

not be estimated from the very nature of the case. If the Government knew what is the total amount of unaccounted money in the country, it means it would have some access also to the source from and to the area where this unaccounted money is operating. I have no doubt that the Government would try to seize all the unaccounted money and see that is eliminated from our economic life.

Various assessments have been made. We know, in various ways, in smuggling, in hoarding, in blackmarketing, in profiteering, in various illegal foreign exchange transactions, in evasion of taxes, whether it be income-tax or sales-tax or excise duty or other duties, hundreds of crores of rupees are involved. I was reading the other day an estimate by a fairly well-known economic expert who has put the amount of illegal evasions every year at a figure of almost Rs. 5000 crores. According to him, smuggling alone accounts for about Rs. 1000 crores a year; hoarding accounts for over Rs. 500 crores; black-marketing accounts for about Rs. 1000 crores; profiteering about Rs. 800 crores; illegal foreign exchange transactions about Rs. 500 crores or even more. How he has assessed these figures I do not know. So far as evasion of taxes is concerned, Prof. Kaldor, if I remember aright, put the figure at something like Rs. 400 to Rs. 600 crores. Various alternative assessments have been made. All these figures together give a colossal amount of money.

Naturally, when goods are brought in by smuggling, they cannot be sold in the open market. The money which is gained through the sale of smuggled goods goes to increase and expand further the size of unaccounted money in the country. Various assessments have been made. I think, but if you even have the most modest assessment, it would be about Rs. 5000 crores to Rs. 10,000 crores of un-accounted money in the country. Some people have put the figure as high as Rs. 30,000 crores. Even if there is a total amount of Rs. 5000 crores of unaccounted money and if this increases at the rate of Rs. 1000 crores a year—I think there are certain indications that the figure will not be less than about Rs. 1000 crores a year—we have here a very huge block of money which does not come into

any productive use. It cannot be used in the open; it cannot be utilised by people either in industry or in agriculture in an open way. It is thus one of the greatest factors for corrupting public life at every level.

We have been recently talking a great deal in this House about the use of foreign money and that foreign money has been used to corrupt our public life. In the statement which the Home Minister made yesterday, though he could not specify the figure and he could not always indicate the source, he said that the inquiries and the report indicate that large amounts of foreign money have come into public life and these are of substantial amounts. This also is possible because there is unaccounted money.

In this Bill, there are two major clauses, one clause which will, by regulating expenditure, ensure that this kind of expenditure cannot take place, that this kind of black-marketing operations cannot take place, that this kind of smuggling and profiteering cannot take place. This will put an end to one aspect of the evil and another clause which will force all black-money to come out in the open and strike at the very root of the evil.

I would like to draw the attention of the House particularly to clauses 3 and 5 of the Bill. In clause 3, it is suggested that there should be some kind of what may be called qualified demonetisation—it is not demonetisation.....

MR. CHAIRMAN: The hon. Member may continue next time. We now take up the half-an-hour discussion.

17.30 hrs.

HALF-AN-HOUR DISCUSSION
INDO-CYLON VENTURE FOR THE
EXPOET OF TEA

SHRIMATI ILA PALCHODHURI (Krishnagar): There was a question asked on the 2nd April, 1969, and an answer was

[Shrimati Ila Palchoudhuri]

given by the Government. The question was :

- (a) "How far the Indo-Ceylon joint venture for the export of tea has proved effective ;
- (b) whether any further improvement is still expected of it ; and
- (c) whether some terms have been mutually agreed to by both the countries in this regard."

The reply given was :

"(a) to (c). The Working Groups of India and Ceylon constituted as a result of Indo-Ceylon Tea talks held between the 31st May and 6th June, 1968, at New Delhi have submitted their reports for setting up of an Indo-Ceylon Tea Consortium. The reports are under consideration of the respective Governments."

That is all. For that reason I thought that it needed further elucidation.

