

"That this House do agree with the Sixty-third Report of the Committee on 'Private Members' Bills and Resolutions presented to the House on the 28th April, 1976."

The motion was adopted.

15.31 hrs.

RESOLUTION RE. MULTI-NATIONAL CORPORATIONS—contd.

MR. CHAIRMAN: We take up further discussion of the Resolution on multi-national corporations moved by Shri H. N. Mukerjee.

The time allotted is three hours, time taken 2 hours 32 minutes, balance 28 minutes.

SHRI BHAGWAT JHA AZAD (Bhagalpur): It is an important resolution. We are discussing the various sides of the multi-nationals. I suggest that the time may be extended.

THE MINISTER OF WORKS AND HOUSING AND PARLIAMENTARY AFFAIRS (SHRI K. RAGHU RAMAIAH): I suggest that it may be so extended that it will be finished five minutes before 8 O'clock so that the next resolution may be introduced.

MR. CHAIRMAN: Is that the sense of the House?

HON. MEMBERS: Yes.

MR. CHAIRMAN: Dr. Ranen Sen to continue.

DR. RANEN SEN (Barasat): As I was saying the other day, Hindustan Lever invested a capital of Rs. 2 crores, but has reaped a profit of Rs. 25 crores up till now, besides holding a capital of Rs. 45 crores today derived from their business. There is a company called Abbot which invested a capital of Rs. 1 lakh, but is doing a business of nearly Rs. 2 crores a year. The

Anglo-French Co. invested a capital of Rs. 10,000 and they are doing a business of more than Rs. 1 crore. Glaxo have not invested a single pie in this country, but are doing a business of more than Rs. 5 crores annually.

And what are these companies actually doing? Hindustan Lever is producing things like Lux soap and Anik ghee, for which the technique is available in this country. The Coca Cola Export Corporation is producing soft drinks and is allowed to do so though comparable soft drinks are available in this country.

It is not as if Cheseberry Ponds, Johnson and Johnson, things produced are absolutely essential for which technical know-how is necessary. Even then the Government is giving them permission, licence and all sorts of facilities so that they can carry on this looting business in this country.

During the year 1975, 271 proposals for collaboration including 40 cases of equity participation were approved by the Government of India. I will give you one example. One U.S.A. firm called "Erney Company" was producing apple concentrates. What wonderful technique is needed which is not available in our country? Yet, there are firms, multi-national firms who have been allowed to operate here, who simply teach our people how to produce these things. Therefore, these are simple exploitations of our country and is a source of corruption, this dampens initiative that can be generated in our country, but thanks to the policy of the Government of India, if there is a grain of truth in the disclosure about CIA in USA, there is no reason to believe that India is free from such activities and corruption by officials through the multi-national corporations.

I will cite one example. There is a drug company called Searley. In the year 1965, they make some contraceptive pills. They wanted to introduce them in India. They held a symposium in 1965 which was not successful. Then

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in 1966, they sponsored an All India conference of Obstetrics and Gynecologist Association and they had spent Rs. 10,000 to finance that conference. This way, even doctors are influenced. I would not say that all of them were somehow or other paid and were corrupt. But they have been influenced by these foreign companies.

In regard to the techniques they are introducing. I want to say that practically they do not introduce any new technique in our country. As far as Lux, Pond Cream, Baby Johnson Powder etc. are concerned, they do not require any technique which is not available in our country. But it has become an operation which dampens the initiative of our scientists. The Hathi Committee of which you were also a member, it went into a discussion of this whole thing and they have come to a conclusion that the existence of the multi-national corporations in the drug industry has not helped India to be self-sufficient in regard to drugs; but it has had an adverse effect on the initiative that the Indian scientists could take. Therefore, they have made some suggestions, to which I will come later.

I have before me one good report by the NCST, which was set up in October 1972. It submitted its report in May 1973. The National Committee on Science and Technology consists of the highest technical brains of our country, the scientists of our country. That Committee's report has stated about foreign equity participation. They said, "Foreign equity participation is not essential for procurement of technology. Equity participation brings dependence and has the possibility of influencing management policy directly or indirectly. Foreign equity participation should not be permitted unless some exceptional circumstances arise where it is seen that no other source exists for the technology or comparable technology and that the only mode left for acquiring such technology is through foreign

collaboration." Even in such cases, they have said that equity participation should be avoided. Secondly, they have said that only technical collaboration may be permitted in such cases so that the management policy is not influenced by the multi-national corporations and that a technical self-reliance is achieved. Therefore, the Hathi Committee recommended taking over of these multi-national corporations and, pending that, they recommended only 26 per cent equity participation by MNCs.

It is said that the operation of the FERA will be sufficient to control that. Firstly, I would say, it is not possible through the FERA to control that. Secondly, it is quite known—in this House, so many Members raised the question even today—that, for example, the Coca Cola Export Corporation, a hundred per cent foreign company, a multi-national company, producing stuff which can be produced by our own country and which is being produced by our country, is refusing to dilute their hundred per cent equity capital according to the FERA. The other day, I asked: What is the mystery that the Government do not press them to dilute their equity capital? The Minister, Mr. B. P. Maurya could not say anything. It is said that there is a secrecy in their concentrate. Can't India go without Coca Cola?

Now, they have got an import entitlement of Rs. 15 lakhs. Last year, they expected worth Rs 7 lakhs. We had to pay Rs. 8 lakhs to this foreign company.

Then, take for example the drugs industry. The other day Mr. Sethi said that the foreign drugs companies exported worth Rs. 9 crores and imported drugs worth Rs. 15 crores in 1973-74. Who loses Rs. 9 crores? It is our country which loses Rs. 6 crores. But still this Government is remaining silent and nursing a soft corner for the multi-national corporations.

You know how they corrupt the Government officers? I have already cited one example. They try to corrupt the doctors even? Let me tell you, how they try to corrupt the Government officials. I have got a photostat copy of a letter written by the Manager of Hoechst Pharmaceuticals who have their insecticides department, their drugs department. I have already endorsed a copy of this letter to the Secretary of the Ministry of Chemicals and Fertilisers. The Manager writes to all veterinary representatives regarding intermediary arrangements, saying:

"We are supplying our veterinary and agro-products to Government Departments at 5 per cent more rates than the rates applicable to our distributors..."

"The Government has to pay 5 per cent more to this foreign company. Then, it says:

"This means, our rates are different for Government: supplies than to trade parties. If any officer is willing to place an order with us for our product, we shall pay him a difference of 5 per cent as gift, commission, incentive, etc."

Just imagine,

SHRI B. V. NAIK (Kanara): In which State?

DR. RANEN SEN: It relates to Delhi. Let me be fair. I do not want to impute any motive to others.

Again it is said:

"However, please keep this information very confidential and nothing should be brought on record about this transaction. You should only send such proposal on a rough piece of paper."

If this letter has really been sent to their distributors, to the veterinary representatives, then there should be

a CBI inquiry. This may be a forged document; I am not denying that. But this has aroused a definite suspicion in my mind because, as I have stated earlier, this Searly Company spent Rs. 10,000 to sponsor a doctors' Conference. Rs. 10,000 are nothing for them; they are minting 10,000 dollars every month in India. Therefore, the existence of these companies is detrimental to the interests of our country.

When the Hathi Committee went into the question of multi-national companies, it was found out that in the drug industry, there are nearly 2,500 units of which 36 are exclusively foreign companies and they control nearly 70 per cent of the production. They produce low tonnage, high value drugs. The other day my friend, Mr. Chavda, has also said it. But they do not produce the drugs which are essential for India like the drugs against leprosy, tuberculosis, malaria, etc., because they have no global market. Also they do not have any research centres in India. Only four or five multi-national drug corporations operating in India have their research centres, and even those centres are also practically nominal. As members of the Hathi Committee, yourself, myself, Mr. Chavda and others have visited these laboratories. They are simply glorified laboratories. Nothing is done there. In fact, the Indian scientists who are employed there themselves told us very secretly that they have to do only upto a certain process and not beyond that. These people bring intermediates, they bring penultimate drugs and make one or two formulations here in our country and then mint millions. Everything is their trade secret. Sometimes even old drugs which have been current in Europe for the last ten years are brought to India by making some molecular changes here and there and by giving them new names; and then they go on minting money. They do not bring any money here, they do not bring any capital worth the name. They do not introduce any technology new to India; to that extent, they do

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not train our Indian technologists. Thirdly, they are source of corruption in the country. Fourthly, they are minting millions, exploiting this country. As I have said earlier, they do very little of exports and they get more import entitlements.

SHRI K. S. CHAVADA (Patna): Nitson Laboratories, Bombay, produces basic drugs and an American company called Warner Hindustan formulates them.

DR. RANEN SEN: We have seen that when we were there. It is a small Indian company. The scientists have started the company, Nitson, and they are producing raw materials taken by Hindustan Warner. And what are they producing? They are producing Waterbury's compounds, Santivini, etc., which are useless for our country.

The Hathi Committee went into this. Mr. Hathi is not a man who is renowned for his very radical economic theory. But even he came to the conclusion, as the National Committee on Science and Technology, that it would be very harmful for our country, firstly, most harmful if there is equity participation by the foreigners, secondly, it will be less harmful but nevertheless harmful if there is technical collaboration. And lastly the Hathi Committee has said that today technology and science are not a closed preserve of any country or, as a matter of fact, of any individual or a laboratory. The Hathi Committee has recommended take over of these multinational companies. You have the Indian intellectuals and scientists working there, they will produce things for the country and whatever technology is not available, you purchase that from foreign land. Technology can be purchased without any strings by paying them lumpsum and then starting it in our own country. It will be said that the foreign companies or the multi-national companies will form their cartel and refuse to give India any technical knowledge and we

cannot purchase the technology. It is not possible. These multi-national corporations are backed by their own government. The American multinational companies which are the strongest in the world are directly sponsored by the American Government. Now, if they are able to dictate terms to other countries, the Soviet Union could not get or purchase the technical collaboration as they are purchasing today.

It is known and it has also been discussed in the Hathi Committee Report that in certain East European countries including Soviet Union, they are not investing so much in their own research work in regard to drugs. They are not allowing the multi-national corporations to function in their country, but they are purchasing straightway the technical knowledge by paying them lumpsum. They could have joined against the Soviet Government, as they have politically joined in the days of cold war—American Government was a leader of the cold war—but they could not.

SHRI B. V. NAIK: Why don't we purchase this from Russia?

DR. RANEN SEN: For your information, we are buying it. Most of our drug industry is helped by them. The total public sector organization IDPL, is helped by Soviet Union. You better go to Rishikesh and see how selflessly they are helping us; you go to Hyderabad, and there is a big plate in which it is written; It is the contribution of the Soviet Government to Indian people

When you purchase the technology, they need not bring the capital here. The Soviet Government is not investing in equity shares in any of our industries. I say, you cannot control them, you cannot curb them. Instead of controlling them through FERA, what you have done presently is that you have liberalised the position in the name of clarifying the FERA provisions. The original provision in the FERA was that they have to

dilute upto 40 per cent; by and large, this is the general idea. Now they have said that the foreigners can keep 51 per cent, I am not going into that, that is a big problem, we will have to discuss that in connection with the Finance Bill.

Sir, I fully support Prof. H. N. Mukherjee's Resolution and say that this is the only way to save India from these sharks, that is complete take-over of these multi-national corporations. It will be said that we will have to pay crores and crores of rupees. I would say that if you take over these corporations, you need not pay even a single pie. We are a free country. We will say that we take over and we will see, how much to pay and when to pay and at what rate to pay. We are a free country and we can do that and we should do that.

