

# LOK SABHA DEBATES

## LOK SABHA

Wednesday, December 5, 1973/Agrahayana 14, 1895 (Saka)

The Lok Sabha met at Eleven of the Clock.

[MR. SPEAKER in the Chair]

### ORAL ANSWERS TO QUESTIONS

MR. SPEAKER: Shri Bakshi Nayak—absent. Shri Chavda—absent. Shri R. K. Sinha—absent. Shri Nawal Kishore Sinha—absent. I have received so many questions from them; they are not present.

श्री मधु त्रिभुवे : अध्यक्ष महोदय, पैनल्टी लगाइये। अगर तीन दफा गैरहाजिर रहें तो पैनल्टी लगाइये।

MR. SPEAKER: So many Members whose questions come in are not present. The result is that the other Members are deprived of their chances.

श्री हुकूम चन्द कठवारय : उस दिन का भत्ता देना बन्द कर दीजिये।

### News-reel on Six-point Formula for Andhra Pradesh

\*345. SHRI Y. ESWARA REDDY: Will the Minister of INFORMATION AND BROADCASTING be pleased to state:

(a) whether any complaint has been received regarding the newsreel about the six-point formula proposed for Andhra Pradesh;

(b) if so, the facts thereof; and

(c) the remedial step taken?

2542 L.S.—2

THE DEPUTY MINISTER IN THE MINISTRY OF INFORMATION AND BROADCASTING (SHRI DHARAM BIR SINHA): (a) and (b). Yes, Sir. There was a complaint that the newsreel about the six-point formula was not adequate.

(c) It has since been decided to withdraw it.

SHRI Y. ESWARA REDDY: Let me express my thanks for the prompt and suitable action taken in withdrawing the film from circuit. I should like to know this from the hon. Minister. If you see the film you will find that the makers of this film acted in a *mala fide* manner. May I request the hon. Minister to have a probe into the matter and take necessary action against those who made this film.

THE MINISTER OF INFORMATION AND BROADCASTING (SHRI I. K. GUJRAL): Sir, the main point regarding the film to be kept in mind is not *mala fide* of its maker. I would say it is an incompetent film and it is being withdrawn.

### Expansion of Activities of Coca Cola Export Corporation

+  
\*346. SHRI SHASHI BHUSHAN.

SHRI SAT PAL KAPUR:

Will the Minister of INDUSTRIAL DEVELOPMENT AND SCIENCE AND TECHNOLOGY be pleased to state the decision of Government regarding the expansion of activities of Coca Cola Export Corporation in regard to the (i) setting up of new franchises; (ii) expanding existing franchises and (iii) introducing new products like Fantagrape and Soda?

**THE MINISTER OF INDUSTRIAL DEVELOPMENT AND SCIENCE AND TECHNOLOGY (SHRI C. SUBRAMANIAM):** Government are not in favour of licensing new units or granting substantial expansion to Bottling Plants involving products of Coca Cola Beverages.

The question whether the introduction of Fanta Soda and Grape Fanta would amount to expansion, is under examination of Government.

**श्री शशि भूषण :** मैं जानना चाहता हूँ कि फैंटा-प्रॉरेंज, फैंटा ग्रेप और फैंटा-सोडा को कब लाइसेंस दिया गया तथा इन के बनाने में क्या विदेशी कम्पनियों का इस्तेमाल होता है? अगर नहीं होता है तो कोका कोला कम्पनी को उस का मुनाफा विदेशों में ले जाने की इजाजत क्यों दी गई? क्या आप इस बात का प्रयत्न करेंगे कि कोका कोला कम्पनी इस का मुनाफा बाहर न ले जा सके।

**SHRI C. SUBRAMANIAM:** With regard to introduction of new products like Fanta Soda and Grape Fanta, it is the contention of the Coca Cola Group that this is not expansion which requires permission from the Government. This aspect is under examination and as soon as we are able to arrive at a decision, on the basis of the decision, we will take further action. With regard to expropriation of profits, certainly this suggestion will be kept in mind. The Finance Ministry will have to take action and we will see what should be done in this regard.

