

should not unduly get scared by the reports about the preparedness of other nations. India is in a position to meet the situation as it develops. But we do not want to make any high or tall claims in this House.

PROF. SOURENDRA BHATTACHARJEE: Mr. Chairman, Sir, earlier, the Prime Minister stressed on self-reliance in connection with this project, in answering the hon. Member Mr. Kalmadi. But one question arises in my mind. As he has said, he is not a technical man: neither am I. But the question is in connection with the Gulf war. In the aggression on Iraq, we have seen these B-52 type of aircraft, bombers, wreaking havoc in that country during the war. Now, this is a project—maybe Prof. Raja Ramanna's baby, now taken up by Mr. Chandra Shekhar—for combat light aircraft. (*Interruption*).

SHRI A. G. KULKARNI: It is adopted, not taken over.

PROF. SOURENDRA BHATTACHARJEE: I stand corrected.

Mr. Chairman, in view of this, will this project of combat light aircraft be of any use if there is a repetition of the performance by the USA or any other country which is at invasion as third world country?

SHRI CHANDRA SHEKHAR: Mr. Chairman, Sir, I cannot discuss all the strategy about world politics and world affairs in this Question Hour, but I assure the hon. Member that we know the developing situation. We are cautious about it and we shall do everything within our limits because you cannot compete with the rest of the world; some of the nations who have been spending a lot for just preparing weapons of devastation. India's policy is not like that. But we shall do everything for our defence and I assure the hon. Member that it is not the baby of Dr. Raja Ramanna or Chandra Shekhar. It is the proud accomplishment of our scientists in the interest of the nation and we should be proud of that. Politicians should

not assume that they are doing everything. This is the talent and accomplishment of the scientists which should be complimented. It should not be made the question of one person or the other who is in power or in office of Defence Ministry.

Restriction on use of Foreign Brand Names

*42. **SHRI DIPEN GHOSH†:**
SHRIMATI JAYANTHI NATARAJAN:

Will the **PRIME MINISTER** be pleased to state:

(a) when was the condition of placing restriction on use of foreign brand names while granting foreign collaboration imposed;

(b) what were the reasons for imposing this condition; and

(c) whether it is a fact that Government are not enforcing this condition presently; if so, the reasons therefor?

THE MINISTER OF STATE IN THE PRIME MINISTER'S OFFICE (SHRI KAMAL MORARKA): (a) to (c) A Statement is laid on the Table of the House.

Statement

(a) The policy of disallowing the use of foreign brand names for products manufactured under foreign collaboration and meant for the Indian market is being followed since 1969. Accordingly, while granting foreign collaboration approvals, a standard condition is stipulated that foreign brand names will not be allowed for use on the products for internal sales, although there is no objection to their use on products to be exported.

†The question was actually asked on the floor of the House by Shri Dipen Ghosh.

(b) This condition is stipulated with a view to ensure that the use of foreign brand names does not adversely affect the indigenous industry and for purposes of developing Indian brand names.

(c) Entrepreneurs are required to comply with the conditions stipulated in foreign collaboration approvals. Violation of any condition of the foreign collaboration approval would entail cancellation of the approval.

SHRI DIPEN GHOSH: Sir, in the statement which has been laid on the Table of the House, it has been stated that the policy of disallowing the use of foreign brand names for products manufactured under foreign collaboration and meant for the Indian market is being followed since 1969. But yet, Sir, we see that our market is flooded with foreign brand names, mainly consumer goods, from tooth-paste to automobiles via Colas. Sir, through you, I would like to draw the kind attention of the Minister of State in the Prime Minister's office, Mr. Kamal Morarka, when the other day, he was an ordinary M. P. like me, he brought forward a Private Members Bill in this House only last year and in the Statement of Objects and Reasons of that Bill, he himself has stated and I quote:

"It has come to notice that in respect of goods offered for sale in our domestic market, rampant use of foreign trade-mark or names is there without seeking permission under the said Act on the plea that no consideration has been paid to the foreign company". I quote again: "Sir, the Bill is intended to discourage the use of foreign trade-mark for the growth of indigenous industry and encourage the establishment of Indian brand names, both for domestic as well as for export market."

Sir, though after becoming Minister, he has withdrawn this Bill, I hope, he still nurtures the same view as a Minister, as has found expression in the Statement of Objects and Reasons of his Private Member's Bill. In that context, if I read the reply which he has given today, in part (c)....

