

(Mr. Chairman).

We shall now take up Private Members' Business.

SHRI DHAMANKAR (Bhiwandi): Mr. Chairman, Sir, may I request you to give me a minute to bring to the notice of the House some fire incidents which have taken place in the suburban trains in Bombay. In this connection, I have met the Speaker also in the morning. I had given a notice for Calling Attention also.

MR. CHAIRMAN: There is nobody here to take note of it. You may raise it at some other time. Now the Private Members' Business has to be taken up.

SHRI DHAMANKAR: There have been fire incidents in a number of suburban trains.

MR. CHAIRMAN: Please cooperate, now the Private Members Business has to be taken up. You take up the matter with the Minister of Parliamentary Affairs. Now we take up Private Members Business.

COMMITTEE ON PRIVATE MEMBERS' BILLS AND RESOLUTIONS
Sixty-second Report

15.31 hrs.

SHRI S. P. BHATTACHARYYA (Uluberia): I beg to move:

"That this House do agree with the Sixty-second Report of the Committee on Private Members' Bills and Resolutions presented to the House on the 14th April, 1976".

MR. CHAIRMAN: The question is:

"That this House do agree with the Sixty-second Report of the Committee on Private Members' Bills and Resolutions presented to the House on the 14th April, 1976."

The motion was adopted.

15.33 hrs.

RESOLUTION RE. MULTI-NATIONAL CORPORATIONS—Contd.

MR. CHAIRMAN: Now we take up further discussion on the following Resolution, moved by Shri H. N. Mukerjee;—

"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 US., multinationals."

The time allotted for this Resolution is two hours. Shri Mukerjee has already taken two minutes, the time left is 1 hour and 58 minutes. He may continue his speech.

SHRI K. S. CHAVDA (Patna): Kindly increase the time, there are a number of speakers on this Resolution.

SHRI K. S. CHAVDA (Patna): The time may kindly be increased to four hours.

THE MINISTER OF WORKS AND HOUSING AND PARLIAMENTARY AFFAIRS (SHRI K. RAGHU RAMAIAH): Let us see, how the debate goes in. It is too premature, it has not even started.

MR. CHAIRMAN: Shri H. N. Mukerjee.

SHRI H. N. MUKERJEE (Calcutta—North-East): Mr. Chairman, Sir, I had read out my Resolution last time, which must have taken less than two minutes. It is self-explanatory and I consider it particularly important. That is why, I am sorry to have to preface my remarks with the observation that this Resolution which

involves several Ministries does not appear to have attracted the attention of Government, and though our friend Shri Mautrya is as good a Minister, I am sure, as any other, I find it increasingly difficult to reconcile myself to the kind of indifference towards the House which is being displayed by members of the Cabinet who should know that they are responsible to Lok Sabha, but they do not choose to appear when Resolutions, substantially important Resolutions, relative to their portfolios are under discussion. The Private Members have neither power nor pull, but this kind of indifference to Parliament as such is something to which I have been unaccustomed in the old days, but it is no good talking about it.

The danger to which I have tried to draw the attention of the House is a danger which has been recognised even in the developed countries, when I found that a Canadian writer in International Perspective which is published by the External Affairs Department of Canada in the number of September-October, 1975 has posed the question of multi-national corporations in this way and I am quoting his words:

"How long can we tolerate penetration and partnership and proprietorship by others?"

Penetration, partnership and proprietorship by others in our country has gone so far that a halt has to be called. Our friend, Shri Pal, a paladin of the private sector proficiency, does not choose to be here, but I hope, he sometimes takes note of what his chief says.

The Prime Minister in Calcutta on the 2nd of March made a speech which was reported in Business Standard in banner headlines 'Keep off—PM tells multi-nationals.' I am quoting from the paper. She said:

"Certain external forces were putting pressure on India to widen the sphere of operation of multi-nationals on certain pleas . . .

I have no time to read it. She warned the people against these forces and said:

"Their intention was to weaken the integrity of the country and the development of the economy."

Further down she says:

"I declare with all my authority that our Government is not so weak and will fight back with equal force and vigour with which the forces will try to disrupt us."

In relation to the multinationals this is what the Prime Minister says. I hope she means it and her Government too. Again Mr. Pal is not to be seen. I do not know I do not understand and I do not like this at all.

At the Non-aligned Conference at Algiers in 1973 the Prime Minister herself had said:

"As the economic struggle becomes more acute, the long-suppressed voices of the people sharpen but with every step forward the resistance of entrenched groups often aligned with foreign interests specially the faceless multinational corporations becomes more vehement and unscrupulous and, at the same time, more subtle. In India, we see these constraints everyday."

These are the Prime Minister's words.

Mr. Chavan, the other day, at the Special Session of the United Nations General Assembly said on 2nd September, 1975:

"It was both irrational and harmful to the interests of the developing countries to draw investments in resources and technology through the trans-national firms. These firms should come under stricter regulations"

This is what he says.

Even Mr. L. K. Jha, always accustomed to sing the tune of those

[Mr' H. N. Mukerjee]

people who are generally subsidiary to the multi-national corporations, even he had to be the Chairman of a United Nations Group and say a few things, but I have no time to quote his words. The Prime Minister's words are there. If they do not mean any business, let them tell us so. From the facts we all know, they do not appear to mean business.

From 1951 to 1974 we find that 4810 foreign collaborations have been approved by the Government of India. Out of that, 1274 from the UK, 929 from the USA and the USA advance is now happening in a quicker fashion, but the UK still has the advantage. On the 31st of March, 1974, there were, according to a question answered in this House on 31st March this year, 540 branches of foreign companies operating in India of which the UK had 319 and the USA had 88. As on 31st March, 1974, 188 Indian subsidiaries of foreign companies were operating in India. Foreign collaboration proposals are still being considered in large numbers. I find from an answer given to as a question, unstarred question, No. 712 on 17th March, 1976 that the number of proposals approved was: 1973—265, 1974—359, 1975—271 and in 1975 there were 40 proposals involving foreign equity participation which we have theoretically rejected and other proposals were under consideration.

By the end of 1972-73, 740 foreign companies were here in India, 538 operating as branches and 202 as subsidiaries of multi-national corporations. The total assets of multinational corporations were Rs. 2,921.8 crores. These multinational corporations removed large parts of economy from any responsible control either in their own home country or here. They can manage things both here as well as in their own home country to their advantage. They frustrate national policies. They do not train indigenous people properly. What

they claim about 'technology transfer' is very largely a fake proposition. The cost of capital brought in by the multinationals is higher than borrowings in markets by the host countries.

The profits of these multinationals are exorbitant and far too low a proportion of the profits is re-invested. I have figures in plenty. There is hardly any time to quote, though one is moving a Resolution.

Rationalisation of production is an argument which they often put forward. But it is more often a tax dodge as so many cases which have come before our Committees will confirm. By sheer size and scope these companies dampen local enterprise and the interest of the parent companies abroad prevents a true inter-national spirit. They are not here for benevolent purposes. They are here to fleece us and they go on aggravating tension. That is something which has been given evidence of by so many international events.

I know, sometimes, we are told by pragmatic minded people—we should not be afraid; or why should we be afraid of the big wolf—multinational corporations. There are some siren voices which are heard from time to time. 'The Span' magazine for example so glossy, so slick, publishes articles championing the cause of these multinationals as the benefactor^s of humanity, the kissingers of creation, while they talk about our adolescent postures, threaten us that if you go against, if India and other similar countries go against the policies which their multinational corporations represent, then those countries would be punished. These multinationals are so powerful. This I find from a table given in The Span. It refers to 1970. It is a table of a hundred-sovereign States and multinational corporations 60 are sovereign States and 40 are multinational corporations. These multi-national corporations have their gross annual sales which are larger than those of most of the sovereign

States of the world. The gross national products of the countries and the gross annual sales of the multinational corporations are put down together. 40 of these multinational corporations are there along with 60 of the State in 1970 list General Motors was 23rd That is to say, only 22 countries in the world had a larger G.N.P. than 'General Motors'. 'General Motors' I understand have jumped to the eighth place. Only seven sovereign countries are ahead of General Motors in so far as their resources are concerned. This is the picture of these multinational corporations. The top fifty multinational corporations had total sales of \$ 538.5 billion. This is the latest figure which we have got. This would amount to nearly Rs. 500 000 crores. The total G.N.P. of all developing countries, according to the world bank Atlas as of January, 1975, was \$ 509 billion. The G.N.P. of all developing countries is less than the total sales of top fifty multinational corporations.

Students of these multinational corporations, like Ralph Nadar, quoted in Seminar of October 1974, very rightly as follows

"Where investment goes so does well-planned behind-the-scene politics. It is a Trojan horse to the least developed countries."

Europe has been worrying. Suddenly it seems as if the sovereign States are feeling naked, buffeted by a flood of dollars of General Motors. And so, men like M. Servin-Schreiber wrote in 'La D'efi Americain' (The American Challenge) that these industrial giants, these monsters, were States within the States and they had tried to humble even the pride of General De Gaulle. The IBM Corporation defeated the pride of General De Gaulle who wanted to have another computer and IBM succeeded in getting De Gaulle to come down because of the power that IBM had in France as well as in all countries of the world.

We find also, Sir, how economic processes are dominated and decided by the activities of these multinationals. We may not entirely credit the statement, but, in a book called "The Coming Clash" by Hugh Stephenson, and also in such publications as the Socialist Register, 1974, of Great Britain, we find certain statements which are dangerous. For example, we learn that a movement of 6 million dollars in multi-national funds from New York to Frankfurt and to Zurich in early 1973 helped to spread inflation across the Atlantic, forcing Europe to pay for the last remaining costs of the war against Vietnam. As a result, unemployment grew, welfare and public sector expenditure was cut, tariff protections were raised.

As an illustration of this tendency, I find from a study of 159 multinational corporations in six developing countries by Paul Streeten and S. Lal, that in 91 per cent of the companies' cases; the balance of payment benefit to the host countries was in the negative. In regard to India, Sir, of 53 companies examined 48 had negative impact on balance of payments. And the reason for this was the low inflow of capital and the large outflow on account of imports, royalties, dividends, head-office payments etc.

