

SHRIMATI MUKUL BANERJI : I would like to point out that the Government should take very strong measures to maintain law and order and should not allow the anti-social and anti-national elements to play havoc with public properties in the name of 'democratic agitation.' It is unfortunate, Sir, that the Opposition parties are supporting, encouraging and inciting these anti-social and anti-national elements. The Opposition parties shed crocodile tears on the floor of the House and also in public platforms to show their sympathy with the people, by encouraging hooliganism—as they did in Gujarat—when they destroy and damage crores and crores of rupees worth public properties. These things should be stopped. We shall need less money for the Budget if we do not have to spend so much money, on replacement of public properties which are destroyed in these agitations.

I congratulate the hon. Finance Minister for presenting this Budget and I support it.

श्री मुकुलजी राज सैनी (देहरादून) चेयरमैन महोदय, यह पाचवी लोक सभा का चौथा बजट है। मैं इस का समर्थन करने के लिए खड़ा हुआ हूँ। इस में 8,740 करोड़ रुपए की धारा और 8,865 करोड़ रु० का खर्चा बताया गया है। 125 करोड़ रुपए का इस तरह से घाटा हो जाता है।

15.59 Hrs.

[Dr. Henry Austin in the Chair.]

बजट में दिखाई गई धारा और व्यय की मदों से बजट की वास्तविकता जाहिर हुआ करती है। जैसे वित्त मंत्री जी ने कहा है यह बजट का लक्ष्य होता है द्रुत विकास, स्वायत्त, अत्यधिक सामाजिक न्याय, आत्मनिर्भरता साने के लिए आवश्यकताओं के बीच में समन्वय। यह उद्देश्य लम्बी अवधि के लिए पूरा हो जाया करता है। यह सही है पिछले तीन सालों में वाकई देख को भारी चुनौतियों का सामना करना पड़ा है और जैसा मंत्री जी ने कहा है कि जाने

भी ऐसा होगा। इस बजट के बारे में जैसा कि कंकर दयाल शर्मा जी ने कहा है यह बजट ऐसी स्थिति में बनाया गया है जो कि बहुत ही विषम है।

श्री उन्नीकुण्णन् ने कहा है कि वित्त मंत्री जी ने वर्तमान स्थिति से देश की आर्थिक स्थिति को गिरावट से निकालने का प्रयास किया है, वह सराहनीय है और वर्तमान स्थिति में इस से अच्छा बजट बनाया ही नहीं जा सकता था।

MR. CHAIRMAN : Now, the hon. member may continue his speech tomorrow.

We will go to the next item.

16 Hrs

DISCUSSION RE. EXPANSION OF COCA COLA EXPORT CORPORATION'S ACTIVITIES IN INDIA—Contd.

SHRI JYOTIRMOY BOSU (Diamond Harbour) : Before I come to the real issue, I would like to place before the House certain information which will disturb any right-thinking person in the country. To start with, this Coca Cola Corporation, what a powerful lobby they maintain in this capital—I will give you one or two examples. They have thrown a lunch party, anticipating that there will be a debate, where people of importance, both politicians and members of the Press, were invited and after a sumptuous lunch they were all presented a transistor each and it took place right in the Oberoi Inter-continental—Room No. 999, etc.

AN HON. MEMBER : When ?

SHRI JYOTIRMOY BOSU : On the 9th of February, to my knowledge. I say this is a prosperous company selling a positively harmful drink, especially so, to the children of the school-going age and, just now when we are debating this issue on the floor of this House with all seriousness at our command, they are going to be given an import licence

worth Rs. 15.12 lakhs and they are allowing two more bottlers to come into existence, one in Ludhiana and the other in Andhra.

In reply to Starred Question No. 438, the Minister had stated, 'I am not in a position to give the sales figures.' I wrote a letter to Shri D. P. Chattopadhyaya whom I do not see here. I do not know why he was not here. May be for some reason best known to him. He replied, 'Regarding your letter dated 24th December 1973 about the bottling plant of Coca Cola and the sales figures, I have forwarded the same to my colleague, Shri C. Subramaniam as it is his Ministry....'

Then I wrote to Shri C. Subramaniam on 18th of February as also a couple of reminders. So far I have not been favoured with a reply. Now I can understand the reason, because—it is a very powerful Coca Cola lobby operating everywhere in this capital. He also said that the proprietary ingredients—that I can understand—is a trade secret. The Coca Colas refused to give it to the Government and the Minister said, 'We shall give all the details in the discussion.' So, let us get all the replies today and all the information available in their possession. Let them not evade and let them not speak any untrue things.

