

*The motion was adopted.*

*Clause 5 was added to the Bill.*

**Clause 6.—(Amendment of section 4, Act, VII of 1942.)**

**Mr. Deputy-Speaker:** The hon. Minister has tabled certain amendments. He may move them, all together.

**Shri T. T. Krishnamachari:** I beg to move:

- (i) In page 3, after line 14, add: "(xiv) three Members of Parliament of whom two shall be elected by the House of the People and one by the Council of States";
- (ii) In page 2, lines 40 and 41, omit "to be nominated by the Chief Commissioner of Coorg,"
- (iii) In page 2, lines 43 and 44, omit "to be nominated by the Government of Mysore"
- (iv) In page 3, lines 2 and 3, omit "to be nominated by the Government of Madras."
- (v) In page 3,—

(i) after, line 14, insert:

"(2A) The persons to represent the interests referred to in clauses

(vi), (vii) and (viii) of subsection (2) shall be elected or nominated as may be prescribed."

(ii) line 15, for "(2A)" substitute "(2B)".

**Mr. Deputy-Speaker:** What procedure shall we adopt? Shall I allow all the amendments to be moved?

**Shri T. T. Krishnamachari:** If this is disposed of, perhaps the other amendments may not be necessary.

**Mr. Deputy-Speaker:** Does the hon. Minister want to say anything on these amendments?

**Shri T. T. Krishnamachari:** I have explained already: that in conformity with the wishes expressed in this House, we have agreed that the rules may be prescribed for the elections, providing only for the nomination of such persons as may not be able to be elected, that is, the small grower. I may also, say, anticipating Shri Pataskar, that the rules would specifically say, what is the number to be elected, what is the number to be nominated, etc.

**Mr. Deputy-Speaker:** Amendments moved:

- (i) In page 3, after line 14, add "(xiv) three Members of Parliament of whom two shall be elected by the House of the People and one by the Council of States"
- (ii) In page 2, lines 40 and 41, omit "to be nominated by the Chief Commissioner of Coorg,"
- (iii) In page 2, lines 43 and 44, omit "to be nominated by the Government of Mysore"
- (iv) In page 3, lines 2 and 3, omit "to be nominated by the Government of Madras,"
- (v) In page 3,—

(i) after line 14, insert:

"(2A) The persons to represent the interests referred to in clauses

[Mr. Deputy-Speaker]

(vi), (vii) and (viii) of sub-section (2) shall be elected or nominated as may be prescribed."

(ii) line 15, for "(2A)" substitute "(2B)".

**Shri Nambiar:** I have got an amendment.

**Mr. Deputy-Speaker:** Let us dispose of these amendments, and take up the others later.

**Shri Pataskar (Jalgaon):** Clause 6 relates to the constitution of a Board. The present provision in clauses 6 to 8 is that four members are to represent the coffee growing industry in Coorg, to be nominated by the Chief Commissioner of Coorg. That is the definite ground on which these members were to be selected. I am not concerned with the point whether they should be nominated or elected. That is a different matter altogether. A definite provision was made that they should all be nominated—the representatives from Coorg, Mysore and Madras. I have no definite idea whether they should be nominated or elected, from the point of view of the growers. The amendment proposed is:

'After line 14, insert—

"(2A) The persons to represent the interests referred to in clauses (vi), (vii) and (viii) of sub-section (2) shall be elected or nominated as may be prescribed."

That is, Government wants to take the power to decide whether these persons shall subsequently be either elected by these growers in different States or they should be nominated by that Government. I do not know why the words by Government have been omitted, because, if at all there is to be nomination, perhaps it is intended that that should be done by the Gov-

ernment. Probably that may be prescribed by the rules. What I want to bring to the notice of the hon. Minister is that there was a similar provision in the rules framed by the Ministry of Commerce and Industry in accordance with the provisions of the Industries (Development and Regulation) Act, 1951. Rule 4(i) of the rules provided that after the appointment of the Chairman of the Development Council, the subsequent Chairman shall be either nominated by the Central Government or elected by members of the Council as the Government may decide. Now, that rule was objected to by the Committee on Subordinate Legislation. Their argument is that the Committee have given due consideration to the arguments put forward by the Ministry of Commerce and Industry and they are not convinced that such an unusual provision was necessary. I do not know what the Rules are going to provide. I can understand that perhaps Government may not have made up their mind now as to whether it should be by election or by nomination. Looking to the constitution of the Boards, I feel that Government must make up its mind as to whether the representation should be by nomination or by election, at least by the time the Rules are framed.

