

Summary of Proceedings
of the
Subcommittee on
Cachar Plantations
held at New Delhi

MINISTRY OF LABOUR



SUMMARY OF PROCEEDINGS
OF
THE SUB-COMMITTEE
ON
CACHAR PLANTATIONS
HELD AT NEW DELHI

On the 23rd & 24th September, 1949.

New Delhi, 1950.

PRINTED IN INDIA FOR THE MANAGER GOVERNMENT OF INDIA
PUBLICATION BRANCH DELHI BY THE MODEL PRESS LTD., DELHI.

Price : Annas -18/- or 9d.

**SUMMARY OF PROCEEDINGS OF THE SUB-COMMITTEE ON
CACHAR PLANTATIONS HELD AT NEW DELHI ON
THE 23RD AND 24TH SEPTEMBER, 1949.**

The following were present :—

- (1) Mr. S. Lall, I.C.S.,
Secretary, Ministry of Labour, Chairman.
- (2) Mr. N. M. Patnaik, I.A.S.,
Deputy Secretary, Ministry of Labour.
- (3) Mr. S. K. Sen,
Deputy Secretary, Ministry of Food.
- (4) Mr. S. K. Banerjee,
Deputy Secretary, Ministry of Commerce.
- (5) Hon'ble S. K. Sinha,
Chairman, Central Tea Board.
- (6) Mr. S. K. Mullick, I.C.S.,
Labour Commissioner, Assam.
- (7) Mr. L. B. Green, O.B.E.,
Tea Controller for India.
- (8) Mr. J. L. Llewellyn, O.B.E., I.C.S. (Retd.)
- (9) Mr. S. H. Davies
- (10) Mr. J. D. Gardiner
- (11) Mr. I. F. Morriss, O.B.E.
- (12) Mr. S. B. Datta
- (13) Mr. S. C. Dutta, Assam Bengal Indian Tea Planters' Association.
- (14) Mr. K. P. Tripathi,
Indian National Trade Union Congress.
- (15) Mr. Paresh Chandra Choudhury,
Surma Upatyaka Cha-Sramik Union, Silchar.
- (16) Mr. D. N. Tewari,
Indian National Trade Union Congress.

} Indian Tea Association.

MEMORANDUM REGARDING CACHAR PLANTATIONS.

The Indian Tea Association have raised the following points which are for consideration :—

(i) The yield per acre of gardens in Cachar is less than that of other Assam gardens. Although the daily rate of dearness allowance is slightly less than in the Assam Valley, this differentiation is inadequate. Many of the tea gardens in Cachar have to incur heavy loss.

(ii) (a) During the coming season, the gardens will be required to pay commission on the cloth which they purchase.

(b) They may also be obliged to take, and to pay for, a certain proportion of the goods for which they have no use.

(iii) (a) The Government of India have directed that the tea industry must purchase 50% of its tea chests requirements from indigenous manufacturers whose goods, irrespective of quality, are more expensive than the imported articles.

(b) The imported tea chests are being sold through middle men who are making large profits.

(iv) Absenteeism of workers is on the increase.

(v) (a) The Government of India have entered into a contract with the U. K. Government for the sale of tea at 1948 prices.

(b) This has deprived the industry of the cost of production allowance which the U. K. Government had agreed to pay in the previous year.

(vi) The gardens in Cachar are issuing rice (and other foodstuffs) to their workers and dependants at concession rates.

(vii) The Government of East Bengal have reduced the quota of rice ration issued to workers of tea estates in Sylhet from $4\frac{1}{2}$ seers per week per adult worker to $3\frac{1}{16}$ seers.

(viii) The Cachar gardens are purchasing the bulk of their requirements at a rate of Rs. 18/- per maund which is higher than the controlled rate. The Assam Government charges a cess at $6\frac{1}{2}\%$ on all issues of rice.

(ix) The Indian Association have considered the various measures that may have to be adopted to counteract the losses sustained by their member gardens. These are given below :—

(a) *Reduction of cash wages* :—This, according to them, should be adopted only as a last resort.

- (b) *Reduction in the scale of rations* :—The employers feel that there is scope for reduction in view of the fact that the quantities of rations supplied are much in excess of those allowed to other classes of labour in the province.
- (c) *Enhancement of the price at which the rationed articles are sold* :—As the prices of foodstuffs have increased after the fixation of wages at the last two Tripartite Conferences on Plantations, the industry feel that labour should share the loss incurred by the industry in the sale of rations at concessional rates.
- (d) *Subsidies* :—The Industry realise that subsidies from Government would provide a dangerous precedent and it would also be difficult to estimate the exact amount which should be given.
- (e) *Economies in management and administration* :—Economies as are possible, without calling on the labour to share the burden, have already been effected by the industry. Further economies are possible only by curtailing expenditure on labour or by increasing the yield per acre.
- (f) *Reduction in labour force* :—It is reported by the Industry that many of the Cachar gardens have now a labour force in excess of requirements. It is, however, difficult to transfer surplus labour from one garden to another where there may be a deficit because the labour is settled and does not wish to move.
- (x) The Indian Tea Association have suggested that if many gardens in Cachar are not to close down and if large scale retrenchment of labour is to be avoided, the following steps may have to be taken :—
- (a) to increase the concessional prices of rice to Rs. 10/- per maund from Rs. 5/-,
 - (b) to decrease the scale of rations, or
 - (c) both.

