

18.00 hrs.

[English]

### HALF-AN-HOUR DISCUSSION

#### Pepsico Food Project

MR CHAIRMAN: Now, we shall take up Half-an-Hour discussion. Shri Harish Rawat.

[Translation]

SHRI HARISH RAWAT(Almora): Mr. Chairman, Sir, as such it is a very auspicious day, as it is the birth anniversary of Shri Ram Manohar Lohia, who fought against multi-national enterprises throughout his life. Though, we could have had a discussion on the Pepsico Food Project, but many of our hon. Members were saying that they would like to attend the birth anniversary celebrations of Shri Ram Manohar Lohia, being held at the Parliament House Annexe. I am ready to initiate this discussion only next week provided you and the House agree to a discussion on this subject, with the same ballot, in the coming week.

[English]

MR CHAIRMAN: The House has to decide it. I am leaving this matter to the House to decide. If all of you agree, there is no objection, we can take up this Half-an-Hour Discussion...(Interruptions)

SHRI A.N. SINGH DEO (Aska): The discussion on the Railway Budget will go on after this.

MR CHAIRMAN: Yes, yes. Why he wants us to postpone this discussion is to enable the Members to participate in the Meeting.

SHRI VASANT SATHE(Wardha): Everybody wants to participate, everybody wants to go there.

MR CHAIRMAN: Then we have to

adjourn and re-assemble. We can't adjourn the House for the day. If you want, we can take up this topic afterwards, if all of you accept.

SHRI NIRMAL KANTI CHATTERJEE (Dumdum): Mr. Chairman, Sir, it was agreed when I was in the Chair that this Half-an-Hour discussion would take place between 6.00 p.m. and 6.30 p.m. After that the discussion on Railway Budget would continue and at 7.45 p.m. the hon. Railway Minister will begin his speech for five minutes and then we will take it up again on Monday.

SHRI VASANT SATHE: If you go to attend Dr. Lohia's function, then the whole agenda will get disturbed.

SHRI NIRMAL KANTI CHATTERJEE: If there is an adjournment now, everything would be topsy-turvy.

SHRI VASANT SATHE: I would submit that those who want to go and attend that function can go and attend that function, but let us not disturb the agenda of the Parliament because that would be a wrong thing to do because the Railway Budget and all that, in fact the Government's whole schedule of business will get disturbed. That is what I am saying. Let us think of that.

[Translation]

What difference does it make? The Government has got a time schedule of its business and if that is not adhered to, entire schedule will be disturbed. My suggestion is that those, who want to attend the function, may go and attend it.

[English]

SHRI NIRMAL KANTI CHATTERJEE: Being in the Opposition he is becoming entirely right!

SHRI VASANT SATHE: Thank you very much.

MR CHAIRMAN: If you are deciding like that, we can continue. What about you, Mr. Harish Rawat? Do you want to continue?

SHRI HARISH RAWAT: Yes, Sir, I am ready.

MR CHAIRMAN: Then you start.

[Translation]

SHRI HARISH RAWAT: Mr. Chairman, Sir, this is the third occasion when members sitting on both sides of the House have expressed their concern on this important subject. Not only this, even people outside the House have expressed their views with great anxiety. We had raised this issue many times including one on 12 August, 1986 through a Calling Attention and the other on 6th December, 1988. Members sitting on both treasury and opposition benches held the same view that it would not be feasible to set up such a low-technology project in a non-priority and sensitive area like Punjab. At times, I feel surprised that though in a democracy, it is assumed that it is we, the public men, who lay down the policies, but it seems to me that there are some other powers, which are in the hands of secretaries and others and those powers are able to influence, the thinking of ministers, now and then. They influence the thinking of the Policy-makers. When this Government assumed office, Shri George Fernandes had apprised in advance the nation of his thinking and there is no doubt about it. He had said that he is prepared to go to Punjab to protect against the setting up of the Pepsi Cola project. I had even heard Shri Sharad Pawar saying in a Doordarshan interview, that they were against the setting up of this project and many doubts have been raised in this regard. However only the Cabinet would take the final decision regarding this project. It is correct that a decision can be taken only at the cabinet level and not at a personal level, but the other day, when I read the statements made by our friend during a discussion on the subject, it seemed to me that those very powers which earlier used to influence the policy makers just before their

arriving at a final decision, are even today influencing the policy makers.

