

as India's share in world tea trade is concerned from the Third *Ad Hoc* Consultation on Tea held at Kampala and from talks at Colombo during the visit of the Union Commerce Secretary to Ceylon in January, 1969.

The conference at Kampala mainly discussed:

- (i) The current situation and short term outlook for tea.
- (ii) The long term outlook for production and consumption.
- (iii) Trends in tea consumption.
- (iv) The outlook for the world tea market and the problems of marketing.
- (v) Duties, taxes and other Government measures affecting tea.
- (vi) The statistical problems on tea.
- (vii) Promotion of tea consumption.
- (viii) Possible international approaches to the problems of tea industry.

The conference recommended the establishment of a Working Party to study and to make recommendations regarding joint action for promotion of tea, improvement in the marketing arrangements to eliminate factors resulting in price depression, and the feasibility and practical details of a draft scheme of international co-operation to achieve prices which would be equitable to consumers, remunerative to producers, and would generate an adequate level of export earnings for the exporting countries.

India is a member of the Working Party along with 7 other producing countries and 8 importing countries and will participate in the deliberations of the Working Party scheduled to meet in May, 1969.

In the talks at Colombo in January, 1969, it was agreed that the Indo-Ceylon Standing Committee on Tea should have its first meeting in the month of March, if possible. The Government of Ceylon would communicate the names of its nominees to this Committee and the name of the Research Liaison Officer.

†JOINT COLLABORATION BY INDIANS IN FOREIGN COUNTRIES

634. SHRI THILLAI VILLALAN : Will the Minister of FOREIGN TRADE AND SUPPLY be pleased to state :

(a) whether it is a fact that Government propose not to approve joint collaborations by the Indian entrepreneurs in foreign countries since it results in the drainage of foreign exchange; and

(b) if so, whether they will be asked to make their investment in the country itself.

THE DEPUTY MINISTER IN THE MINISTRY OF FOREIGN TRADE AND SUPPLY (CHOWDHARY RAM SEWAK):(a) No, Sir. Government of India approves of joint collaboration by Indian entrepreneurs in foreign countries wherever Indian participation is by way of exporting indigenous machinery and equipment and technical know-how and does not involve the remittance of fluid funds from India.

(b) Does not arise.

†DGS&D INSTRUCTIONS ON PURCHASE OF GOODS

662. SHRI BABUBHAI M. CHINAI : Will the Minister of FOREIGN TRADE AND SUPPLY be pleased to state :

(a) whether it is a fact that directives issued by the Director General of Supplies and Disposals favour the purchase of the cheapest product which just meets quality specifications and no allowance is made for products of better quality manufactured to higher standards and, therefore, slightly more expensive; and

(b) if so, what are the reasons therefor?

THE DEPUTY MINISTER IN THE MINISTRY OF FOREIGN TRADE AND SUPPLY (CHOWDHARY RAM SEWAK):(a) and (b) The specifications indicated in the tender enquiry issued by the DGS&D provide for certain minimum requirements of quality, performance etc. to which the goods must conform and the quotations received are scrutinised with reference to those standards. Other things being equal, technically acceptable stores offered at the lowest rates are purchased. In respect of certain stores, however, such as machine tools, transformers, pumps etc. due weightage is given to quality, where the quality claimed is capable of evaluation scientifically and mathematically in terms of both capital cost outlay and running and maintenance expenditure. Opportunity is thus given to the extent possible to the manufacturers of quality products against Government requirements.