

SHRI ARUN KUMAR NEHRU: As far as Orissa is concerned, there has been exchange of views and exchange of views is still continuing with the Chief Minister. There is a provision in the Eighth Plan for a steel plant in Orissa but unless the Eighth Plan is finalised, it is not possible for us to give final comments as to where the steel plant would be in Orissa. We are going to have a steel plant there, but we are discussing various options with the State.

SHRI KAMAL MORARKA: Not the location. I want to know whether you are allowing the State Government to have a steel plant.

SHRI ARUN KUMAR NEHRU: These are still matters of discussion with the State. They can make various proposals, we will make various proposals. There is no finality to it. As and when there is finality, we would let you know.

SHRI G. Y. KRISHNAN: What is the position of Vijayanagar steel plant? Will it be provided with sufficient funds for production?

SHRI ARUN KUMAR NEHRU: As far as Vijayanagar steel plant is concerned, we have recommended its inclusion in the Eighth Plan. The Eighth Plan is not finalised as yet. So, I cannot say beyond this at the moment.

SHRI S. VIDUTHALAI VIRUMBI: Some 20 years back Salem steel plant was started in Tamil Nadu as an iron-ore based steel plant. Now it has been just reduced to a re-rolling mill. Does the Government have a definite proposal to upgrade its manufacture, to see that the Salem steel plant again becomes an iron-ore steel plant?

Secondly, the difficulty in the steel sector is the scarcity of pig-iron throughout India, particularly in Tamil Nadu. 25 per cent of the motor pumps are being manufactured in Tamil Nadu. Some factories are facing the danger of

closure due to the shortage of pig-iron. Therefore, I want to know whether the Government has got any proposal to increase the production of pig-iron by about 10 to 12 per cent of the total steel production so that the required amount of pig-iron could be supplied to small scale industries? If so, what are the details? If not, I would like to know the reasons for that. So, my first question is about the Salem steel plant and the other about supply of pig-iron to small scale industries of Tamil Nadu.

SHRI ARUN KUMAR NEHRU: As far as Salem is concerned, if any details are required, I would need a separate notice for that.

About pig-iron, the small scale foundry is facing shortage of pig-iron which used to be supplied by integrated steel plants under the public sector. Now to take care of the constant shortage of this commodity Government has already delicensed the pig-iron industry. Pig-iron can now be manufactured in smaller blast furnaces. Some private sector entrepreneurs have already shown interest in such production and after it has been delicensed and with additional production coming in, we hope that will solve the problem.

MR. CHAIRMAN: Question No. 43. Absent. Question No. 44.

*43 [*The questioner (Dr. Yelamanchili Sivaji) was absent. For answer vide Col., 30 infra.*]

Decline in tea production

*44. **SHRI KRISHNA KUMAR BIRLA:** Will the Minister of COMMERCE be pleased to state:

(a) what is the percentage of shortfall in the production of tea in the country as against the target during the Seventh Plan period and the consequential fall in the foreign exchange earnings;

(b) what was the country's share in

tea export in the international market at the beginning and at the end of the Seventh Plan period;

(c) whether it is a fact that the projected tea production target during the Eighth Plan period is not likely to be achieved;

(d) if so, what are the reasons therefor; and

(e) what steps Government propose to take to step up tea production and to increase its export?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI ARANGIL SHREEDHARAN): (a) to (e) A Statement is laid on the Table of the House.

Statement

(a) The shortfall in the production of tea in the country during the VII Plan period has ranged from 3% to 8%. The quantum of foreign exchange earning depends as much on the quantity of tea exported as on the unit value realisation. Exports of tea from India during the last year of the VII Plan, i.e. 1989-90 (April-February) was about Rs. 812.63 crores as against the target of Rs. 770 crores for the whole year.

(b) The share of Indian tea exports in World Exports at the beginning of the VII Plan was 22.45% and at the end of the Plan it was estimated to be 19.6%.