In the first place, I would like to know what actually have been done here. The tea industry is a very important industry for India and it has to be helped in every way at the moment. Those talks have suggested many things. There were many items. I would like, in the face of this question and the things arising out of it, to know what was done about these recommendations or discussions that took place. Uptodate we have no clear idea as to what actually happened. There was some talk of doing many things in these discussions.

One of the aspects that was particularly stressed was that Indian tea should be packaged and marketed if it had to be pulled out of the doldrums. I want to know how far this has proceeded, what Government has thought about it.

Then there was the question of the Consortium's Constitution to be drafted to define the objectives and its whole terms of action. I do not know whether that has been done.

There were many other things also that were talked about. I do not know how

far they have progressed. I would like the hon. Minister to clarify all these things.

Serious concern was expressed about the fall in exports and falling prices. Has this problem been studied? Nothing much seems to have been done in this regard, as far as we can make out from the Press.

About the Consortium, there is one aspect that we have to consider very carefully. That is, the reaction of other countries to this agreement on tea. The Indo-Ceylon accord has been disapproved by several countries. We have to look to this aspect also. There proposals from some countries to ban and impose heavy duties if the Indo-Ceylon Consortium took place and we took to exporting tea together. For instance, New Zealand has already banned the import of such tea and Japan has put a very heavy duty. We have to go into all these aspects before we go into the question of this Consortium.

Secondly, I would like to bring to the notice of the House what has happened to Indian tea. We want to save this industry and its revenue-earning capacity. The revenue-earning capacity lies in the export that we can do. What has happened to Indian tea? In 1966-67 fetched in the U. K. which is our biggest market Rs. 5.74 per kg. ; in 1967-68 Rs. 5.98 per kg. ; and in 1968-69 Rs. 5.47 per kg....

SHRI JYOTIRMOY BASU (Diamond Harbour) : Is the lady Member quoting the auction price or retail or grocer's price ?

SHRIMATI ILA PALCHOU DHURI : Auction price. The retail price is more, but we do not get much of it. Our main market still remains the United Kingdom. Figures of export of North East Indian tea from 1st July to 2nd April each season indicate that we exported in 1966-67—86.3 million kgs. In 1967-68—90.28 million kgs. and in 1968-69—77.8 million kgs. You will see that India's share in the world market has been dropping progressively. India exported 45% of the whole world tea in 1951. In 1966 it dropped to 33.1% and in 1967 it was 35.4%. I do not know the fate of 1969, what the actual figures will turn out to be, India's share of world

exports has dropped from 45% to this very low percentage.

What has happened to East Africa? You will be surprised—I don't suppose you will be surprised—I suppose you know it. It has progressively increased. Its share of world market has increased from 3% in 1951 to 9.5% in 1966. East Africa is coming up and we are wanting to have collaboration with Ceylon. It will be to our advantage to tie-up with other countries also, is my suggestion. In this Indo-Ceylonese collaboration there are some vital things we must consider. I would like to put to the Minister that there have been press reports that India will be importing certain quantities of common grades of Ceylonese tea (reportedly about 20,000,000 lbs.) for blending and packaging purposes. If there is such a proposal it is far from advantageous, because fortunately for us, India has already a very buoyant internal market. We do not want more and more medium tea dumped into our market because Ceylon is actually trying to export this bad quality tea which she wants to dump. The advantage of large internal consumption is not enjoyed by Ceylon and she has no outlet for her low grade tea as her internal consumption is low. We have to be very careful of getting this tea into India. In return what are we exporting to Ceylon? Is not the consumption of tea in world markets going down to a certain extent and the prices obtaining have also been going down? Why? Because of a lot of accumulation in the London market. Hence the prices are slumping.

