

(viii) **Need to Provide Assistance by the Centre to the Government of Maharashtra for Organising Drought Relief and Providing Drinking Water Facilities**

SHRI KESHAORAO PARDHI (Bhandara) : Mr. Deputy Speaker, Sir, this year many districts of Maharashtra have been affected by drought which list includes Bhandara where the drought has been very severe. The State Government have started job-oriented works but they are not sufficient. There is also the acute problem of drinking water and it is necessary to provide relief measures for this. It is also necessary that the shortage of fodder is removed and the people are provided with foodgrains and employment. In the coming days, the farmers will have to be given seeds also. In such conditions the recovery of land revenue, land measurement tax, irrigation tax and bank loans is being made. Some farmers had taken loans from the Land Development Bank for digging wells and purchasing motors but they are not getting power connections even after waiting for three years. With the result, that the farmers have not been able to utilise their wells and electric motors. The recovery of the Land Development Bank loans has started. The farmers are unable to repay these loans owing to drought. The recovery of all these taxes and loans should be suspended forthwith. The drought relief team of the Central Government has, during its visit, witnessed their condition.

I request the Government of India to assist the State Government in drought relief work and in solving the problem of drinking water.

12.34 hrs.

MONOPOLIES AND RESTRICTIVE TRADE PRACTICES (AMENDMENT) BILL, 1985

[English]

MR. DEPUTY SPEAKER : We will now take up Item No. 10—Further consideration of the following motion moved by Shri Veerendra Patil on the 15th May 1985, namely :

“That the Bill further to amend the Monopolies and Restrictive Trade Practices Act, 1969, be taken into consideration.”

The time allotted is only one hour and thirty-eight minutes and I request the Hon. Members to be brief. Shri Jaipal Reddy may speak.

SHRI S. JAIPAL REDDY (Mahbubnagar) ; Sir : This Bill is before us today because, as part of the Budget proposals, it was mentioned by the Finance Minister that the ceiling under MRTP Act would be raised from Rs. 20 crores to Rs. 100 crores. The Budget, particularly of this year has come to be noted for many important and fundamental departures not only from the accepted national policy pursued for the last three decades and more, but also from the perspective that was evolved during the freedom struggle.

The Budget is important not only for the fiscal proposals, but also for many important non-fiscal proposals. And the most important of those non-fiscals proposals was this : this is very significant, because it indicates the direction which the new Government would like to tread. The Congress (I) was at least making pretensions towards socialism; and now they have given up these pretensions also. This Government would do well to remember the background or the setting against which this Act came into being in the first place. In the '60s., a Study Report led by Mahalanobis, and a Study Report led by Hazari observed that the growth of economic power in this country was disproportionate, and that it was increasingly tending to get concentrated in fewer and fewer hands. That was the reason why this legislation instituting a Commission, a standing quasi-judicial Commission was brought forward way back in 1970.

I do not want to refer to the Preamble of the Constitution. I do not have to refer to the Directive Principles of the Constitution. Our Directive Principles of State policy refer to the need for mounting a conscious effort to see that economic power is decentralized. Under Article 39 (c), the Constitution directs :

“that the operation of the economic system does not result in the concentration of wealth and means of production to the common detriment;”

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Now, we will have to see whether the new amendment brought forward is in conformity with this Directive Principles of the Constitution. Though the MRTP Commission has been in existence for the last 15 years, we must also see whether the Commission has been enabled or allowed to function with a passion, so as to subserve this larger objective. I should say that the growth of monopolies in this country between 1971 and 1977 was less than was seen between 1980 and 1983. After the return of Congress (I) to power in 1980, whatever pretensions that were there in the early '70s., were given up.

Today, the Bill is not a sudden development. It is a logical sequel of a series of policies pursued by the Congress I during the last five years. Between 1971-1977, the top ten groups in the country increased their corporate assets by 43 per cent; between December 1980 and December 1983, the same top ten corporate groups increased their assets by more than 100 per cent. Take, for example, the case of the Birlas Group. The value of assets of Birlas Group Companies went up from Rs. 1431 crores to Rs. 2,900 crores; in just a period of three years, Birlas Companies Group increased their assets by more than 100 per cent. The same was the case with the Tatas. The assets of Tatas Group went up from Rs. 1500 crores to over Rs. 2,700 crores, during the same period of three years.

This was the same case with the trend of growth in equity capital abroad. If we take the case of 8 industrialist houses in the country, in this area, we will find that they account for as much as 66 per cent of equity abroad. Here again the Birlas Group take the cake. Birlas Group Companies account for 30 per cent of the equity capital abroad. Now, you must examine as to what are the reasons behind this persistent phenomenon of galloping growth in the corporate assets of top groups that the MRTPC has failed to fulfil the objectives for which it was established or set up. It is because the MRTPC has been deliberately allowed to remain or become a toothless institution and an eye-wash institution. The role of MRTPC is only recommendatory. The considered view of an expert who was a judicial commissioner is not at all binding on the government. Secondly, I may also point out that the Government is not obliged to refer the cases of all MRTPC companies to a commission at all; the govern-

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ment can decide upon the merit of these companies at his own sweet will. The Sachar Committee which was appointed during the Janata period went into the question and pointed out that out of 246 cases under sections 21 and 22 of the Act finally disposed of by the Government of India between January 1974 and December 1976, 227 cases were disposed of by the Government without reference to the commission itself.

