

श्री राम सहाय पांडे : माननीय सदस्य कछवाय जी ने कुछ संस्कृति की बात की। टूरिज्म विभाग के माध्यम से अन्य देशों में संस्कृति का प्रचार होगा क्या—इसी से सम्बन्धित मैं भी डा० महिषी से जानना चाहता हूँ कि मध्य प्रदेश में एक हमारी खजुराहो की संस्कृति है जिसको देखने के लिए संसार के बड़े पर्यटक आते हैं तो खजुराहो की जो संस्कृति है उसका प्रचार करने के लिए कुछ कर रही है क्या ?

डा० सरोजिनी महिषी : खजुराहो दर्शनीय स्थल है, बहुत से लोग बाहर से वहाँ पर आते हैं। भारत में जितने पर्यटक आते हैं उसके 13 प्रतिशत लोग वहाँ देखने के लिए जाते हैं। उसकी वृद्धि के लिए काफी कोशिश की जा रही है। एकोमोडेशन में काफी अभिवृद्धि हो चुकी है, 40 कमरे अधिक बनाए गए हैं, एयरपोर्ट का भी विकास हो चुका है और 737 वहाँ जा रहा है पर्यटकों को लेकर।

#### Permission to Indian Tobacco Company to Construct a Chain of Hotels

\*168. SHRI HARI KISHORE SINGH: Will the Minister of TOURISM AND CIVIL AVIATION be pleased to state:

(a) whether the Indian Tobacco Company has been given permission to construct a chain of hotels in the country and if so, the reasons therefor; and

(b) the places selected for the purpose and other features of the projects?

THE MINISTER OF TOURISM AND CIVIL AVIATION (DR. KARAN SINGH): (a) The proposal of the India Tobacco Company to set up three hotel projects has been approved in principle, subject to the Company's obtaining clearance under the

#### Monopolies and Restrictive Trade Practices Act.

(b) The places selected by the Company for the hotels are Delhi, Agra and Madras.

SHRI HARI KISHORE SINGH: It is very strange that the Department of Tourism is unaware of Government's declared policy not to allow foreign monopoly concerns to enter into non-essential sector of the industries. Why should there be this reference to the monopoly commission and all that? I want to know from the Government whether this decision of the Department of Tourism is in consonance with the declared objective of the economic policy of the Government or not. Secondly, if it is not, why has permission been granted? I would like to know further as to in how many cases such permission has been granted to other foreign monopoly concerns.

DR. KARAN SINGH: This is not decision of the Department of Tourism only; it is a decision of the whole Government. We studied the proposal carefully. In fact, in this particular case, one of the ideas was the dilution of the foreign shareholding in this company. The proposal was that with Rs. 10 crore investment they will allot equity shares of Rs. 6 crores to Indians by way of public issue and so the shareholding would be diluted. Therefore, it is in consonance with the policy of the Government. But, of course, under the MRTP Act they have got to get clearance. If they get clearance, further action will follow. Regarding the second question, I would say that we are allowing foreign collaboration regarding hotels in this country but it is not on a management basis but we are allowing it on a franchise basis. The advantage of this is well-known and throughout the world now in fact this system is being followed. In view of our desire to strengthen the infrastructure, we have laid down certain

clearcut conditions and if they fall within those conditions this is being allowed in certain specified cases.

**SHRI HARI KISHORE SINGH:** I fail to understand this franchise basis because it is too technical for me to understand. May I know the need to bring in foreign know-how and foreign collaboration in the hotel industry? Are we not competent enough to construct our own hotels?

**DR. KARAN SINGH:** I shall explain the position to the hon. Member. It is really very well known throughout the world. One of the major advantages of a foreign franchise link-up is in bookings and reservations. All over the world, today, tourism has become an international affair; it is the biggest international industry in the world today, and bookings are done on a chain basis. Therefore, not only in this country, but all over the world, even in the countries of Eastern Europe and the Soviet Union, chain hotels are being encouraged by the Governments, so that people who travel get their bookings done before they leave the country. This is a well known contemporary phenomenon. In any case, we in this country are somewhat behind most of the other countries. Therefore, keeping this in view, we have laid down that under no circumstances will the equity participation be more than 20 per cent. So, there is no question of any foreign company getting control of the hotel. But, nevertheless, the foreign franchise link-up is advantageous both as far as bookings are concerned and also as far as specialised training is concerned in various aspects of hotel management.