The tea industry is one of the oldest items that we ever thought of in India. In fact when foreign travellers, pilgrims and students in the hoary past came to India, they were thrilled with the beauty of India and described India as :

“चन्द्र सूर्य सुवासिता
सागर अम्बु समावृता ।”

They came to India and they described India. They travelled far and wide up the mountains and they found tea growing wild in the mountains. When they travelled great distances and heights, they dried the tea leaves and then chewed it. It was found from experience that this leaf

created a certain amount of stimulus. From that I think the whole processing of tea has started and it now comes out of the factory as a finished product. We have this finished product which is really the wealth of India. How are we going to protect that wealth? What advantage will accrue to us by this consortium? This industry is one of the most valuable industries which employs more than a million people.

SHRI JYOTIRMOY BASU : 13 lakhs.

SHRIMATI ILA PALCHOUDHURI : Not only 13 lakhs, I think it employs much more. The area under tea cultivation is 343,278.99 hectares comprising 9473 tea estates. At the moment it is one of the industries where the processing machinery also is made in India. We do not need foreign capital. We do not need foreign machinery. All tea making machinery is manufactured in India. With all these advantages, if we cannot get back the money from the foreign exchange earnings as much as we should, then, I think, we are in a bad way!

Therefore, to boost this country's industry, there are some steps which must be taken immediately.

First, we must surely have some sort of tax consideration.

There is one thing which I wish to say in this connection. There has been some reduction in the export duty on tea announced in the Budget for 1969-70. But, may I ask, what has it really done? The Tea industry wanted a relief of 35 paise, but the relief given only works out to 12 paise. The industry is not really benefited.

Another thing. When the sterling was devalued, we did not take advantage of it. What did Ceylon do in that case? When the Pound was devalued, Ceylon did not impose any duties. It is only India which imposed duties.

I would like to ask this question: Is there any other commodities that is taxed to this extent, as Tea is? The House will really be surprised if I list the taxes impos-

[Shrimati Ila Palchoudhuri]

ed on tea. Just look at the Taxes imposed on Tea. 40 per cent of the industry's profits are subject to Income-tax, and Super-tax and the remaining 60 per cent is also subject to an agricultural tax. The shareholders or joint stock companies are to suffer double taxation. The Central Tax would work out to 100 per cent and Agricultural Income-tax to 60 per cent. This is indirectly a double taxation. This tells on the industry. On top of this, Sir, West Bengal State has got the entry tax on tea. You will thus see how much tax there is on Tea. Then to make the burden heavier, you have got 10 per cent excise duty on fertilizers which Tea gardens have to pay. There is a very good case for giving exemption from this 10 per cent duty on fertilizers that is used by Tea Gardens. Because, this tax was imposed on the non-taxable sector. Now, fertilizer used in tea gardens is also being taxed with this 10 per cent. So, they should be exempted from this tax, for fertilizer is used for direct production of tea when it is cultivated, and tea gardens are already paying multiple taxes!

Then I wish to say that we must go in for retail sales, and we must go in for packaging and selling tea abroad. We must do much better propaganda. What have we done? Have we projected the image of Indian tea to the world? The world hardly knows anything about Indian tea. Ceylon puts its lion on every packet. They do a lot of propaganda. We do not have any such Peacock of India. The Salada company pays a heavy price to Ceylon to put the Lion of Ceylon on their packets. But nobody has asked about the Peacock of India on their packets!

Now, Sir, I would suggest the following measures.

First, we should look into the question of this consortium and see how we are to derive full benefit from it.

Secondly, we have to see how the whole capital machinery must be geared up so that we may use the most modern methods and we can project the image of Indian Tea to the world. Tea is like a young girl. It must be seen and enjoyed in its first flush. Tea just lies in the

ware-houses and loses its flavour and aroma. Due to difficulties and bottle necks in shipping, it is not able to compete in the world market. It does not fetch the price which it should. All these are points which need to be considered by the hon. Minister and rectified.

Then, I want to know one thing. How we are going to counter-act the tariff barriers which comes from other countries of the world, like New Zealand, Japan etc.? How are we going to gear up our machinery for propaganda and project our image abroad? How are we going to improve our research so that we also get into the market by making instant tea and pelletised tea and things like that? Instant coffee has taken the market by storm and unless we have something like instant tea, we will never be able to face the competition that we are likely to get—we are bound to get it—from other quarters. Therefore, instant tea, pelletised tea—all these have to come under research.