[English]

SHRI NIRMAL KANTI CHATTERJEE: You were there.

[English]

SHRI HARISH RAWAT: You know better than me.

[Translation]

If that had not been the case, why on 11 August, 1986, the Minister stated that there was no question of inviting a multi-national company in a low-technology and non-priority area. He had categorically stated: 'No Pepsi Cola'; 'We cannot even think about it. Through a systematic Publicity Campaign. Pepsi Cola has created such an atmosphere that people have started feeling that the setting up of this factory would automatically solve the Punjab problem, that the problem of unemployment would come to an end and consequently the extremist problem, which is gaining ground due to the problem of unemployment, would also be solved. They have also started believing that this would also solve the problem of Punjab's farmers whose income has remained stagnant for quite sometime now and also that the market value of agricultural produce would increase as a result of setting up of this project. But today, what is the situation, the hon. Minister is aware of it and understands it much better than I. I would like to emphasize only this much that the point raised through the Calling Attention was not that the project was being set up in a sensitive area but the doubts which we had when we used to sit on the treasury benches. We had made it clear, very firmly that we were inviting trouble by inviting Pepsi Cola to set up its project in Punjab, because in the past, Pepsi Cola had played dubious role in changing Governments in Helsinki, Phillipines and in many other countries. A look into all these things would frighten any sensible person. All these doubts persist even today. Now, you have

got a chance, an opportunity to find out as to what extent Pepsi Cola which has now set up a joint venture in Punjab, has abided by the commitments it had made in its application and the terms and conditions it had agreed to fulfill, at the time of obtaining the licence. Please go through the whole thing in detail i.e. the way they went about with the work, the basis of the commitments it had made in the application, the way they tried to influence the Government, the way they violated those commitments and the way they violated the terms and conditions, they had agreed to fulfill, at the time of obtaining licence. First of all, I would like to draw your attention to as to how they have violated and ridiculed the commitments. When they submitted the application and also when they obtained the licence, it was said that they would give top priority to the establishment of an agro research centre. Through this, they made an attempt to convey that they would bring in a revolution in the agricultural sector. Now, I am distressed to see the meagre amount they have allocated for the purpose of agricultural research. Today agricultural research has relegated to the back ground. The Potato-grain processing unit and Food vegetable processing units have also taken a back seat and perhaps they are processing maize etc. Today, only the production of soft drink concentrate is in the forefront, for which they had tried to exert much influence. Now, they have completely changed their priorities. Not only this, this project though located in Punjab has its Head Office in Delhi. Why don't they establish it in Jalandhar, Ludhiana or Ferozpur? If Punjab's destiny is to be changed, then why has the headquarters been set up in Delhi? Sir, it was said that through this project 50,000 people would get employment and it would bring about a revolution, with regard to indirect employment, but will the hon. Shri Sharad Yadav kindly let me know whether even one thousand people have got employment so far, or whether the project has created a potential to provide employment to 2000 people. We were also told that it would be an export oriented project and the country would get a fairly good amount of foreign exchange from the export earnings,

but today the situation regarding export-orientation, is such that they themselves have started saying that the potato produced in Punjab is not that of export quality due to its high sugar content. Similarly, they say that there is a marked difference between Kinoo and Matta because of the former's richness in its citrus content. They are even saying that there cannot be any international market for those products, but at the time of setting up this project and when they were making propaganda on a war-footing, were they not aware of the fact that kinoo and Matta were sour enough and the sugar content in the potatoes produced in Punjab was high, but at that moment their sole aim was to obtain a licence one way or the other and to start the production of soft drink concentrate somehow or the other, so they did not pay any attention to this aspect. Mr. Chairman, Sir, I have strong exception to the second isolation they have made—i.e. violation of brand name on 11.8.1982 Shri Narain Dutt Tiwari had said in this House:-

[English]

The Government would not permit introduction of any foreign brand soft drink in Indian market.