(c) The VIII Plan is yet to be finalised.

(d) Does not arise.

(e) The Tea Board is implementing various schemes for increasing production and productivity of tea. These include schemes for new planting, replanting, rejuvenation/pruning, infilling, cultivation of tea in non-traditional areas and Research and Development (R & D) activities. To step up exports of tea, the Tea Board provides various kinds of assistance and incentives to the exporters and also undertakes promotional campaigns to popularise Indian tea in overseas markets.

SHRI KRISHNA KUMAR BIRLA: Sir, the tea industry plays a very important role in the economy of the country. The tea industry fulfils two roles. Firstly, it provides a very important and basic necessity of life. Its second role is that of a traditional earner of valuable foreign exchange. If production does not improve, either the domestic market will have to be starved, or the foreign markets will have to be denied the export of tea. Both the possibilities are dangerous. What is, therefore, necessary is that there should be adequate incentives for maximisation of production of tea.

Apart from other shortcomings, one thing that hinders the industry is that it is heavily taxed. Sixty per cent of the tax goes to the States. The State Governments impose the agricultural tax in this and 40 per cent is taxed by the Centre. Of the 60 per cent, unfortunately, in the major tea producing State of Assam, the tax is as high as 83 per cent, which means that the tea industry is more or less working for the State. As far as 40 per cent tax is concerned, there also the tax rate has gone up owing to abolition of investment allowance and investment deposit schemes.

My first question to the hon. Minister is this. As the tea industry plays such an important role, even though conceding that the agricultural tax is a State subject, will the Government of India have some kind of a dialogue with the State Governments and try to persuade them that more incentives should be given, as far as tea industry is concerned? This is my first question.

SHRI ARANGIL SHREEDHARAN: Sir, the tea is a very important commodity, as he has rightly mentioned, and the number of tea-drinkers is increasing by leaps and bounds in this country. But when it comes to reducing taxes, it is not left to this Ministry to reduce the taxes. There is an overall

economic picture within the framework of which taxes are increased or reduced. So we cannot give a categorical reply that the taxes will be reduced.

The second question, is what steps we are taking to request the State Governments to reduce the agricultural income tax. We would like the State Governments to reduce it and this Ministry will try its best to persuade the State Governments to reduce the tax.

SHRI KRISHNA KUMAR BIRLA: I thank the hon. Minister for giving a very satisfactory reply.

My second query is this. The principal worry of the tea industry is about the age of the plants. Plants over 50 years should be replaced. The need, therefore, is to grant incentive for more production. I have gone through the reply that has been supplied and from that it appears that the emphasis is not so much on production as on export. For example, the statement says, "to step up exports of tea, the Tea Board provides various kinds of assistance and incentives to the exporters". Now, Sir, the need is there, certainly for exports also, but the emphasis has also got to be on production. The incentives that are already there are not adequate and this could be seen from the fact that as far as production is concerned, it has, unfortunately, fallen during the Seventh Plan and the deficit is 3 to 8% as compared to the target, as mentioned in the statement. It is really this which, again, is responsible for the reduction in the percentage of India's share in the world export of tea. This percentage has declined from 22.45% to 19.6%. So, my second query to the honourable Minister is, is there any re-thinking on the scheme of replanting and new plantations so that production in the country increases?

SHRI ARANGIL SHREEDHARAN: Sir, the Ministry and the Tea Board have initiated several schemes, but basically there are some difficulties. One is the resource constraint that stands in the way

of implementation of the schemes. For the Seventh Plan the tea industry suggested an investment of Rs. 130 crores in that sector, but the Plan allocation was only Rs. 40.40 crores. So, resource constraint has resulted in non-approval of some schemes such as infilling, subsidy, captive generating sets and reduced rate on investments. These things have brought about these constraints. In spite of all that, we have initiated some important schemes for increasing the production and I will only briefly refer to them because time does not permit me to go into the details.

MR. CHAIRMAN: You can put it on the Table of the House.

