

Government could afford to the paper industry has been told to earn their own foreign exchange as far as possible by exporting their products and making themselves eligible to incentive imports, according to the policy laid down by Government from time to time. The industry has agreed to do so and their efforts in this direction have already started showing results.

(d) It is difficult to indicate the comparative costs of production obtaining in this country *vis-a-vis* in Japan and Scandinavian countries. However, the selling prices of paper produced in this country are generally about 50 per cent higher, on an average, than the CIF prices of paper imported from the above countries.

#### Manufacture of Watches

\*502. **Shri Subodh Hansda:**  
**Shri S. C. Samanta:**  
**Shri Bhagwat Jha Azad:**  
**Shri M. L. Dwivedi:**  
**Shri P. C. Borooah:**

Will the Minister of Industry be pleased to state:

(a) whether it is a fact that recently there has been a shortfall in the manufacture of watches in the H.M.T. Factory, Bangalore;

(b) if so, the reasons therefor; and

(c) the steps taken in the matter?

**The Minister of Industry (Shri D. Sanjivayya):** (a) and (b). In the present difficult foreign exchange situation, it has not been possible to meet fully the demand of the Watch Factory of the Hindustan Machine Tools Ltd. for the import of raw materials and components. There has, therefore, been considerable shortfall in the production of watches.

(c) every effort is being made to increase the foreign exchange allocation to the maximum extent possible consistent with the total availability and the *inter-se* priority of the various demands. Besides, the company are trying to export a part of their produc-

tion to earn foreign exchange for importing raw materials and components.

#### Export of Tea

\*503. **Shri P. C. Borooah:**  
**Shri M. L. Dwivedi:**  
**Shri Bhagwat Jha Azad:**  
**Shri S. C. Samanta:**  
**Shri Subodh Hansda:**  
**Dr. Ranen Sen:**  
**Shri Dinen Bhattacharya:**

Will the Minister of Commerce be pleased to state:

(a) whether it is a fact that exports of Indian tea this year are estimated to go down by 20 million lbs.;

(b) if so, the reasons therefor; and

(c) the steps taken to boost up tea exports?

**The Deputy Minister of Commerce (Shri Shafi Qureshi):** (a) Tea exports in 1965 were less than the exports in 1964 by about 11 million kgs. or 24 million lbs.

(b) The decline in our exports in 1965 is mainly due to the following reasons:

(i) decline in crop in 1965, particularly in North East India where the shortfall in production was about 20 million lbs., and the seizure of about 3 million kgs. of tea in Pakistan during the recent hostilities,

(ii) rapidly increasing tea consumption in the country, and

(iii) fall in imports of Indian tea by U.K., the most important of the traditional markets for tea, due mainly to the very large stocks of tea in London, higher internal auction prices of tea in India than in the auctions in the U.K., and the tight monetary position in the U.K. resulting in less money

being available for the purchase of tea from the London auctions.

(c) The promotional activities of the Tea Board in foreign countries, both by way of generic campaigns to promote consumption of tea as a beverage and uninational efforts to promote the image of Indian tea abroad, are being continued and intensified.

To promote the consumption of tea in U.K., which has shown a tendency to remain static, Government of India have, in collaboration with the Government of Ceylon and the U.K. tea trade, organised an intensive 'Drink More Tea' campaign which involves an outlay of £800,000 a year.

In participation with other producing countries and the local trade, generic promotion has been undertaken in U.S.A., Canada, West Germany, France and Australia through the Tea Councils in the respective countries.

The measures undertaken to promote the image of Indian tea include extensive consumer sampling through participation in exhibitions, tour of tea vans, store demonstrations, merchandising, public relations and advertising.

As an incentive to tea exporters, tax credit certificates are allowed at the rate of 2 per cent on export of tea in bulk and 5 per cent on export of tea in packets. Green tea exports are also allowed tax credit at the higher rate.

Recognising the need for increasing the production base as a long term measure to achieve substantial increase in exports, Government have extended various concessions to the tea plantation industry, like development allowance for new planting and replanting and renovation of machinery in the tea factories.

### **Import of Scarce Raw Materials**

\*504. **Shri Bhagwat Jha Azad:**  
**Shri M. L. Dwivedi:**  
**Shri S. C. Samanta:**  
**Shri Subodh Hansda:**  
**Shri P. C. Borooah:**  
**Shrimati Savitri Nigam:**

Will the Minister of Commerce be pleased to state:

(a) whether Government have given consideration to the proposal of the State Corporation to import essential scarce materials from certain countries under specific commodity deals; and

(b) if so, the details of the proposals?

**The Minister of Commerce (Shri Manubhai Shah):** (a) and (b). Government have been receiving proposals from the State Trading Corporation, from time to time, for the import of certain essential scarce raw materials like sulphur, mercury etc. under barter or specific or link deals. Every proposal is examined on merits and Government's decision communicated in the light of the examination of such proposals.

### **Small Tea Growers**

1917. **Shri Hem Raj:** Will the Minister of Commerce be pleased to state:

(a) the criteria fixed for distinguishing small tea growers; and

(b) the amount of loans, grants or subsidies given to the small tea growers, State-wise during 1965-66 for the development of their fields and factories, separately?

**The Deputy Minister in the Ministry of Commerce (Shri Shafi Qureshi):** (a) There is no rigid criterion for distinguishing small tea growers but for convenience of classification, owners