Sir, our Estimates Committee of the Fourth Lok Sabha in its Fiftieth Report, remarked regarding the foreign oil companies that they could not get the break up they were very angry and annoyed about it. But they were concerned that Rs 319 crores were remitted as profits between 1962 and 1966. When there was war between India and Pakistan the two foreign oil companies stopped production of fuel oil necessary for carrying out the fight, and the Public Accounts Committee roundly condemned this virtual sabotage. The recent P.A.C. report and so many other reports on National and Grindlays Bank and other trans-national corporations

[Shri H. N. Mukerjee]

linked with the City Bank of New York and other American banking concerns show they have been cheating this country of tens of crores of rupees of income-tax and other taxes payable to this country. There are these Public Accounts Committee reports which the House would have examined. But the IBM and other people are shown to have exercised the most unconscionable influence on Government departments, railways and umpteen other ministries who have eaten out of their hands, because, they never had the gumption to stand up for the independent economic requirements of this country. This is what the Prime Minister said today. When the Prime Minister of a country says, "I am menaced by these trans-national corporations", she means business, but the policies of the Government do not indicate that they have done anything. I am not saying anything purely from the left wing point of view.

Sir, the Non-aligned Conference in Algiers in 1973 pronounced against the trans-national corporations.

The Commonwealth heads of Government at Ottawa in August 1973 did so and the Bogota Conference in 1973 did so; the intra-American meeting of Foreign Ministers at Mexico in February 1974 attacked the Corporations; the Commonwealth Parliamentary Conference held in New Delhi last October—I have got the proceedings here—attacked the idea of multi-national corporations; the world anti-fascist conference at Patna where some leaders of the Government party went, last October, they all expressed concern over the multi-national corporations.

Now, not only the developing countries but also the developed countries are anxious about the multi-national corporations as a supra-national power—a kind of private United Nations, if you will—who command massive resources far exceeding those of many nations who

share a broad community of narrow self-interest of the richest people in this globe; they have high technical and diplomatic and public relations capability and they purchase talent in this country as well as everywhere else and thereby denude every country of its self-respect and of its own weapons of self-preservation. Let alone a country like in 1971, Mr. Ford threatened the U. K. that he would shut down Ford Motor Plant and shift it if there was a strike. Roche, the medicine people, by transfer-pricing cheate the U. K. of 24 million pounds; they were caught by the U.K. Monopoly Commission. But, this country has not the means even to check what transfer pricing means. Some of our friends here who study these matters know about it. Transfer pricing is a device to get around any ceiling of profit remittances prescribed by the host states; a device to reduce liabilities to countries whose currency is weakening; a device to best down labour demand for high wages; a device to increase payment to shareholders at home and decrease the payment to shareholders in host countries; it is a device to check the revenue of the host country; it is a device to deprive a host country of higher export earning; it is a device to hasten devaluation of currency on account of continued adverse balance payment engineered by methods with which our people have not perhaps even the expertise to find out.

The P.A.C. has reported on several occasions that the I.B.M. overbilled their Indian subsidiaries heavily and their underinvoicing activities went on merrily, the former Chairman of the P.A.C. this country, had to disbelieve the IBM and to tell that why are you doing this kind of underinvoicing.. And then they had to loan the invoices to a percentage, nearly 400% ncrease, because they were not to be trusted and these people do this business which is why Roche—by transfer pricing cheated the U. K. of pound 24 million and more; they were saught, Roche cheated India and charged librium a landed price of

Rs. 12, 248 per k.g. when the Drug Controller found the actual price to be Rs. 380 only. Similarly, for Vallum, they charged Rs. 27,870 as the cost per k.g. while actually was Rs. 462 per kg. This device of transfer pricing is something which they can never get hold of because they do not know, even the officials do not have the expertise to do anything about this. The multi-national corporations do not, on balance, export their first-line technology either to their own affiliates or to unrelated foreigners. Rather, this first-line technology tends to be retained in plants at home to generate new exports and compete effectively with imports in the same class.

The Hathi Committee which reported recently told us that 70 per cent of total sales turnover of drugs in manufacture of pure drug formula—about Rs. 370 crores. Ten firms with 100 per cent foreign equity are still operating; six of them are engaged in manufacture of pure drug formulations. A company like C.E. Fulford is operating without an industrial licence. There are ten foreign companies with 100 per cent equity. 24 between 50 and 99 per cent. 15 between 40 and 50 per cent; 11 between 26 and 40 per cent and 6 below 26 per cent.

But you dilute your Foreign Exchange Regulations Act. They do not apply. And why? we find, for instance, they put pressure on our people, on government, on the administration—political parties. They buy up people. The Lockheed scandal shows to-day how the people can be bought.

Even the consort of the Queen of the Netherlands got a few millions of dollars and was bought. Hundreds of millions of dollars are spent in Japan, Italy and other places where you go to learn lessons of democracy. They were bought and purchased like that and there are instances of some of our people. P. R. Nayak's case is there. We had people humbling themselves before Boeing before Boeing purcha-

ses are made. Don't you know these things? We cannot go into these matters. It happens all the time. There was a report in the New York Times which was quoted in Parliament last year that about forty American companies widely believe that they have liaison officers who deal with Indian officials. They make donations to political parties, spend money to maintain lobbies inside Government and inside Parliament and provide other inducements such as liquor, entertainment in luxury hotels and hospitality outside India when officials travel abroad. There should be an inventory as to how many relatives, children and nephews of big officials are employed by Boeing or Roche or heaven knows what other companies which are operating in our country. They are the biggest single menace to Independence and to democratic forms of Government and yet we do not find Government waking up to the terrible danger which they represent.

We find recently in March in one week alone giants like Goodyear Tyre and Rubber, Abbot Laboratories, General Telephones and Electronics disclosed foreign payments. Boeing company's admission was that 70 million dollars were spent on overseas commission and according to some on government servants. All this sort of thing is reported all over the places. They are never even properly investigated. I say it with some authority because I know a few facts. We know the case of Chile which was referred to by the Prime Minister herself. I made that open accusation earlier. United Fruit in Latin America secured demolition of certain governments which went against them. Firestone did it in Liberia as early as in 1926 topping the Government and getting their own kind of Government. Unio Miniere did it in the Congo some time ago when Katanga problem was there. Shell did it in Nigeria over Biafra issue. British Petroleum wanted and succeeded in having their desire to fish in the troubled waters of Abu Dhabi which was described by Hue Stevenson in the

Shri H. N. Mukerjee]

book called 'Coming Clash' as one of the nearest examples of combined commercial and political involvement called from the marginalia of declining British imperialism. Even British imperialism is trying to persist by recourse to this method.

In August 1975 "The Fortune" an American periodical listed many instances of multi-national corporations bribing politicians of the host country. Exxon donated 27 million dollars for Italian Election Fund and also 19 million more in other dubious ways for falsifying records. United Brand and Gulf which are the biggest investors in South Korea did the same thing. The total gross income of IBM in the year 1974 from sales and rentals of machines exceeded 12.67 billion dollars out of which 5.94 billion dollars came from sales, rentals and services in foreign countries. They are able to beat down rivals. I have indicated already de Gaulle wanted his favourite 'Machine Bull' but he had to truckle down to IBM's demand and France had to swallow her pride. India can hardly tackle IBM. You cannot do a thing about it. FERA is put on the shelf. Mr. Bipinpal Das is here. Are you expecting Americans would turn a friendly face towards us? What did Orville Freeman say when he came here to address Indo-American Chamber of Commerce or some such body that the Government of India should make some gesture of friendship to these trans-national corporations. Luckily, the Prime Minister made no such gesture. She has made at least very brave speeches I am very glad she has made those brave speeches. Let her Government behave now so that we can understand that this is being actually followed upon.

10.00 hrs.

The PAC has reported. Already it is a public document. The PAC is going into further details about computer acquisition in this country. The IBM has an annual budget greater

than that of most countries in the world, and the share value worth of IBM is far more than all the gold hoarded in Fort Knox in the US. Such companies as Hindustan Lever—what an ironic title of a foreign multi-national corporation—enter the consumer industry, where the local market is vast, and displace local competition. You please read the Hathi Committee Report. Hindustan Lever or their kind have the ruin of our country. Why should Union Carbide, for example, be given the opportunity of making garments in the name of earning profits for this country? Why should Imperial Tobacco, now Indian Tobacco, be allowed to rule the roost in our country? Why should GKW or Philips or the tyre companies—Dunlop Fire-stone and Goodyear—I have got the figures; I hope you will please give me a little more time . . .

MR. CHAIRMAN: Please conclude in five minutes.

SHRI H. N. MUKERJEE: These companies interfere; they distort our economy and they get away with it. Hindustan Lever has got the 4th place among the top 200 companies in India. There is Indian oxygen operating as a subsidiary of British oxygen. It is doing all kinds of enormities in our country. I have mentioned the Firestone Tyre and Rubber and other tyre companies. There is the queer, notorious case of Coca-Cola. Only the other day, we were told they import more than they export.—I think Dr. Sen's supplementary elicited the answer that whatever they get by way of export is much less than what they waste by way of import. And Coca Cola still finds its defenders! Coca Cola, Quaker oats and heaven knows who! General Motors is there, by the side of which Birlas is a pigmy. Hindustan Motors is nothing at all compared to General Motors; General Motors is there ruling the roost—running our country, so to speak.

India, therefore, has strongly to stand by a policy where the developing countries must make it clear that

are not going to stand this nonsense. Allende in Chile had spoken of the 'pitched battle with the giant transnational corporations'. That pitched battle still continues. They are carrying on that battle under the false guise of polite publicity. They have the best-trained public relations people in the world to befuddle Government and to make Government give FERA the go-by. Let not, therefore, the kind of thing that is happening continue for any time longer. Why should this take place? Even in Pakistan in the past a Pakistani economist, Syed Akmal Hussain, reporting on MNCs—multi-nation Corporations has quoted an UNCTAD study to say:

"Among 159 foreign firms in Columbia, India, Iran, Jamaica Kenya and Malaysia, 53 per cent had negligible exports or no exports at all. Apart from this, MNCs specifically prohibit exports from their affiliates in under-developed countries... 79 per cent of MNC subsidiaries are prohibited by their parent company from exporting at all. What is perhaps of even greater significance for the export capacity of under-developed countries is that 92 per cent of nationally-owned firms utilising MNC technology under licences are also prohibited from exporting."