With these words, I support the Resolution moved by Prof. H. N. Mukherjee.

SHRI BHAGWAT JHA AZAD (Bhagalpur): It needs no labour nor any statements or arguments to prove that the multi-nationals to-day are the greatest danger to the third world, to the countries which are developing and to the countries which are under-developed. By now, even that country, the USA, whose multi-nationals are spreading everywhere, in all the continents and sucking the blood not only of the developing countries but even of Europe, that country itself has set up a committee and that committee of the American Senate has said that these multi-nationals are doing the greatest harm to the world economy. Their simple methods are that they go to the country, they control their factories, their mines, their sales and everything and thereby they take the entire country into captivity. The greatest and the latest example in Chile where President Allende who was not elected by a politburo but who was elected by every worker, by

every man in that country was thrown out by whom? By the International Telephone Company—a multi-national....

DR. RANEN SEN: And the Copper Corporation.

SHRI BHAGWAT JHA AZAD: Therefore, it is clear now that these multi-nationals are not human-beings. They do not belong to any country. They are monsters whose only aim is to exploit wherever and whenever they get a chance. They do not spare even their own country and their own people. You know there is a case in the American courts against the druggists of USA. They have filed a case in their court that these multi-nationals in their own country—I am quoting their reports—have charged excessive prices for the drugs. Now, these multi-nationals in their own country want a compromise with those who have filed the suit. They do not know how they will compensate the different consumers in their country but they are prepared to pay billions to their own consumers because they have charged very excessive prices. One example and that is about the drugs. In this country of ours they charge for the drugs anything between 8 times to 8000 times the price at which they sell it in Europe or other countries. It is an evident and clear case how they are doing it. They are very clever people. They have an organized group all over the world, what is called, an apologetic group. That apologetic group is a very clever set of people. They enlist intellectuals and they pay them handsomely and they go on beating the drums of these multi-nationals saying that they bring you the growth, they bring you national exports and so on. Then there is the other group belonging to the Socialist thought or the Marxist Group or the Socialist Group who say that they are the greatest exploiters of human-beings in this world. Therefore, they are very furious and say

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that it is all an illusion that they invest in under-developed countries or the developing countries because in spite of multi-nationals investing in India or in African or Asian countries we see millions of naked and hungry people whose needs are not catered to. Their basic and minimum needs are not catered to by the multi-nationals. What they produce is goods for the entertainment of a small group who pay them a heavy price. So all this argument of their heavy investment is a negative and false theory. I will show by statistics how it is wrong. What do these multi-nationals do by their capital, by their technology, by their organization do? Even they do not produce their own things. What they do is that by their powerful organisation, with the big capital behind them, they purchase the goods which are produced by the small scale industries in their own country, give a big or brand name of their, and they sell. Thereby they always choke the small industrial base in the developing country and harm them.

16 hrs.

Take for instance aluminium and crude oil. Thanks to the leadership of Shri K. D. Malaviya and Smt. Indira Gandhi by which we have been able to slacken that tentacle hold of their's. We are trying to see a new horizon. We took ESSO under our control. It has given us a new venture. But still their are many things in our country. They have got their hold on the goods and they are trying to harm us.

U.S. Senate Committee Report has shown that it is not only in the industrial field, but they are powerfully entrenched in the political fields.

The Jha Committee, to which our friend just now referred—said that in 1965 for one dollar they brought

in the host country, they were exporting as profit \$ 2.4. In 1970 for every dollar they were exporting as profit \$ 3.3. What inhuman, monstrous exploitation can there be greater than this? I do not know the position in 1976. It must have increased.

These multi-nationals are today controlling the return on their profit. Their profit return in Asia is 34.7. Their return in Europe is 7.1. In Africa their return is 22.3. These are the statistical figures which speak of how these multi-nations are trying to subvert the economy and to shape the political structure of the African countries and that of Asia. In Europe their return is 7.1. why? I hope you have seen the book by Cerman Scriberr. I read it in 1969. He is a well-known French Socialist writer. He has pleaded very certainly for the European multi-nationals in place of American multi-nationals. Leave aside what he has said for substitution. He said if Europe does not wake up for another ten years it will be a colony of America. He has said about concord for example, which has just now been manufactured with joint collaboration of France and England. He has said that it is a powerful bid by America to, completely scuttle such things. He said the way and the speed with which the technology and organisation of multi-nationals of America is coming. Europe will be a colony of America very soon. If this is what Cerman Scriberr thinks of Europe, you can imagine about the plight of under-developed countries of Africa and how the survival of Asian countries depends on our coming together and giving a joint fight against multi-nationals of America for our survival.

Then there is the case of the Hathi Committee. You were a Member of that Committee, Mr. Chairman. I need not go into the details. But these three Committees—American Senate Committee, Jha Committee and

Hathi Committee had clearly exposed that these monsters are not for the good of any country. They are not interested in growth of investment but they are only interested in sucking the blood. They only want to kill our economy. These are the greatest dangers to a developing country like ours, to our entire economy. In the economic field they control the raw materials. They control the manufacturing units and so on. Out of 516, the majority of them have concentrated themselves in only manufacturing industries. Why? Because of the big profit that they get. Because we have not been able to fight against them. Our Indian economy on the advent of independence had a small capital base and we had the entrepreneurship base but we did not have the technology. When we wanted this technology these Trojan horses came through their capital and their technology and they have built up their base in this country. Even before independence and after independence our own industrialists and entrepreneurs have been capable of developing industry, but their lack of technology has led to these Trojan horses having their base in this country in this manner. This is about the economic situation. I can give you many facts and figures but I see the time and I will now pass on to the other points.

What is the balance of payment position? It is completely adverse. Why? It is due to these multi-nationals. We are being told that these are necessary for export purposes. But have you seen the real position? The real position is this. Of the total 15th are done by these multi-nationals. How much do they export? They export 18th. So, don't say that they have come into the country to boost up the exports. It is not so. Therefore that myth that they are there for helping in exports is exploded completely.

It has been said that these multi-nationals bring with them research

and development. In 1967 the figures show that out of 197, only 80 of them had their own independent research departments. In the name of technology they introduce brand names. They do not do anything else. Why is it that lakhs and lakhs of workers of small-scale industries like shoes suffer so much? Mr. Maurya may kindly note my point. Let him think about those small classes whom he represents and whom we represent. What happens to these poor shoe workers of Agra or Delhi, in this capital city? It is the Bata's who control the entire thing. That is the multi-national working here. What about Aspro, Analgin, Saridon, Crosin etc.? They are the same drug, a painkiller, in different brand names. What about Forhans, what about Signal and so many things which we have got in this country? They don't do any benefit to our people but they only carry on their activities in different brand names.

I now come to one other aspect, namely, the cultural aspect of it. What about the cultural aspect? What do they do? Wherever the imperialists go they foist their culture on that country. This has happened when the Britishers came to our country. Apart from economic field, in the cultural field also, they impose their own culture and in this process they kill culture. They take one or two political parties in their confidence and they corrupt them heavily. Sir, these things are known. We have seen the Lockheed scandal—what has happened in Japan; and in Italy? And there are many other examples where in the name of bringing in cultural revolution, these multi-nationals corrupt the party. After that, what do they do? They pay very heavily and profusely to a small group of persons whom they take as nationals going to their countries. They go there in the name of their nationals in the colleges in their trade unions etc. They have got special paradise in the trade unions

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where they pay hugely and, thereby, they destroy the culture.

The Britishers left this country after imposing their culture here and hardly after Independence; we were still licking our wounds, we were trying to dress our wounds, here come the multi-nationals in the garb of technology, technological development and the capital and they try to divide the country and they are trying to have everything in the name of foreign collaboration—take for example, Cadbury, Coca Cola etc. They are trying to give us a new culture—a new culture, in the name of Coca Cola in spite of our persuasion and in spite of our debate in Lok Sabha and in Rajya Sabha.

If a Member tries to hit them it is he who has to go and not the Coca Cola. Can't we leave these three 'Cs' in this country—the three Cs are: Coca Cola, Cadbury and Canteen Biscuits. Can't we have our Indian Coca Cola? Can't we have our own Fanta in this country?

In one district, in the name of the three Cs—Coca Cola, Cadbury and Canteen Biscuits—with foreign collaboration, they are manufacturing in Madras the canteen biscuits. I don't exactly remember the name of the biscuits, Coca Cola Cadbury and the Canteen Biscuits are the culture that they give in the name of technological development or technical collaboration. Therefore, I would say that this is their myths in the form of research and development that is being talked about in developed and the developing countries; whatever they do is a complete myth and that has now been exploded—not by me but by someone else. We are only quoting what the American Senate Committee has said; we are only quoting what the Jha Committee has said. We are only quoting what the American consumers are doing to-day by going to the American court to fight the case against the multi-na-

tionals who have charged them through their nose. Now is the time for the UNCTAD—the Group of 77 and now 104—to give a fight. The world economy is passing through a new phase and that new phase is because there is a global outburst of inflation except India. India has got the credit; India has got the honour to-day. Add, in the whole world, it is only one country, that is, India, where the madam Prime Minister's has controlled the inflation and no other country in the world to-day has been able to do that. In Germany it may be 41 per cent; in Britain it is 26 per cent, and in U.S. it is 36 per cent. They all have got inflation and it is rising up. Only in India we have been able to control it.

So, we are having a new economic order. The I.M.F. is completely breaking up; in the UNCTAD—the Group of 104 are fighting for a new economic order and therefore I would suggest that it is time now for the Indian Government and the Indian people to put up a joint front with the African nations and the nations of Asia together to give a fight to the multi-nationals. We cannot say that we can drive them out. But, if they mean business, let them go through the front door and not by the back door; it is a shame for any Government to seek collaboration for the manufacture of undergarments. It is a shame for any Government Government should not think only in terms of collaboration for the drinks. But, that should be only in the vital field where we can push our economy ahead. Therefore, Sir I would say that it is time that you should have a fight against the multi-nationals that are trying to subjugate us. Imperialism is coming through the back doors in the form of cultural revolution. I shall wind up by saying that 200 years before, possible in 1793, Adam Smith wrote a book on 'Inquiry into wealth of nations'. After 200 years.

now, Mr. Gunnar Myrdal has written a book on 'Poverty of Nations'. This is a change that has come in the world. This is what Mr. Gunnar Myrdal says:

"That the fruit of labour, the fruit of capital and technology have not been evenly distributed among the countries who need it most."

Sir, we do not believe in the fundamental right—either in the national field or in the international field—that those who have got enough should die by eating more and those who have nothing should die without eating. That fundamental of any country—either in national frontier or on the international frontier—must be broken and we must say that peace is indivisible and prosperity is indivisible and, therefore, we want that multi-nationals must be fought on their own ground, in their own house, in their own field and we must give a fight so that humanity of developing countries, Asian and African countries and even, I would say, Europeans for whom German Scriber talks in terms of European multi-nationals, should be allowed to fight so that we can contain them not for any Empire for us but for the human beings. I hope, Sir, Indian Government will take strength and fight the multi-nationals to stop the draggists, these big persons coming and exploiting our economy.

SHRI TRIDIB CHAUDHURI (Bengaluru): Sir, after the discussion that has taken place on the previous non-official day and also today I hardly need go into the details of the operations of the so-called multi-national corporations. As a matter of fact the term 'multi-national' attributed to these corporations is rather a misnomer. The United States has the largest share in owning these Corporations. Then comes Great Britain and other advanced countries of West Europe like France, West Germany and Italy. The invasion of these, I would say not 'multi-national' but imperialist, corporations on our economy

started quite long ago. But even after Independence they have not stopped rather it seems their operations have increased a hundred fold.

