

Indian Advertising Agencies

*1230. **Shri Shiv Charan Gupta:** Will the Minister of Industry and Supply be pleased to state:

(a) whether foreign collaboration has been granted to Indian Advertising Agencies;

(b) if so, the terms of the collaboration and the names of the firms which have been granted collaboration; and

(c) the circumstances under which foreign collaboration has been allowed or is being allowed to some advertising firms in the country?

The Deputy Minister in the Ministry of Industry and Supply (Shri Bibudhendra Misra): (a) to (c). A statement is laid on the Table of the House.

STATEMENT

(a) to (c). Government have recently approved collaboration in the advertising field between M/s. Clarion Advertising Services Private Ltd., and M/s. Interpublic Inc., U.S.A. The foreign collaborator will hold 49 p.c. shares in the joint venture

2. It will however be necessary for the Company also to obtain permission from the Reserve Bank of India under the provisions of the Foreign Exchange Regulation Act, 1947.

3. Government have also given a preliminary clearance for a collaboration between M/s. Aiyers Advertising and Marketing, Bombay and M/s. London Press Exchange International, U.K. and the party has submitted a draft agreement on the terms of the collaboration which is under consideration.

4. The main considerations which Government had in view in according approval for the collaboration were the following:—

- (1) A few wholly foreign owned advertising agencies are at present holding a dominating position in the advertising business in India by reason of

their superior organisation. The proposed collaboration would strengthen the position of the two Indian companies and enable them to compete successfully with the foreign companies.

- (2) It may be possible to effect some reduction in the foreign exchange expenditure on advertising charges as a result of the collaboration.

Shri Shiv Charan Gupta: Is it a fact that a policy decision was taken by Government not to allow foreign collaborators in this field and what are the circumstances which necessitated a reversal of this decision? May I know whether this change was duly notified to the general public?

Shri Bibudhendra Misra: I do not think any such decision was taken previously, nor has there been any departure.

Shri Shiv Charan Gupta: May I know how many applications are pending with the Government and what is the saving in foreign exchange anticipated by the Government because of this policy?

Shri Bibudhendra Misra: There was one application from a firm in Bombay which wanted to set up an office in London with foreign collaboration. Since the collaborating party is not in the advertising line, it was not granted. So far as the foreign exchange is concerned, it is difficult to estimate it at this stage. But it is a fact that most of the advertising that is done in India today is operated mostly by foreign concerns. To that extent, by allowing two Indian companies to come up with foreign collaboration, it is hoped that the market will be wider and there will be a saving.

Shrimati Subhadra Joshi: May I know if any people in the two concerns, M/s. Aiyers Advertising and Marketing or Clarion Advertising Company, which have been given permission for collaboration, were previ-

ously connected with M/s. T. T. Krishnamachari & Company and involved in the Mundhra case?

The Minister of Heavy Engineering and Industry in the Ministry of Industry and Supply (Shri T. N. Singh): Probably, in one of them, whose application is not yet sanctioned.

Shri Ranga: It seems to be very much in evidence.

Shri T. N. Singh: The second case, I think, is Aiyers'; but that application has not yet been finally sanctioned.

Shrimati Renu Chakravartty: Will Government make their position very clear in view of the fact that advertising and advertising agencies require no know-how which is not known to Indians and in view of the fact that almost all Indian advertising agencies had already placed advertisements in different countries of the world and had associate arrangements for advertisements abroad? What is the necessity at this time to allow foreign collaboration in this field? Is it a fact that Government has already received a fully signed document on behalf of 35 Indian agencies protesting against this?

Shri T. N. Singh: I am in sympathy with the sentiments expressed by the hon. Member. I have also received the representation. It is being examined. But I would not aver to the statement completely that we know everything that is to be known about advertising.

Shrimati Renu Chakravartty: What is this special know-how?

Shri Joachim Alva: The Government of India through the then Information Minister, Dr. Keskar, after a long debate in the Rajya Sabha on a motion initiated by Shrimati Violet Alva, accepted a Resolution that they would not advertise with foreign firms; yet Government has gone back on that assurance by giving Government of India advertisements to foreign firms in India. In the first part they

wash away their own assurance and, secondly, they need foreigners in our advertising agencies for sheer service as against hundreds of young men who are ready to handle advertisements in India. Why is it done so?