It is a good thing that the Tea Board is going to give money for replantation. But they have also put a bar on that process by saying that bushes that are 50 years old or more can be replanted. I am afraid that tea bushes, uplike Members of Parliament, get old before fifty. Members of Parliament do not get old even after fifty. But the tea bushes need to be replanted sometime between 35 and 40.

I would ask the Minister to elucidate these points: What are we doing about our propaganda? And what are we doing about direct sales of our tea? What are we doing to counteract the resistance from other countries over the Ceylon Consortium and finally what are we doing to boost our tea industry which is one of the bulwarks of our sources of revenue and which is one of our biggest employers? Because of gheraos and so forth in the tea-gardens we have lost quite a lot. Our tea gardens are not given proper protection. The poor management remains in isolated places and if they are gheraoed in those isolated places, help is unavailable. The production of tea goes down. I would ask the Minister to elucidate on all these points. The revenue that India can get from tea will be something

very great, if this industry is properly looked after. India which has been described as "Rupinilayam, atulaniyam, amita Bhubbā Ra.nam"—already has her spiritual "Baibhab", but if this industry, the tea industry, is nurtured, she will also gain the material wealth or "Baibhab", to serve the people and project Indian industry fully on the map of the world.

THE MINISTER OF FOREIGN TRADE AND SUPPLY (SHRI B. R. BHAGAT) : Sir, at the fag end of the Session we are heartened by a very beautiful speech by the Hon. lady Member. She not only put her fingers on the real problems of tea but made her speech sound so beautiful interposed with Sanskrit passages. I confess that I cannot match her knowledge about this subject.

She raised some of the important points. She said that tea export which has been earning for us substantial foreign exchange is not only going down, but the unit value of tea is also coming down. She also said that our teaplantations are getting old, though Members of Parliament are every day getting younger. She also spoke of the challenge of the new generations the world over and the demand for new kinds of beverages and new forms of tea such as instant tea, palatised tea, vapourised tea, etc. She also mentioned the problems of research and development. I confess that to some of the questions she posed, I do not have ready answers, particularly to the last one as to how the break-through in search can be achieved, and also in the techniques of marketing. Tea market is very highly sophisticated and the international marketing organisations and their pulls are very strong. But I can assure her on this point on this score that we are seriously engaged in it. We are trying to have more intensive sales promotion outside; and we are also trying to develop other forms of packaged tea. For instance, we are trying to develop Instant tea here and we are also trying to get the know-how that may be available outside where some international organisations are doing it. But we are trying to evolve some form of tea promotion in these different ways so that we are able to get a higher unit value for tea. What is more important is that we continue to spend to keep up the momentum by expanding

the demand for tea in new forms, which takes into account the competition from other products that have come in the international market, and we are trying our best in this direction.

Recently, we have sanctioned a scheme for promotion of Indian packs in in the UK and allotted Rs. 10 lakhs for that purpose in that country. Similarly, for Japan and the USA we have sanctioned proposals for such tea promotion. Several new packs of Indian tea have been launched in Australia, New Zealand and Western Europe. The bilateral agreement countries continue to buy sizeable quantities. So, we are trying to find not only new markets but also new products of tea, which it is very difficult to find, as I have pointed out already. But we are trying and we are quite familiar with this aspect of the problem.

17.52 hrs.

[MR. SPEAKER *in the Chair*]

As for plantations, the hon. Member is aware that we have sanctioned a subsidy scheme for replantations. Recently, we came forward with a Bill which unfortunately could not be passed for want of time. But I can assure the House that we shall not suffer because of that, because we are trying to provide all necessary funds whether by way of loan or by way of grants to the Tea Board when the Bill would be passed, so that the replantation scheme is carried through more vigorously and the productivity of tea increases and we are able to get a better unit value and also face competition in the international market in a better way.