I have decided to intervene in this debate principally in order to ask the Government certain straight questions and to request them not to beat about the bush and parry pointed questions or avoid giving straight answers. It is rather inconvenient for me that only our hon. friend Mr. P. J. is present here and not his other colleagues who were dealing with the same subject this morning. Of course, he will speak for the Government as a whole but only this morning the hon'ble Deputy Minister for Finance who looks after foreign exchange intervened in the interpellation time with regard to the question that arose about the dubious operation of these multi-national corporation in certain fields which should have been, by any criterion reserved for our own national

When these questions were asked, she started saying, 'No we have not diluted FERA, we have not diluted the control over these multi-nationals'. Her colleague the Minister of Commerce, actually stood up and justified the ground that was yielded to multi-national corporations. All of them were speaking on behalf of Government and they wanted more or less to justify the new line of policy of giving concessions to these multi-nationals.

The Union Carbide, as we all know specialist in a certain line of production. There also they have a near-monopoly position. But they are now going of all things into garment exports. India Tobacco Company, which everybody knows is a subsidiary of the Imperial Tobacco Company—Imperial Tobacco is one of the topmost British multi-nationals—has been allowed to go into the export of marine products, trawler building ...

DR. RANEN SEN: Hotel business
SHRI TRIDIB CHAUDHURI: ... hotel business then export of bicycle parts, in the name of diversification.

[Shri Tridib Chaudhuri]

It is not only a question of India Tobacco, or Union Carbide. A host of other companies are coming in and invading into spheres which should have been reserved for our own nationals.

Why has this been done? Shri Chattopadhyaya, speaking for the Government, said, "Well, garment exports require acquaintance with international fashions; we do not have the expertise; we do not have the organisation". So Union Carbides have the expertise in garment exports and must be allowed to capture that business. You know what is the main line of production of Union Carbides in this country. How have they suddenly developed this expertise about garment production and garment export? Then, bicycle parts, marine products—prawns and shrimps? So this is what is intriguing me. This has not come all of a sudden. As regards FERA, only on the 16th or 17th April, a news item appeared in *The Time of India*...

SHRI H. N. MUKERJEE (Calcutta—North-East): FERA is a fake

SHRI TRIDIB CHAUDHURI . . .

where it was stated—the news was perhaps leaked from the concerned government department in order to reassure foreign investors in India—that the restrictions that were placed on foreign exchange operations, the repatriation of profits and all that Indianisation of equity capital, all these things have been relaxed and diluted so that more multi-nationals may be induced to come here.

Mr Orville Freeman's name was mentioned in the House this morning. He not only demanded that the climate for foreign investment should be made free; after meeting our government leaders and the Prime Minister he also expressed a good deal of satisfaction that government policy in India is now very much conducive to foreign investment, that is, to the operation of multi-nationals.

Government must, therefore, clearly tell the House what is their policy and what they intend to do. I need not go into various other fields nor have I the time to do so. But I was glad that Shri Azad made a mention of the operation of multi-nationals in Chile. Now, what was the principal multi-national, corporation whose hands were active in Chile? It is, the ITT. We might think that we are free from the operations of ITT in India. But no, ITT has a subsidiary in the United States which is in the hotel business—Sheraton Hotels. Sheratons have already opened their operations here and those who have gone to Bombay Oberoi-Sheraton know how they have combined with our monopolists an hoteliers. How those people the Indian partners of Sheratons, are encouraged to intrude and take a hand in politics, you all know ITT has also another subsidiary—Bell Telephones of Belgium Bell Telephones, supplied cross bar equipment to our telephones and it is still causing headache to successive communication ministers including, I think, Dr Shankar Dayal Sharma. So let us not feel complacent that ITT is not operating here.

All the big foreign companies and multinationals have their eye on India they are active in India. What is, however, most frightening is the attitude of our government. Only some years back the president of General Motors came here and they had some kind, or still have some kind of arrangement, with Hindusthan Motors and Birlas General Motors is the biggest multinational corporation in the United States. When this gentleman came he was received in Bombay by the Governor himself, the Rajyapal there and all the ministers linked up at San'a Cruz to receive him. Then he stopped over for a few hours in Delhi and he was given special audience by the then President of the Indian Republic. Then he flew to Calcutta, to the Hind Motors and performs his opening ceremony for the Birlas, who are their subsidiaries

So let us not think that the G.Ms, I.T.Ts which did Chile and overthrew Allende, are not active here. They are very much active here, with the connivance, concurrence and agreement of the Government and ruling party. These things should stop; that is the general consensus in this House. I should like Mr. Paj to answer on behalf of the Government whether those things are going to stop or not. He must answer that on behalf of the entire government, on behalf of Mrs. Gandhi the Prime Minister as well, whether those things are going to stop or not. It is a question that I put straight to him and he should give a straight answer. This is the unanimous demand of the national parliament, the united demand of the whole nation, the whole of our people. He must answer it.

श्री मूल चन्द्र शापा (पाली) : ममापनि जो, मुझे बड़ी प्रमत्तता है कि हमारे बड़े विद्वान श्री० हीरेन मुकर्जी ने हम मदन के सामने यह संकल्प रखा लेकिन मैं तो चाहता था एक कोडीफाइड ला बना कर ने हमारे सामने रख दिया जाना। यह मारी बानें बहुत अच्छी हुई कि जो मन्टी नेशनल कार्पोरेशन्स हैं, बहु-राष्ट्रीय कर्मानियां हैं उनको बनकाब किया गया लेकिन मैं तो चाहता था कि एक कोडीफाइड नेजिस्लेसन हमारे सामने रख दिया जाना कि यह कदम हम उठाना चाहते हैं। मैं अभी तक समझ नहीं पाया हूँ— आप ने बहुत से इन्स्टैंस दिए, आजाद साहब ने बहुत अच्छा भाषण दिया, मैं पूछता हूँ गवर्नमेन्ट इस प्रस्ताव को खिनाफ कहा जाती है ? एक्शन क्या होता है, यह एक प्रलम्ब चीज है, लेकिन मेरी समझ में यह बात नहीं आती है—मैं जब रेजोल्यूशन पढ़ना हूँ—

"In view of the latest disclosures in several countries of the subversive and corrupting activities of the multinational corporations, this

House urges upon Government to exercise the utmost vigilance against this menace which confronts all developing countries and to take concrete measures to bar the entry into the nation's economic life of foreign, and particularly U.S. multinationals. Here I have suggested an amendment."

यह क्या है ? संकल्प रखने का इरादा बहुत नेक है, लेकिन इस में पटिकुलरली यू० एस० का जिक्र करने के पीछे आप की क्या भावना है। कोई कम्पनी किम लिये वहाँ आयेगी ? इस लिये आयेगी, अगर हम को लाभ होगा तो हम रखेंगे, वरना उसको निकाल देंगे।

समाधान जो, गोखल साहब करे बार भाषण दे चुके हैं। फारन-रकमपेन्ज रेगुलेशन बिल को जो सिलेक्ट कमेटी बनी थी, उस में मैं भी था। उस में चार बानें पाम हुई थी— मुझ मात्र भी अच्छी तरह से याद है, वह बिल हम ने किम लिये पाम किया था। गोखले साहब ने बार बार कहा कि जिन कम्पनियों का इण्डिया में रेजिस्ट्रेशन नहीं होगा, वे काम नहीं करेंगी। उन कार्गिस्ट्रेशन इण्डिया में होना चाहिये। उन्होंने यह भी कहा था—हम उन की गतिविधियों को बाध करेंगे, उन के कामों का अध्ययन करेंगे और अगर ठीक नहीं समझे तो उन को इजाजत नहीं देंगे। एक तरफ हिन्दुस्तान की सरकार का नुमाइन्दा आश्वासन देना है कि फारन कम्पनीज को या मन्टी परपज कम्पनीज को इजाजत नहीं देंगे और दूसरी तरफ कहते हैं कि सब कदम उठाने चाहिये—इसका क्या मतलब है।

मुझे एक बात समझ में नहीं आई—आप उनको बनकाब करना चाहते हैं बहुत अच्छी बात है, जरूर कीजिये। लेकिन एक सिद्धान्त को दुनिया मानती है—जिस हिन्दुस्तान के लोग बाहर जाते हैं, मान लीजिये हम नाइ-जोरिया में अपनी कम्पनी ले जाना चाहते हैं

[श्री मूल चन्द डागा]

श्रीर कोई टकनालाजी उन के सामने हैं या किसी मुल्क के सामने हैं, हम उस को काब में लाना चाहते हैं, तो इस का परपक्ष क्या है? इसका एक ही परपक्ष है कि उन पर हमारा अंकुश है या नहीं। हम ने उन पर अंकुश लगा रखा है, तो फिर बब-राहट क्यों है? हम कहते हैं कि तुम इतना शमर रखोगे, इस तरह से काम करोगे, तब फिर इनकी बड़ी बहस की क्या जरूरत थी। हमारे बहुत से विद्वान लोग बोले, किसी को बेनकाब करना बहुत आसान बात है। लोकहीड का मामला हमने आया, हम बहुत खुश हुए। एक तस्वीर सामने आई, कौन कौन उम मे इन्वाल्ड है। जापान के प्राइम मिनिस्टर भी वरुट निकले, हिन्दुस्तान के बागे मे कौन जानता है, बहुत अच्छा काम हुआ, लेकिन मैं एक बात देखता हूँ अमरीका ही एक ऐसा मुल्क है जो अपनी खराबी को खुद ही कह देता है। मैं जब उनका लिट्टेचर पढता हूँ तो मुझे नाजुब हाता है। आप लोग कोई बात कहे, उम के पहले ही अमरीका ने खुद कह दिया कि ये गडबड है। मैं सिर्फ प्रिंसिपल की बात कह रहा हूँ। आजाद साहब ने बडा सुन्दर और शानदार भाषण दिया लेकिन ये खबरें कहा से आउट हुई? जब हमारे मुल्क मे फाइने-एक्सचेंज रेगुलेशन एक्ट बना हुआ है तब फिर इत रेगुलेशन को लाने का परपक्ष क्या था?

The issue is how to get foreign investment on the terms that are best for our national goal.

