PREFACE
Kindleberger wrote in 1969 that with the emergence of the multinational corporations the nation-State is just about through as an economic unit. Tinberg reinforced this by saying that these commercial combinations would to a large extent wrest the substance of the sovereignty from the so-called sovereign States. Even Pope Paul VI was constrained to observe that by extending their activities these private organizations might be led to establish a new and abusive form of economic domination on the social, cultural and even political fields. It was not surprising, therefore, that the world community has been compelled to take notice of the activities of the transnational corporations and the United Nations passed several resolutions expressing concern about the impact of the activities of these 'giant octopus corporations with multiple subsidiaries', as Judge Jessop calls them, on the sovereignty of the Nation-States where they operate, and emphasized the need to have a code of conduct to regulate them. The General Assembly Resolutions No. 3201 and 3202 of 1 May 1974, are important landmarks in the international arena in this regard. The Charter of Economic Rights and Duties adopted by the General Assembly in 1974 recognized the right of every State to regulate and supervise
these corporations within their national jurisdictions and to take measures to ensure that their activities complied with the laws, rules and regulations of these nations and conform to their economic, and social goals. In Resolution No. 96(iv) the United Nations Conference on Trade and Development at its Fourth Session resolved that action should be taken by countries in a mutually reinforcing manner at the national, regional and international levels to eliminate or effectively deal with restrictive business practices including those of the transnational corporations which adversely affect international trade particularly that of the developing countries and the economic development of these countries.

In the context of these developments it is only natural that academicians, administrators and jurists should feel the need to analyse the problems posed by the emergence of this unique institution, namely, the transnational corporation which, unlike the nation-States, is not directly answerable to a broad-based electorate, nor is it at the present moment subject to control and regulation by any international authority so as to ensure harmonization between their power and public interest. National regulations and regional arrangements do exist but they are unco-ordinated and limited in their scope so that these are easily circumvented. Further, the two historic judgments of the International
Court of Justice in the case of Barcelona Traction, Light and Power Company Ltd. case have shown the inadequacy of traditional international law to tackle important questions relating to international investment through these corporations. I, therefore, felt that it would be helpful if an analytical study is made to focus the problems posed by the activities of these corporations in the international arena and the regulatory mechanism that may be necessary to tame these commercial giants. In making this attempt I have drawn upon the experience of India in tackling these problems. India is a unique example of a country which is both developing and developed and, therefore, the various control measures adopted by the Government and the responses of the transnational corporations to these measures have, perhaps, a lesson to other developing countries. This dissertation, therefore, while dealing with the various activities of the transnational corporations in the international arena directs particular attention to India.

In conducting the research on this subject and completing the dissertation I have received valuable guidance and advice from Professor Dr. R.P. Anand, Chairman of the International Legal Division, School of International Studies, Jawaharlal Nehru University, who was my supervisor. I must record my deep sense of gratitude for the great help
and guidance received from Dr. Anand. I must also record here my grateful thanks to Dr. Rahmatullah Khan, who was ever ready to help me whenever I had doubts on many legal issues concerning the operation of the transnational corporations in the international arena.

I had the benefit of discussions with many eminent men with intimate knowledge of the working of transnational corporations. Of them, I must mention Shri S. Ranganathan, ex-Comptroller and Auditor General of India and Chairman of one of the leading transnational corporations operating in India, namely, Ashok Leyland. To him, I express my sense of gratitude. I have abundantly drawn upon the help and assistance of the Librarians of the Lok Sabha Secretariat, the Indian Society of International Law, the Ministry of Law, Government of India, the Indian Council of World Affairs, the British Council, and Rattan Tata (Delhi School of Economics), the U.N. Library, the American Library and the library of the Jawaharlal Nehru University. My thanks are due to all of them.

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( V. Gauri Shankar )