[Translation]

Thereafter on 1.4.1986 the then Minister of State for Industry had said:

[English]

The Government is not permitting the use of trade mark on items meant for internal sales.

[Translation]

and thereafter he said that necessary amendments have been made for the reason that law stipulates that:-

[English]

Foreign brand name will not be allowed for the use of the product for internal sales,

[Sh. Harish Rawat]

although there is no objection to the use on their product for export.

[Translation]

Sir, what is happening today? Anybody can see that the Pepsi Cola management are writing 'Pepsi Soft Drinks' clearly in their project and below that they write "ERA' in small letters. Otherwise. The style, logo and everything of Pepsi is the same. Their foreign brand has gained much popularity all over the world. Just to deceive the people of our country, they write it in small letters so that no one could read it. They have not yet started production on a large scale. The present production is only for name sake. When the new Government assumed office, they became apprehensive that they may not be able to influence it. So, just to throw dust in the eyes of the Government they said that they have started production. What have they done? They write the word 'ERA' below the word Pepsi. It is a gross violation of the Central Government's directives. Therefore, I urge the hon. Minister to take stern action against this violation. Otherwise, their product is likely to enter the market in 2 to 3 months' time and they will start making full profit. If you want that the Indian producers should survive, your Ministry should take prompt action in this regard and enact a legislation for this. If you do not do so, it will create a number of problems.

The second violation they made is in respect of cost. If you go through their activities for the last 2 1/2 years, you will find that initially they said that the entire plant would cost about Rs. 22 crores. Hon. Minister, Sir, if there is a little variance in my figure, you can rectify it. But what is the estimated cost of the plant today? Officials of your Ministry have raised the cost to Rs. 75 crores. You have to identify the area in which the cost is increasing. In the snacks food area, the initial estimate was Rs. 7.75 crores. Now its revised estimate has been worked out at Rs. 18.42 crores. Soft drink concentrate was their last priority. While giving details of this

project they had said that it was their last priority and they would not take up any work in the State Sector under this project. The only thing they would do was to make use of the rotten tomatoes, potatoes and similar other things and make them saleable all over the world to save the farmers from being ruined. The original estimate of the soft drink project, their last priority, was Rs. 5.5 crores, but now, they have revised the cost and increased it three times. They have a proposal to spend Rs. 16.5 crores on fruit processing. In the research field, they have made a slight increase over their original estimate. Please do not think that I welcome the cost escalation. Rather I request you to seriously think over the whole issue. The cost which escalated from Rs. 22 crores to Rs. 75 or 76 crores is likely to go up further. Mr. Minister, Sir, why don't you ask the officials of your Ministry to make a thorough inquiry into the project before giving your clearance? It will satisfy many hon. Members including I and Shri Nirmal Chatterjee. An enquiry will make it clear whether or not any misappropriation of funds was done because I have always been apprehensive about it. The reason being that the cost of the other plants of soft drink concentrate which have been set up with modern technology has not gone beyond Rs. 2.25 to 3 crores. Then extraordinary equipment has been installed in Pepsi Soft Drink Project that its cost has reached Rs. 12-13 crores. Mr. Chairman, Sir, I am hopeful that the hon. Minister will clarify the whole thing. Today a stage has come when we are worried to save the farmers from the influence of Pepsi Cola. The people have started realising this thing in Punjab. I am talking the feelings of ordinary farmers who are directly affected. There may be one exceptions in regard to the influential farmers who might have some different considerations. Besides, it could be that the Kisan Sabhas might have given some useful information to you. One of my friends from this side who spoke just now had expressed this view. But the fact remains that they are purchasing tomatoes at Rs. 0.50 per kilogram and potatoes at a throwaway price. Now you assess the price at which they are going to sell the finished goods to us. You will

be surprised to know that while they purchase the raw material at Rs. 0.50 paise, they sell the finished product at Rs. 7-8. The manufacturing cost of potato chips per kilogram comes to Re. 1. But the packing material which is made by foreign technology costs Rs. 6 per pouch. While the cost of the potato chips will be Rs. 1, its show case will cost Re. 6. It is not a chaotic situation in a socialist country like ours. But what is regretful is that the statements of the hon. Minister appear on T.V. Big commitments made by Shri Fernandes's Government are telecast over the television. I accept that we could not take all precautions in the matter. But what about you? You were vigilant and were aware of the situation prevailing in the villages.