यह इश्यू है मारा। इ/इश्यू में खिनाक कुछ भी हा, आप के पाप कानून बना हुआ है। अब अगर कानून को लागू नहीं करने हैं तो मर नार दोषी है। आप ने मारे कानून बना रखे हैं। अगर मुल्क में मानव वकील होते तो बताते कि इसमें यह रेस्ट्रिक्शन होने चाहिये। उम का मंत्री जी जवाब देते कि हा यह संशोधन होना चाहिये।

लेकिन जनरल बात सब लोग कहते हैं। जो बात आप कचना चाहते हैं उम के लिये सारे कानून भारत सरकार पिछले तीन सालों में बना चुकी है और बडे सतत कदम लिये इस कानून के अन्तर्गत। उन कम्पनियों को बाहर भी नि ला जा सकता है। एफ० ई० आर० ए० में लिखा हुआ है कि कितने लोग एक कम्पनी मे काम करेगे, कितने विदेशियों को रख सकेंगे, इक्वीटी शेयर कितना होगा। यह माने जाने होने पर भी अगर कुछ नहीं होता तो खराबी इम्प्ले मेटेशन की है।

जो वान आत मे रह रहा है यह कार्टो-रिफा के एक वकील ने 60 वान पहले 1917 में कही थी। इनिंग बच बने सकनी है? आप लोग कहते है कि हम ईमानदार है। रांची मे मैं ने हजारो इज नियम विदेशो के देखे। हमारे यहा गाव मे अगर कोई कम्पनी आती है वहा पजीनि चाहता है कि उम की शक्ति और राजनीति कायम हो। मेने कहने का मतलब यह है कि कानून बन चुका है, और मे चाहता ह कि जब एभा रेशोल्यू-शन आये ता उम मे एनजिस्ट मजेश्चन आने चाहिये कि कानून मे यह संशोधन कर दिया जाय जिससे हमारा परपक्ष पूरा हो जाय। उम वकील ने कहा है।

“इन देशो मे मब म दुखद स्थिति यह है कि यहा इमेगा बडी विदेशी कम्पनिया राज-नीतियों और महत्वपूर्ण सरकारी अधिकारियों को भारी शिक्न देती रही है, ताकि उन्हें अपने व्यापार में धैरकानूनी सहायितये मिल सकें, सरकारी कर्ज माफ हो जाये और इन देशों में इन्ही कम्पनियों के व्यापार का एकाधिार बना रहे.. इन देशों के राष्ट्राध्यक्ष और उन के निकटतम सहयोगी तो हमेगा ही फिनी न किसी बडी विदेशी कम्पनी के हाथों बिके रहे हैं... बडी विदेशी कम्पनियों द्वारा की गई भारी रकमों की बजह से ही ये सिद्धांतहीन राजनीतिज्ञ रातों-रात लखपति-करोड़पति बनते जा रहे हैं।” यह 1917 में वान कही है। इस

करोड़पति बनते जा रहे हैं।" यह 1917 में बात कही है। इस रिजोल्यूशन का यह फार्म होना चाहिये था कि जो मस्टी मेगनल कम्पनियाँ प्राती हैं उन को धाने के लिये रोक लगानी चाहिये, और जो कानून बन चुका है उस में संशोधन होना चाहिये।

सभापति महोदय : आप जो कुछ कह रहे हैं, इस प्रस्ताव को पढ़ें, उस में यही कहा है :

"and to take concrete measures" इस में आप की बात आ जाती है जो आप कह रहे हैं।

Concrete measures may mean amendment or maybe something more.

SHRI M. C. DAGA: I want to understand what are those concrete measures.

मैं ने कहा जो कानून बन चुका है, एक० ई० आर० ए० में आप क्या संशोधन चाहते हैं। बिना मतलब बीच में क्यों टांग भड़ा रहे हैं। बीच बीच में टोक रहे हैं और बोल रहे हैं।

श्री भागवत झा आजाद : ये अपने आप को बहुत काबिल समझ रहे हैं।

श्री मूल चन्ध डागा : काबिल का क्या सवाल है।

श्री भागवत झा आजाद : ये समझते हैं कि नालिज इन्ही के पास है। ये इस तरह का भाषण न दें। दूसरों के पास भी नालिज है। इसलिए यह इस तरह से ललकार कर न बोलें।

श्री मूल चन्ध डागा : ये क्यों बीच में बोल रहे हैं।

No, Sir; Are you favouring him? Is he allowed to speak now?

544 LS-10.

SHRI B. V. NAIK: In the Resolution "bar" is the most operative part. It means, "barring that".

SHRI M. C. DAGA: I have already said in my amendment, "whose past history is full of corrupt activities."

आप मेरे एमेंडमेंट को देखें। मैं उन कम्पनीज को बार करना चाहता हूँ जिन की पास्ट हिस्ट्री कन्डम करने लायक है और जो कानून की निगाह में बोधी हैं। इसलिए मैं ने यह कहा था कि यहाँ एक प्रिंसिपल को ले कर रेजोल्यूशन लाते हैं।

MR. CHAIRMAN: Is it "known corrupt activities?"

SHRI M. C. DAGA: Yes; I have already moved my amendment which says, "whose past history has been full of corrupt activities."

MR. CHAIRMAN: Is it "known"?

SHRI M. C. DAGA: Yes.

MR. CHAIRMAN: "known" and "announced by their own country?" Not till then? (Interruptions).

श्री मूल चन्ध डागा : आप ने पहला सेंटेंस नहीं पढ़ा। मैं ने यह कहा था कि कोई कन्ट्री किसी कन्ट्री को क्यों एलाऊ करता है अपनी फारन एक्सचेन्ज खाने को। वह अपने फायदे के लिए ही ऐसा करता है। अगर आप नहीं करना चाहते हैं तो दूसरी बात है। यह कोई नई बात नहीं है। हर कन्ट्री में ऐसा है। आप क्यों बार करना चाहते हैं। तो मेरा परपज यह था कि इस रेजोल्यूशन को खाने वाले को सज्जन हैं, वे हमें कॉफीट बात बताते कि ये ये एमेंटमेंट्स कानून में होने चाहिए। अगर इस तरह का रेजोल्यूशन लाते तो मैं समझता कि बड़ी अच्छी सलाह थी है।

इन सब्जेक्टों के साथ मैं समाप्त करता हूँ।

SHRI VAYALAR RAVI (Chirayinkil): I rise to support the Resolution moved by the respected Professor Mukerjee. It is well-known to the world to-day that the multi-national corporations are instruments of exploitation and spying. Their activities, especially in the developing nations, are meant only to exploit the poor more and to take all the benefits back to their own country. They are indulging in economic, political and other activities. Those political activities have now come to the surface and this has led to a lot of criticism in our country and all over the world. In their own country, it is being admitted that the activities of the multi-national corporations are not desirable.

16.44 hrs.

[SHRI BHAGWAT JHA AZAD *in the Chair*]

And they are indulging more in activities against elected governments and are working as instruments for the most notorious organizations like the CIA. I need not go into the statistics about the money they have spent in different parts of the world. The Chairman has dealt elaborately with the subject. I will give a specific example. Some multi-national corporations have taken advantage by giving the plea that they would export certain articles and thus they have obtained the licences. Take the case of Philips. There is nothing new in whatever Philips make; there is no new technology. They are nothing new to the country. They are producing which we cannot make ourselves. Take the case of radios. It is so simple a thing. Their licensed capacity is 60,000 in Calcutta. Subsequently they started a unit in Poona. There also, the capacity was 60,000. Without obtaining any licence from the Government, they went on to produce 3 lakhs in Calcutta and about 6 lakhs in Poona. The DGTD and the Ministry of Industry are there. They are expected to know the amount of production for different periods. They have kept quiet. The Minister cannot know everything that is going on. The

official concerned must inform the Government to take action. Similarly, the DGTD must take action. But, as you know, the notorious activities of these corporations are preventing the officers from taking any action. Sir, you know what I mean.

In answer to a question it was mentioned that the total production of radios in the country by the foreign groups comes to about 2.2 million. I do not know what is the wonderful thing in a radio that it has to be produced by a multi-national corporation. Also, out of this production, the foreign companies gave an undertaking to the Government that they will export 30 per cent. But I understand—I speak subject to correction—that the Ministry could not make any assessment so far as to how far these companies have fulfilled their export obligation. The Government say in reply to a question “this position is under verification by the Chief Controller of Imports and Exports, who is responsible for monitoring the export obligation”. This is a matter which should be pursued further by the Ministries of Commerce and Industry.

Then, take Dunlop or Good Year. There was a report in the Times of India that these multi-nationals are bribing Government officials all over the world. I do not know what is the position in India. In answer to a question in Parliament it was stated that the total profits of these four Companies, Dunlop, Ceaf, Good Year and Firestone came to Rs. 117 million last year.

I will explain how they exploit the people. The rubber growers of Kerala do not get a fair deal, even though Shri T. A. Pal is sympathetic to the rubber growers. In fact, he took the initiative to make them export rubber. The price of automobile tyre was fixed on the basis of a price of Rs. 1,000 per quintal but these companies paid only Rs. 600 to the growers. Most of the rubber growers in Kerala, who number about 4 lakhs, are small growers, and

they have increased their production during the last three years. But these four companies, who control about 80 per cent of the production, pay the growers only Rs. 600 while they are charging Rs. 1,000 per quintal and thus making a profit of Rs. 177 million. This is how the foreign companies are functioning in our country. They are exploiting the local market and the local people and not paying them what they deserve. In addition to all this they indulge in anti-people activities and commit economic offences.

Only this morning it was mentioned during the question hour that foreign companies would be allowed to have 51 per cent participation under the FERA on the pretext or plea of export obligation. But there is no fulfilment of export obligation so far. On the other hand, they are exploiting the internal market and killing local initiative.

We all know very well the undesirable activities of Companies like Dunlop and Philips, who bribe the officials to get whatever they want. I have mentioned these two names only by way of illustration; they are not exhaustive. The activities of multinationals harm the country in every field. Because of the activities of these companies, the domestic entrepreneurs are suffering in the radio industry as well as in the field of rubber, whose number runs into lakhs. They are producing because the Prime Minister has given a clarion call to produce more. The growth of the nation lies with the farmers, but they have been looted by the multinationals. So, I believe there must be greater control and every effort should be made to curb their activities which include toppling governments.

श्री सतपाल कपूर (पटियाला) : यह ठीक है कि जो ग्रैंडर डिवेलपेड कंट्रीज हैं या जो डिवेलोपिंग कंट्रीज हैं उनको रिसोर्सिभ चाहिए और वे रिसोर्सिभ हैं डिवेलपेड कंट्रीज के पास। इस वास्ते वे हम काम में अपना हिस्सा डालें, अपना कांटीब्यूशन करें और ग्रैंडर डिवेलपेड कंट्रीज को डिव-

लेप करें। लेकिन दुनिया में यह बात साबित हो चुकी है कि मल्टीनेशनल कम्पनीज जितनी हैं वे सब एक ही उसूल को सामने रख कर चलती हैं कि जो लोकल लीडरशिप है उसको कुरप्ट किया जाए, दूसरी हम तरह की बातों की जाएं तथा उनका ज्यादा से ज्यादा एक्सप्लोइटेशन किया जाए। किसी भी अर्थो-रिट्री ने या किसी भी मल्टीनेशनल कम्पनी के अपने रिसेर्च में यह नहीं बताया है कि हम ग्रैंडर डिवेलपेड कंट्रीज को डिवेलप करने जा रहे हैं। इन्होंने ग्रैंडर डिवेलपेड कंट्रीज में जाकर वहां पर मैट्रोगियल मस्ते से मस्ते दामों पर खरीदा और फिनिश गुड्स को ज्यादा से ज्यादा कीमत पर बेचा। यह दुनिया बुनियादी उसूल रहा है। जहां जहां वे गई हैं वहां वहां पर इन्होंने लोकल लीडरशिप को जो ईमानदार थी, नैशनलिस्ट थी, मुक्त के लिए काम करना चाहती थी, उसको जाकर डेस्ट्रॉय किया और हर जगह पेटे गवर्नमेंट्स बनाने की कोशिश की। आगा जी ने कहा कि हमारे देश में इन मल्टीनेशनल कम्पनीज को आना चाहिये और आप इनको रेगुलेट कर सकते हैं, रुक बना सकते हैं, कानून बना सकते हैं, एक्ट में जो नवदीली करनी हो कर सकते हैं। लेकिन आप इतिहास को देखें। वे जहां जहां गई है वहां वहां उन्होंने एक ही काम किया है, माउडी सरकार को, इटली, जापान आदि को आप देखें, यही काम उन्होंने किया है कि लोकल लीडरशिप को कुरप्ट करने की कोशिश की है और पेटे गवर्नमेंट्स स्थापित करने की कोशिश की है। अगर हम यह फैसला कर लें कि हमने अपने मुक्त को इनके हवाले करना है, अपनी इकोनॉमी को इनके हवाले करना है, अपनी कल्चर को डेस्ट्रॉय करना है तब तो हम इनको बैकलूम कर सकते हैं। लेकिन जैनार्थिक प्राइम मिनिस्टर ने कहा है, हमारी पार्टी ने किया है और मान्य हो रहे हुए भी सभी पोलिटिकल पार्टीज ने कहा है कि हमको सैल्व रिसायेंट बनना है