Coming to the background of the company, it is a very successful, multinational corporation robbing poor India, easing out thousands and thousands of Indian small entrepreneurs producing soft drinks. It is a wholly US-owned company with one Branch in between, in London, with Indian slaves and a slavish government at their command.

This is an item wholly in the non-priority sector, yet no restriction on profits and 90% of the Indian business is in foreign control. Shri Subramaniam, in reply to unstarred question No. 281, had stated :

"Foreign concerns and subsidiaries and Branches of foreign companies will be eligible to participate in the  
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industries specified in Appendix I along with other applicants but will ordinarily be excluded...."

Mark the word 'excluded'.

"...from the industries not included in this list."

If you look at the Appendix there, you cannot find this. You only find electrical equipment, transportation machinery, industrial machinery, machine tools, agricultural machinery, earth-moving machinery and industrial instruments but, you cannot find the soft drinks and beverages. I do not know where they should be accommodated. The bottling plant first was started in 1958. At that time to my knowledge they had only four plants. Now, they have twenty-two. I have already mentioned that they are having one in Ludhiana and another in Andhra. Shri Subramaniam, whom I have already judged as a great friend of people in Washington said in reply to a question that unfortunately there is a craze for Coca Cola.

Now, Sir, the Government on the one hand allowed the bottlings of this drink to get in and now he says that there is craze for this drink. Is it not slavery? And, on top of all this, Government is considering introduction of Fanta Soda mixed with orange. Why is this craze for this drink at all? Does it not contain caffeine? Has the Health Department done anything to ban this? Is it not a drug, Mr. Kisku? I have written a letter to the Minister. Does this not contain phosphoric acid? I have written the letter on the 19th February to the Health Minister wanting to know all these things. But, so far, no reply has been given. I am not quite sure whether somebody is eating a pie in the Health Ministry. I do not also know if any one in the Health Ministry is a friend of Coca Cola. But, I can tell you definitely that somebody is eating a pie of Coca Cola.

I say that this drink containing phosphoric acid is definitely harmful and it decays the teeth, Yet the formula is

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out of bounds for this Government here because the inside story is that this is a dangerous drink.

The Nutrition Research Laboratories at Hyderabad, in its annual report for the period from 1st October 1965 to 30th September 1966, on page 73, says that the drink is harmful to the children and young people of growing age. What does it say? It says:

"The results, which are presented in Table 29, indicated that the gain in body weight of animals consuming Coca Cola was significantly lower than that of the other three groups. This appeared to be a direct result of the lowered food intake in this group. Animals receiving Coca Cola consumed about twice the volume of fluid as those drinking tap-water.

\* \* \* \*

"Levels of haemoglobin were not different in the various groups but serum albumin levels were significantly lowered in the group consuming Coca Cola.

\* \* \* \*

"Analysis of Coca Cola revealed that it had a pH of 2.7, a total solid content of 12 per cent and contained caffeine."

It further says:

"It was observed that the total ash content of both these organs were slightly lower in animals receiving Coca Cola as compared to those receiving tap-water."

Therefore, this drink is dangerous. This report was published in the year 1967. This Government, the Health Ministry, has deliberately suppressed it. They did not publicise it. The health of the children and the youth will be ruined. And so, this drink should be banned. Instead, the Coca Cola workers should be allowed to form themselves into co-operatives and go in for the substitute drink. That should satisfy everybody. Mr. Chairman, may I seek your per-

mission to lay\* it on the table of the House? This is an important document. You will kindly make your observation. This is a Government report—Report of the Nutrition Research Laboratories. The only thing is that I had to go to Hyderabad to fetch it. That is all.

MR. CHAIRMAN: You hand it over but the Hon. Speaker will give orders on it.

SHRI JYOTIRMOY BOSU: There is a Fruit Product Order. It was obligatory to contain at least 10 per cent pure fruit juice if one wanted to print the FPO on the bottle. Now, it has been amended to suit the conditions of Coca-Cola to cover synthetic. I would like to know from Mr. Kisku why is it so and for whom is it so? Does this FPO not read: That synthetic beverages having the colour and flavour resembling fruit, that is, Section 11 sub-section 2 and Section 40(2), require 'Synthetic' must be written in bold letters. Do they do that? If they have not been doing that have you been prosecuting them? Fruit Product Order has no definition for soft drinks not containing fruit juice. Are they not misleading the public? Have you cared to prosecute them or have you got into their basket? Have you ever publicised it? If not, what is the reason?