Mr. Speaker: The only difficulty is that Madam Alva would not be able to reciprocate because she would be in the Chair;

Shri Joachim Alva: That is an assurance given.

Shri T. N. Singh: I think, Madam Alva did move that Resolution. It stated that preference should be given by Government in giving advertisements to indigenous Indian companies. That is being done.

Shri Vasudevan Nair: Is it not a fact that this kind of an agreement that is allowed by the Government will adversely affect the interests of Indian advertising companies and employees; if so, will the Government tell us that they will see to it that they will not do anything which will adversely affect the interests of Indian advertising agencies?

Shri T. N. Singh: We have got powers under the Foreign Exchange Regulation Act to do that.

Shrimati Renu Chakravartty: You never use those powers.

श्री रघुनाथ सिंह : यह जो फोरन एजेंसियां हैं इनको पेमेंट रुपये में किया जायगा या फोरन एक्सचेंज में किया जायगा, अगर फोरन एक्सचेंज में किया जायगा तो कितना फोरन एक्सचेंज उन को दिया जायगा ?

श्री त्रि० ना० सिंह : यह तो इंडियन कम्पनी होगी ।

श्री रघुनाथ सिंह : जो फोरन कॉर्पोरेट्स हैं उनको पेमेंट रुपी में करेंगे या फोरन एक्सचेंज में करेंगे ?

श्री त्रि० ना० सिंह : वह तो रूपी में हम करेगे ।

Shri Ranga: Apart from our general demand that the issue of such licences for foreign collaborations and so on should be settled not by the Minister but by an independent commission, may I know whether in all those cases where the relatives or the near relatives of ministers, like this T. T. Krishnamachari and Sons, are there, whenever they ask for any such collaboration, licence and permission involving foreign exchange, the Government would be good enough to refer all such cases to an independent commission in order to save themselves from the accusation that ministers' interests are given more importance than the interests of the public?

Shri T. N. Singh: I think, the case referred to is still under examination. That is enough answer. Therefore I would not think that the stage has at all come to take up that attitude.

श्री भागवत झा आजाद : क्या यह बात सच नहीं है कि विज्ञापन की जितनी कठिन से कठिन परीक्षाएं अथवा टेस्ट्स रखे गये हैं उन में भारतीय विज्ञापन एजेंसियों ने अपनी कीमत दिखा दी है और वे परीक्षा में पूरी तरह से कामयाब पाये गये हैं तो फिर क्या कारण है कि इस बात के बावजूद भी भारत की सरकार इस बात पर कटिबद्ध है कि वह विदेशियों को बुलाये और उन का कोलैबोरेशन लेकर यहां अपनी भारतीय विज्ञापन एजेंसियों को समाप्त करना चाहती है ?

श्री त्रि० ना० सिंह : मैं यह बता देना चाहता हूँ कि इस के पहले श्री भी विन्नी एजेंसियां हैं जोकि 100 फीसदी फोरन हैं और वे पहले से चली आ रही हैं, अंग्रेजों के जमाने से चली आ रही हैं। इस वक्त कोशिश यह की जा रही है कि उन में हिन्दुस्तानियों के शेयर्स बढ़ें ।

612 (Ai) LSD—2.

श्री भागवत झा आजाद : अध्यक्ष महोदय, मेरे प्रश्न का जवाब नहीं आया । मैं ने पूछा ग्राम था और जवाब इमली दिया गया है । मैं ने तो पूछा था विदेशी कम्पनियों को यहां से समाप्त करने के बारे में और वह जवाब देते हैं कि बहुत सी फोरन कम्पनियां इस देश में हैं जोकि 100 परसेंट फोरन हैं । मैं कहता हूँ कि उन विदेशी कम्पनियों को यहां पर कम होना चाहिये । मैं ने पूछा था कि विज्ञापन के मामले में क्या कोई असैसमेंट किया गया जिस में कि भारतीय विज्ञापन एजेंसियां विफल हुई हों तो उन्होंने इस का जवाब नहीं दिया क्योंकि भारतीय विज्ञापन एजेंसियां असफल सिद्ध नहीं हुई हैं तो फिर इस तरह . . .