2. The Surma Upatyaka Cha-Sramik Union have, however, expressed their inability to agree to the remedies suggested by the Industry and have raised the following points :—

- (i) The causes of the low yield of the gardens concerned should first be investigated by a Board on which labour should be represented. It should be ascertained whether and how far the uneconomic conditions are due to defects in the soil, in the management and in the working of the labour force.

The Balance Sheet of the gardens concerned for at least the last ten years should be examined and the reason why some gardens in Cachar were running at a loss although the neighbouring gardens continue to make a profit of 40 to 50 per cent should be ascertained. The possibilities of utilising the huge blocks of fallow lands attached to the gardens for cultivation of tea should be explored.

(ii) The revised scale of concessional supply recently introduced by the Surma Valley Branch of the Indian Tea Association, the fall in the prices of stores, food-stuffs, cloth and tea chests compared with 1948 and the considerably higher Russian demand for Indian tea in 1949 should give considerable relief to the Industry and result in a fall in cost of production. No further relief, therefore, appears to be necessary at this stage.

(iii) The Industry has asked for sharing the loss. It should make clear whether it is agreeable to the principle of profit-sharing and if so, whether it should be introduced in the industry as a whole or only in some particular units. As in years of large profits labour never got a share of the profits, they should not be asked to share losses during a bad or exceptional year. It must also be borne in mind that it is extremely undesirable to differentiate between the wages paid in economic and uneconomic gardens in the same locality.

(iv) Wages and living conditions in tea plantations are already very low as compared to other industries and labourers have got to purchase several items of goods at a very high price from the open market. There is, therefore, no scope for further reduction in real wages by raising the prices of concessional supplies or by reducing the quantum of the supplies. Mere reduction in wages without increasing the yield per acre would not save the gardens from ultimate loss.

SUMMARY OF DISCUSSIONS.

The Chairman invited the attention of the members to the Memorandum on the subject and suggested that the representatives of the industry might first state their case.

Mr. Davies observed that the cost of production on the tea estates in Cachar had been rising steadily during the last three years and that the estates concerned could not carry on much longer with the present rates of pay and remuneration to the workers. The increase in the gross sale proceeds had not been keeping pace with the rising costs and some of the gardens had actually recorded large losses. The reserves were rapidly melting away. He was glad that the difficulties encountered by the planters were appreciated both by the Government of Assam and the Central Government. In one garden even the labourers realised the deteriorating situation and had agreed voluntarily to doubling of the prices of food-stuffs supplied by the employers at concession rates.

The causes for the bad plight of the Cachar gardens were the low yield per acre, high wage rates, higher dearness allowance (which was originally fixed at as. 2 per day in January, 1947, and later increased to as. 5 per day in March-April, 1949), the high cost of food-stuffs supplied at concession rates, the large number of persons drawing such articles at concession rates and the heavy excise and export duty on tea. Quoting the figures of profits and losses, given in the brochure which he distributed to the members, *Mr. Davies* drew a comparison between the financial position of the estates at Chargola, Lakhipur and *Chutla Bheel* in 1946 and 1948 and added that on every pound of

tea of the estates at Chargola, Lakhipur and *Chulla Bheel* in 1946 and 1948 the margin of profit was now only one-twentieth of a rupee. Unless, therefore, some immediate relief was given, there was likely be a veritable landslide in Cachar leading to the closing down of at least ten estates. Such a contingency was not viewed with favour and hence it was that they were pleading for some relief.

The increase of dearness allowance from two to five annas was effected in 1948 and experience had proved that the resultant burden on the industry was too much. The estate owners therefore intended to discontinue the sale of food stuffs at concession rates and to pay to the workers in lieu thereof a monetary compensation at the rate of four annas per adult and two annas per child worker per day. This perhaps was the only alternative to large-scale unemployment that would follow any complete closure of the losing estates. He therefore sincerely wanted to secure the full cooperation of Government and labour in giving effect to the latest proposal of the garden owners of Cachar.

Mr. S. C. Dutta endorsed the suggestions made by *Mr. Davies*.

On an enquiry by *Mr. Tripathi* whether the discussion included Darjeeling and Jalpaiguri gardens also, he was informed by the Chairman that the discussion was confined to Cachar gardens alone.

Mr. Sinha enquired whether there would be any cut in the present rates of dearness allowance.

Mr. Davies replied in the negative.

Mr. Sinha referring to the proposed rate of compensation to minors wanted to know whether the gardens had any system of working out the number of dependants for whom concessions were to be given.

The Chairman pointed out that the average size of a family in the Surma Valley was 4.57 members of whom 2.29 were workers and 2.28 were dependants. The number of dependant children was 1.71.

Mr. Tripathi enquired whether the industry's proposal was a final one awaiting only the sanction of the Committee for implementation.

The Chairman replied that the members were free to express their own views on the proposal.