MR. DEPUTY SPEAKER : I am giving 10 minutes to each member. So many members are complaining here. So, I cannot allow more than that. Already, you have exhausted eight minutes; two minutes are more. There are so many complaints from so many members that I am giving more time to some members and less time to some other members. I do not want to hear such complaints from the members again; I do not want to have this kind of discrimination.

SHRI S. JAIPAL REDDY : Government has been deliberately treating the Commission with benign neglect, if not open contempt.

As I mentioned earlier, it is a toothless institution, it has no staff, it has no infrastructure for monitoring or enforcing its own orders. The Commission has no powers to pass final orders even in regard to the few cases that are referred to it.

I may now refer to the manner in which the Commission has always been proving to be ineffective, not only in the area of prevention of growth of monopolies, but also in the area of restrictive trade practices.

The Commission has since its inception on August 6, 1970 till December 31, 1982, instituted 404 inquiries only. Out of these 404 inquiries 153 were initiated by the Commission on the basis of applications of RRTA and 233 on the basis of its own knowledge and information. It is very interesting to note that only 16 inquiries were initiated on the basis of complaints made by trade or consumer associations having membership of more than 25 per cent. I may also draw the attention of the Government to the fact that only two references were made in the last 13 years by the Government of India from the viewpoint of consumers. It is shocking to note that the State Governments in this

country did not make a single reference to MRTP Commission in the last 13 years. The big companies also are going scot-free in respect of another vital area that is, they are also taking advantage of the special facilities made available to small sector units. Now I will give you a few illustrative examples :

Thyristors Controls Private Limited, registered under the MRTP Act 1978 as part of the Reliance Textile group is registered with the NSIC for Government purchases as a small scale unit.

Skefco India Bearing, a company belonging to the Tata group and which has 39 per cent foreign equity has been registered under the MRTP Act since 1971. Its annual report for the year 1981 said that the Company has no licensed capacity, but it was registered with the Maharashtra Government as a small scale unit.

I will also refer to another case : Hoyle's Paints belonging to Singhania Group; an MRTP company since 1971 claimed in 1981 that the reported licensed capacity was as per return filed with the Director of Cottage and Small Scale Industries, West Bengal.

The drugs and pharmaceuticals industry has the maximum concentration of trans-nationals operating as small scale units.

American multi-nationals like the U. S. Vitamins and Pharmaceuticals Corporation and Elly Zella were enlisted for Government purchases as small units.

Carter Wallace claimed to be a small scale unit. The Hon. Minister may tell the House as to what steps will be taken to streng-then the Commission.

This Bill only shows that the Government has given up its faith in the public sector, has given up its faith in the mixed economy concept, and has given up its commitment to the concept of capture of commanding heights of the public sector; it has chosen to put all its eggs in the basket of big business.

SHRI BRAJAMOHAN MOHANTY, (Puri) : So far as this amendment is concerned, it is rational. May I know if this statute is something which goes against the

Fundamental Rights and Directive Principles of the Constitution, what prevented the Janata Party when it was in power, to remove it from the statute book ? Compulsion of the situation which one may not like has to be accepted. Necessary evil has to be accepted. What is the need of the hour ? The need of the hour is more sophisticated technology and capital. That is why in China the ideology has been subordinated to idiology. But it is a strategy for development and growth. So far as the Head of the State of the Chinese Government is concerned, he has accepted norm whether the cat is black or white if it catches rats, it is all right. Whatever may be the process, whether it is the capitalist process or the socialist process of production matters little, if it gives the production and efficiency, that has to be accepted. That is why, multinationals from Japan are invited in China. That is why, they have some sort of understanding with the United States of America for some technological development, Now they are getting some nuclear technology from the USA. What is happening in socialist countries of the West Europe ? Sweden and France are now laying more emphasis on private sector and public sector is being handed over to private hand. The reason is that they want more production.

This amendment is consequential to the policies that we have adopted in the Budget. Weak India will not answer the problems. If India is strengthened economically, then only India will flourish internationally. Even smaller countries today because of our weakness, are having hostile postures against us. The reason is that they do not see strength in us. We need more sophisticated technology and capital. If we remove all the big industrial houses, will that development be possible ?