They are not implementing FERA. They have given the go-by to it, which means to say, therefore, that in the hope of getting aid from the US or from West Germany or from the UK, or heaven knows who, you are soft-peddalling, Government's economic policies are a matter of soft-peddalling.

If it was a matter which did not require serious steps, I would have understood. If for practical reasons you have to go slow, I would not have asked our government unnecessarily to challenge everybody who is powerful. But when the Prime Minister puts the position so clearly, frankly and courageously, do I take it that the Prime Minister does not represent the views of her government? I cannot. The Prime Minister

at least, whatever one might think of her in political terms, is a proud enough person to be able to put her foot down, to see that the policies she wants are implemented, in which case where do we stand? She said very openly; I showed you—didn't I—this picture. Look at this picture, tremendous picture, Indira there, addressing a Calcutta crowd. She does not use words like some of us sometimes are inclined to do in Parliament, because we are in a different category. I ask the government to explain: how it is that this deviation continues to pass muster? I conclude with what I began. I am glad that several ministries now happen to be represented in the House; but I am very unhappy, I am angry that a Minister like Mr. Pai is not here; Mr. Pranab Mukherjee has chosen to come. FERA is on the shelves; it is not in the picture; it is not being implemented. Luckily he has come now to listen to my angry outbursts. But Mr. Pai is not here. Maybe there is some explanation. But it is not fair to Parliament.

This is happening over and over again in recent times—indifference of the Cabinet Ministers who are responsible to Lok Sabha—They go more often to the other place—they are responsible to the Lok Sabha—the indifference of Cabinet Ministers to what happens in Lok Sabha, particularly during the Private Member's hour, because private Members have neither power nor pull. If this goes on, all talk about trying to uphold parliamentary democracy and the values implicit in it would be abracadabra. And here is the phenomenon of the multinational corporations, a terrific danger about which, the sooner we sit up, the better. I do expect that in view of at least what I have quoted, and the Prime Minister's observations and Mr. Chavan's observations, something serious would be done by government but I do not know if any hopes are warranted.

MR. CHAIRMAN: There are two amendments. Are they moved?

SHRI B. V. NAIK (Kanara): I beg to move:

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."

SHRI M. C. DAGA (Pali): I beg to move:

That in the resolution,—

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

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

SHRI K. LAKKAPPA (Tumkur): Mr. Chairman, my hon. friend Mr. Mukerjee, a senior Member of the Lok Sabha has brought forward this very useful resolution in the interest of the nation. In his speech he has made clear what the operations of the multinational corporations are in India and elsewhere; they are not in tune with the new spirit of democracy and socialism. He has also analysed and quoted useful information. Much information has been collected by the hon. Member Multinational Corporations have huge investments in various countries and they have their operating centres in India and elsewhere and to bar them is a welcome proposition.

Recently there was a conference of non-aligned countries which was attended by our Prime Minister also. The view expressed there is very important for a proper discussion of this subject in this House. They discussed the subject but when they were about to arrive at a useful decision, the western block tried to sabotage it. I quote:

"A 10-day meeting of the United Nations Commission on Transnational Companies ended here last

night without reaching agreement on most of the major problems confronting it.

Delegates from 48 nations were unable to agree on the definition of a multi-national corporation. The Soviet Union and some third world countries, resisted western arguments that the definition should include state enterprises and foreign investments.

Countries in Latin America, where multi-nationals have frequently been accused of bribery, coercion and meddling in politics said the code should be mandatory but western-nations said it would take decades to work out binding regulation."

So, this is very interesting. The network of multinational corporations is operating throughout the third world. The third world—the developing nations—are at the mercy of the imperialist countries, which give economic aid only with strings. Our Prime Minister has stated many times on the floor of this House and outside that we follow our own way; we must have self-reliance and have our own economy to maintain the sovereignty of the nation and any aid from any country with strings should not be accepted. I think this is the code of conduct whenever economic aid is to be received from other countries. Therefore, if any multi-national corporation operates on the political front, the economic front or the social front in such a way as to scuttle the very basic structure of our system and the foundation of our liberty, freedom and socialism, we have to discourage it. That is the whole principle that has been enunciated by Prof. Mukherjee and it is in that spirit that we should analyse the entire system of operations and political interference by multinational corporations.

Even government agencies are not aware how the multi-national corporations are operating and how they

enter into economic alliances, thereby scuttling the entire system of our country. I quote:

"According to reliable information, the West Bengal Government's department of sick industries had offered to guarantee supply of raw materials to the firm.

The department later offered to drug is said to be 1200 tonnes in the country, while manufacturing capacity is placed at 700 tonnes. Even this quantity is not being manufactured because of the closure of this firm.

The department later offered to take over the closed firm on commercial basis. The per kg. value of the drug is Rs. 400 while the per kg. value of raw materials is only Rs. 22.

It is now learnt that a multi-national giant is going to buy the firm. This has surprised even official circles here."

When I say that a leading multi-national corporation may take total control of the firm which was manufacturing an essential drug in West Bengal, I refer to a firm in Calcutta. The drug companies have got their own brand names. I think I need not repeat what has been discussed and say how they are operating. A person gets up early in the morning and looks for a tooth-paste. At the end of the day, we have the lip-stick used by the lady in the house. The multi-national corporations are operating and getting entangled in these small operations. For some persons, the day commences with a tooth-paste; and for others with a smoke. We then have the India Tobacco Co. All the useful commodities manufactured in India are tagged on, directly or indirectly, to the multi-national corporations. They are operating not only in the field of distribution of raw materials and other things. But I think we have mentioned it—but not sufficiently—that the relations of the

executive, and officers in these companies are sent to various countries where such multi-national corporations are operating. These people ultimately become the agents for these corporations. This is very important. The person concerned may be a doctor, an engineer, a consultant or a director. When you go to a western country, you will invariably find the same people who usually work in the network. They themselves may be working for the multi-national corporations, or they may have their own relations working in the big companies. They all have got a link. They are passing on every kind of information in this country and allowing our finances to go outside. They have got practical knowledge. I will never hold any brief for them.

MR. CHAIRMAN: Please conclude, Mr. Lakkappa.

SHRI K. LAKKAPPA: Even in regard to foreign investments, there should be a limit. The non-aligned countries where these multi-national corporations are operating, have passed a resolution at Lima. But even the deliberations of that conference and the thinking of these countries, have not been respected. Their deliberations have been scuttled. A big country like India should understand the value of self-reliance and not be dependent on the economic aid from other countries. We must have self-reliance and at the same time, evolve methods to regulate foreign investment. After the Emergency, Government of India have taken a number of steps against black-marketeers who are in league with these multi-national corporations, racketeers and smugglers. As a result, our economy has been controlled very much. This is one of the reasons why we are urging upon the Government of India to make use of this Emergency to look into the working of these corporations and to see that political interference by them is stopped forthwith. Look at the brain-washing of our people which they have done. The attitudes of most of

[Shri K. Lakkappa]

the doctors employed in various western countries, engineers and consultants, towards our country have changed completely. They are speaking in different tones. That is why these people have been offered big jobs and given huge salaries and allowed to work for such corporations. These people have been asked to argue for their philosophy, to argue for their ideology. When this is the attitude of these people, those who sit in Udyog Bhavan, or in the offices of the import-export policy-making body, in fact in all the Ministries, be it Petroleum and Chemicals, or Commerce, or Industry, they have to scrutinise everything before they take any decision, because these operations will ultimately ruin the economy of our country.

No country is helping us by its foreign investment, it is only helping itself. So, we must try to become self-reliant instead of depending for aid on foreign countries.

It is reported that the total assets of the multi-national corporations and their Indian subsidiaries stood at Rs. 2,500 crores, a major portion of which is of U.K. and U.S.A. Out of the total foreign assets, Rs 1,249.2 crores were in Indian subsidiaries and Rs. 1,145 crores were invested in 146 units engaged in processing and manufacturing, electrical, machinery, pharmaceutical and similar concerns.

MR CHAIRMAN: He should conclude now.

SHRI K. LAKKAPPA: We would urge upon the Government that wherever the foreign companies are operating to the prejudice of the nation, to the threat of the integrity of the country, when they are trying to interfere in our affairs or trying to influence our policy, we should take this opportunity to take over those concerns. These multi-nationals should be asked to account for every paisa that they have spent in this

country or remitted to their country.

But ultimately the only solution is the development of the national economy and self-reliance. Instead of maligning any nation, or depending on any country, we must stand on our own legs. This is also the philosophy of our Prime Minister. We must make use of the emergency to take over those multi-nationals which are operating to the prejudice of our country.

SHRI SEZHIYAN (Kumbakonam): Sir, I am thankful to you for giving me this opportunity. I feel that it is high time that the Government become alive to the situation and shed their complacency, because this is a menace that confronts not only this country but all developing countries. The emergence and escalation of multi-nationals is a new development of the latter half of this century. The days of colonialism and imperialism are stated to be over, but the multi-nationals merrily continue to play their nefarious role, which is assuming dangerous proportions. Unless this country take the warning in time and the Government act in time, probably the time may come when it is too late for them to do anything, to save themselves from the spreading tentacles of the octopus, because each multi-national is an octopus by itself.

The name "multi-national" is itself a misnomer, because a company can be only a national, governed by the law of the land. A multi-national means an organisation controlled by an international law. Since there is no international law or multi-national law to control these multi-national corporations, each country must make its own effort to control them.

The sheer size of these multi-nationals is a menace and of dangerous proportions. It has been estimated that the production of these multi-nationals exceeds 750 billion dollars a year, greater than the annual budget of any Government other than USA. Their production is said to be increasing at the rate of 10 per cent a year,

whereas the non-multi-nationals grow at the average rate of only 4 per cent a year. It has been estimated by studies made in America itself, the birth-place of many of these multi-nationals, by the Hudson University that these multi-nations, which number 650 now and dominate the entire globe, would by the end of the present century come down to about 300 because they are like fish, the bigger ones swallowing the smaller ones, and that they will control the entire assets of the world.

Therefore, we cannot shut our eyes ostrich-like thinking that ours is too big a country to be swallowed up by any multi-national, that we are wedded to socialism and hence none will come in our direction etc. This complacent attitude will not help.

