

12.10 hrs.

SUPPLEMENTARY DEMANDS FOR GRANTS (GENERAL), 1978-79

THE MINISTER OF FINANCE (SHRI H. M. PATEL): Sir, I beg to present a statement showing Supplementary Demands for Grants in respect of the Budget (General) for 1978-79.

12.11 hrs.

MATTERS UNDER RULE 377

- (i) **REPORTED ATTEMPT OF A MULTI-NATIONAL COMPANY TO WIPE OUT A MEDIUM SMALL SCALE INDUSTRY IN KARNATAKA.**

SHRI K. LAKKAPPA (Tumkur): Mr. Deputy-Speaker, Sir, an attempt is made by the Multi-national Company, Messrs. Shaw Wallace to kill the Indian Enterprise, Messrs. Kasturi Papers, Food and Chemicals, a medium small scale industry at Bangalore. I would like to make a statement under 377 and I wish to draw the attention of the Government and the House to certain blatant acts of omission and Commission of a multi-national company. M/s. Shaw Wallace and Company is a multi-national company who have established and perpetuated monopoly of the production of Bakers' Yeast in the country. In 1974, they had commanded more than 90 per cent of the share of the total Yeast manufactured in the country. Thanks to the progressive efforts of the Government of Karnataka, in spite of various hurdles that the Multi-national placed, the Government succeeded in intervening to get an industrial licence to M/s. Kasturi Papers, Foods and Chemicals Ltd., a medium scale industry in one of the most backward districts of Karnataka. I learn even at the time of the licence being issued, M/s. Shaw

Wallace Co. threatened the Indian entrepreneur of severe consequences if they established this factory without their involvement. The Indian Yeast Co., a subsidiary of M/s. Shaw Wallace are continuing to resort to various unethical and unfair activities to kill the Indian enterprise.

The Indian Company after overcoming the initial handicaps have now come into production. The Multi-national, have started their second and crucial phase of assault on this Indian Company by resorting to price war. Any business-minded man would understand the machinations of the multi-national in resorting to this price war with the sole intention of wiping out this Indian Company so that they can re-establish their total monopoly.

Government of India speaks of encouraging village small scale and medium industries in preference to giant industries and multi-nationals.

Now, may I ask this government what is the protection they are willing to give to prevent the annihilation of the Indian company. Are we to sit as silent spectators watching this. My esteemed friend the hon'ble Minister of Industry has been shouting from house tops to clip the wings of the monopolists. Now, I would like to pose this single question and I am sure he will not fail me to come out with an honest answer. We have a Monopolies and Restrictive Trade Practices Commission. It is about time that this commission wakes up from deep slumber to take notice of what is going on so that their machinery can be pressed into action to bring the multi-nationals to behave properly. I am sure that the conviction of the hon'ble Industries Minister is much too strong in favour of smaller industries and I am sure he will do everything possible to prevent the bigger fish swallowing smaller ones.