Now, the capital has remained unchanged at Rs. 6 61 lakhs. On that they were allowed a remittance of well over 1200 per cent a year. They have remitted upto 1973 for administrative expenses Rs. 7 crores and they have already created liability for Rs. 4.6 crores for which remittance will be made. There is no restriction on profit remittances. It is the most unfortunate thing. In reply to a question it was stated:

"...Such branches are allowed freely to remit the profits after tax accruing to them from their operations in this country."

"Its remittances have been limited to 80 per cent of the export earnings during January 1969-March 1972."

\*The Speaker not having subsequently accorded the necessary permission, the docu-

From April 1972 onwards such remittances are further limited to export earnings from the Corporation's own items of production."

They have absolute freedom to loot; an absolute freedom to sell poison to the people in the country and an absolute freedom to ruin the health of innocent men and women in the country.

Sir, now I take up remittances in excess of export earnings. In 1967 the remittances in excess of export earnings were Rs. 14.89 lakhs. In 1970 it came to 30.33 lakhs and to-date the total comes to Rs. 80.93 lakhs. Apart from the head office there are area offices. They are very ingenious in this matter. It is stated in an answer given by Mr. Chavan :

"...All remittances by Coca-Cola Export Corporation, U.S.A. The position is that Coca-Cola Export Corporation, U.S.A. has set-up a number of area offices in different parts of the world including London which function as subordinate offices to the Head Office and exercise such of the functions as are assigned to them by Head Office."

Can you imagine? This is the noble method of plundering. The figure of percentage of area office expenses to total export earnings is also an interesting information. The area office expenses in 1969 were 9 per cent whereas in 1971 it has come to 26.9 per cent. This would mean one of several things such as that the company has had to resort to higher repatriation rate to cover its lower import replenishment, which was reduced in 1971 from 20 per cent to 4 per cent.

Now, what are the items of export? This is a very interesting thing. First comes *chidwa* which is made in Gujarat or the Bombay side, and which is a chewing thing; this was worth Rs. 27,000. Then comes tea. This is a traditional item of export. Yet, the Yankees can come and help the Governments. This was Rs. 6.71 lakhs. Then comes cashewnut, another traditional item; here the amount involved was

Rs. 11.07 lakhs. Then comes coffee; we all require very specialised handling so that we must have American export to come and teach us to export things; one day we shall be seeing Americans coming and preparing *puchka and phulkari* and *rasgullus* here; that day is also coming. Then in the case of vegetable gum, the figure was Rs. 103.06 lakhs, in the case mango pulp, it was Rs. 4.34 lakhs, and Coca Cola concentrate exported Rs. 384.84 lakhs; less 4 per cent imported raw material accounted for Rs. 17.32 lakhs. The total of the first set of items that I have mentioned is Rs. 136.93 lakhs. So, they are sending out much more money than they are bringing in for the country.

Then, kindly see how the remittances are increasing. Kindly look at the figures. Here is the statement showing details of remittances by Coca Cola Export Corporation, based on the balance-sheet of 1958; it was Rs. 103.33 lakhs in 1970, it was Rs. 160.23 lakhs in 1971; and in 1972 it was Rs. 1148.37 lakhs. Every year, it is climbing up, and Coca Cola is indispensable for the Indians because it contains poisonous drug and caffeine.

Then, let us have an analysis of the profits. As per the Minister's statement, Rs. 16 lakhs *ad hoc* licences were granted. If 4.5 per cent is the imported ingredient in coca cola concentrate, they can produce with this amount concentrate worth Rs. 4 crores, thus remitting huge profits to the tune of Rs. 1 crore to America, and there is no interference from the Government. In the case of Coca Cola (Indian Branch), the profit after tax is 1600 per cent. In the United States company in 1972, the profit was 22.8 per cent, and for the tax they pay here they will derive tax benefits in the United States through exemption, because it will come under the double taxation provision. And since it is a branch, we lose at least Rs. 1 crore a year in taxes. It is ridiculous that Government are in this position that there are no accurate figures and they do not require any permission from the Reserve Bank of India. In regard to

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remittances on Coca Cola, there is a note from the Ministry of Finance which I have got here before me. In this they have said something which can never be implemented, and we cannot attach any value to the experts that have come to us. What does this note say? It says :

"As regards imports by the corporation, the Reserve Bank of India has observed as follows :

"As regards imports by the corporation, since authorised dealers can themselves effect remittances without having to approach the Reserve Bank, it is difficult for us to know the exact amount of remittances effected by the corporation during a particular year."