SHRI ARANGIL SHREEDHARAN: Yes, Sir. I will put it on the Table of the House.

PROF. CHANDRESH P. THAKUR: Sir, the tea industry has many complex problems. Particularly, historically tea has been our major export item and foreign exchange earner, and the Government has been trying all these years to increase the share of the total world trade. But the Minister has answered that in the beginning of the Seventh Plan our share was 22.45 per cent and in the end it has come down to 19.6 per cent.

MR. CHAIRMAN: Put your question, please. Everybody agrees with what you are saying.

PROF. CHANDRESH P. THAKUR: I am trying to bring out a specific point. Towards the end the Minister has said that the Tea Board is taking steps to promote exports, but earlier, in answer to the first question the Finance Minister has said that efforts are being made to stagger the export of tea. So, there is a contradiction. What is the specific Government policy? Which one has the upper hand the Ministry of Finance is staggering the exports or the Ministry of Commerce in promoting the export of tea? The second part is this: There is the problem of domestic supply-demand balance so far as tea is concerned, and

this has implications for prices which might have encouraged the Minister of Finance to suggest the staggering. We know that the supply is basically the function of not only long-term investment but pay-off of the current investment.

MR. CHAIRMAN: What is your question?

PROF. CHANDRESH P. THAKUR: We find that the whole of the State of Assam, which is one of the principal producers of tea...

MR. CHAIRMAN: Kindly put your question.

PROF. CHANDRESH P. THAKUR: ...has all kinds of law and order problems. So, what is the Government trying in terms of coordinating between the Ministry of Commerce and the Ministry of Finance on the one hand and, on the other, between the Ministry of Commerce and the State Government for purposes of law and order to sustain the current level of production and coordination between the Government of India and the State Government for investment plans so far as new investment either for new tea gardens or the upgradation of the quality of the current tea gardens are concerned?

SHRI ARUN KUMAR NEHRU: Sir, there is no contradiction at all. As far as the staggering issue is concerned, it was done temporarily because the USSR was buying very, very large quantities of tea. Out of 200 million kg. which we are exporting, they were buying about 130 million kg., and suddenly they had purchased a lot of CTC teas and, because of the monsoon failing in South India, we had a shortfall and that is why excessive exports for that particular period were resulting in prices going up. So we requested the USSR to stagger their purchases for a three-month period, and they were good enough to agree to it. As far as the total market of tea is concerned, I think we have to differentiate it in two portions today. One is the bulk tea exports. What has

happened over the years is that there are lots of new countries now producing tea, like Kenya. Now the whole of Africa is producing and Latin America is producing tea.

As far as bulk tea is concerned, we have been outpriced by nearly 25 to 30 per cent even by countries like China. So, we are basically becoming uncompetitive. But even in today's scenario, Indian tea has the highest cost realisation even compared to that of Sri Lanka or Kenya.

MR. CHAIRMAN: Of the flavour.

SHRI ARUN KUMAR NEHRU: Well, the flavour is excellent. What we are really aiming at is value addition. Now, to give you a very small example, today, for instance, in the United States our tea sales are going up. But now instead of the normal tea they want decaffeinated tea. So, now the Tea Board is going to make investments in that area to cater to that value addition market. The more we invest in the next two years in value addition and blended products and higher quality, the more will we be able to catch up on our total markets.

As far as the Assam Government is concerned and the law and order is concerned, it is a very serious matter, and I have personally written to the Chief Minister. I have spoken to him also. Fifty per cent of our tea is now coming from Assam, and we are very very concerned about this. We have taken it up with the Assam Government. The Home Ministry is also talking to them. Hopefully something will come out of it.