The amendment as it stands reads:

"The persons to represent the interests referred to in clauses (vi), (vii) and (viii) of sub-section (2) shall be elected or nominated as may be prescribed."

That means the rules may provide for nomination or for election.

**Shri A. M. Thomas (Ernakulam):**  
Or both.

**Shri T. T. Krishnamachari:** It cannot be both.

**Shri Pataskar:** Or, in some cases nomination, in some cases election. But nothing is known at present. We are giving a power to Government to

decide according to the circumstances of each case, whether it shall be by nomination or by election. As a matter of fact, we would have appreciated if something more definite had been said. At any rate, I believe that at least by the time the Rules are framed Government will make up its mind and come to a definite decision, and not frame rules like the one I read out just now. That would be inconsistent with the report which has been submitted. It is a practice which ought not to be followed. That is my main objection.

**Shri KeshavaIengar:** If I understood the hon. Minister correctly, it is not a question of Government making up its mind about election or nomination. It was understood that some suitable proportion would be fixed. So the words "in the proportion" must also be added to this amendment.

**Shri T. T. Krishnamachari:** I have seen the Report of the Subordinate Legislation Committee and I quite agree with Mr. Pataskar that the particular offending rule must be changed. I had this in mind when we drafted this amendment. The intention is that the rule should be specific. Supposing there are four—my hon. friend should not take this as final—two people will be elected by planters owning more than fifty acres and two people will be nominated from among panels sent by associations representing planters with less than 50 acres. Or we might do so initially and after some time when the small planters come together, they may elect from among themselves. So far as large planters are concerned, there is no difficulty in getting them elected. Either we can give representation to individual associations or we may pool all the associations. That kind of franchise it is easy to have. The difficulty will be in regard to small growers and we have to think about it. Maybe initially we may nominate and thereafter we might amend the rule. My hon. friend Shri KeshavaIengar is quite right when he said that it is

our intention to make it absolutely specific and clear-cut: it may be two and two, or three and one. If we find that there are associations which have a number of small planters, we can ask them to elect one and make provision for another small planter. The rule I can assure Mr. Pataskar will be absolutely specific.

**Shri Damodara Menon:** When the hon. Minister speaks of nomination does he mean nomination by the State Government or by the Centre?

**Shri T. T. Krishnamachari:** It will be provided in the Rules. So far as the Central Government is concerned, it is very difficult for them to find somebody. We might prescribe the procedure even of nomination: they cannot nominate from anybody they like.

**Shri Damodara Menon:** Will the power of nomination be given to the State Governments?

**Shri T. T. Krishnamachari:** The Rules will have to prescribe it and I will certainly consult the interests concerned.

**Shri KeshavaIengar:** Perhaps, It will be subject to the consent of the Central Government.

**Shri T. T. Krishnamachari:** Might be, if they desire. I shall consult all the Members concerned: I shall give them the draft rules and ask for their criticism.

**Shri A. M. Thomas:** I do not think the amendment proposed by the hon. Minister gives effect to what he wants to give effect to. What is the provision which will compel the Government to elect and also to nominate. What is there to compel the Government to give the right of election to the various associations of growers?

**Shri T. T. Krishnamachari:** I say that half will certainly be elected; probably the whole lot of them might be elected.

**Shri A. M. Thomas:** So, I would suggest the addition of the words "elected or nominated in such proportion as the Rules may provide."

**Shri T. T. Krishnamachari:** "Prescribe" means, as provided by the Rules.

**The Minister of Commerce (Shri Karmarkar):** Leave something to trust.

**Shri T. T. Krishnamachari:** Once the rules are made, it will be difficult to change them. I can give an assurance to the House that that is the intention of Government. I do not think we can say something here and get away with it.

**Mr. Deputy-Speaker:** I shall now put amendments No. 23, and 1 to 4, now moved by the hon. Minister to clause 6.

**Shri Keshavaiengar:** I have tabled an amendment to amendment No. 23 which reads :

*For the proposed sub-clause (xiv) substitute:*

"(xiv) five Members of Parliament of whom four shall be elected by the House of the People, one each from the States of Madras, Mysore, Travancore-Cochin and Coorg, and one by the Council of States."

The object is to give representation to States where coffee is grown.

**Shri T. T. Krishnamachari:** If hon. Members of this House are not represented adequately there is some power of nomination: we can do something. But there is another point to be considered, I have to take this Bill to the other House. The understanding is that of the three Members of Parliament two shall be elected by this House and one by the other. If I change the proportion, I won't get the Bill through the other House.