Mr. Tripathi then observed that the suggestion made by the industry came as a surprise to the workers in the face of the assurance given by the Prime Minister that there would be no cut in wages and the food concessions were regarded by the labourers as a part of wages. The industry had been making good profits during the last fifty years and particularly during the War years, and the workers had received no share of it. It was therefore not proper to ask the workers now to share the losses that were being temporarily incurred by only a few gardens. It was expected that the industry would have built up large reserves but it is surprising to know that reserves are not adequate and the industry is going to collapse within a couple of years.

Further, the food concessions were not going to be a permanent feature since the country expected to become self-sufficient in the matter of food by 1951, when the concessions would automatically be withdrawn. The labourers alone were not benefited by the concessions; they were as much in the interests of the industry. The industry did not want the cost of wages to go up and wanted to retain the labour in the industry. That was why both the employers and workers arrived at an agreement in 1948. Even with the help of the concessions the workers had not been able to obtain a balanced diet. Any withdrawal of the concessions at this stage would cause a further set back in the standard of living of the workers resulting in greater inefficiency and absenteeism since workers would then have to spend a considerable part of their time in securing foodstuffs.

The very fact that some of the gardens were still earning profits proved that food-concessions were not the cause of the loss incurred by the other gardens. The real reasons were to be investigated. If it were found that certain gardens had to be closed down due to low yield, then no palliative could save them. However, the responsibility of lending a hand to them, if that could set matters right, should clearly lie with the bigger and better gardens. The capacity of the latter to pay wages was higher whereas the existing wages, which were uniform for all the gardens, were fixed at a lower level only with an eye to save the smaller gardens. The bigger gardens should therefore come forward with a scheme of subsidy to enable smaller gardens to tide over their temporary difficulties. Alternatively, Government should help the losing concerns with loans. It would not simply do for the industry to reject either of these two suggestions.

Those gardens which were uneconomic and could not be improved even with the aid of subsidies or loans should cease to exist at least for the time being. The labourers rendered surplus by such a closure should be transferred to other gardens in a planned way, with the help of Government and the Indian Tea Association.

He did not agree with Mr. Davies that the withdrawal of food concessions was the proper course to reduce the consumption of liquor by the workers. Other steps had to be taken by Government and the employers to achieve that end.

Finally Mr. Tripathi assured the co-operation of workers in the implementation of any scientific plan for overcoming the difficulties of the losing gardens but, under no circumstances could they agree to a cut in wages.

Mr. Choudhury stated that the workers were not happy over the increase of three annas granted in 1948 since it did not compensate them in full. The matter was subsequently taken up with the Assam Government who replied that the workers' representatives would be consulted when the occasion arose. It transpired that the Indian Tea Association had set up a Committee to investigate into the deteriorating position of some of the gardens in Cachar. The findings of the Committee had not yet been made public. It was, however, found that the bad plight of the gardens was largely due to the neglect the gardens had suffered at the hands of the owners during the war period.

and not to the food concessions. He therefore appealed to the estate owners not to force their present proposal on the workers and the Government but to approach the whole problem in a rational way. He also suggested that some effective machinery should be set up to guard against the neglect of the gardens by the owners.

The Chairman after assuring the members that he would obtain the views of the Provincial Governments as well as of the Commerce and Food Ministries on the subject, asked for clarification of certain points. Quoting figures of profits from 'Capital' of December, 1948, he pointed out that the industry as a whole was doing well. In Cachar itself, the incidence of labour costs was the same for all the gardens. That being so, it was not clear how the impact of labour costs should vary between gardens. He felt that the bad plight of some gardens must be due to factors other than labour costs. The average labour cost for the 62 estates in Cachar worked out to 40% of the total cost, whereas in the case of two estates the labour cost was as high as 80%. He could not account for this wide disparity. He agreed that there had been an increase of 40% in the earnings of labour between 1946 and 1948. But the efficiency of labour had also increased by 5.1% during the same period.

He realised that any industry that had to take the food factor into consideration had to face a certain amount of uncertainty. He therefore wanted to know from the Ministry of Food whether there was any prospect of improvement in the food position. He also desired to know how far the increase in the price of liquor had affected the regularity of attendance of the workers.

Mr. Choudhury stated that no information was available on the last point.

Mr. Morriss remarked that even if the liquor shops were closed on the days immediately following the pay day as was being done in West Bengal and Bihar, the workers would ferment liquor out of rice in their own homes.

Mr. Mullick urged extreme caution before the food concessions were withdrawn. He felt that the questions might have to go before an Industrial Tribunal. He was also of the opinion that estates could get over their present difficulties by increasing the area under tea. He was sure that labour would continue to extend its co-operation in the transfer of surplus labour, if there was real need for it.

He further suggested that a sub-committee might be appointed to go into the question of supply of food and cloth at concessional rates, since he was not in favour of taking a snappy decision.

Mr. Llewellyn referring to the last remark of Mr. Mullick pointed out that the Assam Government were addressed on the matter as early as May, 1949.

Mr. Sinha observed that the question should be referred to another sub-committee only if the present committee failed to arrive at a decision. He further wanted to know whether the food concessions were to be

compounded into cash compensation only in respect of the 18 estates that were incurring losses or in respect of all the gardens in Cachar.

Mr. Llewellyn pointed out that 27 gardens were known to have incurred losses in 1948.