SHRI G. G. SWELL: Sir, the Minister has partly anticipated and answered my question. Assam produces, he says, 50 per cent and some people say 80 per cent of Indian tea. Now the tea gardens today are paralysed with fear. The managers of the tea gardens have left their jobs. Many of them are fleeing or some of them are staying there by paying to the terrorists, to some Robinhood kind of organisations in Assam like the United Liberation

Front for Assam. (*Interruptions*). I would like to know from the Minister whether a stage has been reached when the Deputy Commissioners, the tea garden managers, the tea garden labours have been forced to join the *shramdan* of the ULFA and in that context whether he has made an assessment of the likely shortfall of Indian tea production as a result of the activities of the ULFA. I quite realise that it is not his job alone to control the ULFA. But the Government has collective responsibility. What are they doing about this?

SHRI ARUN KUMAR NEHRU: Sir, specifically as far as Assam is concerned, I have mentioned that it is a very very serious situation. Five steps we have taken. One, I have written and spoken to the Chief Minister of Assam. Our Special Secretary has also along with the Home Secretary, spoken to the Chief Secretary in the State. The Chairman, Tea Board, has held discussions with all the tea garden owners there. We know the difficult situation. But production fortunately has not been affected as yet. Although people are under a lot of threats at the moment, nobody is really running away. They have a very very difficult security situation. We are asking the State to provide security. But so far the production has not been affected. I think if we take firm steps in the months to come, then, we will be able to tide over this problem.

SHRI VIREN J. SHAH: May I ask the hon. Minister whether with regard to tea export on a five-year time basis or a ten-year time programme the Government and the Board of Trade have received any specific action plans, and if they have, what actions are being planned for export of tea as per particular programme?

Secondly, if I may say so, the hon. Minister has given a detailed reply on the situation created by the ULFA in Assam. Could he give the number of managers or others or their families who had to leave or are under threat to leave because of

the ULFA situation and whether it is affecting the whole atmosphere and the morale of the people and the production of tea there?

SHRI ARUN KUMAR NEHRU: Sir, as far as the export promotion measures are concerned, I will need about half an hour to reply. If you want, I do not mind replying to it.

MR. CHAIRMAN: He is telling some managers have left or some managers are under threat. (*Interruptions*)

SHRI ARUN KUMAR NEHRU: This is very important, Sir.

MR. CHAIRMAN: Important is the ULFA.

SHRI ARUN KUMAR NEHRU: One, Rs. 3 crores we have just sanctioned in terms of foreign exchange for promotion of Indian tea and identified the thrust markets particularly in the U.K. and Europe. We are having a special logo campaign for Darjeeling tea. I am mentioning this because क्योंकि आपने चाय के बारे में कहा था In the U.K. market, we are spending Rs. 80 lakhs on that. Similarly, for Assam, we are also having a separate logo market and we have tied up with a very large company there and there we are spending nearly Rs. 60 lakhs to promote this. Similarly, like this, we have got promotions going on in Saudi Arabia, Egypt and the United States.

SHRI VIREN J. SHAH: May I know whether any action taken on the report is a part of that?

SHRI ARUN KUMAR NEHRU: Sir, this is a continuous process. It is not a question of continuing action on a single report because no report will give you such comprehensive steps to be taken. This is only a small portion of it. It is a very broad strategy.

As far as tea garden managers and their families are concerned, I am afraid, the Ministry of Commerce has not received any information on that. We have received information that they are under threat. We have referred the matter to the Home Ministry.

MR. CHAIRMAN: Question No. 45.

SHRI DIPEN GHOSH: Sir, Question No. 54 may be tagged with Question No. 45.

MR. CHAIRMAN: No.

News-item captioned 'Pepsico project gets green signal from CCEA'

*45. SHRI PRAMOD MAHAJAN: Will the Minister of FOOD PROCESSING INDUSTRIES be pleased to state:

(a) whether his attention has been drawn to the news-item published in the *Financial Express* of the 7th April, 1990, captioned 'Pepsico project gets green signal from CCEA';

(b) if so, whether it is a fact that Pepsi Foods have been asked not to use the brand name 'Pepsi' for their products in the domestic market;

(c) if so, whether the new brand name would be a hybrid name; and

(d) whether the brand name 'Chee-tos' is also to be changed?