**श्री शशि भूषण :** अध्यक्ष महोदय, मैं मंत्री महोदय के आश्वासन के लिए धन्यवाद देता हूँ। मैं जानना चाहता हूँ—2001 सन में जब हमारे देश के अन्दर जनता मिनरल वाटर पौरेगी, उस वक़्त हिन्दुस्तान का ही बना हुआ मिनरल वाटर होगा, विदेशी कम्पनी का नहीं होगा—कम से कम इस बात का आश्वासन दें ?

**SHRI KRISHNA CHANDRA HALDER:** The hon. Minister has stated that the question whether the introduction of fanta soda and grape fanta would amount to expansion is under the examination of the Government. If after the examination it is found that it will come under expansion, may I know whether the Government will allow the expansion of this foreign company or not? What is the thinking of the Government? I want to have a categorical reply from the Government.

**MR. SPEAKER:** He has already replied to that.

**SHRI C. SUBRAMANIAM:** If permission is necessary and if they have taken this action without taking the permission, the consequences will follow.

**SHRI K MALLANNA:** In view of the heavy royalty payable by the Indian partners to Coca Cola Export Corporation, in view of the consideration of the expansion regarding fanta soda and grape fanta, the Central Food Technological Research Institute at Mysore have come out with a formula..

**MR. SPEAKER:** This is not connected with the main question.

**SHRI K MALLANNA:** I am coming to that question.

**MR. SPEAKER:** I am here to judge the relevancy.

**SHRI K MALLANNA:** The formula evolved by the Central Food Technological Research Institute..

**MR. SPEAKER:** This is a simple question asking for information, about expansion and what you are asking is something different. Please sit down.

श्री मधु लिमये : अध्यक्ष महोदय, 1958 में जब कोका कोला एक्सपोर्ट कारपोरेशन को अनुमति दी गई तो सरकार ने उनको यह कहा था—मैं उन के पत्र से एक ही वाक्य पढ़ रहा हूँ—

“For the time being the quantity of production will be such as to meet the requirement of the existing four bottling plants in the country.”

मतलब यह कि शुरू में 4 बोटलिंग प्लांट्स के लिए परमिशन मिली थी, आज बोटलिंग प्लांट्स की संख्या 24 हो गई है। मैं उत्पादन बढ़ाने का विरोधी नहीं हूँ, आप 40 की इजाजत दीजिये, मेरा एतराज यह है कि सरकार ने स्वयं 4-6-1971 की कहा है, उस समय उद्योग विकास मंत्री श्री चन्मयाम योजा थे उन के वाक्य उद्धृत कर रहा हूँ :

“Please be posted with all the facts first. Then you may cast any aspersion that you may choose to do. These bottling plants can be switched on to any other drinks, leave alone Coco Cola. We have made it very clear while licence for this plant was given to this company that we do not guarantee that they will be supplied with concentrates. It is not our worry. This condition is put in the letter of intent and also in the licence that Government is not at all committed to providing them any foreign exchange or supply of concentrates.”

ऐसी हालत में मैं जानना चाहता हूँ कि क्या इन चार बोटलिंग प्लांट्स के अलावा बाकी अितने बोटलिंग प्लांट्स हैं उनको आप आवेश देंगे कि कोई देसी पेय बनाइये? क्योंकि फैंटा, ग्रेप फैंटा और फैंटा सोडा अमरीकन ब्रान्ड हैं। देसी पेय बनाकर फिर आप को विस्तार करना है तो कर सकते हैं उस में विदेशी मुद्रा बाहर नहीं जायेगी, विदेशी मुद्रा खर्च नहीं होगी। तो क्या मंत्री महोदय इस तरह का

आदेश जारी करने के लिए और उस पर अमल कराने के लिए तैयार हैं?

SHRI C. SUBRAMANIAM: There are 22 bottling plants, not 24. I do agree that originally it was contemplated that there would be only four, but, slowly, it had expanded and 22 bottling plants are there. Hereafter, we have made it very strict and even when they ask for a bottling plant, we make it a condition that they should not bottle Coca Cola. This is the Coca Cola Group. We indicate what would be permitted per bottle.