[श्री सतपाल कपूर]

तो हर्षे इस बात को देखना होगा कि जो घावमी हगारे देश में आ रहा है उसका पिछला रोल क्या रहा है, इन कम्पनीज ने किस-किस देश में क्या-क्या किया है, इनका रोल क्या रहा है। इससे यह बान साबिन हो जानो है कि इनको बिलकम करने से कोई बडा फायदा नहीं होने वाला है। यह ठीक है कि अडर डिवेलेप कंट्रीज की अपनी कुछ प्रावलेम्ब हैं। उनके पान रा मैट्रीरियल है, लेवर है लेकिन रिसोर्सिस नहीं है। उन रिसोर्सिस के लिए अडर डिवेलेप कंट्रीज आपन में मिल कर एक दूसरे को डिवेलेप करने की कोशिश कर सकती हैं। हमारी कम्पनिया भी बाहर जा रही हैं। हम भी अलजीरिया, नेगाल तथा दूनरी जगह मरद कर रहे हैं। हम जहाँ-जहाँ भी मरद कर रहे हैं हमने किसी भी गवर्नमेन्ट को बडा तोडने को कोशिश नहीं की है बडा के पोलिटिकल मिस्म को बेज करने की कोशिश नहीं की है, एकमप्लाएट उमको करने की कोशिश नहीं की है। हन क्या किसी की मदद कर सकते हैं, क्या किसी से मदद ले सकते हैं इन असूल को मान कर चल रहे हैं, इस असूल को पेमेन्टर रड कर चल रहे हैं। हमने किसी गवर्नमेन्ट को डेस्ट्राय करने की कोशिश नहीं की है जबकि मल्टीनेशनलज ने किसी गवर्नमेन्ट को कायम रखने की कोशिश नहीं की है, वहाँ लोकल लीडरशिप को कुरप्ट किया है, अगर ईमानदार लीडरशिप भी तो उनको खत्म करने की कोशिश की है। हमे अपने देश में रिसोर्सिस की कमी है। मैंनाबर हमारे पास है और मैट्रीरियल हमारे पास है। लेकिन इस भावना के लिये कि हमने अपने कंट्री को डेवलेप करना है, हम अपने आपको सोने की जजीर में जरूड लें, इससे बहुत बडा नुकसान होगा।

सी०आई०ए० की एक्टीविटीज के बारे में वे खुद कह रहे हैं, रिपोर्ट छप रही है और रिपोर्ट का जिक्र आपने भी किया है। मेरा

बोधने का विचार नहीं था, इशिये मैंने तैयारी नहीं की, लेकिन क्या आज कोई घावमी दुनिया में ऐसा है जो सी०आई०ए० को डिफेंड करता हो।

सी०आई०ए० की एक्टीविटीज के बारे में बताया गया है कि वे किस तरह से रिटायर्ड डायरेक्टर, और चैयरमैन बनैरा की मल्टी नेशनलेज में भेज रहे हैं। इन लोगों को वे दूसरे मुल्को में जनरलिस्ट एक्नपर्ट्स, रिसर्च स्कालर, एक्सीक्यूटिव इकनामिस्ट बनाकर भेजते हैं। ये लोग हमारे कंट्री में भी आये हैं। सी०आई०ए० के घावमी डायरेक्टर बनकर हमारे यहा मल्टीनेशनल में आये हैं, उनको बताया गया है और यह से निकाला भी गया है।

हमारे यह पञ्जब में एक्सीक्यूटिव यूनिवर्सिटी लुधियाना में है। वहाँ जितने भी लोग आते हैं, यह एक ही बान कहते हैं कि एक्सीक्यूटिव डेवलेपमेंट के लिये यू०एस०ए० से हैल्प लेनी चाहिये। सोवियत यूनियन आपकी मदद नहीं कर सकता है। यह जहा जायेंगे एक ही फिकरा बनेगे। यह हमारा एक्सीक्यूटिव कंट्री है वहाँ के 80 परसेन्ट लोग देहाता में रहते हैं। एक्सीक्यूटिव इकनामी को डेवेलप करने के लिये यह जरूरी है कि आपकी फर्स्ट पार्टी एक्सीक्यूटिव हो, सेकंड प्रायटी एक्सीक्यूटिव और थर्ड प्रायटी भी एक्सीक्यूटिव होनी चाहिए। यह तो मानते हैं, लेकिन उस के लिये मदद उम मन्त्र में लेनी चाहिये जहा एक्सीक्यूटिव डेवेलप हुआ है। हमें कोई बहुत बडा खतरा मोल नहीं लेना चाहिये। हम किसी कानून में अमेउमेंट कर ले लेकिन वे लोग अपनी नीयत में अमेउमेंट करने वाले नहीं हैं। हमको यह बात समझ कर चलना चाहिये।

SHRI VASANT SATHE (Akola) : I feel encouraged by what you have said in this. That is why I have decided to participate in it. Whether you bring

this resolution or another resolution, Mr. Mukerjee is going to be a cry in wilderness for the simple reason that the fault does not lie either with your intention or with the intention on this side or the intention of the people who are exposed to CIA, others and America, the fault does not lie there. There is no dearth of good intentions. The fault lies in the system. As long as this system continues where a few get the right by accumulation of the result of the many in their hands known as capital, where a few get the right for that accumulation and exploitation of the any, whether within the country or outside throughout the world this malady will continue. Now who is a multi-national? A capitalist in one country, a monopolist in one country becomes so strong, so powerful that he wants to go all over the world. This is how imperialism started in one State and wanted to rule in other colonies. This is nothing but a new type of colonialism. The Prime Minister once described this in the United States as neocolonialism. This is a new imperialism, an economic imperialism as described by a man like Mr. Gtarar Mayrdal

As long as this type of imperialism remains, is allowed, the wrongs will exist. The other day, the Minister was there to hear Raul Freibisch. He described this as the philosophy of growth of the centre against the periphery. Whether the centre is in the United States or it comes in India, there is an Indian centre also which is exploiting the periphery and this centre will always be hand in glove with the centre abroad. Therefore, this exploitation will continue. Unless you decide to change the system of exploitation itself, I am afraid, you cannot stop this neo-imperialism coming in. You will always have some person to open the flood-gate in your country because that person or that institution believes in exploitation. How will you stop the flood gate? How will you stop the enemies coming in? It is not a question of attacking this or that, one company or another company. I am afraid, it is

your present philosophy which encourages the high consumption society. We may shout and cry hoarse but that is not going to affect them.

17 hrs.

I may tell you that there are those few top people in this country who believe in three Cs—you mentioned about them and you added one 'C'; I was thinking whether you were going to say, Colgate—that is, Colgate culture, Coca Cola culture and Cadbury culture. That high class society, those gentlemen, when they retire in the evening, go to Oberoi Sheraton and sit across the table. They laugh and say, how foolish these Members are; they are crying hoarse and moving this sort of resolutions and all that but they cannot do anything.

Now, it is these multi-national corporations whose annual income is more than the entire national Budget of this country, not only the national Budget but, probably, the national income of this country who matter. How powerful they are. They have already bought—you were saying, they will buy—everything and they are in control of everything. We can only about. We will have our satisfaction that we have done our duty. But the real rulers sit in the evening in the Oberois, in the Sheratons, and they decide what the policy should be. I do not know how our great dynamic Minister is going to meet this challenge. But the will to meet this challenge is there. I have no doubt about it. I hope, he will succeed.

THE MINISTER OF INDUSTRY AND CIVIL SUPPLIES (SHRI T. A. PAI): Mr. Chairman, Sir, we have been listening to some very enlightening speeches on the working of multi-national corporations.

Before I go into the subject, I must say, since my dear friend, Prof. H. N. Mukharjee, had to make some personal observations about my absence, when he was making a speech, my absence was not intended to be an insult. I have always valued my privileges as

[Shri T. A. Pai]

the Member of Parliament first and those of the Minister next because that is more permanent...

SHRI DINEN BHATTACHARYYA (Serampore): You have got already doubts.

SHRI T. A. PAI: I have no doubts. Everybody has to cease to be a Minister at sometime or other.

It was very unfortunate that my hon. friend thought that I was evading the issue. When he was to move the Resolution, I was present here on that day. He was not present because he knew it was not coming up for discussion. I waited for an hour but found out the truth and went away. Subsequently, I was away in Europe. I had gone to Hungary for negotiating as a Co-chairman. Therefore, his observation that the Ministers are away anywhere when the important things are coming up is not called for. I hope, he would understand me properly. Sir, whether my other colleagues are present here or not, I can present the Government of India's views on this. But I never thought that my colleague Mr. Meurya is less competent to do so. In my absence, he was quite competent and authorised to speak and as an Hon Member of the House who has become a Minister, I think he shares the same responsibility as mine and it should not be said that, because I was not there, I was evading the issue, they should not question the competence of my colleague.

My friend has also referred to me as a paladin of the private sector proficiency. I went into the dictionary meaning of this word because it was used by a very learned person. I found that it pertained to wisdom, study or knowledge. If this is the definition, I don't mind being a paladin of the private sector. But why not give me credit for being a paladin of the public sector also? Today the public sector is functioning properly. I am not a champion of the cause of the private sector at all: so far as the economy of the country goes, and we have accepted mixed economy it is my duty to see

that all sectors function properly because they have been created with a tremendous amount of borrowings from abroad for which our children and grand-children are going to pay; and out of savings, which come from the public and which have been mobilised by the public financial institutions. Therefore, when they sometimes tell me that I come from the private sector—true, I was born there—does it mean that all those who have been championing the public sector were born in the public sector? What is this classification? I don't understand it at all. I have been heading public sector organisations and I think, with all modesty, I can claim that I have run them successfully, bringing credit to the public sector. Therefore, to attach labels so easily, I think, is not fair.

I want to say one thing I have stronger words to use in regard to multinationals and I must point out that to say that the Government has been encouraging multi-nationals and that the Government policy has been to invite them to come into the country is a travesty of truth.

AN HON MEMBER: We want implementation and not words

SHRI T A PAI: We are implementing it and I can give you the facts and figures. Of course, you may take an individual case here or there and say there is mis-demeanour or misbehaviour on the part of somebody or the other. Whenever any such thing is brought to my notice I take note of it. I am not championing any of the irregularities that are happening in this country and I do not want to deliberately allow any of these things to happen. This has been the cumulation of history in this country.