The hon. Member made a point that we were thinking of importing low grade Ceylonese tea for blending with Indian tea for the domestic market. This news item had emanated because during the discussions in September, 1967 the Ceylonese delegation suggested that we might import low grade Ceylonese tea for blending with Indian tea for domestic purposes, but we explained to them that that proposal was not feasible and the matter rested there is no proposal at the moment to import Ceylonese tea for domestic consumption in a blended form or otherwise.

As for the duties, the hon. Member knows that in the recent budget, we have

[Shri B. R. Bhagat]

tried to lessen the burden on exportable tea by relief either in export duty or special excise duty rebate and various other measures. We have taken into account that tea should not be unnecessarily burdened with export duty which we could avoid. We are constantly examining the position *vis-a-vis* the other countries.

At the moment particularly, we are more concerned with the international market although we are the leaders of tea production, yet the production in East Africa or Ceylon etc. has come up; they have become competitors and they are taking a bigger and bigger share of the world demand which is shrinking at present. In other words, there is more of tea in the market than there is demand for. So, we have to be very competitive so as to hold our own in the world market. During the last two or three years, although we had been exporting larger quantities of tea yet because of the fall in the unit value, our export earnings have gone down. In Ceylon and East African countries, this problem is in an accentuated form and the unit price they get is lower than what we get. That is both a point of weakness and of strength.

SHRIMATI ILA PALCHOU DHURI : We get less money from exports.

SHRI B.R. BHAGAT : We get less but other countries are getting less than what we get. That is why I say it is a point of both weakness and strength. Our unit-value is going down. But the unit-value of the others is going down more. Still our prices are higher and therefore they are able to export more, particularly some varieties of tea.

SHRI JYOTIRMOY BASU : The cheapest tea that one can buy in the whole world is our tea.

SHRI B.R. BHAGAT : I hope so. I am glad that the Hon. Member has pointed all the problems with which we are seriously concerned. We are trying to tackle this problem so that the tea industry in India remains a vigorous, active and progressive industry and is able to play its part and be a good export earner in the world market and is able to compete with all the other count-

ries. There is demand for new forms of beverages, from the younger generation all over the world and we have to hold our own. I am glad the hon. Member has raised this discussion and I can assure her and the House that we are seriously concerned with this problem and are tackling it to the best of our ability.

श्री रणधीर सिंह (रोहतक) : अध्यक्ष महोदय, भारतीय चाय का एक्सपोर्ट फ़ौरन एक्सचेंज कमाने के लिए बहुत महत्व रखता है। हमारी चाय का बाहर के देशों में बढ़े पैमाने पर तब निर्यात होगा, जब उसकी क्वालिटी बढ़ेगी और तब वर्ल्ड मार्केट में उसकी एक अहम पोजिशन बनेगी। जाहिर है कि यह चीज प्रोपेगेंडा और मुस्तेदी से होती है। इसलिए मैं मंत्री महोदय से पूछना चाहता हूँ कि चाय की क्वालिटी बढ़ाने के लिए गवर्नमेंट ने क्या कदम सोचे हैं, कौनक्रीट, जो कि वह उठाने जा रही है। इसके लिए रिसर्च या जो दूसरे कदम गवर्नमेंट जरूरी समझती है जिससे कि हमारी चाय की क्वालिटी बढ़े और वह सोलोन व दूसरे देशों के मुकाबले में खरीददार भारतीय चाय की तरफ खिंचे इस के लिए कौन से ठोस कदम गवर्नमेंट उठाने जा रही है? दूसरे मैं यह पूछना चाहता हूँ कि हमारी चाय का जो एक्सपोर्ट कम होता जा रहा है उस एक्सपोर्ट को इनक्रीज करने के लिए गवर्नमेंट क्या मेसर्ज ऐडाप्ट कर रही है उस के लिए क्या मुस्तेदी अख्तियार की जा रही है व प्रचार किया जा रहा है जिससे कि हमारी टी का एक्सपोर्ट बढ़े?