अध्यक्ष महोदय : माननीय सदस्य को इतनी जल्दी तेजी में आकर ऐसे नहीं कहना चाहिए । खाली उन के लिए इनामी ही कह देना काफी था कि मेरे सवाल का जवाब नहीं आया है लेकिन माननीय सदस्य इतना घबड़ा गये और तेजी में आ गये कि ग्राम, इमली की बात कह बैठे । इसके कहने की क्या जरूरत थी ?

श्री भागवत झा आजाद : अध्यक्ष महोदय, मैं ने कोई ऐसी गलत तथा अनुचित बात तो नहीं कही है क्योंकि यह ग्राम और इमली हिन्दी में ग्राम प्रयोग का मुहावरा है । इस का और कोई दूसरा अर्थ नहीं है ।

अध्यक्ष महोदय : कोशिश यह करनी चाहिए कि ग्राम और इमली दोनों मिलाये जा सकें ।

श्री त्रि० ना० सिंह : मैं ने यह कहा कि जितनी और नई कम्पनियां बन रही हैं उन में भी हिन्दुस्तानी शेयर्स बढ़ाने की कोशिश हो रही है और कई 100 परसेंट हिन्दुस्तानी कम्पनियां बन गई हैं । दोनों बातें हैं ।

Shri Ranga: Sir, I made that suggestion that whenever there are applications from the Ministers' sons and

near relatives, they should send them to an independent tribunal for examination. Would the Government be good enough in their own interest to refer all such applications to an independent tribunal so that the Government themselves could be saved from being accused of showing preference to all those people who are so very close to these 65 Ministers in the Government?

Shri T. N. Singh: That is a suggestion.

Dr. L. M. Singhvi: May I know whether the Government have laid down any conditions in respect of repatriation of dividend income of these joint ventures and whether the Government have considered that the superior organising techniques cannot be implemented in our own organisations here in India without importing joint ventures in a field where no specialised knowledge of any particular kind is really required? Is it not really an inconsistent decision devoid of any policy consideration?

Shri T. N. Singh: As a matter of fact, as I said, the second one is yet under consideration. In regard to the first one, we are going to have a very strict control in regard to the foreign exchange and other questions.

Shrimati Renu Chakravartty: It is a most unsatisfactory answer.

Shri Harish Chandra Mathur: I think there is some misunderstanding. Perhaps the hon. Minister is not appreciating the questions that have been asked. He himself says that there are a number of foreign companies and they are wanting to Indianise them. Now, in spite of this and in spite of the *prima facie* fact that there is no need for further foreign collaboration, the question is: why have this further foreign collaboration? The question is not that of Indianising what is already there. Is the hon. Minister aware that Air India gets the 1st Prize even in the international competition so far as advertising is concerned? Are you not insulting our

own talent which gets the 1st Prize in the interational field by wanting foreign collaboration when there is no need for it?

Shri T. N. Singh: I hold entirely to the view that we, in India, are capable of looking after this kind of business quite satisfactorily.

Shri Ranga: Very good. Then why have this foreign collaboration?

Shri T. N. Singh: It is also true that a particular licence was granted some-time ago. In regard to the second one, I have said that it is under examination. In regard to the first one, it has already been granted and we are trying to have a strict control . . .

Shrimati Renu Chakravartty: Why did you grant it?

Shri Harish Chandra Mathur: Why did you have it when we can do it ourselves? (*Interruptions.*)

Mr. Speaker: Order, order. Next Question.

Shri Joachim Alva: You must allow us to have one-hour discussion on this.

Shri Bhagwat Jha Azad: Yes, there should be a discussion on this.

Hirri Mines

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| *1231. | } | Shri S. M. Banerjee: |
| | | Shri Daji: |
| | | Shri Prabhat Kar: |
| | | Shrimati Renu Chakravartty: |
| | | Shri Indrajit Gupta: |
| | | Shrimati Vimla Devi: |

Will the Minister of Steel and Mines be pleased to state:

(a) whether it is a fact that the General Manager of the Bhilai Steel Plant has given permission to lease out mining areas of the Hirri mines for 20 years to two private contractors, Messrs. Sataris and Co., and Messrs. K. N. Poddar and Co.;

(b) if so, the reasons therefor; and

(c) whether it is also a fact that on a reference from the Madhya Pradesh