Mr. Sinha stated that the present distress was due to the low yield of certain gardens and the high cost of labour. Surplus labour was not a real problem in Cachar. With regard to low yield, they should find out whether it was due to the bad location of the 27 gardens or due to geographical factors like rainfall and lack of proper drainage etc.

As for the food concessions which were supposed to account for the increased cost of labour, he felt that the time had come when the Food Ministry should give clear guidance as to whether there should be a uniform scale of ration on an all-India basis. The plantation labourers in Cachar were at present getting more rations than others. Another point for consideration was whether there was any obligation on the part of employers to run grain-shops. Strictly speaking, statutory rationing was the responsibility of the Provincial Government and he was not sure whether the Provincial Government would agree to start total rationing in every tea garden. If, however, the food concessions were to continue, they should then and there decide whether any decrease in the quantum of the existing rations was necessary. The price at which the rationed quantities should be supplied should also be decided.

Mr. Llewellyn said that the question of altering the scale of rations rested entirely with Government. He, however, made it clear that the employers would give four annas in lieu of concessions, irrespective of the quantum of rations.

The Chairman pointed out that the family budget enquiries had revealed that in the case of plantation workers about 50% of their expenditure on food was incurred on rice whereas in other cases this item accounted only for about 33%. He wanted to know whether it would be possible to give any substitute food grain.

Mr. Gardiner remarked that since rice was the staple food of the plantation workers it would be difficult to make them accept any substitute. As for the cost, a worker could purchase rice ration for a week within a day's wages.

Mr. Banerjee, referring to the question of tea chests raised in the Memorandum, pointed out that it has been decided, after consultations between the Commerce and Industry and Supply Ministries, to set up an Inspectorate to ensure that locally made tea chests conformed to the accepted standards. It has also been decided to issue import licences mainly to the users of tea chests and established importers, many of whom also happened to be the owners of large tea estates.

The price of tea sold against bulk contracts, was fixed by agreement between the Governments of the United Kingdom and India. If His Majesty's Government refused to pay a higher price, which might be demanded by the

estates, the Government of India could do nothing in the matter. In fact, the planters had agreed to offer their tea at the price already fixed for 1949.

Mr. Sinha wanted to know whether the employers would agree to pay the proposed compensation of four annas per adult per day in addition to the statutory civilian ration.

Mr. Llewellyn replied that the compensation was in lieu of the supply of food articles at concession rates and not in addition to it. It would then be for the labourer to purchase his food stuffs in the open market.

The Chairman enquired whether the estate owners would continue to maintain the grainshops and supply the food stuffs at controlled rates.

Mr. Llewellyn replied that they would sell at the price charged by Government provided the latter supplied sufficient quantities to the grainshops at controlled rates.

Mr. Sen raised two points. Firstly, whether any reduction could be effected in the quantity of rations. His own view was that the quantity should not exceed the basic civilian ration plus 4 ozs. in case tea garden labourers were adjudged to be manual workers. Secondly, the Indian Tea Association should indicate whether the labourers could be induced to reduce the consumption of rice.

He informed that the scale of rations at concessional rates to railway servants had recently been brought down to 3 seers 10 chatanks per head and labour had agreed to this reduction.

Mr. Llewellyn stated that the quantity supplied at controlled rates did not make any difference to the employers.

The Chairman enquired about the percentage of production of tea in Cachar to the total all-India production, about the price of rice in 1946 and 1948 and the possibility of a fall in price in 1949, and whether the scale of ration was linked to the number of days worked.

On the first point he was informed by *Mr. Green* that Cachar's production was about 1/10th of the production of Northern India.

Mr. Sen stated that the price of rice in 1946 was about Rs. 15 to Rs. 16 per maund, the price at present was Rs. 18 and that next year's production might possibly bring down the price.

Mr. Llewellyn pointed out that in Cachar food grains were supplied on a pro-rata basis. He reiterated that the Indian Tea Association had agreed to pay four annas in place of the present food concessions irrespective of the quantity of rations which Government might decide to provide. This proposal would, if accepted, give adequate relief to the bulk of the estates. If, as *Mr. Tripathi* pointed out, the food prices come down in 1951, that would be to the advantage of the workers and not the employers. The grain shops would be run by the latter on a cost-to-cost basis and the quantities fixed by

Government would be sold to the workers. He did not, however, favour a reduction in the existing quantity of ration, since Cachar was a surplus rice district.

Turning to the remarks made about the prosperous estates, he observed that the increased profits were not going to be utilised for enhancing the dividends to the share holders but for financing schemes for industrial housing and medical facilities and for replacing worn out machinery. He could not, however, see how the profits earned by the richer gardens could be utilised for helping the poorer gardens. The share-holders of the former would certainly not be willing to surrender the profits to other concerns.

The reasons for the distress of some gardens, while the tea industry as a whole was well off, were to be found in the low yield and poor quality of certain areas.

He also refuted the statement that the increase in the efficiency of labour had been proportionate to the increase in labour costs.

Mr. Sinha questioned whether they could be satisfied with a working day of 4 hours and not more than four days' attendance per week. He remarked that during January—July this year there appeared to have been an increase of about 20 million pounds in despatches as compared to the same period last year.