In 1972 the number of big industries registered, was only 815. Their assets amounted to Rs. 5,600 crores. And in 1982, their assets have gone up to Rs. 21,600 crores. These are the Government figures. In 1972, the number of undertakings registered was 850 and in 1981-82 it has grown to 1,270. This process is going on. But all the same, we have to take into consideration the inflation and the inflationary pressures. We have to see how the prices have gone up, how the investment cost has

gone up. So, naturally, if you calculate according to the price index, Rs. 20 crores will perhaps now be Rs. 50 crores or Rs. 60 crores, and the Government is amending it to Rs. 100 crores because unless we give scope to the big companies which require heavy investment, they cannot have it. That is why the amendment is quite rational and my submission would be that there should be no dispute on this. Dispute was only in 1972 when the Act was introduced. At that time some people had objected to it ideologically. But once we have accepted this process, there should be no dispute now.

We must take into consideration the other aspect of it also, that is, the growth of public sector. In the year 1980-81, the growth of public sector was 23.6 per cent, whereas the growth of the MRTP houses was only 20.7 per cent. So this is a mixed economy that we have adopted, not the complete socialist economy, and it will take years to transform this economy into a complete socialist economy. It is not that the Government has deviated from its objective of socialism, or that the Congress Party has deviated. We stand by socialism. Socialism is not the God's gift, it is the result of the long struggle for decades, that the Congress Party has adopted the objective of socialism from cooperative commonwealth to socialistic pattern of society and then socialist society. Congress party embraces every sect of people, including the richest persons of the society, the feudals, the working class and the poorest of the poor. So naturally, we had to carry on the struggle for decades to achieve socialism as our goal. It is because of the new needs that we are changing the strategy of our development. I fully support this amendment and I hope this House will adopt it.

THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI GULAM NABI AZAD) : Sir, I will request you to skip over the lunch hour. Whosoever wanted to take lunch they have already gone.

MR. DEPUTY SPEAKER : I think you are foregoing the lunch hour. Therefore, now I request Shri Amal Datta to speak.

SHRI AMAL DATTA (Diamond Harbour) : Nobody from Congress.

MR. DEPUTY SPEAKER : No, there are many.

SHRI AMAL DATTA : Socialists have disappeared.

AN HON. MEMBER : They will come after lunch.

SHRI AMAL DATTA : Sir, this is one of those suggestions which have come from the Budget to raise the limit for value of assets for MRTP companies. It appears from the way this MRTP was working, that it does not matter really whether the ceiling is fixed at Rs. 20 crores or Rs. 100 crores or Rs. 200 crores. My Hon. friend Mr. Reddy has referred to the Birla group. In fact, these Birla Group, Tata Group have assets over Rs. 2,000 crores, but if they come forward with any proposal for expansion, that will automatically be approved by the Government. So, raising the limit to Rs. 100 crores really does not matter. I think only about 50 or 60 companies will now be exempt because many top companies are already gone above the ceiling of Rs. 100 crores.

13.00 hrs.

But how this particular Act was being worked by the Government since its inception in 1970? That is very curious. The Government instituted an inter-Ministerial Advisory Group. This group was constituted to examine these proposals coming from the Companies who had got registered under the MRTP Act and this Group was to advise the Government as to whether a particular proposal from an MRTP company would require further inquiry by the MRTP Commission. And as it happened, in most of the cases the group recommended that no inquiry is necessary. 90 per cent of the cases were disposed of by the Government without referring the matter to the Commission. So, the Commission was, as my Hon. friend, Mr. Reddy rightly said, an eye-wash. The Commission was there for people outside India to see or for people who have some belief and faith in socialism and who think that the Congress is in some way or other implementing some of the ideals of socialism like preventing concentration or part of concentration of economic power. So, just to give them some eye-wash, this Commission has been there. It has not done

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any substantial work during the period of fifteen years of its existence, because the Statute is formed in such a way that this Commission cannot work unless the Government wants it to. And the Government has not wanted it to work at all.

Now, the Commission itself in one of its annual reports suggested that this particular way of functioning of the Government so far as the Commission is concerned is very irksome. It felt quite helpless that the Government was not referring the cases to it. It said that certain guidelines should be formulated for the Government as to which type of cases should be and must be referred to the Commission and which not. As yet the Government have not formulated any such guidelines. If guidelines are formulated, the Government's discretion goes. So, why should it formulate any guidelines. All kind of stregem has been practised by the Government to see that the Commission cannot discharge its function, which the law gives to it. Its function from the very beginning has been only advisory and there has been nothing mandatory in the commission's recommendations. There have been cases where even after referring the matter to the Commission, the Government rejected its recommendations.

So, this Rs. 20 crore limit which is now being raised as it is stated in the objects clause because of inflation that the costs have gone up. The Statement of Objects and Reasons says :

"Having regard to the considerable increase in the cost and the economic size of projects that has taken place since then, it is proposed to revise this limit of Rs. 100 crores."