**Shri Nambiar:** Sir, I have tabled four amendments to clause 6. Nos. 34, 37, 40 and 44. I may be allowed to move them. If the hon. Ministers' amendment are passed, certain of my amendments will not be pressed.

I beg to move:

(i) In page 2, for lines 28 and 29, substitute:

"(i) a Chairman to be elected by the members of the Board;"

(ii) In page 2, for lines 39 to 41, substitute:

"(vi) four persons to represent the coffee-growing industry in Coorg to be elected by the coffee growers of Coorg;"

(iii) In page 2, for lines 42 to 44, substitute:

"(vii) four persons to represent the coffee-growing industry in Mysore to be elected by the coffee growers of Mysore;"

(iv) In page 3, for lines 8 and 9, substitute:

"(xi) four persons to represent labour, to be nominated from among the names suggested by organised labour including one representing the Indian Coffee Board Labour Union;"

**Mr. Deputy-Speaker:** I shall now put the amendments moved by the hon. Minister to the vote of the House.

The question is :

In page 3, after line 14, add:

"(xiv) three Members of Parliament of whom two shall be elected by the House of the People and one by the Council of States."

*The motion was adopted.*

**Mr. Deputy-Speaker:** The question is :

In page 2, lines 40 and 41, omit "to be nominated by the Chief Commissioner of Coorg."

*The motion was adopted.*

**Mr. Deputy-Speaker:** The question is :

In page 2, lines 43 and 44, omit "to be nominated by the Government of Mysore."

*The motion was adopted.*

**Mr. Deputy-Speaker:** The question is :

In page 3, lines 2 and 3, omit "to be nominated by the Government of Madras."

*The motion was adopted.*

**Mr. Deputy-Speaker:** The question is :

In page 3,—

(i) after line 14, insert:

"(2A) The persons to represent the interests referred to in clauses (vi), (vii) and (viii) of sub-section (2) shall be elected or nominated as may be prescribed."

(ii) line 15, for "(2A)" substitute "(2B)".

*The motion was adopted.*

**Mr. Deputy-Speaker:** I would like to know from the hon. Minister as to which of these amendments, that is Nos. 34, 37, 40 and 44, moved by Mr. Nambiar, are barred by this.

**Shri T. T. Krishnamachari:** No. 34 is not barred, Sir. The rest are barred.

**Mr. Deputy-Speaker:** So amendments Nos. 37, 40 and 44 are barred.

**Shri V. P. Nayar:** I would like to speak on amendment No. 34.

**Mr. Deputy-Speaker:** Yes.

**Shri V. P. Nayar:** I did not intend to intervene in this discussion. But having heard some of the view-points of the champions of democracy on the other side I am inclined to say something on this provision under which instead of having a Chairman elected, Government are now proposing to have a Chairman appointed by themselves. I do not propose to enter into any polemics on democracy here. But I would say that this is a very very dangerous step.

**Mr. Deputy-Speaker:** Has not enough been said about this in the general discussion?

**Shri V. P. Nayar:** Maybe, but I am bringing forward certain view-points. What are the functions of the Chairman? If I understand correctly, the Chairman does not merely have executive functions; he has also some regulatory functions. I understand the Chairman has necessarily to preside over the meetings of the Board.

**Mr. Deputy-Speaker:** The hon. Member will consider this. There is a similar Board in my part with respect to something. All the members are nominated. But out of the nominated members one has to be elected. This is neither fish nor fowl nor red herring. Neither the Government has a voice, nor have those people, they are all nominated.

**Shri V. P. Nayar:** I do not have experience of such Boards in my place. In this case the Chairman must necessarily preside over the meetings if and when they take place. What is the object of this Coffee Board. There are various interests which are represented in the Board, and the Chairman is expected to hold the balance when he is regulating the meetings.

Hereafter, when you have an appointed Chairman, you will find that the policy of the Coffee Board will be dictated over the trunk telephone from some room in the Commerce Ministry. There is no guarantee and our experience has been that although Government say they will nominate, the nominations have been almost always made in a haphazard manner. I can give any number of instances. People who have had no connection with the particular matter in which they are asked to represent have been sent. Take for example the Rubber Board. The Secretary of the Rubber Board has had no experience in rubber—I shall come to that later tomorrow—he may probably have used an eraser in his school! Beyond that I do not think he has any experience of what the rubber industry was.