Mr. Llewellyn after observing that despatches had no relation to production, pointed out that the question of hours of work should be taken up in connection with the fixation of minimum wages.

Mr. Green stated that the Cachar tea was quoted much lower than other teas and illustrated his statement by citing the average prices quoted for the different tea districts by the United Kingdom Government and in Calcutta auctions. This, coupled with low yields, accounted for the distress of the gardens in Cachar. The gravest problem, according to him, was the high cost of production of Indian tea.

Production of tea in the East Indies was increasing and once they regained their pre-war levels of production, it would be impossible for many gardens in India to stand competition unless cost was reduced in the meantime. The only hope of reviving the industry lay, he felt, in reducing the cost by introduction of new methods of production and by intensification of research. He also hoped that, in spite of certain technical difficulties, the amalgamation of the weaker units with the stronger ones would be actively considered, for something had to be done to reduce the prices.

He also refuted the statement that the Government of India, by contracting to supply tea to the United Kingdom at 1948 prices, had deprived the industry of the cost of production allowance which the United Kingdom Government had agreed to pay in the previous year. The United Kingdom Government considered that they had been generous in quoting the prices for 1948 and could not be expected to go any further. Ceylon had not been granted any increase in the cost of production allowance.

The Chairman wanted to know the factors which would induce the inefficient gardens to join together.

Mr. Sinha desired to know whether the 27 gardens in question were under the management of four or five different agencies.

Mr. Llewellyn pointed out that the agencies were not really proprietors and that it would be more correct to say that several of the gardens were under the control of one agency.

Mr. Sinha felt that amalgamation might take time and might not materialise in all cases.

Mr. Llewellyn wanted to know the exact nature of the amalgamation proposed by *Mr. Green*.

Mr. Green explained that what he meant was physical amalgamation—more than one estate being wound up and merged into other companies.

Mr. Sinha pointed out that while such amalgamation was difficult, joint management was a simpler issue. He also wanted to know how many of the gardens in Cachar sustained losses.

Mr. Llewellyn replied that 27 gardens were working at a loss in 1948.

Mr. Sinha observed that the complaint of the workers' representatives was that the gardens themselves were not uneconomic but that sufficient capital had not been ploughed back into the gardens to enable them to remain in a solvent condition. It was true that labour costs had gone up. Nevertheless, they liked to know the extent to which the owners had put back profits into the industry instead of declaring high dividends.

Mr. Llewellyn pointed out that there was perhaps no other industry in which so much money had been ploughed back as in the tea industry and he could substantiate his statement by actual figures. The only factor that had caused a set back recently was that wages had been doubled during the last two years.

Mr. Sinha expressed his inability to understand why in the same circle some gardens should go to the wall while others with the same incidence of labour costs were making profits.

Mr. Llewellyn pointed out that some gardens had a more settled and longer population than others.

Mr. Mullick suggested that in that case labour should be readjusted as between the gardens.

Mr. Llewellyn stated that the garden owners had no authority at present to remove any man from his place of living.

Mr. Sinha referring to ploughing back of capital pointed out that plantations were in a much better position than factories in this respect since the cost of replacement of machinery etc. was much less in the case of the former.

Mr. Llewellyn replied that the problem in the case of plantations was one of bringing more and more land under cultivation. Even taking for granted that there had been mismanagement in the past, there was no reason why the distressed estates should not be assisted at the present juncture.

Mr. Sinha said that so far as he was aware Government had never gone to the rescue of uneconomic units in other industries.

Mr. Llewellyn stated that without the help of Government, production would decrease. He wanted to know in this connection whether it was not a fact that Government had permitted certain textile mills round about Kanpur to have a different rate of wages than the normal rates.

The Chairman replied that when the United Provinces Government approached the Centre on the question of levelling up the wages in the textile industry, as recommended by the Nimbkar Committee, the Government of India agreed to the proposal but requested the Provincial Government to proceed by stages, lest there should be inflation.

Mr. Davies observed that unless the estates were enabled to pull through the present difficulties, they would not be able to contribute anything by way of excise or export duties.

The Chairman then pointed out that at a recent Conference it was agreed that any concern which felt impelled to close down must give prior notice to Government of its intention. Government would then consider whether an expert Committee should be appointed to go into the question and whether anything could be done to save the situation. He quoted in this connection the resolution adopted by the Conference on 28th July, 1949, on this subject and stated that if any garden was to be closed, a report to that effect should be immediately sent to Government.

Mr. Green emphasised that on no account should there be a reduction in production since there was likely to be a keen demand for tea in the future.

The Chairman then desired to have the reactions of *Mr. Tripathi* to the suggestion of replacing the food concessions by a 4 anna increase in wages.

Mr. Tripathi stated the workers could never agree to the proposal since it meant, in effect, a cut in their wages by 3 annas 1 pie. So long as the cost of living was at the present level, wages should not be reduced. Secondly, even if the representatives concurred in the decision, the workers would oppose its enforcement. In the third place, the cut, if effected, would tempt the marginal gardens to show losses and thereby to reduce wages. The only point on which the workers could surrender was the substitution of a portion of rice by some other food stuffs. He personally felt that the garden labourers were consuming too much of rice and that other articles should be substituted in certain places.