Now, at the beginning when the Hon. Minister introduced this Bill he said that the original figure of Rs. 20 crores was a tentative figure. Now, I have gone through the debate of the period when this original Act was enacted and I find that at that time there was no such proposal that the tentative limit could be raised by the Government. In fact, I would say that having regard to the fact that the economy has become very big and having regard to the fact that there are lot of companies which are working with their capital of much more than Rs. 20 crores and the Government is allowing them

to work, there is no need at all to increase the limit. On the other hand the limit could have decreased. So the Government either believes in competing or it does not believe in it. If it believes in monopoly, then it is the right Bill to be introduced. If it believes in competition and socialism it should have reduced the limit. But the Government in its wisdom has brought forward this Bill and as I said to start with that it does not appear to matter very much so far as the functioning of the big monopoly houses are concerned, whether this statutory limit is increased or not because they were already much much above it. Some examples have been given already by various speakers as to how in spite of this Bill being on the Statute Book, the concentration of economic power has grown during the last fifteen years. From Rs. 250 crores some companies have grown up to Rs. 2,500 crores. a ten times increase in fifteen years. That kind of thing has happened. We know which are the companies and probably there are 101 companies which were over Rs. 20 crore limit out of which 61 companies will not be benefited because they are already above the Rs. 100 crore limit which is being set. But the benefit is already there because the Government is their own Government. They know whenever they come to the Government with a new proposal for expansion on one ground or the other, the Government will allow them and the Government will not give any ground also. So, any type of expansion is being allowed.

Already there is substantial dilution in the dominance concept and even the asset concept because of the 25 per cent increase on the value of the production was allowed over their licensed capacity. Moreover, nothing is done to see that the assets are revalued. If there have been increasing costs, they do not only affect the future investments. They also affect the valuation of the present assets. Now, a company whose book value of the present asset is Rs. 20 crores is shown as Rs. 20 to Rs. 25 crores or something like that. If it is revalued at today's prices, it will be more than Rs. 100 crores. So, what the Government is doing in this regard? Let the Hon. Minister reply on that. If it is revalued then instead of 51 companies which should now be affected or otherwise whose value should be over

Rs. 100 crores, there may have been more than 200 or 300 companies and I am sure the Government is not going to do that.

Another aspect of the Budget proposal was that the Government would penalise those managements who have ruined the company by making the net worth of the company zero or negative. I should have thought that that was a more urgent necessity because here the Government had discretion to allow expansion, allow further increases in equity and all that kind of things. But on the other hand we find that the Government have no power at all so far as the reduction of, net worth of a company is concerned. We know how many companies are going sick every day. Now, there are 22,000 sick companies according to the answer given in Parliament itself. If it is so, it would be more urgent for the Government to say that the managements which are ruining the company after company, they are not allowed access to public funds through the public financial institutions. But the Government does not care to bring forward a Bill to give effect to that proposal. On the other hand it has to pamper the monopolists. So, it has brought forward this Bill within this Session.

The concentration of economic power has been noticed for a very long time. Even before this Act had been enacted, there had been four committees which had gone into this. Mahalanobis Committee submitted its report in 1960. Then there was Hazar Committee. After that there was the Monopolies Inquiry Committee and then the Datta Committee. All these Committees have noticed two things that there was concentration of economic power and increasing disparity. One of the reasons was that the licencing system of the Government was working in such a way as to encourage this increase in concentration of economic power. I would like to know what the Government has done during the last 15 years to see that the licensing system does not work in that fashion. On the other hand I think the licensing system has gone on working in this inequitable fashion only. Otherwise how can some companies get their assets increased? Book value of their assets have increased, not the market value, by ten times in the last fifteen years. So, if that has already happened, then this further dilution was not

necessary. It is just to pamper some people and just to keep some people quiet that the Government has brought this legislation. Otherwise whatever it wants to do it could have done and it has been doing. Not only that it could have done and it was doing already by not referring the cases to the Monopolies Commission, disposing of cases on its own but it is continuing to allow various lacunae and loopholes in the system to give total exemption to various companies working in different fields. These lacunae they are using liberally. So, this is one of those proposals, I would say, by which the Government on the one hand while professing socialism to the rest of the world, in India they want to curry favour with the capitalists because that is their source of funds. I think, today, we have received a Bill for legalising the political contributions. So, all these are knitted together and these people have to be given the favour so that they may make contributions to the funds of the ruling party. So, this is also one point where the Budget proposals are falling in line with the Government's real conduct, i.e. it is the supporter of capitalism and the supporter of monopolists.

To the outside world, it will show a different picture that it is for socialism and Non-Alignment and things like that. But in actual practice, it is conducting itself in a very different way inside the country. So far as seeking technological collaboration to import foreign technology and trade agreements are concerned, they are going more and more towards the camp of the imperialists and I think that is the present policy of the Government. We do criticise it but the present Government, as it is constituted, will continue to go in this fashion.