Multi-nationals by themselves form a class. They create their own citizenship. It has been very well said, probably unwittingly, by one of the Directors of the famous chocolate-making company of Nestles. Mr. Max Gloor, a Director of that organisation has said:

"We cannot be considered either as pure Swiss or as purely multi-national, i.e., belonging to the world at large, if such a thing exists at all. We are probably something in between, a breed of our own. In one word, we have the particular Nestles citizenship."

He has put it very frankly. So, anybody who belongs to the IBM, for instance, is an IBM citizen, be he an Indian or an American. He does not bother about nationality. Multi-nationals like capitalism, do not know national boundaries. The only one master to be served is the multi-national whose headquarters is situated probably in Manhattan or somewhere else.

Prof. Mukherjee has very ably described the working of these multi-nationals. I want to speak on what we should do. We know how these multi-nationals are working. They transcend the limits of nationalism, they are not

faithful to anybody. The American multi-nationals will gobble up their own Government, they will become Frankensteins. Profit motive is their only basis. Conquering a country through economic subservience is the basis on which they work. Therefore, they are not given to the finer sentiments of nationalism, humanity, etc.

So, my appeal to the Government will be to make a special law for controlling the operations of the multi-nationals in this country. There was approach made by the United Nations General Assembly. A study was made. The UNCTAD countries are also considering the matter. Probably it will take time to arrive at an international or universal agreement. But let us make beginning. Why don't you make a special law to control them?

We have as many as 4,440 collaboration agreements with different foreign companies and countries. I would like to know whether anybody has made a study of them. Why should not this Parliament appoint a Committee to go into these things?

You will find very many things for which foreign collaboration need not have been there. Why should there be foreign collaboration continuing for making biscuits in this country? Why should there be continuing collaboration for making tyres in this country? Is it so difficult to make biscuits? Is it a very sophisticated work for which a collaboration agreement should be continued indefinitely. Recently I saw in the papers that a foreign collaboration has been approved for making tomato paste. Tomato is not imported, it is grown in this country. Why is it that foreign collaboration has been approved by the Government just to make paste? I don't know how many of these 4440 collaboration agreements are for things like tomato paste making tyre making, biscuit making etc. Many of these can be excluded.

[Shri Sezhiyan]

Now, why I wanted a separate law is because the income-tax law allows many rebates and incentives to certain industries. A giant international company comes here in one form or another, and takes advantage of this. They can appear as they are or convert themselves into an Indian Company or make it a subsidiary of some firm. All these can be done and there is no dearth of ways in which it can be done. Prof. Mukerjee mentioned the Imperial Tobacco Company which is now the Indian Tobacco Company. It is a subsidiary of a British-American Company and has its headquarters in London. This tobacco company has come here and it is now building hotels like the chola Hotel, Maurya Hotel etc. They are building their empires here using the very names of the great emperors of the land—Why? It is because the income-tax law allows a tax holiday for building hotels and there are some concessions and incentives for the hotel industry and there are tax-free dividends offered. Therefore a company which came as a subsidiary of a tobacco company, making and selling cigarettes, now enters the hotel industry because of certain concessions given to the hotel industry. Why can't you prevent this by saying that these concessions are not available to multi-national foreign companies? Why can't you put that in the statute book?

The Chairman is very much aware that the Guntur farmers produce a very fine crop of tobacco which is in no way inferior in quality to the Virginia Tobacco produced in America. There is a company called the Indian Leaf Tobacco Company which is a subsidiary of the Indian Tobacco Company and this subsidiary company buys the tobacco leaves from Guntur. They do not consume them here; the leaves are exported to London. And what is the price? The price is very much less than the international price. Whereas the international price is about 80 cents per pound, here it is only 55 cents. Why

should you allow our industry, the agriculturists and the poor farmers of Guntur, to be exploited by a multi-national like the ITC? Why don't you put a block there, on the imperial Tobacco?

This Government is unwittingly helping, if not conniving, the multi-national companies. By reducing the prices of certain brands of cigarettes, the ITC have swamped and killed a local company in Hyderabad called the Vazir Sultan Company, which has been bought as a subsidiary of the London firm. By cutting down the prices, they have ejected one Indian entrepreneur. The 1976 Finance Bill gives a deduction for lowpriced cigarettes. That means, by cutting down the prices, the ITC has ejected one Indian competitor out of the field and got the reward from this Government by way of tax-reduction.

I demand that we should have a separate law to control these multi-nationals in this country—be it of any garb. This is a slow poisoning; slow poison is being injected into the economy of this country. If you make an analysis of the multi-nationals, you will find that they come from the developed countries to the developing countries, thereby widening the chasm that is there between the developed and the developing countries, rather between the undeveloped and the developed countries between the poor countries and the rich countries. This slow-poisoning should be stopped.

Coming to repatriation of profits, this is being done in many ways I do not have time; otherwise, I could go into the entire process. Repatriation has become one of the biggest conduits through which the country's wealth is being siphoned out of the country; by way of royalty, know-how, technical fees, head office expenses and so many other things repatriation is done. This Government has not, so far, put a ceiling on the amount that can be repatriated. Even Ghana, which has come into the picture much later, has put a ceiling only

a certain percentage of the foreign exchange earned by the company can be repatriated and nothing more. But here no percentage has been fixed. As Prof Mukerjee said, there are companies which are producing a minus foreign exchange earning capacity. But these companies are also given the facility of a liberal repatriation. Till 1976 they were allowing the head office expenses to be deducted while calculating profits here!

I would like this Government to do two things: one is that a separate law should be enacted to control the multi-nationals operating in this and secondly, a stringent ceiling should be put as to how much they can repatriate out of this country and that too, only from the foreign exchange earned. Unless they do these the multi-nationals, in no time, will swamp this country and this blessed country will become one more vassal in an empire of one or other of the multi-nationals. Unless we take immediate steps, we will be exposing our own country; the country's economy and the people of the country will be at the mercy of these multi-nationals.

नरेश्वर स्वर्ण सिंह सोखी (जनशोदपुर)

चेयरमैन साहब, मैं माननीय मुखर्जी साहब के रिजोल्यूशन का स्वागत करता हूँ, जिन्होंने ऐमा रिजोल्यूशन रखा है जिसका हर एक समझदार आवामी जो भी समझना है कि हमारे देश में जिस वजह से इकोनॉमी खराब हो रही है वह इसका जहरत स्वागत करेगा। मैं तो चाहता था कि सरकार ही ऐमा जिल लाती जिससे कि यह मन्टी नेशनल कोरपो-रेशन की जो बहा करतूतें हैं उनको बँक किया जाता। यहा कई बफा बातें उठी हैं, मैंने भी एक बफा, दो बफा उनमें भाग लिया है, जैसे कोका कोला का सबाल प्राया उस पर कई बफा सप्लीमेंटरी में मैंने कहा और पाई साहब ने जबाब दिया कि इस को बहुत जल्द देखेंगे और जो राज्य मन्त्री जी इस समय बैठे हुए हैं उन्होंने भी सायब जबाब दिया था कि इस पर विचार किया जायगा।

228 L.B.—8

कोका कोला कस्ट्रेट्स का इम्पोर्ट करती है उसमें कितना रुपया हमारा फारेन एक्सचेंज का चला जाता है इस तरफ भी ध्यान देने की जरूरत है। इसका कोई भी हल अभी तक सामने नहीं आया है।

मन्टी नेशनल कम्पनिया हमारे प्रफिटों को कुरप्ट कर रही है। इनकी वजह से लीजिस्लेचर्म भी खराब हो रहे हैं, कई पोलिटिकल पार्टीज को भी ये बहुत सा पैसा खर्च खाने देती है। यह पैसा उनके बास्तो सम्भालना मुश्किल हो जाता है। इसको सम्भालने के लिये उनको कई तरह के जुगाड़ करने पड़ते हैं। फारेन एक्सचेंज जो हमारा ड्रेन घाउट होता है इन कम्पनियों की वजह से मेहरबानी करके इस तरफ आप ध्यान दें और इसको बचाने की कोशिश करें।

जमशेदपुर में एक आस्मीजन कम्पनी र जो कि ब्रिटिश कम्पनी की सबनिडियर है। मुझे अच्छी तरह से पता है कि यह कम्पनी बहुत गलत रुपये का इन्वेन्माल करती है। फारेन एक्सचेंज बहुत ही वेंस्टफुल तरीके से वह इन्वेन्माल करती है।

जिनकी कम्पनिया है जिनका दुनिया के दूसरे मुल्कों में ताल्लुक है इन से बहुत बच कर रहने की जरूरत है। आपको पता नही है कि इनकी वजह से हमारे मुल्क की सीकेंसी भी लोक घाउट हो रही है। पैसे के जोर से वे इस काम को करवाते हैं। यहा उन्होंने अपने एजेंट रखे हुये हैं। कानून से भी हाँ सकता है कि कुछ फायदा न हो। लेकिन आपको इसके बारे में कोशिश करनी चाहिये और सक्ती बरतनी चाहिये। मैं चाहता हूँ कि एक्सटर्नल एफेयर्स के मिनिस्टर यहा बैठें हैं वह इस और खास ध्यान दें। सीकेंसी जो लोक घाउट हो रही है इस तरफ ध्यान दें। हमारे अफयर्स को इन लोगों ने बिल्कुल खराब कर दिया है। उनके विषय बह गये हैं। इनके विषय में किसी दूबरे की बात सुनते ही नहीं हैं।

[सरदार स्वर्ण सिंह बोखो]

श्री मुखर्जी ने जो रेजोल्यूशन रखा है या जो सरकार को चाहिये कि वह इसको मान ले और अगर वह ऐसा नहीं कर सकती है तो अपनी तरफ से कोई बिल बगैरह लाये ताकि ये जो बुझियाँ हैं इनकी रोकथाम हो सके।