My friend talked of Colgate and reservation of tooth-paste for the small-scale sector. Reservation is one thing and somebody's making it is another. The small-scale sector does not feel enthusiastic about making tooth-paste. To prevent expansion of the tooth-paste industry among concerns like Bengal Chemicals and others, we imposed excise on them instead, and, once reservation comes, the bigger sector

cannot expand in this field. To protect the small-scale sector we said that tooth-paste made in the small sector is exempt from excise levy. And now, the net result of the non-performance of the small sector is that it has given the monopoly to Colgate which has exceeded 200 per cent of its capacity. Now, how to get out of it has been the problem—if we stop production and if there is shortage of tooth-paste there is a hue and cry. Therefore, I have been deliberately trying to get the small sector to come up in a big way and we have to see their marketing abilities as against Colgate for it to become a competitor. In fact the excise that we had imposed on others has not protected the small scale industry but it has penalised the consumers here in this country as they have to pay a higher price for tooth-paste. I am only giving this instance to show how we have to cope with problems in handling a situation like this.

Sir, some of the multi-nationals have become very powerful; they are small States by themselves. Their one obligation is to themselves and not even to the country where they function. Their interest is in their corporate entity and making profits at any cost has been a mission of theirs and, therefore, they have been functioning through their branches in various countries, depending upon circumstances, and have not hesitated even to meddle in politics sometimes, as in Chile. There is no doubt about that. In fact, even in countries like America, the point you have raised, they must be worried about the corporate wealth and the corporate challenge that these institutions even pose to their own countries. To say that they are more loyal to their country is also not true, in fact, there was an instance; the classic example is that the American Exxon Oil Company refused to provide fuel to the American Seventh Fleet during the 1973 oil crisis. So, you can see that, even the Seventh Fleet could be deprived of oil if an American company made up its mind not to give it. So, whether we like it or not multi-nationals go exit; they function in more than one country. But the whole

discussion revealed a confusion—foreign capital as against multi-nationals. If you are saying that no foreign capital should be brought into this country at all—wherever it may come from—then take that decision. People have been decrying, in the name of self-reliance, any technology being got. I am not one of those who want foreign capital for the development of the country, if the country is willing to accept the discipline and compulsions that go along with it. You cannot have a soft life and also preach against foreign capital. Where do we get the money from? Deficit financing may be a source, and you may say, 'tax the people as much as you like' But savings in this country have been given a go-bye completely. After all, it is those who have, will have to save, whether it is working class or whichever other class it may be. It may come in dribbles but it can come only out of savings. We have a funny attitude in defining what 'resource' is. If the entire working force puts one hour extra labour, is it not 'resource'? But we are against productivity, we are against anybody working harder. Then, we call it exploitation. This kind of work is necessary to build up the country, because, if we do not have money, we have human resources and we will have to find out how these resources can be effectively put in use. Why do we want this investment? The point is, today we have a very large number of people unemployed. All our policies are to protect those who have job. But those who have jobs do not seem to have the responsibility for those who do not have jobs. Soon, we will see where one person is employed, his own son and daughter, having been educated at high expenses, going unemployed. Can this country tolerate this?

Today we claim that we have got the third largest trained manpower amongst scientists, technocrats and engineers, after the USA and the USSR. But still we have not been able to make use of them. Are they not our resources? Therefore, while we have today become, in my eyes, an industrial country with a strong base for

[Shri T. A. Pal]

industrial development, of which we have reason to be proud—and we are as good as any country in any field of activity—that does not mean that we have all that we want. Look at our agriculture. In spite of being a Minister of Industry, I do claim agriculture as the basic industry of this country. I do look forward to the day when we may become the net exporter of food, after the USA. I do not see any reason why we cannot do it. But I also know that our agricultural resources should be linked up with industrial development—not horizontal integration, but vertical integration—because, for agricultural expansion itself it is not enough if we are satisfied with the primary produce, but our industries will have to be more and more agro-based. We want technology for that. In the United States, they have found out a technology for producing nylon out of castrol whereas we are making nylon out of imported crude. Therefore, if that kind of technology is necessary, do you think that we should or should not get it?

Whether we like it or not today, 20 to 25 per cent of our export earnings are required to pay off our debts—debt services and instalments—nearly Rs. 650 crores. Whether we owe it to the West or to the Socialist countries, that does not make any difference; debts have got to be paid. And how do you get the money except by expansion of export? People are saying: invest, on sugar, cement, textiles, etc., because that is in the core sector—let us produce more sugar, let us produce more cement, let us produce more textiles. We know that these will provide a few more jobs. But the difficulty is that we have now a situation where, once we produce even these essential commodities, markets go down because the purchasing power of the vast sections of the people is still not developed.

There is another area, we have all the human resources. If we can build technology, utilise those resources immediately and build up our exports, that could be another fruitful field.

And forthly, in our industrial growth, the defence potential of this country will have to be enlarged. For all this we require technology. I am not saying that we require foreign investment, but we will have to be realistic.

When the Finance Minister has come forward saying that the deferred D.A. instalments to the employees will be paid, but whatever else becomes due hereafter will be added to the provident fund, there seems to be some resentment. Sir, don't you think that it is the responsibility of the labour leadership to tell everybody that this is not being swallowed by anybody, but this is being invested again on their behalf? After all, how much they will get. They will get Rs. 50 or Rs. 60 per year; do you think that it will affect their standard of living? Rs. 60 each coming from one million people is sixty million rupees. Why don't you encourage that kind of thing, if we do not want foreign capital to come over? I would tell you that as against over Rs. 20,000 crores invested in our industries, the foreign capital involved is only 1800 crores. To believe that this country has been built out of foreign capital is nonsense. This country, as the Prime Minister has rightly said, has been built out of the savings of the people, may be through higher prices, through deficit financing, and if has been built out of the sacrifices of the people. If you can do it with a little more willingness, I think, we should be able to do more, but the imperative need to do more is urgent. There is no question about it. We have contained inflation that is one part of the picture, but the growing unemployment is also a real problem. If it has to be tackled, investment is the only answer and it will have to take place, whether in the private sector, public sector or any other sector; it does not matter.

Now, you are talking of foreign capital. I would recall, what Panditji himself had said in the Constituent Assembly:

“The objective of our regulation should, therefore be the utilization

of foreign capital in a manner most advantageous to the country. Indian capital needs to be supplemented by foreign capital not only because our national saving will not be enough for the rapid development of the country on the scale we wish, but also because in many cases scientific, technical and industrial knowledge and capital equipment can best be secured along with foreign capital".

On the basis of this, today we have not invited capital in the fields of banking, commerce, finance, plantation and trade. It is usually a fashion to compare what is happening in other countries. All of us have been told that in China all development is taking place on their own, but when I visited France and Germany and I visited a factory, I saw plants being manufactured for supply to China. What is this idea that we should go alone? Certainly, who prevents you from going alone? But not to borrow the knowledge coming from anywhere and to pretend that some other country is not doing it, is not true. My friend said that Soviet Union have their own methods, but I may tell you that we did not allow Chase Manhattan Bank to open a Branch in India for a consideration of a loan. We have been more strong in opposing some of these trends, which the bigger countries have been accepting in spite of any philosophy to the contrary, because each country knows its interest best. I am only pleading that we should know the interest of our country best. If necessary, we should keep out the multi-nationals, but not the foreign capital which can come on our terms. But I can understand that we have to see and exercise control in such a way that we have the control over what is happening and not controlled by others.

Now, what is the definition of a multi-national? The United Nations has now accepted the definition of a trans-national corporation as a corporation which functions in more than one

country. If you say that every industry which is operating in any part of the world, if it comes to India, is a multi-national and, therefore, we must not allow it to come, then we have 220 Indian industries going to Tanzania, Malaysia and so on and by what name you will call them? By this definition, they are also multi-nationals. Let us not be pretentious that others are exploiting but we, the Indians, are the purest and we do not know any exploitation. I think we are going there also because it is more profitable to do so and we expect Head-office remittances to come and we want a share in the profits. We would not like to invest in industries purely from a social objective. The objective is profit. But what is wrong about it? But we should identify ourselves with these countries and should conduct ourselves according to their laws. I am only saying that even Indian companies must be governed by a code of conduct. Let us go ahead by saying that you are not going to exploit the country where you are going, you cannot take the example of other multi-nationals or whatever it is. I am one for saying that we must ourselves first set the example of being fair to the country where our own corporations are going. It is absolutely necessary that we must do so.

My friends have accused the Government of keeping the FERA on the shelf. It is not so. I can tell you. We have considered 855 applications seeking permission under Section 29(2)A and the Reserve Bank of India have so far finally decided 381 cases as indicated below:

Non-resident interests reduced to 40%	46
Approved subject to dilution to 40%	37
Approved subject to dilution upto 74%	92
Approved with non-resident interests above 40%	Nil

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No dilution is necessary as the non-resident interest was already below 74% . . .	61
Liaison activity	31
Allowed on existing basis—shipping companies, classification societies etc.	23
Winding up of cases	33
Permission not granted	58

So you see now, that we have refused permission to many. Somebody said that the Coca Cola can have its own way. No. We are now asking them to reduce their capital to 40 per cent. This is, however, still under consideration. If they do not agree, they are welcome to go. But once you bring Coca Cola—I do not know, I am not one of those who taste it. May be those who are fond of Coca Cola may be opposed to it. I do not know. But you know even an eminent country like Soviet Russia welcomed Coca Cola. I do not know why. I am not championing that because, they drink we should drink. We can have an independent policy of not drinking it at all. I am only saying that to make a virtue of all this and think that the independence and sovereignty of this country is being disturbed by Coca Cola is something which I do not understand. By all means ask them to get out for some other reason and not because they threatened our independence—'Penetration, partnership and proprietorship by others in our country have gone so far when a halt has to be called'. These are the observations of our Professor. But may I tell you, Mr. Professor, this is not true and is exaggerated. Please do not get worried about it. We are capable of taking care of it. We have taken several steps under the FERA. But my difficulty is that while you have recommended the reduction of foreign capital to 40 per cent, I am awakening to a new reality. You will have to see what we have to do. The moment the foreign capital is reduced to 40 per cent, the control that we have over that company under the Mono-

polies Act, under the Companies Act and under the various Foreign Exchange Regulations Act goes, because it becomes an Indian company. And how to get control over such a situation is one of the problems that we will have to face. Many fields they can enter without our permission afterwards because they have fulfilled their obligation to reduce their capital. This was not foreseen. But while implementing we will have to see how exactly it is going to work. . .

SHRI K. S. CHAVDA: Unless and until it is reduced to 26 per cent, they will exercise their control.

SHRI T. A. PAI: You must have raised it at that time when the Bill was passed. I was not here. I am only telling you as I see it now. Now, this simple exercise of converting of the foreign capital into 40% requires converting about Rs 85 crores of capital every year for the next three years—not a question of remittance, we can afford to remit the money—but to make the Indians buy these shares at the rate of Rs 85 crores per year for the next few years, I am sure, will dry up all the available capital for investment. In such a case we will have to have a priority of what are the industries which we do not want industries which are engaged in simple marketing operations or industries which are making chocolates or cigarettes and many of those non-essential things. We shall certainly see what appropriate measures are necessary. It is not true that we are diluting the provisions of FERA. In the past many of these companies did not have a history of even exporting. Even in the case of Philips when they were exceeding the production of bulbs, the result of my direct intervention would have been to close down of the factory at Calcutta, employing about 2,000 people. Some times we have to face reality. If we take drastic steps our friends will come and say what will happen to 3000 people working there. Even if I take over, I cannot keep 2,000 people employed. I was feeling that somehow, another obligation should be placed on

the companies like this who have exceeded that production that such profits that they make should not be allowed to be remitted. There is not one solution. We will have to look into various problems that come up. You may be assured that we are interested in implementing the spirit of the FERA. It is not a question of obliging XYZ in this matter. I am fully conscious that foreign capital is not absolutely necessary for our development except in fields where, perhaps, without it we cannot develop. But, personally, I do not attach much importance to it because on an average the foreign capital that has come into the country for the last three years is about Rs. 30 crores per year. Do you think that this mighty country depends on Rs. 30 crores of foreign capital to survive? Now the total paid up capital of all companies in India is Rs. 5,400 crores as against the total paid up capital of foreign controlled companies and their subsidiaries which hardly is Rs. 259 crores.