THE MINISTER OF TEXTILES WITH ADDITIONAL CHARGE OF THE MINISTRY OF FOOD-PROCESSING INDUSTRIES (SHRI SHARAD YADAV): (a) to (d) A Statement is laid on the Table of the House.

Statement

(a) Yes, Sir.

(b) and (c) After considering all aspects of the matter, Government decided that the brand name to be used shall be a hybrid with 'Pepsi' as suffix. Discussions were held with representatives of M/s. Pepsi Foods Private Limited and thereafter it was decided that 'Lehar' could be used as prefix to the name 'Pepsi', '7 Up', and 'Mirinda'.

(d) M/s. Pepsi Foods Private Limited are using the name 'Hostess Cheetos' and Government has not been informed by them about any proposal to change the name.

श्री प्रमोद महाजन: सभापति जी, पिछले दशक में स्वदेशी मंत्र पर विदेशी तंत्र इतना हावी हो गया है कि हर छोटी बड़ी चीज अब हम विदेशी नाम से खरीद रहे हैं। हीरो के साथ होंडा जुड़ा है, बजाज के साथ कावासाकी चिपका है, मारुति के साथ सुजुकी की दुम लगी है, गुडिया बारवी है, पेन शार्प है, जूता पंपोज है, पैट आदिदास है, हिन्दुस्तान का कुछ नहीं बचा है। अब शीत पेय जल में पेप्सी के नाम की लहर आ गई है। इस संदर्भ में मैं मंत्री महोदय से जानना चाहता हूँ कि क्या पेप्सी के प्रकल्प को हरी झंडी देते समय यह शर्त लगाई गई थी कि पेप्सी फारेन ब्रांड के नाम का उपयोग न करे। और क्योंकि शर्त लगाई गई थी इसलिये इस शर्त से बचने के लिये पेप्सी के साथ लहर शब्द चिपका कर क्या एक बेईमानी का रास्ता सरकार ढूँढ रही है?

श्री सभापति: सरकार ढूँढ रही है?... (व्यवधान)
... सरकार पर कम से कम यह लांछन न लगायें।

श्री शरद यादव: सभापति जी, ... (व्यवधान)
... माननीय सदस्य जी ने बहुत विस्तार से जो जवाब मुझे देना था वह उन्होंने खुद दे दिया है। यह जो दुमछल्ले लगे हैं ये कई दिनों से लगे हैं। यह जो परंपरा है, मारुति सुजुकी, कायनोटिक होंडा, हीरो होंडा, इन्होंने कई नाम अभी गिनाये, चल रहे हैं। जो करार था उस करार में था कि फारेन ब्रांड नेमस का इस्तेमाल नहीं होगा। पेप्सी कंपनी ने यहां पेप्सी एरा करके कोशिश की कि पेप्सी एरा नाम से अपने साफ्ट ड्रिंक्स को बेचने का काम और अपने प्रोडक्ट्स को बेचने का काम करे। हमने जब करार देखा तो उस करार को देखकर लगा कि इस देश में जो यह सामान बन रहा है इसमें स्वदेशी की कहीं कोई ध्वनि नहीं है, कहीं कोई अहसास नहीं है। हमने तत्काल कार्यवाही की। उन्होंने हमसे कहा कि हम बहुत दिक्रत में फंस जायेंगे। हमने कहा कि चाहे जितनी भी दिक्रत में आप फंसे, आपने जो करार किया है, आपको उस करार को कौम और फुलस्टाप के साथ पूरा करना होगा। इस लिहाज से हमने कहा कि हिन्दुस्तान में यह बन रहा है इसलिये इस बात का जरूर अहसास होना चाहिए। जैसा कि माननीय सदस्य ने कहा बहुत नाम पहले से ही थे, हार्ड ब्रीड नेम, उनकी अनुमति लोगों को मिली हुई थी और वे चल रहे हैं। पेप्सी के