[English]

SHRI KHEMCHANDBHAI SOMABHAI CHAVDA (Patna): Mr. Harish Rawat, the Government has rejected the re-entry of Coca Cola in the soft drink sector. Do you know that?

MR. CHAIRMAN: Mr. Harish Rawat, please try to be brief. You have already taken half-an-hour.

SHRI HARISH RAWAT: I will finish within a few minutes

(Interruptions)

SHRI HARISH RAWAT: Sir, I was going to request the hon. Minister to let us know as to which is the force that has given full protection to Pepsi Cola. People are not going to drink the products of Company, rather they are shielding the nomenclature and compelling you for that. Is it a force coming from outside the country? Otherwise what are the reasons that they have named the project after their own company and are functioning in total disregard to all norms. They could have called it Punjab Pepsi Cola, Bangalore Pepsi Cola? Why do they retain their foreign brand name?

I would like to remind you that today is the birthday of the great man, on the strength

of whose name you have won the elections and come to power. On this day let the Government come forward and say courageously that it will punish the Pepsi Cola even if the country has to suffer a loss of Rs. 20-25 crores for that. We can bear this loss. Ask them to leave the country. I expect that the hon. Minister will definitely make an announcement to this effect.

[Translation]

SHRI NAND KUMAR SAI (Raigarh): Mr. Chairman, Sir, the issue raised by Shri Rawat is certainly very important and it requires to be discussed in the House. When the freedom struggle was started in our country under the leadership of Mahatma Gandhi, "Swadeshi Andolan" was adopted as the prime weapon to attain the goal of independence. That movement played a major role in our struggle for freedom. The call of the father of the nation to spin cotton by each and every Indian on the wheel was aimed at attaining self sufficiency in our country through utilization of indigenous resources.

Sir, the high spirit with which the people of the country used to work before independence is no more found now as a result of which our country, instead of becoming self-reliant, became dependent on foreign countries for its needs. There was a purpose behind giving the call to spin cotton on the wheel and make bonfire of imported clothes during the days of freedom struggle. But it is very unfortunate that today we are dependent on other countries in many respects. I do agree that we should adopt good things of others. Pepsico was installed in September 1988 when Shri Rajiv Gandhi was the Prime Minister. The letter of intent to install Pepsico was issued by the previous Government. As per the terms and conditions laid down, Pepsico was required to have collaboration with Punjab Agro Industries. I fail to understand the reason why Pepsico was allowed to operate in India when another multinational company Coca Cola was forced to stop business in the country by the Government headed by Shri Morarji Desai. I, there-

[Sh. Nand Kumar Sai]

fore, would like to submit that this company should not be allowed to operate here. The Government should give a serious thought to this. As regards rationale behind allowing Pepsico to operate in Punjab, it is the Government which are to look into it. However, I would like to submit without any hesitation that I see in Pepsico coming to India, great design to expand its business empire in the country. That is why I am saying that all pros and cons should be taken into account before allowing Pepsico to operate in India. The apprehension expressed by the people with regard to disastrous consequences of a multi national company making strong hold in a country should be taken note of and we should try to frustrate their evil design. With this hope and belief, I conclude.

[English]

SHRI SUDARSAN RAYCHAUDHURI (Serampore). Sir, on 14th March, I raised a Starred Question No. 25 on this Pepsico Project. I had in mind, among other things, two specific questions:

- (i) It is a fact that Punjab economy and the Punjab people will be benefited from this Pepsico Project?
- (ii) Is it not dangerous for a multinational with the credentials of Pepsico who had its hand in toppling 'Allende' Government in Chile to allow such multinationals to operate in India?

I had in my mind these two questions. The hon. Minister assured us that certain aspects of the Pepsico Project would be looked into afresh and he also assured us that Pepsico Project being a small one, it would not be possible for this Project to destabilise our system. But what are the aspects that the Government now intends to look into afresh?