MR. CHAIRMAN: You do not read the whole of it.

SHRI DIPEN GHOSH: In para (c), he has stated that entrepreneurs are required to comply with the conditions stipulated in foreign collaboration approvals. Violation of any condition of the foreign collaboration approval would entail cancellation of the approval. It is a positive statement. But when he was an ordinary M.P., he has stated that in spite of all these things, these were the violations.

MR. CHAIRMAN: They will not be violated.

SHRI DIPEN GHOSH: So he intended to bring in a Private member's Bill to tighten the law itself. My first supplementary is, whether in the background of his view, as enunciated in the Private Member's Bill when he introduced it here, his Government would bring in an amendment to the Foreign Exchange Regulation Act, as desired by him in order to plug the loopholes and in order to take care of the shortcomings in the existing Act or the Government policy and see that the foreign brand names cannot be used indiscriminately.

SHRI KAMAL MORARKA: Sir, the point made by the hon. Member is very well taken. The policy of the Government since 1969 remains the same, that is to discourage the use of foreign brand names and to encourage Indian entrepreneurs to come into the consumer market with Indian brand names. It is a Private Member's Bill which the hon. Member has referred to. I sought to plug what I considered a loophole in the existing provisions of law. As the law stands today, the position is that there is no violation because the companies which are using foreign brand names, say that they are doing it without any consideration. The Bill which I sought to bring, was for plugging that loophole. We shall certainly take up with the Finance Ministry whether the position of FERA needs to be amended to plug that loophole. There is no change so far as the philosophy of the

country in the last 21 years is concerned. In my personal view, Indian entrepreneurship should be encouraged and unfair competition from foreigners should be avoided and Indian companies should be protected.

SHRI SURESH KALMADI: Why should you take it up with the Finance Ministry? You are in the Prime Minister's Office now.

SHRI DIPEN GHOSH: I am thankful to Mr. Suresh Kalmadi. Mr. Morarka happens to be a Minister of State in the Prime Minister's Office and he thinks that that is where it belongs to. My supplementary was whether the Government was going to introduce a similar official Bill to plug the loophole which he found and wanted to be done through a Private Member's Bill. That was my specific supplementary for which he did not give a reply... (Interruptions)...

SHRI KAMAL MORARKA: I say I shall refer it to the Finance Ministry for their review and I shall certainly get it done.

SHRI DIPEN GHOSH: Sir, my second supplementary is—that is also based on Mr. Morarka's own view—that though there is a policy of discouraging the use of foreign brand names in internal market in order to encourage indigenous industry, what actually these people are doing is these multi-national corporations and Indian businessmen are entering into collaborations for producing certain things. In order to escape from that policy, they make hybrid brand names like Hero Honda, Bajaj Sawasaki and Lehar Pepsi. In order to avoid application of the law or the policy, they make this course and what happens is while publicising their product they use only the foreign brand names. Apart of the brand name, like Pepsi. They don't say "Lehar Pepsi" on T. V. screen. They say only "Pepsi", not "Lehar Pepsi". That way what I would like to say is that Mr. Morarka himself had made a Special Mention on 2nd May, 1990, supported by me among others, and I would quote his statement:

"It is a backdoor use of the brand name and it is a serious irregularity."

Again I quote:

"There is no use allowing their brand names and threatening the small public manufacturers..."

So in view of what he had stated in his Special Mention on 2nd May, 1990, I would like to know whether his Government is going to take steps so that such hybrid brand names are not used. In this respect I would like to draw his kind attention particularly to a reply given to an Unstarred Question in the Lok Sabha on April 16; and that was from the Department of Electronics, which is also under the Prime Minister. In the reply it was stated:

"Since hybrid names include foreign brand names, the above policy would apply to them."

That means the policy of discouraging the use of foreign brand names should also be applied in the case of hybrid brand names because a hybrid brand name is actually a brand name. According to Mr. Kamal Morarka, it is an irregular way, it is a backdoor method of using foreign brand names. So when they are going to propose a Bill and when they have stated that they are going to take steps, I would like to know whether they would take adequate steps for stoppage of hybrid brand names also.