*DR. SARADISH ROY (Belpur): Mr. Chairman, Sir, the resolution of Prof. Mukherjee which is under discussion states "latest disclosures in several countries of subversive and corrupting activities of the multinational corporations." Prof. Mukherjee has gone into extensive details of the subversive activities of the multinational corporations. I will therefore not go into all those things. I will only say that the disclosures about the corrupting activities of these multinational corporations have been made not by other countries but by the various Committees of the American Senate themselves. This of course has not been done to stop the nefarious activities of the Corporation, but the disclosures have been made in the process of finding a solution to the various crisis facing their own country. We have seen that the various Parliamentary Committees of the United States like the U. D. Security and Exchange Committee, Committee on Finance of U.S. Security and the most important Committee of the mall viz. implications of Multinational firms for World Trade and Investment for U.S. Trade and Labour have spoken about their activities. As a result of the activities of these Multinational Corporations there has been widespread unemployment of US Labour. Motivated by the production of cheap goods, these Corporations are producing goods in the developing countries with the help of very cheap labour in those

countries and are selling those cheap goods in the American market resulting in unemployment in the U.S. The same main industries in the United States have closed down. Their Government also were losing revenue. With a view to collect more taxes the Government appointed various Commissions like the Finance and Security etc. These Commissions began studying the problem hoping to unearth some worms but they unearthed in reality and Octopus and the real shape of these Corporation, were thereby exposed. The US has not disclosed the sinister activities of such Corporations with the bias object of checking them, but they had to do it under force of circumstances, themselves what we believe. We have seen that along with economic power these multinational corporations have also acquired political power also in various countries the cases like Lockheed etc. that have come to light have shown that they have misused this political power in many countries like the assassination of Lambuba etc. They have also felled the Government in many States with a view to carry on their shady activities. They have also purchased people with their money power. Not only that we have also seen that these multinational corporations have a strong link with the CIA. A few days ago Mr Bush, the Chief of CIA has said, I quote, "Collusion between CIA and American MNCs has added new dimensions to the problem . . . companies and businessmen are more reluctant to supply information for fear of being named." Mr. Bush admits that he has got agents in the various MNCs. Another agents of the CIA who worked in that organisation for 12 years has said in his book, "Legitimate business activities might serve as an ostensible employment for his authority in foreign countries." That means that the CIA works in different countries through these multinational corporations. Prof. Mukherjee as amply stated how these corporations

*The original speech was delivered in Bengali.

carry their ill-gotten gains like research and development finances, transfer finances and currency crimes etc. are transferred to their parent country. These MNCs further utilise their ill-gotten profits for purchasing people holding important positions in other countries. The MNCs, functioning in our country have made profits several times to their original investments. Moreover how are they utilising their profits in our country. I will quote, a report appeared in the Hindustan Times about the activities of the Phillips Petroleum Company. The report says, "the Phillips Petroleum Company used a camouflaged Swiss bank accounts to transfer a vast sum to India in connection with the construction of two Phillips facilities in India. The transfer of the money was allegedly at the instance of certain unidentified Indian Government officials who, it is thought, may have been involved in violation of Indian laws." Then there is the case of Boeing Company, I am quoting from a press report which reads, "the Boeing company, one of the biggest Aero-space firms in the US has joined Lockheed and North rope, as, the subject of investigation by Securities and Exchange Commission into possible illegal payment to political parties. The allegations against Boeing are said to relate primarily to bribes paid to officials of Airlines in developing countries in connection with the sale of cargo and commercial jets. India is one of the countries buying Boeing Aircrafts for its internal airlines". Then, Sir, certain Pharmaceutical Companies like the G. D. Searle and Co which is a US Drug firm, is also indulging in corrupt practices. I am reading from a press report regarding this Company. This report was published originally in the Washington Post and reproduced in the Commerce paper of our country. According to this report GD Searle & Co. in unholding collusion with the All India Society of Obstetricians and Gynaecologists have been pushed to sell some of their products, namely, birth control pills in our country.

Prof. Mukherjee has dealt with all such instances in great detail so I will not go any further in them.

Our Prime Minister Shrimati Indira Gandhi while addressing a public meeting at Calcutta on 2nd March said that we will not tolerate this multinational companies in our country. This was declared by her publicly. But what do we actually see? The same time on which this declaration was made by the Prime Minister, The Calcutta Electric Supply Company which is a wholly foreign owned Company, was given permission by West Bengal Government to take a loan of Rs 100 crores from the World Bank and the Central Government has stood guarantee for this loan. What does this mean? It means that the Government is not at all serious about its pronouncements. There is a wide gap between what they preach and what they practice. They say many tall things for the consumption of Indian and foreign people but they act totally opposite to what they say. It is a hoax on the Indian people and they are conveniently deceived by such statements. The Calcutta Electric Supply Co. will earn on their business activities in West Bengal with that loan from the World Bank for which the Central Government has stood guarantee. The Managing Director of that Company has said in his report, I will quote a few extracts, he has said, "the fact remains that the interest charges payable on borrowings by any electrical undertaking private or otherwise is recoverable from the consumers as an element of electricity charges." This means that the consumers will be fleeced for the payment of interest by this foreign commercial company on the loan guaranteed by the Central Government. This is very unfortunate. It has been further stated in their report that "a return in excess of the limit prescribed by the electricity Act" may be recovered from the consumers. The consumers will have to pay in excess of their actual electrical

[Dr. Saradish Roy]

city consumption for meeting the liability of this company. The people of Calcutta will be made to bear the liabilities of this company. At another place in the report of the Managing Director it has been said, "the fact of the matter is that no private electricity undertaking can ever hope to repay any borrowings out of its profits and that repayments of borrowings must necessarily take the form of a series of refinancing operations on a progressively increasing scales, with a final amortisation out of the purchase price of the undertaking when it is eventually taken over by the State Government." At a time when the Prime Minister was making this declaration against MNCs, a foreign company was offered this soft condition in her own country. Further, Sir, when these tall talks were being pronounced, a session of Indo-US Joint business Council, an adjunct of the Indo-US Joint Commission was held in the Capital. Thirty American representatives headed by Freeman attended that Session along with Fifty Indian representatives including, I regret to say, our heads of Public Sector Undertakings and prominent industrialists led by Shri Harish Mahendra. In that meeting the Americans said that "our economies are complementary." And our representatives said "truly we need each other." Further our representative Shri Mahendra, who represents the capitalist classes said to the Americans "you have sophisticated technology and vast capital resource. We have abundant labour, both skilled and unskilled." The American representatives, Shri Freeman on this arrogantly asked our Prime Minister to openly declare about this. What is the result of getting abundant cheap labour? I will read from a report about this. This news item was published long ago. It reads "A few years ago only most labour-intensive industries would go abroad looking for cheap labour. Today

cameras, watches and delicate instruments are being produced under one-dollar-per day, seven day working week working condition in Hong Kong." That means the cheap labour there is being abundantly exploited. The representatives of American capitalists, the Indian capitalists along with the heads of our public sector undertakings are hatching a conspiracy to exploit our labour force and this conspiracy is being hatched on the heart of our own country. I have already said that this Government talks tall but turns its back when the time for action comes. A few days ago our country's representatives attended the U.N. Economic and Social Conference held at Lima. There were openly two divisions formed in that Conference. There was open conflict. The representatives of the developed and prosperous countries led by the Americans said that if the activities of the MNCs are curbed then a "serious situation will develop." They also said that fresh thinking should be made about the investment of U.S capital in other countries. On the other hand the representatives of developing countries stressed that International Law must be enacted for regulating the workings of the Multinational Corporations. No consensus could be arrived at that conference. Out official spokesmen contended that the Foreign Exchange Regulation Act (FERA) was adequate enough to control the MNCs. Now I want to submit that this FERA is merely a hoax. It is not at all adequate to contain the activities of the MNCs. The FERA provides that if any organisation has 40 per cent foreign equity share capital, then it can be allowed to function. But it is well known that if an organisation controls 40 per cent shares, then the entire control of that organisation is in its hands. No countercheck on its activities can be exerted. Therefore, the FERA is a hoax. It has been framed only to deceive the people at home and abroad. It has been provided in the Act that Indian nationals will be given shares. There is another loop-

hole in the Act that if these corporations export their products then they can keep upto 75 per cent of their capital. This sort of legislation has been enacted with a view to encourage and nurture the MNCs and at the same time to deceive the people at home and abroad. Although they are talking big, we have no faith in the Government's sincerity to be curb the MNCs. The FERA was enacted in 1974 and it is now in force for nearly 26 or 27 months. A few days ago a question was raised about the working of the Coca Cola Co. Prof. Mukerjee also mentioned that, The Coca Cola has not reduced their share capital even fractionally. They are moreover taking many other advantages. They have hoodwinked the Government by opening many other subsidiaries. Further we have seen that some foreign companies engaged in the production of items of daily use like Colgate, Cadbury etc. have not been touched taking advantage of the loopholes in the Act and they have been permitted to repatriate huge profits to their parent countries. As a result of the provision in the Act that those companies who export their products will be allowed to function, we find that the 'Union Carbide' is increasing shrimp production for export. They will show that they have 40 per cent foreign share and are exporting their product as well. So their stay is secure. Hindustan Lever have diversified their activities and Indian tobacco have entered the 'hotel business'. Through these tactics they are trying to have a permanent footing in our country. Therefore, our view is that it is not possible to contain and curb the Multinational through the FERA. To stop the activities of the MNCs we should adopt the stand taken at LIMA by the representatives of the developing nations. We are also a party to that. But even after that resolution, our Government is sadly sleeping. They are not taking any active measures to stop their entry. They only talk tall but do not take any effective steps. We should follow in the footsteps of other developing nations. The path

of the MNCs must be clocked for good if we want to survive. The example set in the case of the Calcutta Electric Supply Corporation whereby a foreign company has been permitted to raise a huge loan with the Central Government as a guarantee and further allowed to fleece the people of this country to repay that loan will just not do. The Government cannot prove its sincerity through such actions. It is not possible to play hoax on the people with big talks for ever. They are only serving the cause of the Indian and foreign capitalists by allowing them to exploit this country, although they are shedding crocodile tears for the poor and talking of socialism all the time.

With that Sir, I conclude.

17.00 hrs.

MR. CHAIRMAN: Before I proceed further, there are nearly eight to ten members who have to speak yet. In view of the importance of this subject, I would like to know what is the wish of the House.

SHRI K. RAGHU RAMAIAH: I have talked to many Members of both sides. I think the general consensus is to extend it by an hour. That means this will spill over to the next day.

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

SEVERAL HON. MEMBERS. Yes.

MR. CHAIRMAN: All right. Shrimati Savitri Shyam.