To a query by *Mr. Sinha* as to why the garden labourers should get larger quantities of rice than others, *Mr. Tripathi* replied that the rest of India did not live on rice alone, but supplemented it with pulses, milk, meat etc., whereas the labourers had nothing besides rice.

Mr. Sinha wanted to know whether *Mr. Tripathi* was suggesting that the plantation workers were worse off than other industrial labour in obtaining a balanced diet.

The Chairman enquired whether labour would accept cash payment of 7 annas and 1 pie in lieu of the food concessions.

Mr. Tripathi replied in the negative.

The Chairman stated that he could not account for this attitude of labour even when full compensation was offered.

Mr. Tripathi remarked that if food was not supplied labour would not be available in time.

Mr. Sinha pointed out that since Assam was a surplus area with regard to rice, there should be no difficulty in getting supplies.

Mr. Llewellyn explained that the difficulty was one of transport. He was sorry that labour was adopting an obstructionist attitude.

Mr. Sinha observed that garden labourers were in much better position; as compared even to Railway servants, in the matter of food since they were getting supplies, apart from rice, of mustard oil, sugar, salt, gur etc. at concession rates.

Mr. Davies opined that if food rations for garden labourers were reduced in line with the rest of India, the loss to labour by receiving cash in lieu of concessions would be considerably less than 3 annas 1 pie.

The Chairman recalled that *Mr. Tripathi* wanted that garden labour should continue to get the concessions.

Mr. Choudhury confirmed that it was so.

Mr. Sinha enquired whether the existing quantum of rations and the existing prices should be retained.

Mr. Choudhury replied in the affirmative, and added that labour was however willing to consider favourably a reduction by a chatak.

Mr. Llewellyn then invited attention to the generosity of the employers by stating that they were parting with 41 lakhs of rupees voluntarily.

Mr. Tripathi pointed out that labour had been equally generous in that they allowed the employers to pocket every pie of the profits earned during the war. It was therefore not proper for the employers to ask labour to share the present losses, particularly when garden labour had no extra purchasing power. He could not see wherefrom the labourers were to make up for the 3 annas that would be lost by the withdrawal of the concessions.

Mr. Llewellyn observed that the loss would be compensated by a reduction in the quantity of rations that had to be purchased.

Mr. Bannerjee emphasising the need for maintaining production, requested the labour representatives to suggest a formula as an alternative to that proposed by the employers.

Mr. Tripathi suggested that it was upto Government to sanction some grant to the needy estates. It was not that all the gardens in Cachar were working at a loss. Individual gardens which found it impossible to make both ends meet should be weeded out.

Mr. Sinha complained that the labour representatives had not given any clear justification for keeping garden labour in a privileged position in the matter of food supplies and that too at concession rates.

Mr. Choudhury pointed out that strictly speaking Assam labour was getting only $\frac{1}{2}$ seer in excess of Bengal labour if they took into account both cereals and pulses.

Mr. Davies stated that he was not prepared to admit that the gardens in Cachar were mismanaged. The condition of the soil was responsible for the losses and nothing could set right that defect.

Mr. Tripathi opined that gardens which were uneconomic and beyond repair should be closed down.

Mr. Davies observed that the gardens were not as yet uneconomic. What was needed was a revision of the wage structure.

Mr. Choudhury stated that the report of the Enquiry Committee set up by the Indian Tea Association early this year would prove that the losses were due to mismanagement and not to any fault on the part of labour.

Mr. Llewellyn pointed out that labour had never been blamed.

Mr. Choudhury replied that even so labour was sought to be penalised.

The Chairman then wanted to have the names of the gardens which were intended to be closed down.

Mr. Mullick suggested that a list of such gardens could be drawn up by going through the balance-sheets.

Mr. Llewellyn regretted that labour had not come forth with any concrete suggestion in order to save the situation.

Mr. Mullick enquired whether *Mr. Tripathi* would agree to a reduction of the ration to $3\frac{1}{2}$ seers.

Mr. Tripathi replied that the reduction would be of no help.

Mr. Llewellyn stressed that the only way of saving the situation was to reduce the bill for wages and food concessions and it was for Government and labour to suggest how best that could be effected.

It was suggested at this stage that a special committee should be set up to go into the whole question.

Mr. Sinha stated that a committee would be useful only if both employers and labour agreed to abide by the decisions of the Committee as confirmed by Government.

Mr. Banerjee wanted a guarantee from employers and workers that the decisions of the *ad hoc* committee would be binding.

Mr. Llewellyn expressed his fear that the Committee's recommendations might involve finance which the gardens were unable to procure.

Mr. Sinha opined that the committee would no doubt attempt to find out the underlying causes of the bad financial plight of the gardens in question and would suggest a way out.

Mr. Llewellyn while agreeing with *Mr. Sinha* maintained that an enquiry into the causes of losses would not really contribute to a solution of the present problem.

Mr. Banerjee hoped that labour would not hesitate to accept the decision of the Committee as approved by Government.

Mr. Mullick felt that if labour had been associated with the enquiry conducted by the Indian Tea Association, the present impasse would not have arisen at all.

