

country of the collaborator's choice, where Defence Projects are started in collaboration with other countries even though good quality machine tools are readily available in the country; and

(b) if so, what steps Government propose to initiate to ensure optimum utilisation of indigenous supply of machine tools?

THE MINISTER OF INDUSTRIAL DEVELOPMENT AND COMPANY AFFAIRS (SHRI FAKHRUDDIN ALI AHMED): (a) and (b) In principle, machine tools manufactured in the country are not allowed to be imported from the country of collaborator's choice even in Defence Projects. Every effort is made to maximise the use of indigenously manufactured tools. However, in one or two very high priority Defence Projects some relaxation had to be made because of the complicated nature of the toolings involved and the machines being, supplied complete with these toolings for specific jobs and for guaranteed performance.

#### EXPORT DUTY ON TEA

515. SHRI R. P. KHAITAN: Will the Minister of COMMERCE be pleased to state:

(a) whether it is a fact that a four-member tea delegation which has just returned after visiting the Middle East and North African countries has suggested the abolition of export duty on tea with a view to promote the tea trade with foreign countries; and

(b) if so, the reaction of Government thereto?

THE MINISTER OF COMMERCE (SHRI DINESH SINGH): (a) Yes, Sir.

(b) It is not proposed to abolish the export duty. The reduction in the export duty envisaged in Finance Bill (2) of 1967 and the advantage accruing to exporters of tea because of devaluation, are considered sufficient incentive to promote exports.

#### ILMENITE FACTORY IN KERALA

113. SHRI K. CHANDRASEKHARAN: Will the Minister of INDUSTRIAL DEVELOPMENT AND COMPANY AFFAIRS be pleased to state:

(a) whether the licencing committee of the Central Government issued a letter of intent to the Birla concern Century Rayons for processing ilmenite from sand and for setting up a factory for this purpose in Quilon District of Kerala State;

(b) if so, what is the delay in the follow-up action by the Central Government in issuing the licence;

(c) whether it is a fact that the Central Government are contemplating starting a like ilmenite factory in the public sector in Kerala?

THE MINISTER OF INDUSTRIAL DEVELOPMENT AND COMPANY AFFAIRS (SHRI FAKHRUDDIN ALI AHMED): (a) The scheme of M/s. Century Rayon for putting up in the State of Kerala an integrated project for the manufacture of High Titanium Slag, Pig Iron, Titanium Dioxide, etc. from Ilmenite sand is under consideration and no letter of intent has yet been granted.

(b) Does not arise.

(c) No, Sir.

#### -MANUFACTURE OF NEWSPRINT FROM SUGAR-CANE BAGASSE

115. SHRI A. G. KULKARNI: Will the Minister of INDUSTRIAL DEVELOPMENT AND COMPANY AFFAIRS be pleased to state:

(a) whether Government have considered the proposal of utilising Sugarcane Bagasse for manufacture of newsprint; and

(b) whether Government have any scheme to join such enterprise by participating, in equity capital?

t Transferred from the 25th July, 198V.