SHRI INDRAJIT GUPTA (Basirhat) : Sir, the reason given by the Government for bringing forward this amending Bill, as the statement of objects and reasons says very briefly, is that it is proposed to revise the limit of assets to Rs. 100 crores, having regard to the considerable increase in the cost and the economic size of projects that has taken place. But, Sir, I would like to take this opportunity to remind the Hon. Minister that this has nothing to do with the original aims of the MRTP Act itself. The MRTP Act was not brought for this

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reason at all. It was one of the several measures adopted in 1969 by the Government at that time led by Prime Minister, Shrimati Indira Gandhi. Well, I will give the benefit of doubt to the Government. But they were definitely at that time trying to project an image of a Government which was keen on bringing some radical reforms including the nationalisation of the banking industry, abolition of privy purses and all those measures which were taken at that time, during that period. One of them was the legislation of the MRTP Act.

Now, this MRTP Act has a genesis. Its genesis is not anything to do with the size of the undertaking being conducive or not conducive to growth. The basic genesis of the MRTP Act was the Directive Principles of State Policy which are enshrined in the Constitution of India. If you look into the aims and objects of the original MRTP Bill, 1969, you will find that they are clauses (b) and (c) of article 39 of the Constitution of India which lay down that the State shall direct its policy towards two objectives :

One objective is that the ownership and control of the material resources of the community are so distributed as best to subserve the common good; Second objective is that the operation of the economic system does not result in the concentration of wealth and means of production to the common detriment. I have quoted from the Constitution. So, this is the genesis of the whole scheme of the MRTP Act. Now, judging from that criterion, the Minister must tell us what is the justification now for bringing forward this amending Bill. What is the reason? As Mr. Amal Datta has pointed out, I have got many figures but I have no time to go into all this.

Actually, this MRTP Commission has proved to be a toothless tiger. It is a tiger without any teeth at all. The main aim of the Act was to curb concentration, to reduce concentration and to reduce also the share in the domestic market of these big houses in the interest of the small scale sector, in the interest of the public sector and in the interest of non-MRTP companies. There are many big companies, but they do not come within the MRTP Act. But there are the small scale industries; there is the public sector. In order to encourage them, the scheme of the Government was that

further concentration in the hands of a few companies should be prevented and their share in the market should also be gradually reduced. I would like to know from him how far in these 15 years or 10 years that we have been working this Act and the MRTP Commission has been functioning, we have been going in that direction or whether we have been going in the opposite direction. The official figures prove that the assets of these companies have been growing at a terrific pace; they have been growing at an average growth rate of something like 26 per cent per annum. If you take the top 25 houses—A.C.C., Ashok Leyland, Bajaj, Bangur, Birla, Chowgule, Dunlop, Hindustan Lever, Indian Tobacco Company, ICI, J.K. Singhanian, Kirloskar, Khatau, Larsen and Toubro, Mafatlal, Mahindra & Mahindra, Modi, Reliance Textiles, Sarabhai, Shri Ram, Tata, TVS, Thapar, United Breweries, Walchand, and so on and so forth,—the rate of growth of their assets has been phenomenal, the rate is over 25 or 30 per cent per year. So, what has the Act, and what has the MRTP Commission, been able to achieve? The whole process is going in the opposite direction. Now, all that this Bill seeks to do is, out of the 101 companies which came within the previous limit of assets of Rs. 20 crores or more, about 49 companies are going straight out and 52 companies remain within the scope of the MRTP Act. So, those that are remaining will remain because they are the real giants; their assets have nothing even remotely relating to this limit at all: they have got assets, huge assets; going upto thousands of crores of rupees. And the names which I read out include a number of companies which are really subsidiaries or branches of foreign multi-nationals. They are there, they will remain there and they will continue to grow; there is no power which can control them or reduce their rate of concentration. At least this Commission cannot do it. This Commission, according to our Statute, has produce an Annual Report. If you go through their latest Report which we have been provided with, for the period from 1st January to 31st December, 1983, you will find that the Commission itself is shamfacedly admitting that they had very little work to do, very little they could do. There is no time. Otherwise, I would like to tell you in detail. Referring to the year 1983, they say this—I am quoting from the Commission's Report ;

"The Central Government has so far made three references to the MRTP Commission for inquiry into monopolistic trade practices ..."

This is about trade practices.

"The said references relate to the following companies..."

Who are they? Coca Cola Export Corporation, Cadbury-Fry (India) Ltd. and Colgate Palmolive (India) Ltd.—all branches and subsidiaries of the well known foreign multinationals. Then the story is told by the Commission the sad story of how the Commission could not inquire into these cases: because immediately the orders were given, the references were challenged by those companies through writ petition filed in the Delhi High Court, the proceedings before the Commission were stayed and then these orders were vacated. Immediately those Companies went to the Supreme Court issued stay orders and asked the MRTP Commission not to go ahead and the Commission regretfully admits that the year has ended and they have not been able to proceed at all with their enquiry. This is an example. That is why I am referring to the Commission as a toothless tiger. It is not in a position to do anything.