SHRI K. S. CHAVDA: The paid up capital of Abhots is Rs. 1 crores and they are repatriating Rs. 24 lakhs per year.

SHRI T. A. PAI: May be. When we reduce the capital to 40%, sometimes expanding their pace of activities, you will some day raise a cry that on 40% they have remitted more money than on the 70% they are having now. We will have to see what are the activities they are carrying on and whether they are justified. I am not here to analyse case by case. Please do not be under the impression that I am defending any of the cases that you have brought out. They will certainly have my attention to see if what you have said represents the state of affairs and what action is necessary.

SHRI VASANT SATHI: The Hathi Committee recommended reduction to 28%.

SHRI T. A. PAI: I am not talking about drugs. Drugs are not covered

by the decision of 51%. It was made clear when 51% formula was announced that drugs are not covered. It did not cover the drug industry. It requires special treatment in view of the Hathi Committee. You cannot generalise it to all other sectors. That is the reason why I am telling you that decisions already have been taken the cases of I.B.M., World Trade Corporation, Cadbury Fry India Ltd., I.T.C. Ltd., referred to in the speech of the Hon'ble Member, all of which have been directed to reduce their non-resident interest to the level of 40%.

Government have approved the proposal of Union Carbide India Ltd., referred to in the speeches for the manufacture of ready-made garments and processed marine products on the basis that 100 per cent of the production would be exported and they have been granted letters of intent accordingly.

I want to tell you—you have been saying that small scale sector can export garments, somebody else can export garments. Who denies that? But the question is who stands in the way? We are giving the fullest support. But to-day one reason to give full support to develop the garments industry is that it provides large employment and the possibility of export.

We talk of self reliance—to me self reliance is the ability of this country to have free foreign exchange so that it can buy the technology it requires, because some of us have said, let us buy it outright rather than have foreigners coming in. People without money cannot buy anything. Without money what can you buy? Let us have money first. Let us build self-reliance which means standing on our own legs even without asking for loans or help from our friends. But if that is not possible, let us by all means build up the country, wherever that technology comes if it is not going to sacrifice our sovereign rights.

Union Carbide has come forward to export Rs. 25 crores worth of garments every year, because they have the

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ability of marketing. We are one country who have to develop marketing abilities in a very big way if we are to accelerate our export growth. This cannot be done so easily. Take Tea for instance. You go to any European hotel now. In the menu card against Tea, they mention Ceylon. Nowhere in Europe it is said that Tea is coming from India. Because we have believed in selling it in bulk we have not marketed it. Selling is different from marketing. India has to develop its own marketing potential and that is why I was very keen that if we wanted the capital, let it come from non-resident Indians. Let us pick up the marketing possibilities that they have on account of their living abroad and let us use them fully, because, we will have to find out alternatives to our basic policy of not allowing foreign investment or multi-nationals to come into this country now or in the near future.

It is not only one negative approach that is necessary but it must be supplemented by more positive approaches also. Therefore, when this question of exports or garments by Union Carbide came up we had to take into consideration very seriously whether it is in the interests of the country. Let me tell you, Sir, the philosophy of the multinational is, what is good for the General Motors is good for America. But I am not of that belief. What I believe is, what is good for India alone should matter and in every case, without bias, we shall certainly look into these proposals and see whether they are beneficial to us or not.

As the House is aware, Burmah Shell Refineries Ltd. have already become a Government company and 100 per cent equity shares have been taken over by the Government with effect from 24-1-76. The title and interest and liabilities of Burmah Shell Oil Storage and Distributing Company of India Ltd. were vested in Burmah Shell Refineries Ltd., a 100 per cent Government company which has since been renamed as Bharat Refineries

Ltd. Negotiations are in progress for taking over certain other companies engaged in refining, distributing, etc. of petroleum products.

Decisions on the cases of Coca Cola Export Corporation, Hindustan Lever and other similarly placed companies are expected to be taken shortly. I may tell you here that the FERA committee only makes a recommendation. I am not in a position to say what those recommendations are, because, the final authority, under your own Act, is the Reserve Bank of India and it should not appear that they have been influenced by any recommendation that we make, whereby it will appear as if the recommendations are being published in advance.

With regard to the issue of the use of foreign brand names, a point raised by hon. Member, Shri B. V. Naik, the position is that under Section 28 (1) (c), FERA, Permission of the R. B. I. will be necessary for foreign companies and Indian companies with more than 40 per cent foreign shareholding for the use of any trade mark which they are entitled to use, by any person or company, for any direct or indirect consideration. This relates to prospective cases. Section 28(3) relates to the existing cases of trade marks which are in use. Government have prescribed certain guidelines for administering Section 28(1) (c) concerning use of foreign brand names and trade marks. The salient features are these. A general permission may be granted where a trade mark is to be used solely in regard to goods for exports.

Sir, I was in Hungary recently, a socialist country but the people there would prefer to buy things with foreign brand names whether you like it or not, like Colgate, made in India, Ponds Cream, made in India. This shows that there is market in Hungary for some of our products. I would not like to lose this market, if with these brand names also we can

earn some foreign exchange. A general exemption may also be given to life-saving and essential drugs, pesticides, certain chemicals, etc.

With regard to grant of permission to existing cases, the Govt. have decided that the period should be either as allowed in the registration of the registered user for the collaboration approval or upto 31-12-78 which ever expired earlier. The RBI would deal with the applications for use of trade marks in consultation with the Controller-General of Patents, Designs and Trade Marks.

Having said that, now, what should be our objective? We can say, all right you want it our policy to bar multi-nationals from coming. If I make that statement it would mean not only American companies, but, everybody who is now coming into India will have to be debarred, which means, our company going out of India, will also have to be debarred. I don't think any hon. Member is interested in such isolationist policy at all. My hon. friend has that the UN has failed to solve the problems of multinationals. It is not so. We are seriously involved with the United Nations Organisations. On this subject. First of all, our own representatives are associated with these discussions. At Lima conference recently it was reported how the discussions were going on, what steps were being taken etc. They are trying to draw up a code of conduct. But I don't know how far that code of conduct is going to be effective unless every Government which is involved is firm enough to see that this code of conduct is carried on. But, in the meanwhile, this organisation is doing research which is very useful. They are taking into consideration the working of every multinational corporation to see how its working is affecting the political, social and economic considerations of each country.

That is of much more use to us. My friend has given a strong call for prohibiting the American Companies and I do not have such phobia against

any nation. I would like to have access to the best technology possible anywhere, the same technology which even the Soviet Union and China are negotiating for. On what terms? We may not be able to get it on the same terms as those two big countries. But, I do not want to deny ourselves access to any technology which our country may require. Even without present progress we may require more sophisticated technology. As far as possible more than anybody else; we shall certainly go along on our own and we shall have self-reliance. That is the reason why the Government has decentralised all industries which are based on the research coming from our own institutions. And I am called upon to answer a question, why? Precisely, because of this reason let there not be a problem for anybody to use this. Let our laboratories also be put to test. It is not merely professing; but it is the performance that is more important in this country. Let there be a complete freedom for laboratories to find out what the people want and let them involve themselves in this research. So, this is one part of it. The second part of it is this. Why is it that we go to the multinationals? Because, the technology is available with them only and because they are the only bodies who have plenty of resources and for their own reasons they have gone into research in a big way. Sir, there is another Technical Committee set up by UNIDO. We are trying to see that technology transfer to developing countries is done through an official organisation so that the technology may not be the basis of exploitation. For the developing countries, it is imperative. Developing countries cannot afford to pay heavily on borrowed money for getting technology so essential for their growth. The developing countries will have to work together where technology transfer becomes possible. Even for the developing countries we want a Central Organisation like the U. N. for this purpose. In that regard, the Government of India will certainly take any-step necessary.

[Shri T. A. Pai]

I can assure the hon. Member that I entirely agree with the spirit of the resolution that he has moved. I want to tell him that not only in the case of the U.S. Companies but any organisation coming from any country in the world, if it is in conflict with the sovereignty of this country and the free will of this country to be independent we shall certainly not allow that to happen.

So far as I am concerned, I give an assurance that even while approving the technology collaboration if there is a history of subversion or sabotage by any company abroad, we shall blacklist it even for giving their technology, if necessary.

With these words, I would like you to commend that India should take a very strong attitude and support the U. N. organisation, firstly to see that a code of conduct which is applicable to all these multinationals is drawn up, that we take the initiative also of placing code of conduct for our own companies which are operating outside; and secondly, to accept the proposition that technology is not the property of anyone country. It is the property of humanity and, at one stage or the other, it has to be shared with the rest on terms which are reasonable and perhaps sensible.

SHRI H. N. MUKERJEE (Calcutta-North-East): Mr. Chairman, Sir. I am grateful to the House for according to my Resolution a near unanimous support. But, I am sorry to have to say that the speech of my hon. friend, the Minister, makes me feel that any hope that we might repose in the determined intention of Government to go ahead with our economic policies with a view to become self-reliant proves more and more to be illusory.

I should say that I have had a soft corner for the Minister who has just spoken. But, I feel, at the same time, that his kind of pragmatism is a little too much to be swallowed. I cannot understand how it is that he does not see the danger which so many of us

in the House have tried to underline—the danger represented by the multinational corporations—and his speech could have been made in some respect by Mr. Orville Freeman or someone of that sort. The day the Resolution was moved in this House, there was a relaxation given to the foreign capitalists and the day before yesterday there was in the papers a report from London quoting the 'Guardian' there that foreign investors were even happier that concessions to foreign investors formed part of an overall shift of emphasis in economic policy from over-blown rhetoric of yester year to getting on job with the accelerated production and generating employment.

What most of us have said is the over-blown rhetoric of yester year. The Minister's wisdom now satisfies the foreign investors Foreign investors in India are pleased with the Government relaxation of restrictions on foreign firms under the Foreign Exchange Regulation Act. This appeared in the 'Guardian' which comes out from London and it came because of the attitude which has just been shown by my hon'ble friend, the Minister.

Sir, I am sorry to have to say that the Minister did not read the speech which I had made last time because he began by referring to what I said about him I said in that speech. I am ready to believe that the Minister has other pre-occupations. I had said in that speech my friend, Mr. Maurya, is as good a Minister as any other who can represent Government but I resented and I shall continue to resent—as long as I am here in the House or in the land of living,—the fact of the Ministers treating this House the way they are doing. Even today Finance has not chosen to come for a moment. Last time Finance came for half a minute. External Affairs was here perhaps because of other than governmental reasons. I do not like this sort

of thing at all and I said not in a personal way but in order to assert the principle that Ministers of Government, particularly when Resolutions of this nature which involve several Ministries are being discussed, they must show adequate respect to Parliament.

Mr. Pai, if he reads my speech over again, will find that I had said that he might have other pre-occupations and his Minister of State told me—not openly but personally after I had spoken—that Mr. Pai had gone abroad. I had tried and taken some pains in this regard to quote the Prime Minister's statement and Mr. Chavan's statement when he was the Finance Minister and I wanted them to stick to implementation of the policies involved. I see nothing of the sort. I see on the contrary special relaxations having been given so very recently to foreign capitalists.