Mr. Llewellyn stated that when they originally agreed to supply food grains at concession rates they had hoped that food prices would remain stationary; but the prices had subsequently increased as much as the wages.

Mr. Mullick said that the prices would come down by 1951.

Mr. Sinha felt that they could come to some working arrangement, if need be on an experimental basis, for the current season and leave it open for reconsideration by a committee later.

Mr. Tripathi maintained that the real difficulty was to make the workers agree to a change in the present arrangement.

Mr. Sinha reiterated that the change would only be temporary, designed to give breathing space to the gardens.

Mr. Tripathi pointed out that though no convincing case had been made out for a reduction in wages, the workers would, however, agree to an enquiry.

Mr. Llewellyn referring to the possibility of a fall in food prices pointed out that such a fall would benefit the workers by narrowing the gap between the cash compensation and actual cost.

The Chairman enquired whether the Assam Government had requested the Indian Tea Association to associate labour with the enquiry held early this year.

Mr. Llewellyn informed that the enquiry committee consisted only of experts selected by the members of Association.

Mr. Choudhury complained that the workers' representatives could not suggest anything positive simply because of the reluctance of the employers to show their records to the workers.

Mr. Llewellyn enquired whether after perusing the records and satisfying themselves that the statements made by the employers were correct the workers would agree to the proposal put forward by the gardens.

Mr. Tripathi agreed to put up proposals after scrutinising the records. He added that the bigger gardens which were making profits should come forward with proposals to help the gardens which were incurring losses since the former were benefitting by the lower rates of wages fixed to suit all including marginal gardens.

Mr. Llewellyn pointed out that even one of the biggest gardens in Cachar had recorded a loss of about three lakhs in 1948.

Mr. Tripathi felt that such a situation clearly established a case for an enquiry.

Mr. Llewellyn made an appeal that the losing gardens should be allowed to close down without any hindrance.

The Chairman remarked that the closing down of certain gardens would certainly have its repercussions on the other gardens.

Mr. Morriss stated that closing down was the last resort. They were trying to increase production by adequate use of manures. In the meanwhile, however they wanted to transfer the surplus labour to other estates; but the suggestion had been opposed by the workers.

Mr. Green enquired whether production would be increased if sufficient quantities of sulphate of ammonia were made available to the gardens.

Mr. Morriss replied that ammonia was very costly.

The Chairman pointed out at this stage that if the industry could not pay its way, it must close down.

Mr. Davies opined that an enquiry would be of no use.

Mr. Llewellyn wanted some solution to be found out immediately.

Mr. Tripathi enquired whether the employers were not keen about the proposal to set up an enquiry Committee.

The Chairman pointed out that it was clear that some of the gardens were in a bad way. He therefore desired that they should come to some temporary arrangement with regard to those gardens and allow the enquiry to take its own course.

Mr. Mullick stated that the question of resettling about 18, 000 labourers who were likely to be displaced by the closure of losing gardens might put the whole labour situation in Cachar in jeopardy.

Mr. Tripathi enquired whether it was agreed that a committee should be set up.

Mr. Lovellyn thought that it would be months before the committee would submit its report.

The Chairman replied that a time limit could be imposed.

Mr. Sinha suggested that the members themselves could constitute into a special Committee.

After some informal discussion, *Mr. Sinha* observed that the Enquiry Committee was to be set up at one and that it should submit its report by the end of the year. Certain concessions could be given to the few badly losing concerns straightaway. The question whether the formula which could be applied for the present to the more urgent cases should be extended to other gardens which declared losses in 1949, would depend on the findings of the Committee.

The Chairman enquired whether the proposal was acceptable to labour representatives.

Mr. Tripathi replied that they agreed provided the interim arrangements were confined only to the eleven gardens and upto 31st December, 1949.

Mr. Davies said that the only sound principle was to have a flat rate of wages for the whole of Cachar.

The Chairman observed that the arrangement should be an interim one and with the 4 annas now offered in lieu of concessions, the earnings per adult worker per day would be one rupee.

Mr. Sinha suggested that the replacement of concessions by cash compensation could be effected on all the gardens in Cachar as a temporary measure.

Mr. Choudhury did not agree to this proposition.

The Chairman suggested, as a compromise, that the sub-committee should immediately scrutinise the balance sheets and decide which gardens needed relief.

Mr. Sinha suggested the constitution of a sub-committee which could meet in Calcutta at the earliest. They could, in the meanwhile, set out the points on which information was to be supplied by the employers immediately.

Mr. Tripathi stressed that the committee should have no power to extend initially the number of gardens requiring relief beyond the eleven which were referred to at the present meeting.

The Chairman thought that it was quite possible that the committee might find that even some of the eleven gardens were not in need of relief. The mere fact that a garden suffered some loss in one year did not justify the upsetting of the whole wage structure. He further assured Mr. Tripathi that only those balance sheets which were produced at the previous day's meeting would be examined by the Committee.

Mr. Davies reiterated that they should have a uniform rate for the whole of Cachar.

Mr. Tripathi stressed that the names of the gardens requiring relief should be given out, for it was essential that the labourers should be kept informed of the position from the very beginning.

Mr. Dutta felt that it was advisable even for the labour union to accept one interim arrangement applicable uniformly to the whole of Cachar.