Under Sections 21, 22 and 23 of the Act, prior approval of the Government is required in case of expansion. They cannot expand without taking the prior approval of the Government. In the case of setting up of new undertakings, they have to take prior approval of the Government. In the case of mergers, amalgamations or take-overs, they have to take the approval of the Government.

I suggest that this terrific rate of growth of concentration in assets which has taken place among the big houses proves without any doubt that in all such cases of expansion setting up of new undertakings and the question of mergers and amalgamations, the Government has been giving them blanket permission and approval. In some cases they did it without approval. There is the question of the Hindustan Lever Company. I think the Hon. Minister is aware that recently several representations were made several times to several Ministries of this Govern-

ment, that they have done something without even seeking the approval of the Government and gone ahead, invested money, set up plants, done everything. All this is done without taking any approval from the Government and, first of all, the Law and Company Affairs Ministry was pleased enough to issue notice to that Company saying that "If you do not take approval, then you will be considered to have violated this Act and penalties will follow." After that, I do not know what happened. Some mysterious moves took place behind the curtain and after some time, we were informed that "No. The Government has now been convinced by the Company that in this case it is not necessary to take prior approval and so they are permitted to go ahead."

Anyway, so many things have been happening. And, therefore, all these questions of what are the dominant undertakings, what are inter-connected undertakings and what are considered to be groups, are there and there are so many definitions given. But nowhere has the Government intervened anywhere which would prevent the further strengthening and consolidation of all these groups and inter-connected undertakings and dominant undertakings.

So I agree with those friends who have said here that the policy of the Government is to strengthen these monopolies and now what will happen that those companies which are left out because they have not reached the Rs. 100 crore asset? They are big companies but they have got less assets than Rs. 100 crores and they will not come under the MRTP Act. They are now free to do anything they like with even the fake sham show of restrictions that they cannot go into certain sectors, they cannot go into low priority sectors, they can only invest in what is known as the core sector or high technology sector and they cannot invest in what is called the non-Appendix-I industries. All these companies are now liberated from that, obviously because they are no longer to be counted as monopolies. They may not have Rs. 100 crores assets. They may have Rs. 75 or 50 or 60 crores. They will no longer be considered as monopolies under the Act. All restrictions on them are removed. They are free to go anywhere they like, to invest as they like, to diversify, to expand

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as they like. There is no restriction on them whatsoever. After a time, they will also come up to Rs. 100 crores perhaps ! Now because the limit has been raised; they will be clever enough to stay just a little short of Rs. 100 crores, so that they can enjoy all these facilities which are open to them.

This report of the Commission has also painted a picture of the restrictive and monopolistic trade practices. I cannot go into the details of the question of re-sale price maintenance. So many things were brought to their notice of collusive price tendering. So many of these companies got together and they make a mutual arrangement so that the price which they quote, the tendering price, is the same and sometimes they boycott the goods, they arrange for a boycott of the goods of other Companies which are not allowed to come on the market. Then there is the predatory pricing and tie-up. Then they have arrangements with the selling agents and marketing agents. All these have got restrictive practices which come within the purview of the MRTP Commission and which they are supposed to investigate and they are supposed to control. Now what we have got before us -- finally I would say -- is simply the question of raising the limit of the assets which means that at the moment 49 companies will be liberated free even formally from all the restrictions which were supposed to be there on the monopolies. They are no longer to be counted as monopolies. They are free to do what they like and go wherever they like. As far as others which are above the Rs. 100 crores limit, we have been hearing even today in this House even in things like production how the Birlas and other concerns are behaving. Here the Ministers are saying that they are not able to do anything. This Minister is also concerned and he knows the question of Delhi Cloth Mills and the Birla Textile Mills and what is happening. They are all figuring here in the top 25 people -- all these people, the Sri Ram Group, the Birla group, they are all here. Even in small matters like closing down their factories, declaring closure or sacking thousands of workers, which we are hearing here everyday during the proceedings, the Government are completely helpless and they are not able to do anything. They say that they have got no powers to do anything. The MRTP Commission has also

been like that. It has not been given any powers or teeth and the net result has been that these houses have been growing at a terrific pace. The concentration of wealth, instead of being reduced as the Directive Principles of the Constitution enjoin upon us to do, is increasing. The Bill has been brought at a time when concentration is increasing and is not being reduced, when the rate of concentration has gone up and is not being reduced. Therefore, a large number of economists and other knowledgeable people in this country have remarked on the fact that this is a part of the whole Budget philosophy of the Government, namely, that instead of working for reducing the inequalities in wealth, what is actually going to happen is that inequalities are going to be increased. Income is generated. Production takes place Wealth is generated in the country. But if the system of ownership is such that concentration of that economic wealth goes on on the basis of that generated income, then the inequalities will not get less, the inequalities will get more. And what are the social implications and political implications of that for the whole country ? Therefore, we oppose this Bill because this Bill is ment only to help some companies which were within the MRTP Act to get their freedom now to go wherever they like and do whatever they like whereas the Government has not come forward with any new proposal as to how they propose to deal with bigger companies which have been concentrating their wealth at rate of over 25 per cent per annum. So the whole thing is a sham. I do not see what is there in the Bill which will benefit the country or the economy.