It is a long note. But I want to know specifically how it is that such a huge amount has been allowed to be remitted out of this country year after year by this Government, although it did not belong to the priority sector and their contribution to the country and the population had been nothing but ruination and harmfulness. I do not understand how long they have gone, and how much crooked they have become. That is a matter to be understood.

Now, let us come to the history of the concentrate plant, the first concentrate plant, which requires practically no machinery at all. Government never tried to find the cost of production and the sale price is very high. Of course, Mr. Manubhai Shah who is now busy somewhere else had a very great soft corner for this gentleman. I am told Shri Manubhai Shah is a close relation of one of their high-ups in the country who is the head man here, and he allowed production of fanta, gave 20 per cent export incentive licence which was reduced by the Yunus Committee to 4½ per cent—from 20 per cent to 4½ per cent. Although the import content in the concentrate is lower, to circumvent this, Shri Lalit Narayan Mishra, popularly known as Nakad Narayanji, gave *ad hoc* licences worth Rs. 23 lakhs. Here is a letter which has been written to me by Shri Subramaniam, a very recent letter, which says :

"An *ad hoc* licence of Rs. 7 lakhs was issued to the Export Corporation during 1971-72, having regard to the carry over stock... Based on a detailed examination by an official committee, an *ad hoc* licence of Rs. 16 lakhs was issued during 1972-73".

So it comes to a total of .23 lakhs. If these *ad hoc* licences were not given, Indian-owned drinks companies would have grown. Shri Lalit Narayan Mishra avoided signing the file for decrease in 1971 for replenishment in 1972. He managed to get the file called for by the Industries Minister. That is how he avoided it. The then Foreign Trade Minister, Shri Lalit Narayan Mishra, has been a great friend of theirs. So is his bosom friend, Mr. Chibber who was a go-between when he was Minister of Defence Production, in Europe for purchase of defence equipment. He became one of the 22.

You will be surprised when you know about the company, the bottling company in Patna, the Pataliputra Drinks Company Ltd. The Minister, Shri Lalit Narayan Mishra says that he has no connection with this company, financial or otherwise. It is a unique company. In the country, there are a number of non-resident shareholders, people living in Britain, people living in Nepal, men like Mr. Chibber, Great Portland Street, London, Mrs. Bindu Rana etc. They are all either Nepalese or British citizens. I do not know how this has happened. This is a most interesting thing. Against this man, Mr. Gokhale wrote to me :

"In reply to the default notice to the company, it is stated that the records of the company were seized by the income tax department".

Glorious people. They must on this side cut your throat; they must on the other do the same. It also says :

"On further inquiry made, it is learnt that the records were seized by the income tax department on 28 October 1971 in a case against Shri S. P. Chibber, a director of the company".

So they are the only people whom they can find for joining business. No decent man would do business with them.

There was a great person, Mr. Kasbekar. Mr. Kasbekar was the Chief Controller of Imports and Exports. I had to write to Mr. Mirdha to find out about Mr. Kasbekar against whom there were corruption charges. I got confirmation that there were serious corruption charges against this man and a CBI inquiry is proceeding. But what happens? This man ruins the country. This man allows foreigners to plunder this country. Yet this man is still on the pay roll of the Government.

Then, of course, we have a glorious man in Mr. Ramaswamy, Special Officer, DGTD. He is the greatest friend of these foreigners. They are indispensable for this country and they must prosper and survive! We want to know what is happening against these people.

The Coca-cola people have access to very high quarters. They know how to rope people in. The son-in-law of a very important man in the country living in Rashtrapati Bhavan—because I cannot mention the name of the President! I do not want to break that rule—is the bottler for coca-cola in Madurai. They know how to rope people in. Other Ministers said something. Now Mr. Subramaniam says something different. There is no end to these contradictions.

There is another very important man—do not ask me whether he is an MP; he is not an MP—an aide to the Prime Minister who was fighting to see that Mr. Arjun Arora, who had been criticising Coca-cola, was refused a ticket to the Rajya Sabha. So he did not get the ticket.

Then in 1968 there was an acute shortage of sugar. But there was the case of a handsome sugar quota. Mr. Fakhruddin Ahmed is here; he can enlighten us about the friendship that exists between the Agriculture Ministry and Coca-Cola. Big sugar quota was given to Coca-Cola although—I take full responsibility for what I say—they do

not require any sugar for the concentrate. They say the bottling plants are Indian owned. How untrue is this! Everything is controlled from the United States. Yet slavish Indians were...