The Chairman pointed out that the union would not be able to commit itself on the point.

Mr. Gardiner thought that the workers would not object to receiving, in lieu of food concession, compensation in cash which they could spend as they liked.

The Chairman enquired what proportion of the total tea production was exported.

Mr. Llewellyn replied that the proportion of exported tea was 4/5th.

At this stage the workers representatives submitted a *Memorandum to the Chairman and other members of the Committee.

After some discussions in camera the *Chairman* stated that the Committee should record its final proceedings as follows:—

The Committee received a memorandum from the workers' representatives indicating the extent of the concessions they would be prepared to make in order to solve the difficulties that have arisen in connection with the imminent closure of the eleven tea gardens in Cachar as an interim measure.

These proposals were not acceptable to the representatives of the TEA INDUSTRY who pressed that the concession should be made applicable to the whole of Cachar without any differentiation between gardens making a profit and gardens not making a profit.

As no agreement could be reached, it was felt that the matter should be referred to the Tribunal, if necessary, by the appropriate Government.

*The text of the Memorandum will be found at Appendix.

The TEA INDUSTRY informed the Committee that they will now probably advise all gardens in Cachar to adopt one of the following courses:—

that, as the representatives in Delhi have given notice that the Gentlemen's Agreement reached at the last Tripartite Conference can no longer hold good for the member-gardens in Cachar, members are advised to sell rationed food stuffs to their labour in future at landed cost price, and in lieu, grant a cash concession of 0-4-6 per adult worker per day and 0-2-6 per child worker per day or to sell food stuffs to labour at increased selling price, though still much below the landed cost price combined with a reduction in the scale of issue to that existing in India generally.

Mr. Mullick regretted that the employers and workers had failed to come to a settlement and the whole matter had thus been placed back in the hands of the Assam Government. He added that the Provincial Government would take suitable action, if any emergency arose, if necessary without consulting the Government of India.

Mr. Choudhury pointed out that it should be made clear that the industry did not agree to the 5% and 10% cut for other employees as suggested in the memorandum of the labour representatives.

The meeting then terminated with a vote of thanks to the Chairman by *Mr. Llewellyn* and *Mr. Tripathi*.

APPENDIX

Statement submitted by the workers' delegate.

The Indian Tea Association has advanced the proposal that 27 gardens in Cachar have made loss and 11 are in immediate danger of closing down due to loss on ration supply to labourers.

We, from the labour side, think that the loss is not due to ration supply at concession rate as, this factor being constant, other gardens in the same areas are making profits. We consider that there are other causes for the loss, which calls for investigation. We are therefore of opinion that a Committee should be formed with representatives of labour, employers, Government and experts to investigate into the causes of the loss and suggest remedy. The Committee should submit its report by 31st December latest. In this connection we support the proposal of Labour Commissioner, Assam for setting up of a Committee.

We do not agree to any wage cut either in cash or in kind. The supply of ration at concession rate form part of the wage, as this factor was considered in fixing the wage. A cut in wage to meet the loss is no remedy. We however realise the necessity of keeping 11 gardens, said to be in imminent danger of closure, running till the investigation is completed. So as a measure of self-imposed austerity we will inflict a voluntary cut on ourself in these 11 gardens till 31st December 1949. We agree that from 15 October we will accept -4/6 for each adult and -2/6 for each child worker per day in lieu of ration at

cheap rate, other benefits and wages, D.A., bonus, medical facilities etc. remaining as they have been from before. This cash in lieu of ration at cheap rate shall have no relation to D. A. earned and workers reporting to duty shall be entitled to full benefit irrespective of the quantum of work done.

This measure of voluntary cut is dependent upon the following conditions.

(a) That the employees who do not get ration at cheap rate will also undergo a voluntary cut in recognition of the crisis at the following rate :

- (1) Employees drawing upto Rs. 300 p.m. — 5%
- (2) " " over Rs. 300 p.m. — 10%
- (3) Agency Houses — 25% of the remuneration and expenditure.

(b) As the Indian Tea Association is not in a position to commit now our offer will come into effect only after they are in a position to say within this month that all concerned have accepted the conditions. Otherwise our offer of self-inflicted austerity will be deemed to have lapsed.

Our offer of voluntary austerity will be appreciated, it is hoped, by the employers and the Government when it is realised that we have no surplus purchasing power and that wages in Cachar are less than that obtainable in other parts of India in tea gardens and especially because in the last one century we were never asked to share profit as we are now being asked to share the loss.

Our austerity offer, it is clearly stated, must not be interpreted as an agreement in wage cut and is without prejudice to us at the investigation by the proposed Committee or any other committee or Tribunal before which the wage question may come to be discussed. The voluntary cut will come to an end on 31st December and as from 1st January 1950 original status should be restored.

The Indian Tea Association has expressed their desire that all the 27 gardens or more that may incur loss should be given the same benefit now voluntarily offered by us in respect of 11 gardens. We cannot agree to this. Our offer is not a measure to make up the loss, but is intended as an interim relief to afford facility to the Committee to complete investigation and suggest ways and means till 31st December 1949. The offer, therefore, cannot be extended to other gardens as a measure of covering loss.