You know that Pepsico Project was pushed through by the previous Government on one simple ground. There was

tremendous opposition against this Project in this House, in Rajya Sabha and outside the Parliament also. But Pepsico had the green signal. The then Punjab Governor Shri Sidhartha Shankar Ray stated that Shri Rajiv Gandhi's first instruction to him was to clear the project because it will help the Punjab people, the Punjab farmers and the Punjab economy. It was said that employment will be generated, farmers will get remunerative price for their produce, it will be a second green revolution and a horticultural revolution will take place, etc. But what is the result? Regarding employment Harish Rawatji has already said and I won't repeat that.

It was said that Pepsico will use from Punjab 25000 tones of potatoes and 5000 tonnes of grain. Now the project has been reduced to 10,800 tonnes of potatoes and 3600 tones of grain. But both will be procured not from Punjab - I repeat- they will be procured, they are being procured from outside Punjab - I think from Karnataka.

Then Pepsico assured that it will use 80 thousand tones of pears, mangoes, apples and tomatoes from Punjab. But they go waste in Punjab. It will be processing only 30 thousand tones of tomatoes and the farmers will get 50 paise per kg. Is it a remunerative price? This price of 50 paise per kg. is a boon even to the most cantankerous of housewives. So with a Rs. 75 crore project the Punjab farmers will be getting only Rs. 1.5 crores. This way the Pepsi will be helping the Punjab economy! Playing Punjab card will not help us.

The other day I read a Press report that even an hon. M.P. from Punjab- he is from Akali (Mann) group- was found to observe that:

"Pepsico Project had belied their hopes of a new era in the economic development of Punjab. There is a growing apprehension in the rural masses of Punjab regarding non-fulfilment of food processing and employment generating potential by Pepsico".

So Punjab has been betrayed. Not only Punjab, the entire country has been betrayed. All these talks of green revolution, horticulture revolution, healing touch to Punjab, are just hogwash. What was the real intention of Pepsico? To sell soft drinks, to sell potato chips. And now they are embarking upon that Project and they would use foreign brand names.

I would request the Government to reconsider and review the entire project. After reviewing the project if they say that Pepsico had made no breach of contract and this project will really help the people of Punjab and the farmers of Punjab, then go ahead.

I belong to CPI (M) Party; we are opposed to multi-nationals. But we are not opposed to Pepsico Project on political grounds alone. May I quote a resolution of a men-political body-Delhi Science Forum, Agricultural Research Service Scientists Forum and CSIR Scientific Workers Association? They held a panel discussion on 20th December 1988 at New Delhi. They demanded that the letter of intent issued to Pepsico should be withdrawn. What were the reasons put forward? I quote:

- (a) It involves the annual drain of Rs. 3.2 crores for the import of soft drink concentrate, a non-essential item for whose production, cost effective local technology is available.
- (b) It allows the entry of a multinational into potato wafer making for local market for which the technology is already available and being used commercially.
- (c) The export commitment of fruit juice is not reliable and it is not based on any analysis of local needs of fruit consumption, cost of production and export prices.
- (d) It makes our peasantry dependent on a multinational as an out-

let for their produce, reduces their bargaining strength and threatens their incomes in the long run."

So I would again request the hon. Minister to review the entire project.

**SHRI SUDHIR GIRI (CONTAI):** Mr. Chairman, Sir, my colleague Shri Raychaudhuri has rightly pointed out the conspiracy hatched by the Pepsi company in toppling the Government. Our country is a big one. The hon. Minister has assured us that our country will not be affected by such a small company like Pepsico.

Sir, the Pepsi Food Project had promised a long list of things. But they have not acted upon the promises. I am pointing out one by one to the hon. Minister for his revision of the attitude towards the Pepsi company.

Initially, the project cost was estimated at Rs. 22 crores. But, subsequently the project cost had been increased to Rs. 75 crores. Moreover, the original project of Rs. 22 crores included food processing industry also. But the revised estimate of Rs. 75 crores has dropped the food processing industry. This vast amount of money has been siphoned off through some other sources. I would like to know what has happened to that. The hon. Minister should consider it.