My friend, Mr. Pai, says he supports the United Nations effort where the United States and the United Kingdom and such other countries opposed us suggesting that the Resolutions had been imposed on the Assembly by brute majority of developing countries. The United States delegate said: The steam roller is not a vehicle for solving complex problems. They shouted at us. They made fun of our adolescent posturings because we wanted to be really and truly economically emancipated and we wanted regulation, supervision and, if necessary, elimination from certain countries of the multi-national corporations. If Mr. Pai is serious about what he says about United Nation's effort, he should make an effort to see to it that something is done about multinational corporations.

Mr. Orville Freeman, who was here the other day, had the gumption, the arrogance, to ask our Prime Minister to make a special statement favouring foreign capital. He said somewhere that the world has now shrunk from the size of a balloon to the size of a grape. That is why the multi-nationals operate. They want us to be

the grape that they would squeeze and get all that they wish out of our labour and our resources.

Before I go on to other things, I do not understand this fixation about export. Union Carbide promise to send 100 per cent of their production of garments abroad and, therefore, we welcome them. I do not know where you would stop. I can understand the slogan 'Produce or perish', but I do not understand the slogan 'Export or perish'. At that rate—I believe in the history books you will find that in Lord William Bentinck's time there was an idea of selling the Taj Mahal, for by selling the marble we could get a lot of money—possibly some American combine can get together 50 billion dollars and take our Taj Mahal or Konarak and give you that, of you want to export that sort of thing Do not have a special fixation about exports, Mr. Pai or whoever else may be in Government This peculiar fixation about export has got to go.

And have you really tried to make sure that exports are properly conducted by these multi-nationals? You have not. That is my grouse against you. Only this morning I presented to Parliament a Report, on behalf of the Public Accounts Committee—it is now public property—on computers. IBM is a prize specimen of a multi-national corporation. My friend, Mr. Pai, beat about the bush, which he was warned not to do by my friend, Tridib Chaudhuri. He never referred to any of these operations. So many things have been said. Dr. Sen, Shri Chavda and so many other members talked about the Hathi Committee Report. Where have you hurled the Hathi Report? Why on earth should a serious examination of the position by the Hathi Committee be 'continued to be considered' by Government? Why should you have to rely on these customary Abbots, Bootes, Cibax, Glaxos, Pfizers, Roches and Sandox and so many others?

AN HON. MEMBER: Hoechst and others.

SHRI H. N. MUKERJEE: Because they give you technological assistance? Because they get you employment? Because they get you free foreign exchange?

The other day there was an answer by Indira Gandhi herself about Pfizers, it was not by Indira Gandhi, I am sorry, this was an answer by Shri Sethi:

"An extension of two years from 10 June, 1975 has been granted to Messrs. Pfizer to raise the Indian participation in the company to 40 per cent".

Is this the way of implementing FERA? Is it a joke? I said a little while ago that FERA is a fake. You turn FERA into a fake. You flourish FERA in the face of the people and tell them 'We are doing these courageous things', and you go on like meek little lambs before these blighters who come from the multi-national corporations because you cannot fight them. I do not understand this.

I said IBM is a prize specimen. What are they doing? What kind of technological assistance are they giving us? Here in this Report, which you will find in Parliament Library, which is presented today—it can be reported in full by the press if they want to, unless the Censor stops them—we find during evidence our own scientists on the Electronics Commission telling us—this is a quotation of what was said by the representative of the Department of Electronics:

"It is our view that in case IBM does decide that they would not really fall in line with the policies of the Government of India and if they decide to leave the country, we should not be in any difficulty at all. This apart, the technological options that we see for this country, the manner in which the computer industry should develop in this

country, are decidedly not in line with the technological policies of IBM".

Mr. Pai or the Home Ministry perhaps should get an inventory of how many high officials of Government are connected in one way or the other either through their relatives, sons, cousins, nephews or, heaven knows what else with these big companies, TDCs and so many other organisations. Go and find them, the link with Boeing and others, Pfizer and others, go and find out, get your officers to give you an inventory of how many of your own people are linked and how IBM controls things. The representatives of the Electronics Commission told the Public Accounts Committee of Parliament:

"It was thought that it was high time we looked into the appropriate technology in the country and we did arrive at an appropriate conclusion. We have come to the conclusion that IBM's system is incompatible with the requirements existing in the country."

What are they doing about it? Mr. Pai talks bravely and wants me to become an intelligent, practical-minded person. Principle is something also which is important. Practice unrelated to principle is something which however religious minded people might be, they sometimes forget. I have no religion to profess. I believe in certain principles which have to be related to practice. How is IBM behaving? Cheating us of our taxes. I have sheafs of answers where we are told that foreign capital would be tolerated because they pay our taxes; they can remit profits provided they pay our taxes. But they do not pay the taxes properly; they cheat us. In the Public Accounts Committee's report presented this morning, you will find how our customs had to load the invoicing of IBM to the extent of 350 per cent in 1973 because they did not believe the figures given in the IBM invoice. It is a little too sick to have to listen to the represen-

tatives of the government shielding those practitioners of crime. We give a new tone to the culture, the living style of people of this country. Nobody bothers about Coca-cola making money or not making money or that sort of thing. But the whole lot of them together, they have got a grip over our economy. Even in the case of drugs you cannot do a thing. If you hurl the Hathi Report into oblivion, then heaven help you. I do not know how you face the people with any conscience, if it is there. The MRTP Commission is immobilised because Pinters and others are brought before them, they go to the High Court and get a writ or whatever else it is called and stop it; nothing is done, government sits quiet and talks only, from time to time, about getting article 226 amended or something like that. Meanwhile the damage goes on. What I say is make up your mind about it. So much corruption has been introduced in the country by the multinationals. Make up your mind about real genuine things.

Last time an hon. Member suggested: let there be a parliamentary committee to look into this matter. It will go into the matter and report in a short enough time, not one of those governmental committees which take a couple of years to give an interim report and then the government takes five years to consider and that sort of thing.

MR. CHAIRMAN I do not want to interrupt; but Shri A. K. Gopalan should get time to introduce his resolution and only five minutes are left.

SHRI H. N. MUKERJEE I know that Shri Gopalan should have time to move his resolution; I am finishing.

What I mean to say is this. I could have responded to the desire of the Minister which he expressed in a sort of a fashion, that I withdraw the resolution; I could have done so only if he had given me an assurance that

there would be a parliamentary investigation of the position of the multi-national corporations in our economy. It would be given a time-limit within which to work. Our life itself is limited. I know it for a fact that a parliamentary committee can work a great deal more quickly than any other organisation that you can think of.

It is a shame. The name of Mr. McNamara, boss of General Motors was mentioned; when he came to this country, the kind of red carpet rolling before him made us feel so ashamed about ourselves, because after all General Motors is now eighth in the list of 100 multi-national corporations. I therefore feel that multi-national corporations are new weapons of the dying colonialism. That was the point stressed also by my friend Mr. Sathe. This is the new weapon of dying colonialism. When we were under the British Empire, we were kept in a state of planned backwardness. We were the agrarian hinterland to their metropolitan economy. Now, that we are free, now that we are trying to do certain things, they come and try to stop our advance, and there is the example of how these multinational corporations have behaved in Chile and elsewhere. Sir, I have quoted the Prime Minister repeatedly last time. I have charged the Government of not acting up to the precept that the Prime Minister's statements represent. If that is so, this Government is behaving in an entirely dishonest fashion in so far as tackling the problem of the multinational corporation is concerned. If Government did have a policy about it, it could have pursued it properly. The Hathi Committee's report would have been implemented and many things would have been done. The I. B. M. and that tribe of blackguards who are sucking the life blood out of the economy of our country are making it impossible for us to have a truly independent social structure. That is why I am very unhappy with what Mr. Pai has told us and that is why

↳ [Shri H. N. Mukerjee]

I feel that the Government's attitude is entirely disheartening and I cannot possibly be persuaded to withdraw my Resolution. I would certainly ask the House after the Members have spoken almost unanimously in favour of the Resolution, to give its verdict. I will press it to a vote.

SHRI T. A. PAI: Sir, may I make an appeal to the mover again? I am prepared to accept the spirit of the Resolution but not the wording pointing out that from one particular country multinationals are coming. Therefore, it creates more complications than necessary, because it gives a political bias and I will only appeal to him that it is unnecessary to attack the Government saying that the Prime Minister's policy is different and the Government is doing something else. I want to say that it is only one policy that is being followed.

So far as the General Motors are concerned, I must bring it to the notice of the House that when Hindustan Motors wanted collaboration and the General Motors wanted to invest 30 per cent, and the Government refused.

SHRI DINEN BHATTACHARYA: But he put a concrete suggestion. Why don't you set up a Parliamentary Committee?

SHRI T. A. PAI: It is not necessary. In my opinion no Parliamentary Committee need go into it because all people on all sides are agreed that the activities of the multinationals have to be watched and the interest of the country must be safeguarded and they should not be allowed to be operated as they have done in other countries.

MR. CHAIRMAN: Now, there is the amendment of Shri Naik. Mr. Naik do you want to press it or do you withdraw it?

SHRI B. V. NAIK: May I profess it
.....(Interruptions).

MR. CHAIRMAN: After the reply, you can only say whether you press it or withdraw it.

SHRI B. V. NAIK: I press it.

SHRI T. A. PAI: The Government of India is very active in trying to persuade the Group 77 to take active part in trying to implement what the United Nations Resolutions had mentioned.

MR. CHAIRMAN: It is all right.

SHRI B. V. NAIK: Has it been found? But I am given to understand that the United Nations have not been able to give a clear-cut definition on multinational corporations.

MR. CHAIRMAN: No speech after the reply. I cannot allow it. I want to know whether you press it or withdraw it. What do you propose to do?

SHRI B. V. NAIK: I press for it.

MR. CHAIRMAN: Now, I put the amendment No. 1 moved by Mr. Naik to the vote of the House. The question is:

That in the resolution,—
add at the end—

"and bring forward an appropriate piece of legislation defining a Multinational Corporation in view of the failure of the United Nations to do the same." (1)

The motion was negatived.

MR. CHAIRMAN: Mr. Daga is not present in the House. So, I put the amendment No. 2 moved by Shri Daga to the vote of the House. The question is:

That in the resolution,—

(1) after "economic life of" insert "such"

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(B) add at the end "whose past history has been full of corrupt activities." (2)

The motion was negatived.

MR. CHAIRMAN: Now, the question is:

"In view of the latest disclosures in several countries of the subversive and corrupting activities of the multinational corporations, this House urges upon Government to exercise the utmost vigilance against this menace which confronts all developing countries and to take concrete measures to bar the entry into the nation's economic life of foreign, and particularly U.S., multinationals."

The motion was negatived.

18 hrs.

RESOLUTION RE: RESTORATION
OF FREEDOM PROVIDED UNDER
THE CONSTITUTION

SHRI A. K. GOPALAN (Palghat):
Sir, I beg to move:

"This House is of the opinion that in order to make it possible for the people to be involved in the democratic process and developmental activities, the freedom provided under the Constitution to the individuals, organisations and political parties to carry on their legitimate political activities should be restored, all political prisoners be released, and the press censorship established after the proclamation of the Emergency and the recently adopted press acts should be repealed."

MR. CHAIRMAN: He may continue on the next day.

18.01 hrs.

The Lok Sabha then adjourned till Eleven of the Clock on Monday, May 3, 1976/Vaisakha 13, 1998 (Saka).