THE PRIME MINISTER (SHRI CHANDRA SHEKHAR): Mr. Chairman, Sir, the hon. Member has raised a very valid question. But it is not a question of Government bringing a Bill. It is a question of our whole attitude about the foreign investment and how far we should go. A policy was adopted in 1969. My hon. friend Shri S. B. Chavan is here. At that time we were asserting the failures of Gandhian era and we were trying to have self-reliance and swadeshi. Indeed, much water has flowed down the Ganga during the last many years and collaborations have been agreed upon and in many cases Government, successive Governments, had agreed to give hybrid names of these

projects, I do not know what will be its implications about foreign collaboration and foreign investment, but certainly the Government is of the view that we should encourage our indigenous names. All the aspects of the matter will be taken into consideration and the view of the hon. Member is well taken. I will support his view. But how far it will be practical will have to be examined. I do not want to give any assurance without going into the details of its implications. After knowing the implications we shall try to pursue the policy that was adopted in 1969.

MR. CHAIRMAN: Shrimati Jayanthi Natarajan.

SHRIMATI JAYANTHI NATARAJAN: Sir, from the answer of the hon. Prime Minister and Mr. Morarka, the object, I assume, is to promote indigenous industries in this country. So, we should not really take it just as a narrow question of following the letter of the law. The letter of the law says that there is no inhibition, there is no restriction on anybody using a name unless they receive consideration for it. So long as they do not receive consideration for it, according to the Trade Marks Act, brand names can be used in India. That is the only consideration which the Government seems to apply and if they receive consideration it will be against the law. My question is very simple, Sir, this also deals with hybrid brand names. When the object is to promote indigenous industry, Sir, we are dealing with mainly consumer goods here. We are not dealing with anything vital; we are dealing with something that the country cannot do without. We are only dealing with the consumer goods just like what Mr. Ghosh were talking about. Sir, these are consumer goods. In consumer goods we want to promote indigenous industry. If we want to promote indigenous industry, how far should we allow these foreign brand names to be used inside the country? Sir, the point is that regarding these hybrid brand names, I just want to refer to what the hon. Prime Minister said, that the Government from 1969 has been saying that it is engaging the attention of the Government. But various arms of the Government have

taken different views. Now, the Department of Electronics has issued a circular officially last year that hybrid names will not be allowed to be used in the case of televisions. Why then are hybrid names being allowed to be used in other Ministries for other consumer goods? Sir, the Government said in the Lok Sabha to a specific question whether the use of hybrid brand names is allowed that hybrid names are not allowed to be used according to the Department of Electronics resolution dated 1st January 1986. Similarly, why cannot the Government use the same policy for hybrid brand names here? The whole object is these names are used to promote that product inside India as against indigenously produced products. It is just like what he said. For instance, in Hero Honda, the Honda part of it is supposed to help to Indian consumer to go for this product as opposed to another Indian product. We are talking about the export. They say that this will help export. Sir, the parent company of Honda—is not going to allow Hero Honda (India) to be exported as Hero Honda. They only want to export it as Honda. Sir, nothing is going to be exported. The parent company, the multi-national, is not going to be allowed to export it. It is only meant for Indian market. The whole object, therefore, finally is that the Indian markets... (Interruptions)...

MR. CHAIRMAN: Please put your question. (Interruptions).....

SHRIMATI JAYANTHI NATARAJAN: I am just coming to that, Sir. In the case of (Interruptions).... Sir, for once nobody is interrupting me also. I think everybody is going to support me. Please let me say without interruptions. The whole object is, I want two very specific clarifications. One is, I want to know since the Department of Electronics of the Government of India has taken this view, why cannot the same view be applied uniformly to everything else? Now (b) part of my question: Quite apart from the letter of the law—the honourable Prime Minister has said you have to consider the ramifications—you have Government controlled media, the television

and the radio, and these are used to propagate the hybrid brand names. Will the Government think of some steps by which this can be controlled on AIR and TV? Now (c) part of my question, the last question: Will you consider issuing a clarification immediately so that hybrid brand names will not be used and have a grace period to wind up the use of hybrid names?

SHRI KAMAL MORARKA: The honourable Member has made a very, very valid point. She will have to understand what happened over the last twenty years. Aberrations have crept into the working of this policy. Successive Governments have been working this policy. But instead of taking action against the people who are using the brand names, you will be surprised to know, there are instances where the Government has given specific approval that a particular brand name can be used as a suffix to the Indian brand name which means a hybrid name. While reiterating Government policy that use of foreign brand names is not allowed, Government has to be careful in giving approvals. We will take this into account while giving fresh approvals, that Government policy is strictly observed. With regard to approvals already granted, as the Prime Minister has stated, we will have to see the desirability of cancelling approvals already granted, whether it would be a good thing either for the industry or for the image of the Government policy. There has to be continuity and we will certainly look into the question to see what remedial action could be taken.