[Shri V. P. Nayar]

But in this case you will find there are conflicting interests. We have heard speeches from different sections in the House, some pleading for the consumers, others for the small interests, and others for the big interests—in a very concealed fashion. But it is a fact that in the Coffee Board various conflicting interests have necessarily to be represented. And when questions come up for discussion there, the Government's viewpoint will be very safe, because the Chairman can shut out any discussion. It is not a place like this House where the proceedings are guided by printed Rules of Procedure and where Members raise points of order and the procedure is questioned.

**An Hon. Member:** Question.

**Shri V. P. Nayar:** It always happens.

**Mr. Deputy-Speaker:** That statement itself is questioned.

**Shri V. P. Nayar:** My point is when you have a Chairman appointed on the whims or fancies of a Commerce Minister—if not, today, tomorrow—then the Chairman will not be in a position to hold the balance in any manner which the various interests would require.

I heard the hon. the Commerce Minister making some reference about Mr. Ivor Bull and saying that some Members on this side are being guided by propaganda of Mr. Ivor Bull and his friends. I am not very much worried about Mr. Ivor Bull; I am not worried about bulls at all. (An hon. Member: Till the next election!). But it is beyond my comprehension how the hon. the Commerce Minister could now make up a case that it is because of certain things which happened on account of Mr. Ivor Bull's propaganda that this Bill has been brought forward. I read the hon. Minister's speech the other day when he introduced the Bill, and he said that the Bill is a Bill of 1952. If this Bill is a Bill of 1952 when

there was a provision that instead of a nominated Chairman you shall have an elected Chairman, where does the matter of Mr. Ivor Bull come in at all. I fail to understand, because Mr. Ivor Bull and the hon. Mr. T. T. Krishnamachari discussed on the 30th December or so in 1952, long after the Bill had been introduced in this House with a definite provision, in the place of the original provision, that hereafter we shall have not an elected Chairman but a nominated Chairman. What all things have transpired, we are not interested in. But this is not the single instance where Government want to poke into the affairs, and not without reason; because when we send questions to this House, if Government spend some money or if from the Consolidated Fund of India certain amounts are spent, this House is not allowed to ask anything if it is not directly under the Government. In the case of any autonomous body we have several times received memos from the Question Branch that "this is not directly under the Government and so it has been disallowed by the Speaker". This is an institution which spends, according to the budget figures for 1954-55, Rs. 5.65 lakhs every year. Precisely for this reason that it is some sort of an autonomous body it will be kept away from the fire in this House. At the same time Government can have all its policies carried on by its representative who may happen to be a junior most Under-Secretary or somebody.

Therefore I say that this is not the only Board in which Government wants to do this. There is also the Rubber Board—which will come up tomorrow. An identical change has been made there also. This matter has a history behind it. I do not think I need tire the House which has had a long discussion on the affairs of coffee, and many Members would like to have a cup of coffee to refresh themselves. I shall have something to say about the history of

this sort of thing and, also why Government have found it necessary at this point to have an appointed Chairman instead of an elected Chairman, tomorrow.

But this is very clear. At least in so far as the exercise of the regulatory functions as Chairman who presides over the meetings of the Board are concerned, I am certain, I am positive that no man appointed by the Government can be free of the Government and that the man who is appointed by the Government will necessarily have to inflict the views of the Government on this Board. That is why we object to the appointment of the Chairman by the Government.

**Shri T. T. Krishnamachari:** Sir, I do not wish to add anything to what I have already said.

**Mr. Deputy-Speaker:** The question is:

In page 2, for lines 28 and 29, substitute:

"(i) a Chairman to be elected by the members of the Board;"

*The motion was negatived.*

**Mr. Deputy-Speaker:** The question is:

"That clause 6, as amended, stand part of the Bill."

*The motion was adopted.*

*Clause 6, as amended, was added to the Bill.*

*Clause 7 was added to the Bill.*

**Mr. Deputy-Speaker:** Clause 8. Neither Shri Bogawat nor Dr. Ram Subhag Singh is present. There are no amendments in clause 9. The question is:

"That clauses 8 and 9 stand part of the Bill."

*The motion was adopted.*

*Clauses 8 and 9 were added to the Bill.*

#### Clauses 10 to 17

**Mr. Deputy-Speaker:** Clause 10. Shri Somana; not moving. Nobody is moving. Clause 11. None present; clause 12; likewise. None moving. I will put all these clauses 10 to 17.

The question is:

"That clauses 10 to 17 stand part of the Bill."