It was also promised by the company that all the grains and fruits would be processed from Punjab. But it had been rightly pointed out that fruits and grains were not processed from Punjab, but from Karnataka. This is a violation of the condition imposed by the Government as well as promised by the company to the people of Punjab. So also, an agro research centre was promised to be established there. But we find that there is nothing in this regard. The company has totally forgotten the establishment of such an institution.

My friends have already pointed out that the company was told not to use the foreign

[Sh. Sudhir Giri]

brand name. But for the purpose of enticing the Punjab people and the people of India, they have been using the foreign brand name, while producing domestically.

The Bharatiya Kisan Union has pointed out that this company is not purchasing fruits and other grains from Punjab on flimsy grounds. For example, they are saying that if the kinnow juice is extricated from there, it is going to sour. This is wrong. The peasants have also told us that on this flimsy ground, this company is trying to avoid the purchase of grains and fruits from Punjab. They promised that ancillary projects would be established in Punjab. But they have not set up such projects there but did so only outside Punjab. They promised that 50,000 people of Punjab would be employed in their various plants. Subsequently, they reduced the number to 25,000. But in practice, what do we find? At their headquarters in Delhi, only 300 people have been employed. And 107 farmers have been lucky enough in Punjab to have the opportunity of employment but nothing more than this. So, in view of all these things, I want to know from the hon. Minister whether they are really thinking to do something for the benefit of the people of Punjab as well as for the people of India. I would also like to know whether the hon. Minister is thinking in terms of avoiding the exploitation of our agrarian society in the rural areas by the multinationals. With these words, I conclude.

18.42 hrs.

DR. RAMCHANDRA DOME (Birbhum):  
Mr. Chairman, Sir, I am grateful to you for giving me an opportunity to speak on a matter which has been raised by our hon. Member, Shri Harish Rawat. Pepsico was installed as a manufacturing project in Punjab. They got a letter of intent in collaboration with the Punjab Agro-Industries Corporation. The whole project was designed for food processing and for utilising the surplus agricultural production in Punjab. They gave a hope to the agriculturists in Punjab that

there will be a second green revolution, that is, horticultural revolution in Punjab. They promised that their project will create employment and their project has employment generating potential which will employ 50,000 unemployed youth in Punjab. But what is the reality? The hon. Members, who spoke earlier, had already pointed out that this was far from reality. Only 489 youths and 107 farmers in Punjab have got employment in this project. But our question is: Why such a project was at all installed? It was initially said that the project cost will be Rs. 22 crore only. But recently it is increased to Rs. 75 crores out of which our nation is getting only Rs. 15 crores from this project. This project was set up mainly to develop Punjab but actually they are not doing so. They are not fulfilling their commitment. They have deviated from their commitment. No food processing project has been installed. They are producing potato chips. They have violated the agreement by using foreign brand names like 'pepsieras' and 'chee-tos' which are potato chips. In this way, they are trying to capture the total market in our country. This multinational company which has violated the terms and conditions is now in competition with the indigenous manufacturers who are facing difficulties in running their business. So, our indigenous set-up is being hampered. I would like to know as to why this company violated their agreement. It has already been stated that they have ties with American CIA agents. You know it very well and it has been proved that they had a conspiracy against the Government in Chile and they toppled the Allende Government. My apprehension is that this multi-national company, in order to run their business in our country, may intervene in our internal politics. This aspect should be looked into. Is there any external pressure for their violating the terms and conditions? I would like to know whether or not there is any pressure from the USA authority on the Government. This also has to be looked into. I request the Government to make sincere efforts to reveal the truth regarding this project so that the real position will be revealed and the people of our country will know as to what is happening with Pepsico and what is going

on in Punjab. These are my points.