SHRI DIPEN GHOSH: When they publicate even in the Government media, they utter only one part of it and leave the other.

SHRI KAMAL MORARKA: Whatever brand name has been approved, it will have to be used. They cannot use part of it.

SHRI S. JAIPAL REDDY: I am afraid the foreign investment policy has been confused with the use of brand names. We are dealing with the limited question of brand names or, more particularly, the

hybrid name. Take, for example, the Maruti Company. They have entered into a collaboration with Suzuki. When a Government company has been successful in dispensing with a hybrid name, why should the private companies be allowed to use such hybrid names as DCM Toyota, Alwyn Nissan, Swaraj Master? There is a lot of contradiction between Government's profession and practice. Now we happily find a rare consensus in the House cutting across party lines. Therefore, I urge upon the Government to announce a policy decision here and now. Will the Government do it?

SHRI CHANDRA SHEKHAR: The whole problem is that we do not know why such things were allowed. Take, for example, Lehar Pepsi. Why it was allowed, we do not know. All of a sudden in the House we cannot announce something which is not going to be implemented immediately or in implementing which there may be certain difficulties. I can assure the honourable Member that we shall examine all the cases and if it is possible, without any disadvantage to the economy or to the industry or the country, we shall take necessary action in regard to the propaganda on TV and other media. I have already asked the Information and Broadcasting Ministry not only about this hybrid brand name, but also that the creating of a consumer psychology should be stopped and TV should examine how much revenue it is getting. Better lose that revenue rather than create a bad psychology in the country. Already instructions have been given to the Information and Broadcasting Ministry. This policy has been pursued for a long time. Unless and until it is a great economic strain... (Interruption)... the Government is going to take measures that this type of psychology is not created among the nationals of this country.

SHRI DINESHBHAI TRIVEDI: Everyday we find because of these advertisements the scheduled programmes are not started on time. A programme stated for 9.30 actually starts only at 9.33 or 9.35.

MR. CHAIRMAN: You can write to the Minister on such things. Now Mr. Viren I. Shah.

SHRI VIREN J. SHAH: Flowing from the supplementary of Shri Dipen Ghosh on foreign direct investment, may I ask the Hon'ble Prime Minister whether we have collected data particularly of the last few years on the foreign direct investment policies of China and Soviet Union? In the Soviet Union Gorbachev has issued a decree on 19th October on foreign direct investment. Have you collected data on the amount of direct investment coming into China and the policy that they have—for our guidance—and also about the Eastern European countries so that we can look into how the global perspective is, to enable ourselves to decide our own policy? Are you going to collect such data?

SHRI CHANDRA SHEKHAR: We have collected all the information from all the countries of the world. But, my hon. friend is more interested in China and Soviet Union. We cannot make a comparison. In China and the Soviet Union, for years or for decades together there has been a regulated economy and that regulated economy has created a certain structure. China is maintaining that structure. The Soviet Union tried to demolish that structure and if the KGB and the army had not been in the Soviet Union, I do not know what would have happened to the economy of the Soviet Union... (Interruptions) Please hear me... (Interruptions)... For the information of the hon. Members, the economy of the Soviet Union is in a shambles today. That is the immediate result of the policy change in the Soviet Union. India is not in a position to take that risk. So, we shall like to go slow.

About the foreign investment, I have time and again said that I welcome anybody who wants to invest in this country, provided he does not want to get a guarantee from the Government of India that they will repatriate the money without exporting to the other countries. If they are ready to take the responsibility or the risk that they will come, produce something here and export, Government of India has no objection to it. Because of constraints of resources we cannot repay them in foreign exchange. That is the

only constraint. Otherwise, there is no great philosophical constraint as such that is coming in our way.

SHRI GURUDAS DAS GUPTA: What the hon. Prime Minister has just now said is the most simplified version of the crisis that the Soviet Union is facing. The Soviet Union is a friendly country... (Interruptions) ... Sir, describing the problem of a friendly country in this way is derogatory and not in consistence with the friendship we have with the country... (Interruptions)

SHRI CHANDRA SHEKHAR: I am sorry if that has created such an impression. I am very sorry... (Interruptions).