टी बोर्ड के सिलसिले में मैं यह पूछना चाहता हूँ कि अगर हालात वाकई खराब हों तो क्या गवर्नमेंट आगे चल कर इस की इंडस्ट्री को नेशनलाइज करने की बात सोच रही है ताकि मुर्सी जो कि सोने के झंडे देती है उस का देश के लिए पूरा पूरा इस्तेमाल किया जा सके? मैं मंत्री महोदय से यह तीन सवाल पूछना चाहता हूँ।

SHRI HEM BARUA (Mangaldai) : The world market for Indian tea is shrinking. The devaluation of Sterling by 14.3 per cent and the devaluation of the Ceylonese currency by 20 per cent has struck a severe blow to our tea prices. Ceylonese export tea to certain countries in the world and they are tackling the unexplored markets taking advantage of the lethargy in our publicity, not promoting the export of tea or bringing it within a reasonable price level. Assam produces more than half the total quantity of tea produced in our country, 75 per cent of the rural markets in Assam are fed by the tea industry. The economy of that State; as the economy of Ceylon, revolves round the tea industry. There is a slump in the export of tea and also in the price of the Indian tea today. Ceylon is advancing and is making an impact on the world market. They are in the Russian market; we have not explored it. Pakistan is importing tea from China not from India though India is the biggest producer of tea. What steps he has taken to promote our tea exports so that it might compete with Ceylonese and other countries' tea? At the same time, what steps has he taken or he proposes to take to propagate or carry on propaganda on behalf of tea so that tea might have a world market for us and improve our economy? What is happening in the country is that there is glut in the production of tea, and there is a shrinking of the market so as the export trade in tea is concerned. Therefore, may I know what steps do the Government propose to take to promote the export of tea and give relief if necessary to the tea industry? He has spoken of the relief that the budget has given, but that is not adequate. We have to cover up for 1.38 per kilogram of tea. How do you propose to do it?

18 hrs.

SHRI S. KUNDU (Balasore) : Anybody who goes abroad would find it distressing to see that those who are taking this Indian tea are switching on to Ceylon tea or East African tea. Even England, which was the greatest buyer of Indian tea is switching on to East African tea. Japan which was a great buyer of Indian tea is switching on to Japanese tea. The real reason for this is the indecision of this Government, the incapacity and inaction and lethargy of

their trade policy in regard to tea. Two or three points have to be brought to the notice of the hon. Minister.

The pattern of research on tea has changed to a large extent throughout the world. In the world, research has brought out new types of tea and also a new flavour and quality of leaf in tea production. On these two counts, the Indian Government or the Tea Board have failed miserably.

The second point is, in foreign countries such as European countries, in America and Japan, some of them have got the habit of buying in bulk and assuring the quality. I am told that our sellers have not given an assured supply to such buyers. The most important thing is investment in research. I am told that people in Ceylon or East Africa invest more than 1.5 per cent of their total capital investment in research on tea. But in India, even 0.1 per cent is not invested in research because all these plantations are owned by the foreigners. I have information with that they deliberately want to see that our entire tea market in the world slumps down and chaos takes place.

Therefore, from this point of view, I would like to know from the hon. Minister what specific steps he is going to take to meet this difficulty. Firstly, how he is going to see that research is developed; secondly, how he is going to see that the quality of tea is assured; thirdly, how he is going to ensure propaganda and supply in the world market for our tea, so that whenever there is a buyer, we can assure a bulk supply to him and also quality.