[Translation]

THE MINISTER OF TEXTILES AND MINISTER OF FOOD PROCESSING INDUSTRIES (SHRI SHARAD YADAV): Mr. Chairman, Sir, a number of the hon. Members like Shri Harish Rawat Shri Raychaudhuri and others raised many points with regard to Pepsico. Sir, I would like to extend my thanks to the hon. members including Shri Harish Rawat for raising this issue for discussion in the House. Had more members been present in the House during the discussion, it would have been better for the Government to get an opportunity to know their viewpoints. At the very outset, I would like to inform the House that the letter of intent issued to pepsico has not been converted into an Industrial licence. Hence I would like to throw some lights on those points also. The Government is firm on strictly adhering to the terms and conditions of the agreement made with them. As regards violation of terms and conditions by the Pepsico, be it brand name or the publicity of their produce, it is being looked into by our Ministry, despite the fact that different departments are responsible to check different kinds of violations. Even then we took initiative on our own, I would like to make it abundantly clear that the Government will not hesitate in taking action against the multi-nationals. Some of the hon. Members have expressed apprehension that the Government is under some pressure from some quarter or the other. I would like to assure the House that the Government would never take decisions under pressure, rather it would take decision taking into account the views of the hon. Members representing the different shades of opinion and the interest of the country. In this regard, on behalf of the Government, I would like to submit that we outrightly rejected the proposal of Coca Cola to set up a soft drink plant in India. As regards Pepsico project, I do agree that the members of the Cabinet have different views on it. One of the Members is in favour of outright scrapping of the agreement made with them. Some of the members are in favour of shifting the site of the project on the ground of various difficul-

ties to be faced there. However, we will take decision taking into consideration the views of the members and the common men. That is why I decided to start a discussion on the matter, not only in this House only but at the level of Government also as we decided to refer the matter to a committee of the Cabinet too so that any kind of pressure put on my department or the Minister of the previous Government is not allowed to be carried any more now. Hence we decided to refer this matter to the Cabinet. Of course, our Cabinet Ministers have divergent views on the matter. I would like to remind Shri Rawat, that we are not used to work under pressure. Our intentions are very clear. It is a fact that the Members of the Cabinet have divergent views on this matter. But it is a welcome step Shri George Fernandes is quite clear on the issue. He was instrumental in packing up the business of coca cola from the country and now we have again checked them. What I mean to say is that however divergent views Shri Dandavate or for that matter our other Cabinet colleagues might be having...

[English]

SHRI NIRMAL KANTI CHATTERJEE: You did not stop Coca Cola only this time. In 1977-79, it was an on-going project which you prevented from further operation. Why don't you do it now? Why don't you scrap it now? (Interruptions)

[Translation]

SHRI SHARAD YADAV: I agree with you.

[English]

SHRI SUDARSAN RAYCHAUDHARI: Pending review why don't you ask them to stop selling cheetos? Because it is marketing its snacks. It is running under foreign brand name. It is a clear violation of the contract... (Interruptions)

[Translation]

SHRI SHARAD YADAV: Mr. Chairman, Sir, I was submitting that our Cabinet col-

[Sh. Sharad Yadav]

leagues have divergent view on this matter. That is why our department decided that they would not take any decision on their own. Accordingly, matter has been referred to the cabinet where the matter will be discussed a fresh taking into account the views expressed by the hon. Members. Thereafter a final decision will be taken

It has been said here that the decision has been unduly delayed. As regards delay, I do agree that the decision on the matter has been delayed a bit, but so far as the allegation made by some of the hon. Members that some multi-nationals and CIA are behind the delay, I would like to make it clear to Shri Raychauduri that this company is having collaboration in socialist countries such as U.S.S.R. and China also. So India is not the only country which has entered into an agreement with Pepsico. I agree that this agreement was entered into by the previous Government and we have been entrapped in it, but the terms and conditions in other countries are quite liberal.

[English]

MR CHAIRMAN. Mr. Minister, I am not allowing. Nothing will go on record (*Interruptions*)\*

[Translation]

SHRI SHARAD YADAV: I have already said that we will take due note of your opinion before taking any decision in the matter. We will place the views expressed by the hon. Members before the Cabinet also. So far as the terms and conditions are concerned, Harish Rawat ji, I would like to submit to you...

SHRI CHHAVIRAM ARGAL (Morena): I would like to know what action is proposed to be taken by the Government for the violation of the terms and conditions of the agreement by the Company?