श्रीमती सावित्री श्याम (श्रीमती) :
सभापति महोदय, मैं श्री मुखर्जी को बधाई देना चाहती हूँ कि उन्होंने इस सदन का, इस देश का और इस देश की सरकार का ध्यान एक ऐसे विषय की ओर अर्पित किया है जिसके सम्बन्ध में हमारी सरकार की अपनी नीति साफ नहीं है। दूसरे महायुद्ध के बाद

[श्रीमती सावित्री श्याम]

बहुत से देश आजाद हुए। अफ्रीका, लैटिन अमेरिका और एशिया के बहुत से देशों में आजादी आई। उन देशों में गरीबी थी, अनेक प्रकार की भुसीबताओं और सकटों में वे देश फँसे हुए थे। जो देश उन पर शासन करते रहे सदियों तक उनका राजनैतिक डामिनेशन समाप्त हुआ। लेकिन जिन देशों पर ये राज्य करते रहे, जिन की आर्थिक हालत बहुत खराब थी उन देशों पर इन्होंने एकीनामिक डामिनेशन जमाना शुरू किया। मैं डीटेल में जाना नहीं चाहती कि भारत के अन्दर कितनी कम्पनियाँ हैं, लगभग 500 कम्पनीज है। हर एक के सम्बन्ध में यहाँ पर अनेक बार प्रश्न हुये है और उनके उत्तर मिले है लेकिन इस बान का स्पष्टीकरण कभी नहीं हुआ कि वास्तव में भारत की नीति हम सम्बन्ध में क्या है। यूनिवर्सिटीज की लाइब्रेरीज में और अनेक पब्लिक लाइब्रेरीज में मुझे देखने को मिला है, अमेरिकन राइटर्स की लिखी हुई बातें और उनकी किताबें जो वहाँ है उनमें वे लिखते है कि अडर डेवलपड कंट्रीज वठी गरीबी की हालत में है और वे नहीं उठ सकेंगे जब कि मल्टी नेशनल कारपोरेशन्स उन देशों में काम होंगे। क्योंकि उन देशों में इन्वेस्टमेंट का सवाल है, टेक्नोलॉजी का सवाल है, नो-हाउ का सवाल है और मैनेजीरियल स्किल का सवाल है। इसका अभिप्राय यह हुआ कि जिन देशों ने संधर्ष के साथ अपनी आजादी प्राप्त की उस आजादी को रखने में वे असमर्थ हैं। उन देशों का आर्थिक डेवलपमेंट करके, प्रगति करके उनकी आजादी की रचना चाहिए। जैसे तो अनेक देशों, विशेषकर अमेरिका के 23000 कारपोरेशन्स 2400 कैंट्रिलिस्ट्स के अनेक देशों में फँसे हुए हैं। हमारे देश में इनका अधिक नम्बर नहीं है क्योंकि हमारा देश सदियों तक ब्रिटिशर्स के अधिकार में रहा। उनकी कम्पनियाँ प्रायः थी, जितनी

फारिन कम्पनीज हैं उन्में 59 परसेण्ट है। यह बिबेकी कम्पनियाँ जो हमारे देश में चली आ रही हैं उन्होंने इस देश की अर्थ-व्यवस्था को तोड़ने में या उसको समाप्त करने में कोई कसर नहीं उठा रखी है।

आज हमारे देश में बैंग ड्रेन का ही सवाल नहीं है, इकात्मिक ड्रेन का भी सवाल है। अगर किसी बड़ते हुए मुल्क के सामने ये दो चीजे न रहें—न विभाग रहे और न अर्थ रहे—तो उस देश में क्या रह जाएगा और जिस तरह से हमें मेहनत कर रहे है, संघर्ष का मुकाबला कर रहे हैं, उसका मुकाबला हम किस तरह से कर सकेंगे ?

इस प्रश्न पर कई बार प्रधान मंत्री जी ने भी प्रश्न डाला है। अभी पिछले दिनों मद्रास में हमारे लान्मिनिस्टर साहब ने भी अपनी एग्जीहेन्सिन जाहिर की थी कि हमें देखना चाहिये कि इन कम्पनियों की हमारे यहाँ क्या स्थिति है, क्या डाइवर्सिफिकेशन है, क्या इन्वेस्टमेंट है, कैसा उनका पेटेन्ट है, कितना धन उनका लगा हुआ है और उनके क्या एकाउन्ट्स हैं। मर्यापति महोदय, इन कम्पनियों के एकाउन्ट्स या इनकी वार्षिक रिपोर्ट कभी हमारे यहाँ नहीं आती, कभी इस बात पर प्रकाश नहीं पड़ता कि यह धन कहा जाता है, कितना फारन एक्सचेंज हमारे मुल्क से वहाँ जाता है और कितना धन वहाँ से आता है।

आई० एल० धो० ने भी इस बात पर प्रकाश डाला है। उनका कहना है कि हम विश्व के मजदूरों को राह दिखलाते हैं, लेकिन इन मल्टी-नेशनल कारपोरेशन्स में जो लोग काम करते हैं उन पर हमारा कोई कंट्रोल नहीं है, वे हमारे तियमों को लागू नहीं करते हैं। इनका ही नहीं आप मुकद्दमों की लिस्ट्स को देखिए—बम्बई आई कोर्ट, कलकत्ता आई कोर्ट और सुप्रीम कोर्ट की लिस्ट को न कर देखिये, हमारे किये नौजवान

बकीरों ने, इन बकीरों ने जो लने कहलाते हैं, इन मल्टीनेशनल कम्पनीज को मुकदमें किये हैं और नेशनल लाइट पर किये हैं, देश के कास्ट पर किये हैं, अपने देश की इकानामी का नुकसान पहुंचाकर किये हैं। हमारे माफिसर बाह्य कितनी होशियारी से कोई कानून डास्ट करे, लेकिन उर्नेके बंगुल से निकल नहीं पाते है, फिर भी उन से लाभ इन मल्टी-नेशनल कारपोरेशन्स को ही पहुंच रहा है। मैं यह नहीं कहती हूँ कि इन कम्पनियों को समाप्त किया जाय, लेकिन मैं इनका जहर कहना चाहती हूँ कि इनकी छानबीन होनी चाहिये। स्पीकर साहब के डापरेकेशन से पार्लियामेंट की एक हाई-पावर्ड कमेटी नियुक्त होनी चाहिये, जो इनकी जाच करे और देखे कि कौन-कौन सी कम्पनीज देश से लिये जंरूरी है। दुःख तो इम बान का है—ऐसी चीजे जो बहुत महत्वपूर्ण नहीं हैं या जो इस देश में आरामानी से बन सकती हैं, उनको लिए विदेशी आलाबोरेशन किया गया है। कोकाकोला हो, लैंगनडाप हो, चार-सेट हो, जहा तक कि चाय का ब्रेण्डिंग भी हम अपने देश में नहीं कर सकते है, लिपटन या ब्रुक बाण्ड कम्पनिया कर रही है।

मैं समझती हूँ कि इन सब की छानबीन होना नितान्त आवश्यक है, इन कम्पनीज की पूर्ण जानकारी इस देश की होनी चाहिये। हमने समय समय पर बहुत से कवम उठाये है, बड़े बड़े फंसले लिये है, आज भी आपको फंसला लेना होगा कि इन कम्पनियों के बारे में इस देश की क्या नीति हो। किन किन चीजों से हमको कालाबोरेशन करना है, कौन सी चीजे हम अपने देश में स्वयं बना सकते हैं और जहां भी कालाबोरेशन किया जाय वहा हमको अपने देश का इन्वेस्ट वाच करना होगा। यहां पर बिबेका की उन 37 कम्पनियों का जो लिंक करती बाह्यी और विदेशों में बनी रहीं हैं—इस के बारे में भी हमें अपनी नीति निर्धारित करनी होगी।

जो लोग इनकी बकाशात करते हैं—वे हमेशा यही बात कहते हैं कि जिस जगह ये कम्पनीज लगी हैं या कोलाबोरेशन में काम हुआ है, उस जगह की बहुत तरफकी हुई है, बहुत से मजदूरों को काम मिला है। लेकिन आप जरा देखिये—कितने इंजीनियर्स, कितने ईनालाजिस्ट्स को काम मिला है, इन जगहों पर ज्यादातर लोग आपको विदेशों के मिलने, हाँ, मजदूर इस देश के मिलने, लेकिन उन मजदूरों के लिये भी कोई रेगुलेशन्स नहीं हैं।

एक बात और—इन कम्पनियों का कोई फिक्ड बिजनेस नहीं है। बिजनेस की जो परिभाषा होती है, वह बिजनेस भी फिक्ड नहीं है, क्योंकि हम यह भी नहीं जानते कि वे क्या करती है, उनकी कोई वार्षिक रिपोर्ट नहीं छपती, कोई रिपोर्ट हमारे पास नहीं आती। और किसी प्रकार की कोई जानकारी हमें नहीं मिलती है। मैं एक बुनियादी बात कहना चाहती हूँ कि जो हमारे देश के अन्दर मल्टीनेशनल कम्पनिया हैं इनका निरीक्षण होना चाइये और इम सम्बन्ध में भारत सरकार की एक नीति निर्धारित होनी चाहिये क्योंकि कोलाबोरेशन की तरफ हम भी बढ़ रहे है, विदेशों में दूसरे देशों के माय कास्पोरेशन्स कायम कर रहे हैं, इसलिये यह बात निश्चिन होनी चाहिये कि कितना इन मल्टीनेशनल कम्पनियों से हमारे देश को फोरन ऐन्सचेंज मिलेगा, कितना रोजगार मिलेगा और कितना हमारे देश को फीयदा होगा। मल्टीनेशनल के नाम पर नेशन का नुकसा नहीं होना चाहिये और इममें घुणित काम और कोई नहीं हो सकता।

SHRI K. S. CHAVDA (Patan): Mr. Chairman, Sir, at the outset, I congratulate the hon. member Prof. H. N. Mukerjee on bringing forward a very important Resolution before this august House. His Resolution deals with all the multi-national corporations, but I

[Shri K. S. Chavda]

would like to confine myself to the multi-national drugs corporations that have done, and still continue to do, a great damage to our national interest.