*The motion was adopted.*

*Clauses 10 to 17 were added to the Bill.*

**Clause 18.**—(Substitution of new section for sections 31 in Act VII of 1942.)

**Shri T. T. Krishnamachari:** I have two amendments. I beg to move:

(1) In page 6, after line 16, add:

"(e) to meet the expenses for securing better working conditions and the provision and improvement of amenities and incentives for workers".

(2) In page 6,—

(i) line 8, omit "and"; and

(ii) line 16, add at the end "and".

**Mr. Deputy-Speaker:** Very formal. The question is.....

**Shri N. Somana:** May I point out a mistake? The amendment says, add 'and' at the end of line 16. I think it ought to be line 12.

**Shri T. T. Krishnamachari:** There is an 'and' there. I am afraid it is typed wrongly here. In line 16, it ends. I think it is to be in line 12. The word 'and' is taken away in sub-clause (2)(b). No, no. It is all right. It must be as it is because the other clause (e) comes later. This amendment is correct. Clause (e) has been moved. That is amendment No. 24. This 'and' must be added to clause (d). It is correct.

Mr. Deputy-Speaker: The question is:

In page 6, after line 16, add:

"(e) to meet the expenses for securing better working conditions and the provision and improvement of amenities and incentives for workers".

*The motion was adopted.*

Mr. Deputy-Speaker: The question is:

In page 6,—

(i) line 8, omit "and"; and

(ii) line 16. add at the end "and".

*The motion was adopted.*

Mr. Deputy-Speaker: The question is:

"That clause 18, as amended, stand part of the Bill."

*The motion was adopted.*

Clause 18, as amended, was added to the Bill.

#### Clauses 19 and 20

Mr. Deputy-Speaker: Clause 19. There is no amendment. The question is:

"That clause 19 stand part of the Bill."

*The motion was adopted.*

Clause 19 was added to the Bill.

Clause 20 was added to the Bill.

Mr. Deputy-Speaker: New clause 20-A.

Shri T. T. Krishnamachari: It has gone.

Clause 21.—(Amendment of section 48, Act VII of 1942).

Shri T. T. Krishnamachari: I have got two amendments. One is formal and the other is consequential. I beg to move:

(i) In page 7, line 7, for "nomination" substitute "nomination or election".

(ii) In page 8, line 8, omit "in the Indian market".

Mr. Deputy-Speaker: The question is:

In page 7, line 7, for "nomination" substitute "nomination or election".

*The motion was adopted.*

Mr. Deputy-Speaker: The question is:

In page 8, line 8, omit "in the Indian market".

*The motion was adopted.*

Mr. Deputy-Speaker: The question is:

"That clause 21, as amended, stand part of the Bill."

*The motion was adopted.*

Clause 21, as amended, was added to the Bill.

Clause 22 was added to the Bill.

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

Shri T. T. Krishnamachari: I beg to move:

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

Mr. Deputy-Speaker: Motion moved:

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

Shri Damodara Menon: The hon. Minister, when replying to the debate, made a reference to what I said about the appointed Chairman getting really more powers than an elected Chairman. I said that my fear was that when the appointed Chairman becomes also the chief executive officer of the Coffee Board, there is the danger of the Government delegating in effect—it may not be written in the rules—in effect, their discretionary powers also to the appointed Chairman. It may be that the Commerce

Ministry will direct this appointed Chairman to do things according to their direction. That danger is always there. Apart from that, when a particular question is discussed in the Board and there is difference of opinion between the majority of the Board and the appointed Chairman, the decision taken by the Chairman or the advice given by this Chairman to the Commerce Ministry, will generally be accepted by the Ministry and they may not use their discretionary power in a proper way, because the man on the spot, as it always happens under the bureaucratic system, is the trustee. I want an assurance from the Minister that such a thing will not happen and that the Government will, as it has always happened when there was an elected Chairman, apply their mind and come to an independent judgment on questions where the Board and the appointed Chairman differ. I am thankful to the Minister for making a concession in regard to the change in the growers' representative to the Board. I hope, as a result of two or three years experience, the Minister will find his way also to accept the principle of elected Chairman.

**Shri S. C. Samanta (Tamluk):** Three Members of Parliament are to be represented by election in the Board and the disqualification that will arise has been removed by the Act. But one thing arises in my mind, that as there is provision for election in the Act the elected Members from State Legislatures also may come in. So, somehow, provision for them should be made.

**Shri T. T. Krishnamachari:** I am afraid in regard to what Mr. Samanta raised, he must be aware we can only remove the disqualification of Members of Parliament. We cannot remove the disqualification of Members of the Legislatures. That must

be done in the appropriate Legislature. So, we cannot make any provision here in any Act which we enact, because the Constitution clearly says that each Legislature must make its own rules in respect of disqualification of Members, and we cannot do anything that way.