**SHRI K. GOPAL:** The hon. Minister's answer is somewhat confusing. First, he said that just to dilute foreign capital, out of Rs. 10 crores, they were going to have Rs. 6 crores. He also said that there was nothing wrong in foreign collaboration as far as the hotel industry was concerned. May I know what expertise the India Tobacco Co., which is a foreign monopoly

company in the cigarette industry, has got in the hotel industry and why they should be allowed to set up hotels?

**DR. KARAN SINGH:** Perhaps, the hon. Member did not follow entirely what I was trying to say. There are two different matters. One is the question of the India Tobacco Co., which is separate and the other is the general question of foreign collaboration.

As far as the India Tobacco Co. is concerned, this is part, as I understand it, of the dilution of their capital. It has nothing to do, I am sure, with the new taxes that my colleague the Finance Minister has imposed on cigarettes. I think it is simply a case where they have got a certain amount of funds in this country, and as part of the general policy that the foreign shareholding should be diluted, this proposal has come in and, therefore, they are expanding.

**SHRI INDRAJIT GUPTA:** A very important question arises out of the answer given by the hon. Minister just now. This is a new diplomatic expression which we are hearing, namely dilution of their capital. Actually, I do not know whether the hon. Minister is aware that it is becoming more and more the practice now in this country for this type of big foreign concerns which were originally set up in a particular branch of the industry, to go in, in the name of diversification, into other fields which are absolutely unrelated to their original field, so that they can remit the profits back. India Tobacco Co. is not going in into the hotel industry only but they are also going in into deep-sea fishing and they are buying trawlers for deep-sea fishing. Similarly, foreign oil companies are marketing safety razor blades and so many other things. I would like to know from the hon. Minister whether he would examine this proposal more carefully, because this becomes a tool for further remittance of profits abroad, and the Joint Committee on the Foreign Ex-

change Regulations (Amendment) Bill is particularly seized of this danger.

DR. KARAN SINGH: I must admit that I am not competent to comment in detail upon the other broader aspects that he has raised. I would only say that in this particular case, the reason for my having used the term 'dilution of foreign holdings' is this. The foreign holding in this company is expected to be diluted from 75 per cent to 60 per cent after this issue. In other words, the Indian shareholding is going to be increased, and, therefore, obviously, *prima facie*, the amount of profits that come to India will be increased. But as I said, I would not like to comment upon the broader question. Specifically in the hotel field, the proposal came to us, and as we welcome the construction of more hotels in this country, we have supported it.

#### Remittances by Coca Cola Export Corporation, New Delhi

\*170. SHRI C. K. CHANDRAPPAN: Will the Minister of FINANCE be pleased to state:

(a) what is the total amount in foreign exchange repatriated from India by the Coca-Cola Export Corporation, New Delhi in the years 1970-71 and 1971-72; and

(b) of those amounts, what is the share of its profits?

THE MINISTER OF FINANCE (SHRI YESHWANTRAO CHAVAN):

(a) and (b). A statement is laid on the Table of the House.

#### STATEMENT

The Indian branch of Coco-Cola Export Corporation had remitted the following amounts in the Calendar Years 1970 and 1971:—

(a) Profits

(Rs. in lakhs)

(i) For the year	
1969	44.01

(ii) For the year	(Rs. in Lakhs)	
1970	60.58	
		104.59

(b) Service charges on exports, relating to the first quarter of 1969	2.45	2.45
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(c) Head Office Expenses

(i) For the year 1967	17.47
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(ii) For the year 1968	25.70
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43.17

Total Remittances

150.21

(a) No remittances were made in 1972.

(b) The above figures are exclusive of remittances on account of import of raw materials, ingredients etc.

SHRI C. K. CHANDRAPPAN: The statement clearly shows one or two things. Firstly, the profit repatriated by the Coca Cola company has been steeply increasing. In 1968-69, as was mentioned, it has come to Rs. 1.50 crores. When we are hearing so much about self-reliance and all that, what is the justification in allowing this non-essential item of a soft drink to exploit this country to this extent and to take away foreign exchange to the tune of Rs. 1-1/2 crores? Would Government consider stopping the production of coca cola and promoting indigenous soft drinks?

SHRI YESHWANTRAO CHAVAN: There are two aspects to the question. As for the first their remittances so far in proportion to their investment, are more. Therefore, it has caught the attention of this House and the country as a whole. The local product will have to be encouraged in the normal way. But the only question with which we should be concerned now is to control the remittances.