Let me start with the recent disclosures made by some American multi-national drugs corporations before the Securities and Exchange Commission in the USA. Merck and Company have paid \$3.9 million to foreign government officers in other countries; Pfizer have also made illegal direct payments to foreign government officers in three countries.

An article published in the *Times of India*, Delhi edition, dated 28 March 1976, describes the dubious pricing policy followed by the multi-national drugs corporations in Europe. Reports have also appeared about the highly unethical sales promotional tactics adopted by Abbotts and other foreign companies. Just as the Governments of Japan and the Netherlands are investigating the cases of two persons involved in receiving payoffs of the Lockheed Corporation, our Government also should ascertain the particulars of the payoffs made in India by Pfizer, Merck and other foreign companies and take suitable action against the persons involved. I make this suggestion because the Hathi Committee have held that a number of foreign companies were liberally granted permission letters and COB licences which do not have any legal backing, and the decisions regarding them were taken by the concerned officials casually.

It was Senator Kefauver of the USA who first disclosed how multi-national drug corporations like Pfizer, Amrican Cynamid, Upjohn, Bristol, Scherring, etc. formed cartels and fixed high prices for essential life-saving drugs. That is why low tonnage and high value drugs have remained confined to the members of these cartels even in India. Using the big stick of patents and resorting to high pressure unethical

sales promotional practices they maintain practically a monopolistic market for their products throughout the world.

It was Senator Nelson who exposed the exorbitant prices charged by Messrs. Pfizer and other multi-nationals as a result of which such companies were forced to refund millions of dollars to the federal and state governments and the consumers of the USA. A pamphlet issued by the ILO discloses agreements between multinational drug corporations on drug patents to maintain high prices of drugs and intermediates but the most important document was recently published by UNCTAD, "Major issues in transfer of technology to the developing countries." This document reveals that 50-60 multinational or trans-national companies account for the bulk of the production of drugs and they control a significant part of the technology required for drugs manufacture. Through the mechanism of direct foreign investment, multinational drugs corporations control a major portion of drugs production in the developing countries. Thoes companies charge exorbitant prices for intermediate chemicals and penaltimates sold by them to their subsidiaries in the developing countries thus making enormous hidden profits and dodging income-tax in the developing countries.

I wish to take the case of four multinational drug corporations so that the House could know their performance in their own countries and in other countries and the manner in which our government is tackling them. Take the case of Messrs. Pfizer, The courts in the United States have convicted Pfizer of overcharging prices of anti-biotic, as a result of which that firm refunded millions of dollars to the federal and state governments and to the consumers in the United States. Courts have also disallowed Pfizer's patent for Doxycyclene and held that the patent was obtained by fraud. In Egypt, Pfizer

Corporations (Resl.)

overpriced Doxycyclene by more than 10,000 per cent. Pfizer have also confessed to have made payoffs in the countries other than the USA.

What is their performance in India? They have unauthorisedly expanded the capacity of the production of Oxytetracycline from 9 tonnes to 40 tonnes. They were asked to execute export bond which they have not done so far. They were asked to part with their production to non-associated formulators, which they have not done so far. On the top of all these violations of the law of the land, they have now applied for the manufacture of doxycycline. The Licensing Committee, I understand, has already agreed to license doxycycline to this company, even though IDPL and Indian companies are in a position to manufacture it and to meet the entire demand of the country. By licensing this item, Government would be regularising about Rs 20 crores of illegally made profits lying in the name of Pfizer in the country which will straightway be converted into investment capital for their new doxycycline venture. Government will also be condoning the unauthorised excess production achieved by the company as well other violations of the IDR Act. Last but not the least the interest of the public sector company IDPL will be damaged to a great extent.

Pfizer entered this country through the backdoor by purchasing Dumex in Panama and through that Dumex India indirectly. Pfizer's entry into India was not a regular one. By bribing some officials of this country for which Pfizer is traditionally known, Pfizer have established their foothold in this country.

The items and values of their imports from their principals make another interesting reading. The company charged high prices for items for which Government never fixed the prices; in actual practice. But the coming into force of the Drug Price Control Order in 1970 enabled them

not only to retain the prices at the level prevailing at that time but also to seek revision in prices wherever the prices did not suit them.

Sandoz is another multi-national company which operates quietly and under a misleading cover of a research-oriented company. The third one is May & Baker and the fourth is M/s Roche, to which Prof. Mukherjee has already referred. You may be aware that Roche made exorbitant profits in the UK on its tranquiliser "valium" and had to refund money on British Government insistence.

In a nutshell, all the multinational drug corporations are like Pfizer. Therefore, the Hathi Committee made a recommendation to take them over forthwith. I gave notice of my amendment to the resolution for taking over all the multinational drug companies operating in our country immediately. But it has not been admitted. If Government does not want to take them over, at least a limited number of multinationals like ICI, Anglo French and Roche, Ciba, Cynamide, Glaxo Pfizer, Abbot, Fulford, Geoffrey Manners, Sandoz, Hoechst and May & Baker can be taken over. These 12 companies had an original equity of about Rs. 50 lakhs and a turnover of about Rs. 175 crores in 1973. But today's turnover may be of the order of Rs. 225 crores, as against the total turnover of Rs. 370 crores for the entire drug industry in our country.

These companies managed to get "Permission Letters" and "COB" licences, as you know Mr Chairman, and engage themselves in the production of formulations without any valid licence. They have not given us any new technology and these are the companies which corrupt some of our senior government officers. These high officers in the DGTD Ministry of Chemicals and Fertilizers and in the Licensing Committee, have granted undue favours to these multinational drug corporations; and have

[Shri K. S. Chavda]

created monopolies against the national interests. Therefore, I suggest that these twelve companies and their sister concerns should be taken over immediately, by paying them their original equity and forming a corporation which will work in close collaboration with the public sector undertaking, viz. the IDPL. One thing should be borne in mind. Unless and until there is an overhauling of the official hierarchy in the DGTD, and the Ministry of Chemicals and Fertilizers, we will not be able to succeed in breaking the monopoly of these multi-national corporations operating in our country.

SHRI B. V. NAIK (Kanara): I was very glad to hear our dear friend, Mr Chavda for once talking in the same way, more or less, as our revered Professor Hiren Mukherjee. For once, the Indian capitalism seems to have made truck or truce with Indian communism. We have never heard such unanimity or identity of views before. Be that as it may, though I am not such a drug addict—in the sense of knowledge relating to drug companies—the array of facts which Chavdaji, our friend, had narrated, were highly . . .

महापति महोदय. वयं आश्चर्य मम ।

SHRI B. V. NAIK: Yes I say 'yes', even though I did not understand it.

MR. CHAIRMAN: The Pandavas had said that against others, they were 105, i.e. 100 Kauravas and 5 Pandavas. But amongst themselves, they were 5.

SHRI B. V. NAIK: There is a sort of a national identity, and in this behalf, I would like to add a few points which are based on a very very personal assessment; and since this is a Private Member's Resolution, I think I am speaking according to the protocol, in my capacity as a private Member.

One of the most practical suggestions I would make rightaway to my colleague in the Treasury Benches is to abolish all foreign brand names. Our mass mind, consumer mind, has a tremendous amounts of weakness or fascination for names which are foreign, like Phillips, Abbots, May & Baker or Pfizer. These names somehow click while names like CIPLA or Sarabhai do not go with our Indian consumers. When we have got almost a series of regressive and restrictive legislation, against the monopoly capital and foreign capital like EERA and Foreign Remittances Regulation Act, which was brought by the Home Ministry, I see no reason why we should not go in for a wholesome Indianisation of brand names. My discussions with the Ministry and Company Law Board time and again has revealed the fact that this is the only remedy. Let us completely remove, banish, brand names like Pfizer, Abbot, May & Baker, Phillips, Chevrolet and so on. Instead of Phillips, let them call themselves as Pushpak or some other Indian name. Let it be a name in English, Urdu, Sanskrit, Marathi or Kannada, but let it not be an alien name. With a stroke of the legal pen you can do it. Why should it not be done?

MR CHAIRMAN: You are forgetting Shakespeare. A rose, called by any other name, is a rose.

SHRI B. V. NAIK: The Indian consumers have a weakness for foreign names, even in ordinary things like toiletry. Take, for example the name Max Factor. When a question was raised here with the Ministry of Industrial Development about foreign technological collaboration with Max Factor, it was revealed that an Indian manufacturer somewhere in Delhi was manufacturing these things under the brand name Max Factor and so the product is selling like hot cake. Therefore, in order to bolster up our own national pride, to stop exploitation of foreign names to mislead the gullible and

easily deceivable Indian consumers, let us ban these names.

Secondly, I do not know whether I can virtually raise it as a quasi-point of order. In anticipation of this Resolution as an advance preparation, I had written from my constituency, requesting the Lok Sabha Secretariat to place the relevant papers on the Table, one relevant paper being Hypothesis of Principles of Socio-economic Reconstruction, incidentally, written by me! In that paper it has been my endeavour to show that there are options outside the pure capitalist and neocapitalist and Marxist and neo-Marxist systems, which have been tried.

I am saying that because we can look at the multi-national corporations in a purely doctrinal sense as the end products of the capitalist order of society. The industrial revolution of the 18th and 19th centuries, in Britain and Europe gave rise to the emergence of the socialist concept of society, Marxism, and the mother of Marxism was the industrial unrest caused by the industrial revolution. I have a feeling that the multi-national corporations will become the precursors of a new world economic order, and this new world economic order will need a new economic doctrine. It is my humble claim and hypothesis in all sincerity and belief that it is going to be the precursor of a new world economic order. It may look like a tall claim, but I have been saying it for the last 18 years.

They have not been able to comprehend what is contained in this thesis.

MR CHAIRMAN: Why don't you circulate it to all the Members?

SHRI B. V. NAIK: It is an extremely difficult process to educate people who refuse to be educated, politicians assuming all uncompromising postures. I do not at all regret becoming a laughing stock on 15th April,

1978, but in times to come what I say today may prove to be right. Let us remember that the ancestors of men, you know who they are, looked very ridiculous.

For your kind reference, I will hand over a copy to you for a second look.

MR CHAIRMAN: As far as handing it over to me as V. P. Sathe is concerned, I will gladly accept it, but as Chairman I am sorry I cannot because the Speaker has already said that he will not allow you to lay it on the Table of the House. But, of course, you can refer to your thesis of Naikism in your speech and to any portion of it to enlighten the House.