SHRI K. NARAYANA RAO (Bobbili) : I object to this word; it is derogatory to the Indians as a whole... (Interruptions)

SHRI JYOTIRMOY BOSU : Those who have sold themselves to foreigners. I say that they are not allowed to produce their own stuff. After all the Indian bottlers have no freedom to bottle anything they want to. Pure Drinks were marketing a special orange, Campa. They were stopped by Coca-Cola. We want a clear explanation from the Government how this went on from 1952 to 1974 and who are the people whose pockets were filled and who went after more moneys. They should provide the answer. I demand action; production and distribution of Coca-Cola should immediately be stopped. The bottling plant should be handed over to the workers co-operatives. They should be made to produce a different drink which is not harmful and which would not force us to repatriate money to a foreign country.

There is serious labour trouble at the bottling plant in Goa. There are 200 workers who are on strike for the past 114 days. They invited the police. Firstly they want to rob the people; secondly, they invite the police to shoot them to kill and on the third hand they rob the country and take away the money. But the most important thing is that this poisonous drink cannot be allowed to be sold. Government must publicise the findings of the Nutrition Laboratory Report and see that this is not allowed to be sold to people, particularly to growing children. I should like to hear categorical, unequivocal replies from the hon. Minister if he is worth the salt.

श्री शंकर दयाल सिंह (बतार) : सभापति महोदय, माननीय सदस्य, श्री ज्योतिमय बसु, ने भारत में कोका कोला

[Mr. Deputy-Speaker]

No. 662 Up on the Gwalior-Sheopur Kalan narrow gauge section. Now, the Deputy Minister for Railways has volunteered to make a statement. Before we take up the next item the Deputy Minister for Railways may make a statement.

**THE DEPUTY MINISTER IN THE MINISTRY OF RAILWAYS (SHRI MOHD. SHAFI QURESHI):** I regret to inform the House of an accident which took place on the Gwalior-Sheopur Kalan Narrow Gauge section of the Jhansi Division of Central Railway.

At about 10—20 hours on 9-3-1974, while Mixed Train No. 662 Up was running between Birpur and Sillipur stations, the last two bogies of the train—one Third Class bogie and the other a Third-cum-Luggage and Brakevan—derailed and capsized. As a result of this accident 5 persons were killed and 8 injured, of whom 4 were hurt grievously. Immediately on receipt of information about the accident a Railway Medical Van accompanied by Railway doctors left Gwalior. Doctors from the nearby Birpur hospital also reached the site to render assistance. Medical assistance was also rushed from Morena by road. The injured, after first-aid, were immediately removed to hospitals for medical attention. 30 other passengers who received trivial injuries, were rendered first aid on the spot whereafter they continued their journey.

On receipt of information of the accident, Divisional Superintendent, Jhansi and other Divisional Officers rushed to the site by road. The Additional Member (Traffic), Railway Board, the General Manager and other senior officer of the Central Railway also proceeded to the site of the accident.

An *ex-gratia* payment of Rs. 500 to the next of kin of each of the dead and of Rs. 300 to each of the four

grievously injured persons has been made.

The Additional Commissioner of Railway Safety, Bombay commenced his statutory inquiry into this accident at Gwalior yesterday.

14.48 hrs.

GENERAL BUDGET, 1974-75—  
GENERAL DISCUSSION

**MR. DEPUTY-SPEAKER:** Now, we take up discussion on the General Budget. Shri Mukherjee, you may fire your salvo or fusillade; if you like.

**SHRI SAMAR MUKHERJEE (Howrah):** Mr. Deputy-Speaker, the Budget placed by the same Finance Minister who placed previously three more budgets is in character in no way different from the previous budgets. It is on the other hand more pronounced pro-monopolist and anti-people. In the Budget presented here it has been claimed that inflation will be controlled and it is oriented towards development. But actually the character of the Budget and its effect is visible even before the presentation of the Budget. The day it was presented the next day the reactions came and the reaction from the Lyons Range which is a centre in Calcutta of the big business is: A great joy greeted the Budget. They welcomed it in such a way that that type of welcome was not visible even during the presentation of the earlier budgets I am reading from Hindustan Standard:

“The market greeted the Budget well. This is because of the inflationary potential of the Budget..”

The claim is that this Budget is anti-inflationary but the big business circle is very jubilant because it has the potentiality of inflation. The report further says:

“Inflation, it should be noted, is always a bull point for the market, and the budget for 1974-75 holds out prospect for further acceleration of