

(d) the reasons for which the Reserve Bank officials did not take any punitive action against them; and

(e) the steps Government propose to take against these chit fund schemes and the erring officials of the Reserve Bank of India?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAGANNATH PAHADIA): (a) to (e). The Government have seen the article published in the weekly 'Blitz' dated 1st March 1980 regarding the activities of companies operating prize chits and money circulation schemes.

Before the enactment of the Prize Chit and Money Circulation Schemes (Banning) Act, 1978 the acceptance of deposits by financial and miscellaneous non-banking companies was regulated by the directives issued the Reserve Bank prescribing a ceiling within which such companies could accept deposits and requiring them to disclose all relevant particulars about their management, working results etc. in their advertisements soliciting deposits from the public.

The Reserve Bank is not statutorily empowered by the Reserve Bank Act 1934 to initiate action against such companies or their promoters for offences other than violation of its directions or to compel them to repay the deposits and or to pay interest thereon. The acceptance of deposits is a contract between the depositor and the concerned company and in case of breach of contract redress can be sought in a court of law

The Reserve Bank took action for the violation of its directives against the delinquent companies and their Directors by filing prosecutions and also by prohibiting companies from accepting fresh deposits.

Taking note of these complaints and to guard the interest of unwary public the Prize Chits and Money Circulation Schemes (Banning) Act was passed by Parliament and enforced from 12th

December 1978. The authority to administer the various provisions of the Act has been vested in the State Governments who are required to frame rules in consultation with the Reserve Bank. Punitive action under the Act can be taken against the promoters of prize chits and money circulation schemes for violations of the provisions of the Act.

In the opinion if the Reserve Bank no punitive action was called for against its officers.

#### Usage of Foreign Brand name 'Erasmic' on Razor Blades

644. SHRI TARIQ ANWAR: Will the Minister of COMMERCE AND CIVIL SUPPLIES be pleased to state:

(a) whether it is a fact that notwithstanding Government prohibiting the usage of foreign brand name 'Erasmic' on razor blades, a multi-national company continue to use it; and

(b) if so, the details of the steps taken/proposed to be taken by Government to make this multinational company to comply with Government's directive?

THE MINISTER OF COMMERCE AND CIVIL SUPPLIES & STEEL AND MINES (SHRI PRANAB MUKHERJEE): (a) & (b). The Central Government have refused the application to extend the period of registration of Messers Sharpedge Limited, New Delhi, beyond 26th February, 1978 as registered users of trade mark "Erasmic", registered in the name of M/s. Unilever Limited of England. A Writ petition has been filed by the Party before the Bombay High Court and the matter is sub judice.

#### Malpractice in Air India

645. SHRI SUNIL MAITRA: Will the Minister of TOURISM AND CIVIL AVIATION be pleased to state:

(a) whether it is a fact that according to ICAQ publication expenditure on commercial staff is as high as 50

per cent of the total staff cost whereas for other airlines it was much less than 25 per cent i.e. QANTAS 7 per cent, Lufthansa less than 25 per cent., PANAM 5 per cent and it constitute 55 per cent of the wage bill for Air-India people who go abroad and constitute the cost of 1/6th of the total staff (average wage of an employee of Air India abroad was about 5 times that paid to an employee based in India);

(b) is it also a fact that percentage of expenditure on tickets sales and promotion was 25.2 per cent for Air India, whereas it was 18.5 per cent for Lufthansa, 20 per cent for Air France, 14.20 per cent for Garuda, 12 per cent for Iran India 18.6 per cent, Alitalia 16.5 per cent for JAL 10.8 per cent for Kuwait airways 17.70 per cent for KLM 12 per cent for PIA;

(c) if so, reason thereof and action taken thereon?

THE MINISTER OF STATE FOR TOURISM AND CIVIL AVIATION (SHRI KARTIK ORAON): (a) to (c). These issues are covered by the 53rd Report of the Committee on Public Undertakings (1978-79) (Sixth Lok Sabha) which is under consideration of the Government. The reply of the Government to the 53rd Report will be placed before the Committee as soon as finalised.

#### Induction of more multinational companies to expand Country's Export Market

646 SHRI SATISH AGARWAL: Will the Minister of COMMERCE AND CIVIL SUPPLIES be pleased to state:

(a) whether it is a fact that at the World Marketing Congress held recently at New Delhi opinions were expressed for induction of more multinational companies in the country to expand the country's export market;

(b) if so, what is Government's reaction to such opinions; and

(c) whether the working of existing multinationals in the country show that they have helped country's exports and whether the nature of technology that they have given to use is really not attainable or capable of being developed within the country?

THE MINISTER OF COMMERCE AND CIVIL SUPPLIES AND STEEL AND MINES (SHRI PRANAB MUKHERJEE): (a) and (b). At the world Marketing Congress held on 10th February 1980 under the auspices of the Institute of Marketing and Management, New Delhi, which is a private organisation, some speakers expressed their views regarding the useful role played by Multinationals. Government policy regarding Multinationals is governed by the Foreign Exchange Regulation Act, 1973, according to which foreign participation in sophisticated technology and export-oriented industries is given a liberal treatment.

(c) Some of the Multinationals have contributed to the country's export effort and in bringing sophisticated technology. However, it is not possible to generalise as out of 473 branches of foreign companies existing in India on 31-3-1978, only 75 were engaged in processing and manufacturing. As regards Indian Subsidiaries of foreign companies 103 out of a total of 146 as on 31-3-1978 were engaged in processing and manufacturing activities.

#### Scrapping of Gold Auctions

647. SHRI INDRAJIT GUPTA: Will the Minister of FINANCE be pleased to state:

(a) whether Government have a proposal under consideration to scrap gold auctions; and

(b) if so, the details thereof?

THE MINISTER OF FINANCE AND INDUSTRY (SHRI R. VENKATARAMAN): (a) and (b). Gold auctions were