SHRI B. V. NAIK. I will, therefore, quote:

"All human beings in the economic category are producers and consumers at the same time. Each person is a producer of economic commodities for others and at the same time consuming the economic commodities produced by others who in his point of view are consumers"

MR. CHAIRMAN: I have not yet understood what is new in what you have said there.

SHRI B. V. NAIK: If you can kindly have the patience as Mr. Sathe to go through those 16 pages, thereafter I will discuss it with you.

MR. CHAIRMAN: But the quotation that you have read out from Mr. Naik does not appear to contain anything new or novel. You may read to us something new.

SHRI B. V. NAIK: What I have said is this. Instead of the Communists taking only two factors of production, land and labour or land and man, instead of the capitalists taking three factors of production, land, labour and capital, if we take

[Shri B. V. Naik]

and, labour, capital and the consumer—consumer is the fourth factor of production that I have laid down—the whole equation of economics would be changed. If you take the fourth factor of production also into account, you will be in a position to see that most of the evils today will be solved.

SHRI CHAPALENDU BHATTACHARYYA (Giridih): The Communists' point is that labour is the sole actor of production.

MR CHAIRMAN: Mr. Naik, it appears now that consumer is the sole actor of production.

SHRI B. V. NAIK: No, Sir. I have said that he is the fourth factor of production. (*Interruptions*).

In the case of multi-national corporations, the most banal factor is the transfer of assets from the host country to the country in which they are incorporated. We have used today the term multi-national corporations in a fairly loose way. According to an ex-Member of the Planning Commission, the multi-national corporations would be having, in the year 2,000, virtually not a hundred per cent, but about 200 to 300 multi-national corporations would have covered about fifty per cent of the world output—located in advanced countries these are the giants which we are worried about. Pfizer and Abbots can be dealt with. But when we think in terms of General Motors having three times the total budget, capital as well as revenue, of the Government of India rather than sales, that means cost of production—, they are bigger than a continental country like ours or for that matter Escons the 20 big giants out of which, as far as India is concerned, we have to take immediate cognizance of Uniliver—the rest of them can fall in line. As these multi-national corporations, which, because of their sheer size, are able to get an edge or advantage

over their counterparts in this country and they have pushed out the smaller ones.

Now, I am posing a simple question. Suppose there is a money-lender in my village and he is my cousin or nephew or uncle, he is very near to me, and he charges interest at the rate of 60 per cent or 100 per cent, and there is also a bank, a corporate bank, Syndicate Bank or some other Bank, which gives loans at 12½ or 18 per cent. Does this fact that this man is near to me, he is from my own village, indigenous or local, make him a better money-lender than an organized bank? I would say that there are non-multinational Indian capitalists in this country, worse than the worst available in the whole world. Why have you not been able to deal with them on an even keel? Leave aside the multi-nationals, there are multi-State Corporations which have come up in this country, of which the Ministry of Company Affairs are very well aware, who will tell one thing in the State Capital and another thing in the national capital, play one against the other and let the public demand in a typical Henry Fordian sense. What are you doing about that? Once I asked the Minister for Company Law Affairs why they did not classify these large houses into bad and good. I do not mean to say that all large houses are bad. Some are progressive and are interested in doing some good work.

SHRI DINEN BHATTACHARYYA: Like Tatas.

SHRI B. V. NAIK: Tata is not my uncle or yours. Who the hell is Tata in this august House?

Why don't you classify these multi-State large industrial houses into good and bad. Late Mr. Chavan, the Minister for Company Law Affairs once agreed to it, but later wiser counsels or whatsoever it is, prevailed and he withdrew. He agreed to

classify the Indian industrial houses who indulge in mal-practices or are progressive into bad and good, but he went back on his promise. Why don't you do it?

Now according to the definition given by our Ministry of Home Affairs in the Foreign Contribution Regulations Act, which was passed only a couple of weeks back, any concern having establishment in one country and also in this country—a concern with establishments in two countries, one of them being in India—is to be considered as a multi-national corporation for the purpose of definition. That is not what Prof H N Mukerjee says. He says that a hundred million dollars worth of turn-over or sales and having their concerns at least in six countries should be considered as a multi-national corporation. On that definition, even this notorious Lockheed Corporation does not fall into the category of a multi-national corporation in a loose way. But according to our Act, which we have passed regarding foreign contributions, if I am a panwala and have an establishment in Kothmandu and another establishment in Banaras, I am a multi-national corporation according to the law. If you take credit sale of cigarettes of five rupees you must give a declaration to the Ministry of Home Affairs Government of India. That is our definition. In other words, the damage that the thinking of the Government of India in regard to the multi-national corporation can do and the destruction that it can bring about has not been fully appreciated. This sort of cavalier approach to the whole concept of multi-national corporations should stop and I would very much accept the suggestion of Shri Bra Sefhiyan that a Parliamentary Committee—there are people who know the inside out and you can make out from the level of the debate—be set up to discuss the question of multi-nationals threadbare and come to some constructive solution in regard to this.

SHRI DINEN BHATTACHARYYA:
What is your contribution?

SHRI B. V. NAIK: I have suggested that the multi-national corporations should be defined better; I have suggested that the brand names should be banned and I have also suggested that a Parliamentary Committee should be appointed for the purpose.

We all know about the Lockheed including Komikaze pilot who killed himself and the Kodama scandal and Prince Bernard of Netherland. Now in our country, if a contractor gives a bribe to an official, the receiver of the bribe is immediately booked by the Vigilance Commission, CBI etc. If I am an engineer and I take some bribe from the contractor I am hauled up, not the contractor, but when it comes to international affairs and Lockheed or Merck give three million dollars to someone, it is the giver, who becomes the culprit, and not the taker. Why? Why do you put the whole morals topsyturvy? Is it simply because they are not here to defend themselves? Why not hold the receiver of the bribe of this magnitude, of crore of rupees, equally, if not more responsible? That, according to the present definition we are not doing. What does it mean? It means that we are having double standards and a double thinking... (Interruptions) When it comes to the multi-national corporations or international trade, what we want is more trade and not aid. It is this which the multi-nationals provide and, therefore, why is it ...

MR. CHAIRMAN: The hon. Member's time is up

SHRI B. V. NAIK: The last point I am making is the Lima Conference—I have mentioned it in my amendment also—could not come to any definition of a multi-national corporation because the western capitalist system said, 'You also include the public sector companies.' If the

[Shri B. K. Naik]

HMT or the Bharat Heavy Electricals want to establish their branches, etc. in other countries, let them also come in the same category of multi-nationals. Similarly, let the Russian steel factories and manufacturers of other sophisticated ware also be considered as multi-nationals as long as they are spread in various countries of the world. Now, it was here that Prof. Mukerjee or the Communist Party or the Communist Block refuse to say that the two are the same. I do admit that a concern, a government concern, a public sector concern, socially accountable and accountable to the Parliament has no money to pay under the table. They are completely different from a private sector concern which bribes, wines and dines its way and is prepared to spend any amount of money for a licence, particularly, in South American countries. If I am an honest John and a good citizen and the traffic law says that I must walk on the left side of the road, I must obey the law. Why are these honest concerns of the public sector either in the socialist countries or the developing countries like India afraid of being classified among the multi-nationals? If you are a honest person, why should you be afraid of the stringent laws? Let us take it, let us take the definition of the western capitalist system and carry on the business according to the rules. In these circumstances, I would urge that there was no reason for the break down of the Lima Conference.

Only one point more. I would like to quote. I am quoting from no other paper than the *National Herald*, a paper of our fraternity. What does the very knowledgeable editor of this paper say:

"Another important suggestion which Mr Chavan has made is that the capital exporting countries among the non-aligned nations should divert their investments to projects of mutual interest in other developing countries in need of

capital. But where have the West Asian countries invested their petrodollars? They have bought shares of big western companies and have invested only a small portion of their resources in developing countries. . ."

Kalinadhi was given Rs. 40 crores and we are jumping with joy in Karnataka

"There are various anomalies which weaken the unity of the third world and they should be removed."

The multi-nationals will continue to grow stronger as long as we in the third world, in the non-aligned world continue to preach something and practice another thing and act according to our convenience and then forget the ideals. The first and foremost thing is that we, the developing countries, should unite and fight this menace and regulate it and bring it under control.

DR. RANEN SEN (Barasat): Mr. Chairman, it is my unfortunate lot to speak immediately after Mr. Naik who made such a lively speech, the ultimate result of which I could not understand. However, I must say that he has kept this House busy for nearly half an hour on a subject which has no content. In our younger days we heard a story about one great orator of Bengal whose name was Kashab Chandra Sen. He was asked to speak on 'zero'. He spoke for three hours. That is a world record.

I come to multinational corporations. You may call them transnational or multinational, but the ultimate result is that it is a giant, a big size serpent, a python that sucks the blood of the country, in which these multinationals somehow or the other find favour to exist and to thrive.

Our friend, Mr. Chavda, was saying about the committees that were formed in the USA—those which were Senate Committees, those which were Committees of the House of Representatives, one of the Committees was headed by Mr. Kefoe-vre which not

only went into the question drugs, but also went into the question of automobile industry, went into the question of steel industry and it had come to the same conclusion in regard to all these companies. It is futile to say that they simply did it in the interest of the USA to see that the people of the USA are not cheated. But whatever their motives was, the ultimate result was that in Kefoe-vre Committee report it has been stated that these multinational corporations are not only exploiting the people of USA, the Government of the USA, but they are exploiting the people all over the world including India. There is a reference about India in that Kefoe-vre Committee's Report. It has been stated that the Indian public is giving maximum price to the products produced by the-

se multi-national corporations operating in India. It is often said that these companies are necessary for the capital formation of our country. These corporations are necessary for the development of industry in our country. These corporations are needed for the technological know-how in our country. All these points are absolutely fake, unrealistic and not correct.

MR CHAIRMAN You can continue next time. The House stands adjourned to meet at 11 O'Clock on Monday, the 26th April, 1976.

18.00 hours.

The Lok Sabha then adjourned till Eleven of the Clock on Monday, April 26, 1976/Vaisakha 8, 1898 (Saka).