THE MINISTER OF CHEMICALS AND FERTILIZERS AND INDUSTRY AND COMPANY AFFAIRS (SHRI VEERENDRA PATIL): Very few members participated in the debate. So far as the Hon. Members on the other side are concerned, the discussion went on expected lines. I never expected that they would welcome this measure.

Ever since the Budget was presented in this House, the Hon. Members, particularly from the Opposition side, are taking every opportunity to brand the ruling party and the government as reactionary and anti-socialist...

SHRI INDRAJIT GUPTA ; Pro-monopolist.

SHRI VEERENDRA PATIL : And is going in reverse direction, so on and so forth. I personally feel that for a developing country, it is all right talking about ideologies but those who are in charge of administration, I think, have to be realists, instead of any capitalist, socialist, communist or all that their 'ism' should be pragmatism otherwise I do not think it is possible for any party in power to deliver the goods to the nation. Why I am saying this is because I know for some—I do not want to say whether for some parties or for some individuals, deliberately I do not want to say—the bread produced in a socialist country tastes better than the bread produced in a capitalist country. I am not in agreement with them. According to me the hungry man is only concerned about the bread. Where it is produced is not his concern. His concern is only to fill his belly.

I must also say that by propagating and carrying on all sorts of voicing about ideologies we cannot feed the people. I am telling this because yesterday I read the paper—Telegraph. The Chief Minister of West Bengal, Shri Jyoti Basu commends private sector. He has attended a private sector function there. He has welcomed the private sector and while welcoming the private sector the Chief Minister says :

“The Chief Minister. Mr. Jyoti Basu commended the private sector for investing in West Bengal at a time when the Centre was reluctant to foster industrial growth.”

Naturally, being the Chief Minister belonging to an Opposition party, I think, he would avail every opportunity to blame the Central government if there is no development in West Bengal. Not only the Chief Minister of West Bengal but everybody sitting there representing West Bengal have blamed the Central Government for that. But I must tell the Hon. Members that out of 15 districts in West Bengal 13 districts are backward districts according to the definition and they are declared backward districts. Even then there is no development. If there is no development again they say Government of India is responsible for retarded growth of development in West Bengal.

That is a different matter. I am not criticising the statement made by the Chief Minister. I welcome it because I know that only the people who carry the weight know the burden of the weight. Because he is carrying the weight; he has to solve the problems...

SHRI INDRAJIT GUPTA : What is it that he said ?

SHRI VEERENDRA PATIL : He welcomed the private sector.

SHRI INDRAJIT GUPTA : Because Centre is refusing to invest anything.

SHRI S. JAIPAL REDDY : There is no public sector for him to welcome.

SHRI VEERENDRA PATIL : The number of public sector industries which are there in West Bengal you will not find in any other part of the country. So far as Industries Ministry is concerned there are a number of them. If I think of any public sector it is either in Howrah, Calcutta or some other place in West Bengal.

AN HON. MEMBER : All sick companies should be nationalised.

SHRI VEERENDRA PATIL : We have accepted the policy of mixed economy. I think everybody sitting in this House on this side or that side is a party to that and we have been following that mixed policy. Sir, now the question is this : When the Government is facing the problem of resource constraints what it should do ? My Hon. friend Mr. Indrajit Gupta and other members on that side feel that starting every industry, setting up of industries, developing a particular area by setting up industries etc. is the responsibility of the Government. In a mixed economy it cannot be so. That is why they have laid down what are the industries which are to be set up in the public sector, what are the industries which are alone for the private sector, what are the industries which are alone for MRTP companies or big business houses and what are the industries which are reserved for small-scale sector. Everything has been defined already. There is no question of my explaining the position to the Hon. Members now. Sir, now I want to ask the Hon. Members because they should not feel that there is any discrimination against West Bengal. I think only yesterday the Hon.

[Shri Veerendra Patil]

Member from Bihar asked about Rohtas industries. 15,000 workers are now lying idle. They are thrown out of employment. The whole industrial complex is closed. They demanded and they said, why not Government today nationalise all those industries in that complex. And in my reply to the Calling Attention, I categorically said no, it is not possible. Because, we have worked out. It comes to Rs. 175 crores. The paid up capital of that complex is Rs. 6 crores. And now in order to rehabilitate that complex we have to shell out Rs. 175 crores. We have to spend Rs. 175 crores over rehabilitating those industries. Nobody is sure that those industries will start generating revenues and they will get surpluses or become profitable. What I am saying is this. There are resource constraints. We don't have resources at all. Therefore there is no such question. I find that lot of Members are asking questions : Why cannot you set up this industry in my constituency, and so on,—as if it is the responsibility of the Government to start industries everywhere, wherever there is a demand. It is not possible. Now we have come to a stage. I think very soon Hon. Members will have an opportunity to discuss about the Seventh Plan. When the resources are limited I want to ask the Hon. Members whether with whatever limited resources which are available we should spend those resources on creating infrastructure or on setting up industries everywhere. According to me we have to spend all that money on creating infrastructure. Otherwise where is the question of setting up industries ?