श्री वृज भूषण लाल (बरेली) : अध्यक्ष महोदय, टी इंडस्ट्री हमारे देश की एक बहुत ही महत्वपूर्ण इंडस्ट्रीज है, इस में कोई शक नहीं है और इसको हाउस में सब ने माना भी है। इतना ही नहीं इससे देश के लाखों आदमियों को रोजगार मिल रहा है। लेकिन टी का जो एक्सपोर्ट है वह घटता जा रहा है यूनिट बैल्यू में और क्वांटिटी में भी। इसको मंत्री महोदय ने भी स्वीकार किया है। इतनी इम्पॉर्ट्स जब टी इंडस्ट्री की है तो जो कमियाँ हैं, उनको दूर

करना भी हमारे लिए आवश्यक है। अभी मेरे लायक दोस्तों ने सुझाव दिये हैं कि इस तरीके से इनको ठीक किया जाय ताकि जो फारेन एक्सचेंज की हमको प्राप्ति कम होती जा रही है और टी का जो एक्सपोर्ट गिरता जा रहा है, उसको रोका जा सके। फारेन एक्सचेंज प्राप्ति का जहां तक सवाल है यह सैंकिड लाजर्ट इंडस्ट्री है जो हमें फारेन एक्सचेंज अनं करके देती हैं। बहुत सीरियस बात पैदा होती चली जा रही है। पिछले साल इन्डिया और सीलोन में जो बातर्चत हुई, उस के फलस्वरूप एक इन्डो-सीलोन कानसोर्टियम बना कर उस के द्वारा टी एक्सपोर्ट करने का विचार किया गया है। जैसा कि हमें बताया गया है, सीलोन की एक्सपोर्ट 30 परसेंट से बढ़ कर 36 परसेंट हो गई है। और भारत की एक्सपोर्ट 45 परसेंट से घट कर 33 परसेंट हो गई है। सीलोन की एक्सपोर्ट छः सात परसेंट बढ़ गई है और वह हिन्दुस्तान के मुकाबले में चीपर रेट पर बेच रहा है। इस प्रकार हमारे और उन के इन्ट्रेस्ट क्लेश करते हैं। मैं यह जानना चाहता हूं कि इस स्थिति में हम अपने देश के हितों की रक्षा करने हुए किस प्रकार सीलोन के साथ मिल कर टी एक्सपोर्ट कर सकेंगे।

SHRI B. R. BHAGAT : The questions of productivity, research and maintaining our position in the world market are engaging our attention. As I said, we are giving utmost consideration to research. Today we have taken it up on a more urgent basis. Scientific method of culture and manufacture of tea by chemical and pharmacological investigation to develop a soluble tea with tea flavour—all these are engaging our attention. Recently we have set up a committee to suggest how to increase the finance, administration and research, so that this problem is tackled on a more urgent basis. In research, you cannot achieve a breakthrough at your command. All the scientific methods, data and investigations have to be brought together and with whatever knowhow we have, we have to develop.

We are trying to have a replantation scheme to improve the productivity. Unless we improve productivity, we will not be able to compete in the market where tea prices are falling. It is true that tea was badly affected by devaluation in Ceylon and devaluation of the sterling. That was why in 1968 and in this year also we have given sufficient relief in the budget to tea.

SHRI HEM BARUA : That relief is not sufficient.

SHRI B. R. BHAGAT : We have to balance other things also. We are keeping a watch over it. In 1967 we exported 213 million kg. After that, devaluation in Ceylon and other things came, but still we were able to export 209 million kg. Although there has been a marginal fall, we were able to maintain it. We hope with the measures I have pointed out, we shall be able to keep up our exports.

All the producers of tea met in Kampala discussed what is to be done *vis-a-vis* the international supply and demand so far as tea is concerned. We are trying to tackle the problem with all the tea-producing countries. The unit price of tea of Ceylon and other countries is falling more than that of Indian tea and all of them are concerned about it. In the FAO also, the problem is being tackled on an international basis. Ceylon and India account for more than 70 per cent of world supply of tea and therefore, we are trying to evolve some joint method to meet some of these challenges. I appreciate the concern showed by hon. Members. It is a serious matter.

SHRI HEM BARUA : There are some unexplored markets in South-West Asia and in European countries also.

SHRI B. R. BHAGAT : We are selling to Iran and other countries. We are selling our tea to other markets. We have built our exports to the rupee market area. We are trying, as I said, both in respect of new market as well as new products to achieve a breakthrough.