MR. CHAIRMAN: We, all of us, including the hon. Prime Minister, have got great regard for the Soviet Union... (Interruptions)...

SHRI CHANDRA SHEKHAR: We all of us, have great regard for the Soviet Union. I am very sorry it that has been deduced by my answer. I am answering a question purely on economy and it is not that I am saying it. It is being said all over the world and in all the economic journals including that of the Soviet Union... (Interruptions)

SHRI GURUDAS DAS GUPTA: Sir, he has said that it is because of the army and the KGB that things are not becoming worse... (Interruptions)... It is not because of that... (Interruptions)...

SHRI CHANDRA SHEKHAR: Mr. Chairman, Sir, I am sorry if some friends think that creating this type of misunderstanding between two friendly countries serves any purpose. I do not understand it, because, it was never in my mind, it was beyond my imagination. The hon. Member is suffering from guilty conscience and is saying these things... (Interruptions)...

SHRI GURUDAS DAS GUPTA: Sir, it is not my guilty conscience... (Interruptions)... But, while describing, the affairs of a friendly country, he should have been a little more objective... (Interruptions)... but, he is not... (Interruptions)... Sir, I am not feeling guilty conscience because, I am not instru-

mental in shaping the Soviet Policy ...
(Interruptions)...

SHRI S. JAIPAL REDDY: Sir, Mr. Gurudas Das Gupta's objection should be taken more seriously because the Prime Minister is the Head of our nation and he should not make such references while talking about other countries... (Interruptions)...

SHRI CHANDRA SHEKHAR: Mr. Chairman, Sir, I assure the hon. Members that by this observation, they are not going to get any sympathy from the Soviet Union. Our understanding with the Soviet Union is total and complete and I want to say that even now, with all this talk, the Soviet Union is one of our best friends. I have great respect for the Soviet Union. It is the Soviet Union—you can see the Soviet reports—and they are saying this that the army is holding some of the States... (Interruptions)...

SHRI DIPEN GHOSH: The army is protecting socialism... (Interruptions)...

SHRI S. JAIPAL REDDY: Sir he has said that they are using the army... (Interruptions)...

SHRI GURUDAS DAS GUPTA: Sir, the Prime Minister is creating more confusion in the House because he is a confused man... (Interruptions). He is a confused man ... (Interruptions)...

SHRI CHANDRA SHEKHAR: Mr. Chairman, Sir, the honourable Member, Shri Dipen Ghosh, has said something which is more assertive than what I have said. I would like to clarify one thing. It is not in any disparaging spirit against the Soviet Union that I have said it. I am describing the exact situation and the reality there. There are certain problems and those problems cannot be ignored and the Soviet Union is facing those problems. We have all sympathy or all support for the Soviet Union and it is in the interest of India that the Soviet Union should remain a vibrant and progressive nation. Here I do not want to say in how many ways we are dependent on the Soviet Union's economy. So, it is beyond me even to think like that and so, it is not correct

to think that I want to decry the Soviet Union. If that impression has been created in the minds of Mr. Jaipal Reddy and my honourable friend, Mr. Gurudas Das Gupta, I want to correct that impression. It is far from my intention to decry the Soviet Union in any way. But to describe the difficulty of a friendly nation is not in any way decrying that nation.

MR. CHAIRMAN: Question No. 43.

Gap between demand and supply of cement

*43. **SHRI BAL RAM SINGH YADAVA:**

DR. JINENDRA KUMAR JAIN:

Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that the gap between the demand and supply of cement is constantly increasing in the country;

(b) if so, what is the likely gap during the current financial year;

(c) whether it is also a fact that several cement producing units in the country are producing cement at their optimum capacity; and

(d) if so, what are the names of the industrial units which are producing cement at a level of more than 80 per cent of their installed capacity and the names of those units which are running in the public sector?

THE MINISTER OF STATE IN THE PRIME MINISTER'S OFFICE (SHRI KAMAL MORARKA): (a) to (d) A statement is laid on the Table of the House.

Statement

(a) and (b). Actual cement production in the current year (1990-91) is likely to be about 48 million tonnes against projected demand of 49 million tonnes

†The question was actually asked on the floor of the House by Dr. Jinendra Kumar Jain.