श्री मधु लिमये : फैंटा सोडा, ग्रेप फैंटा फौरन है।

SHRI C. SUBRAMANIAM: Certainly, we will keep it in mind.

श्री मधु लिमये : पहले आदत जायेगी या नया ब्रान्ड आने के बाद आदत बदलेगी ?

SHRI C. SUBRAMANIAM: About these foreign things, I do not know whether we can put a complete ban on anything foreign. Anyhow we shall have it properly examined.

Now, these 22 bottling plants, if they switch over to some other drink as the hon. Member suggested, they should be able to sell it. But, unfortunately, there is a craze for Coco Cola and other drinks associated with it. As a nation, we should get over this craze for foreign drinks. That is the only way.

PROF. MADHU DANDAVATE: Mr. Limaye has quoted a very important aspect. I demand that it be laid on the Table of the House.

SHRI MADHU LIMAYE: I have quoted it and I am pre- ed to authenticate\* it.

आप आगे बढ़ने से पहले माननीय दंडवते के प्वाइंट आफ आर्डर पर निर्णय दे दीजिए।

MR. SPEAKER: I will see if it is necessary.

\* The Speaker not having subsequently accorded the necessary permission, the document was not treated as laid on the Table.

**SHRI DINESH SINGH:** May I know from the Minister whether it has been brought to his notice that there is also an outgo of foreign exchange in other cold drinks that are being manufactured and whether there is any comparison made to see whether there is a greater outgo of foreign exchange in Coca Cola or whether there is a greater outgo of foreign exchange in other drinks.

**SHRI C. SUBRAMANIAM:** I am sure some comparison would have been made, but, immediately, the figures are not available with me. I shall try to make an analysis and make it available to the hon. Member.

**Exemption of Industries upto One Crore from Licensing**

+

\*348. **SHRI M. S. PURTY:**

**SHRI K. M. MADHUKAR:**

Will the Minister of INDUSTRIAL DEVELOPMENT AND SCIENCE AND TECHNOLOGY be pleased to state:

(a) whether the President of the Federation of Indian Chambers of Commerce and Industry said that the limit for licensing upto Rs. 1 crore was not realistic; and

(b) if so, whether Government agreed to his suggestion?

**THE MINISTER OF INDUSTRIAL DEVELOPMENT AND SCIENCE AND TECHNOLOGY (SHRI C. SUBRAMANIAM):** (a) Government are not aware of the President of the Federation of Indian Chambers of Commerce and Industry having made such a statement in the recent past.

(b) Does not arise.

श्री एन० ए० पुरती : अध्यक्ष महोदय, मैं मंत्री महोदय से जानना चाहता हूँ कि अगर भारतीय वाणिज्य उद्योग संघ के अध्यक्ष की प्रोर

से उनको इस तरह की कोई सूचना नहीं मिली है तो क्या एक करोड़ रु० तक के उद्योग छोड़ लाइसेंस से छुट देने के लिए सरकार विचार करेगी जिससे देश के हजारों शिक्षित नवयुवकों को उद्योग खड़ा करने में प्रोत्साहन मिल सके ?

**SHRI C. SUBRAMANIAM:** A policy announcement has been made already that industries which require investment below one crore of rupees do not need a licence subject to the value of capital goods being less than 5 per cent of the total cost; also with regard to the necessity of the raw materials to be imported; this rupee one crore limit in any event, is not applicable to the larger foreign-owned companies. They have to take out a licence even if it is below the limit of one crore of rupees.

**PROF. MADHU DANDAVATE:** The hon. Minister just now referred to the exemption. Is it true that certain industries have been insisting that their schemes for development and expansion having been export-oriented schemes they should be given exemption? The M.R.T.P. Commission also suggested that there should be a separate agency in Government to find out their export performance and whether this particular root cause of the concession is being misused by them or not.

**SHRI C. SUBRAMANIAM:** I do not really know how this question arises.

**DR. KAILAS:** Just now the Minister made a statement that the industries whose investment is below one crore of rupees need not have to apply for a licence except those which are foreign concerns; also he mentioned some other conditions. There are many plants which have been mentioned in the paper which cost less than one crore of rupees.

**MR. SPEAKER:** Ask in the form of a question please.