So far as what Mr. Damodara Menon has said, I am always thankful for small mercies. I am glad that something that I have done has merited his approval.

**Shri Keshavaiahengar:** May I say a word?

**Mr. Deputy-Speaker:** All right. I will waive the rule. Hon. Member may go on.

**Shri K. K. Basu (Diamond Harbour):** Till the coffee is supplied, he should continue.

**Shri Keshavaiahengar:** At this final stage of the Bill may I bring it to the notice of the Minister concerned, that it is one thing to get power and it is an entirely different thing altogether to exercise that power in a proper way, and to see that it is exercised. All the apprehension in the minds of the hon. Members has been based on the possibility of the misuse of the powers that are secured under this Bill. I would like to inform the Minister concerned that the House would not have hesitated in any manner to invest Government with the powers, but they are only anxious that the powers invested are properly exercised. A lot of discretion is now vested in Government in the matter of appointment of every person on the Board, and everything depends upon the personnel of the Board. It is only an instrument in the hands of Government. I would like to have an assurance from the hon. Minister that this question of the appointed chairmanship will only last as an experimental measure for a certain period and very soon we will get back

[Shri Keshavaiengar]

again to the democratic way of appointment by election.

**An Hon. Member:** Why not do it now?

**Shri N. M. Lingam:** I have nothing particularly interesting for the House to state.

**Mr. Deputy-Speaker:** They would be interested in something more tangible.

**An Hon. Member:** Coffee.

**Shri N. M. Lingam:** I would like to remind the hon. Minister that he was good enough to serve us with tea on the conclusion of the Tea debate. It is a logical corollary to the conclusion of the coffee debate, we should have coffee.

But, that apart, I am glad that the House feels that its fears and apprehensions have been allayed by the observations of the Minister. My only appeal to the House as well as to the industry concerned is that we shall now commence a new chapter in the development and expansion of the industry. It is, as I said in my speech a little while ago, the community of interests and objectives that matter really. And we are now entering a phase of intensive development of the industry where we have necessarily to strike a mean between the various interests, viz., the producer, the consumer and labour. It is my earnest hope that with this new measure we enter a new era where all will be contented and happy and all causes of friction will be removed, and that this will be the harbinger of happiness not only to the coffee growers, but also other interests concerned. I wish godspeed to the Bill.

**Shri N. Raghiah:** Ultimately, all the hon. Members have expressed their opinion in favour of the passing of this Bill. But with regard to the introduction of the democratic way of working in all these Boards like the Coffee Board. I am of the opinion—

I hope Mr. Keshavaiengar and other Members will also appreciate it—that the electorate for democratic way of doing things must be all the workers and also the planters, though not the consumers, to elect the Chairman from among themselves. If it is only a thing that pertains to a Board of 30 Members, that cannot be, as it is not a local body or a Legislature or a Parliament, but as I have already made clear, the larger interests, viz., those who are planters or workers who are responsible for producing the commodity must be reckoned as the electorate. In that way if they want a democratic way of doing things, I welcome it. If it is only for electing the Chairman on the Board that they want this democratic principle, we do not want it. Because in a democracy, a Lord and a commoner, all of them have got only one vote each, and in that way if democratic principles are worked out, it is always welcome.

As has been already said by Mr. Lingam, this passing of the Bill has created a new chapter and we will have to wait and see how far this new legislation is going to help the consumer, the labourer and the coffee grower. I am completely in conformity with the views of so many hon. Members that the growers' interests must be protected. I do not deny that. But that protection must be a reasonable protection, and they must get a reasonable or a just margin of profit. Beyond that, in the interests of the nation, it will not be fair. I support that the interests of the growers must be protected. At the same time, we expect them to see that the consumers' interests and that of the labourers are also protected.

I fully support the passing of this Bill. The Minister is going in the right way to protect the industry and the other interests also.

**Mr. Deputy-Speaker:** Has the hon. Minister anything to say?

**Shri T. T. Krishnamachari:** I have nothing to say except to thank hon. members for whatever they have said.

**Mr. Deputy-Speaker:** There are ten more minutes. Anyhow, we will take up other work tomorrow.

**Mr. Deputy-Speaker:** The question is:

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

*The motion was adopted.*

*The Lok Sabha then adjourned till Eleven of the Clock on Wednesday, the 24th November, 1954.*