SHRISHARAD YADAV: Wherever they have violated the terms and conditions we have taken action against them. If you are interested to have detailed information, you may contact my department. I will tell you everything in detail because here we don't have time to go into those details. I will let you know the action taken against them on our part from time to time. We have done whatever we could do. I would also like to make it clear to you that the apprehensions expressed by the hon. Members are already in my knowledge.

SHRI HARISH RAWAT: I would like to urge upon you that the Government may get the review undertaken later on but it is urgently required to be considered as to what steps are to be taken and what not...

19.00 hrs.

But at present they are using foreign brand names such as cheetos and Pepsi Era and the Government should muster enough courage to tell them to stop this.

SHRI SHARAD YADAV: So far as use of brand name is concerned, it is the Controller General of Designs and Trade marks which takes decision in the matter relating to brand names. I would like to tell one thing which has been mentioned in the agreement.

SHRI HARISH RAWAT: I am addressing to the Government and not to your department alone.

SHRI SHARAD YADAV: I am also speaking on behalf of the Government. The Government is seized of its responsibility to enforce terms and conditions of the agreement in letter and spirit... (*Interruptions*)

[English]

MR CHAIRMAN: Nothing will go on record. I am not allowing... (*Interruptions*,

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\*Not recorded.

[Translation]

**SHRISHARAD YADAV:** Mr. Chairman, Sir, I would like to submit that if they are allowed to operate in the country, the Government will not disown its responsibility to get the terms and conditions of the agreement implemented fully and if the decision is taken otherwise, then his argument will lose its relevancy. (*Interruptions*)

**SHRI CHHAVIRAM ARGAL:** What steps have you taken so far?

**SHRI SHARAD YADAV:** Mr. Speaker, Sir, we did whatever we could do. I would like to submit that I decided to refer it to the Cabinet so that a collective decision is taken after listening the views of all the members of the Cabinet.

**SHRI HARISH RAWAT:** I would like to know from the hon. Minister as to whether it is a fact that Pepsico has increased its equity and if so what steps are being taken to check this?

**SHRI SHARAD YADAV:** So far as the increase in the equity is concerned it has been raised to Rs. 50 crores and not Rs. 75 crores. The Government is taking every precautionary measure to check bungling in the matter. We have told the Punjab Agro that we would not reduce equity shares further. The Punjab Agro submitted a proposal for reducing our country's shares from 36 to 26, but we have rejected the proposal.

So far as increase in the cost of project is concerned, it is increasing in our country also. The cost of our projects has also increased... (*Interruptions*)

19.04 hrs.

[English]

**RESOLUTION RE: APPROVAL OF FIRST REPORT OF RAILWAY CONVENTION COMMITTEE**

**RAILWAY BUDGET, 1990-91-GENERAL DISCUSSION DEMANDS FOR GRANTS (RAILWAYS), 1990-91;**

**AND**

**SUPPLEMENTARY DEMANDS FOR GRANTS (RAILWAYS), 1989-90-CONTD.**

[English]

**MR CHAIRMAN:** We now resume discussion on items No. 15 to 18 on Railways. Shri Arvind Netam may now continue his speech. Please be brief.

[Translation]

**SHRI ARVIND NETAM (Kanker):** Mr. Chairman, Sir, I was submitting about passenger amenities. The hon. Minister has provided an amount of Rs. 28 crores in the budget for the year 1990-91 for passenger amenities as against Rs. 15 crores during the last 4 years. If we calculate the average, this comes to Rs. 25 crores only. This means that there has been an increase of about Rs. 3 crores amount over the last year allocation on this score. As such this amount is insufficient. This amount needs to be increased.

I do agree that the hon. Minister has increased the amount of compensation to be paid to the victims of railway accidents. But this decision was already taken by the previous Government, so there is nothing new in it. The socialist leader Shri George Fernandes has also made a mention of giving encouragement to village and cottage industries and Handloom sector in the budget by purchasing their produce by the Railways. In this regard, the bulk purchase of the goods made by the victims of the Bhopal gas tragedy is a creditable achievement. In this way