SHRI S. JAIPAL REDDY : 80 per cent of the investment comes from public institutions, even for private companies. I don't know whether the Industries Minister understands this.

SHRI VEERENDRA PATIL : Whether it comes from financial institutions or not, even that is taken care of, while making the plan. That is a different matter. Now what I say is that whatever amount is there it is the amount of the Government. The question is whether that amount should be spent in creating infrastructure or in setting up industries. I will quote one instance. There are two proposals before Government. One is to set up a power plant generating 100 MW. Another proposal is to set up a cement plant

with 1 million tonne capacity. I would like to know from Mr. Jaipal Reddy what should be our priority.

SHRI S. JAIPAL REDDY : Take both.

SHRI VEERENDRA PATIL : The resources are not there.

SHRI S. JAIPAL REDDY : For the 1 million tonne cement plant also, 80 per cent of the finance is contributed by the nationalised financial institutions.

SHRI VEERENDRA PATIL : What I am saying is this. I have got resources for one only. Out of these two, which should be given priority ? He said take both. But I think after sometime he will say print more notes and whatever investment necessary may be made and start the industry.

SHRI VIRDHI CHANDER JAIN : He does not understand the planning.

SHRI VEERENDRA PATIL : Hon'ble Members feel that monopoly houses are growing and their assets are growing. I want to make it clear that the MRTP says very clearly in its preamble itself. It is an act to provide that the operation of the economic system does not result in the concentration of economic power to the common detriment for the control of monopolists, for the prohibition of monopolies and Restrictive Trade Practices, for matters connected therewith. It is not against the growth of the economy. It is against the growth which is going to be detrimental.

SHRI INDRAJIT GUPTA : That means growth in a few hands.

SHRI VEERENDRA PATIL : If the Hon. Member feels whatever growth is there is always detrimental to the society, then it is a different matter. He is at liberty to hold that view.

SHRI INDRAJIT GUPTA : Public sector growth is very good. We welcome it.

SHRI VEERENDRA PATIL : Now, the question is that although the MRTP Act is there since 1969, I know that the assets of these houses are increased. But who are the main beneficiaries ? The main beneficiaries are the top 10 or 20 houses, not the remaining houses. I have got the figures and I can

give those figures. Even for this figure of Rs. 100 crores, I have got the information. As on 31-12-1983, the number of MRTP houses comes to 1321 undertakings and on 31-12-1984, it became 1784. I do not want to quote that figure. So, out of this figure of 1321 undertakings, the total assets come to Rs. 25,962 crores and out of this amount of Rs. 25,962 crores, if you take into consideration the first 10 or 20 houses, it is more than 50 per cent and they are controlling 50 per cent to 60 per cent of the total assets, not the remaining. Now, even after increasing the limit from Rs. 20 crores to Rs. 100 crores, how much of this amount of Rs. 25,962 crores is going out of the MRTP? It is just 23 per cent. 23 per cent of these assets will go out of the MRTP net. That means still 77 per cent remains within the ambit of the MRTP. Mr. Jaipal Reddy was referring to Tatas and Birlas.

SHRI S. JAIPAL REDDY : The Government was not referring these cases to the Commission. So, what can the Commission do? In 92 per cent of the cases, references were not made to the Commission at all. If the Hon. Minister gives assurance that all the MRTP applications will first be referred to the Commission and then the decision will be taken by the Government, we will agree.

SHRI VEERENDRA PATIL : Now, regarding enquiries into the monopolistic or restrictive trade practices by the Commission, I would submit that it is a judicial Commission. The Commission may inquire into any restrictive trade practices upon receiving complaints which constitute such practices and all that, upon a reference made to it by the Central Government or a State Government.

Further, may I state that no reference was made by the State Governments? Do you mean that the Central Government is responsible for not making a reference to the Monopolies Commission? The Monopolies Commission has got powers to take into account or take cognizance of such things. The Government does not come into the picture.

SHRI S. JAIPAL REDDY : The Hon. Minister is confusing. Under Sections 21, 22 and 23 the MRTP cannot take notice in the area of restrictive trade practices but in

regard to the applications made by MRTP Companies for examination.

SHRI VEERENDRA PATIL : They will not go to the Commission.

SHRI S. JAIPAL REDDY : We want them to go to the Commission.

SHRI VEERENDRA PATIL : How can they go to the Commission if there is no provision?

SHRI INDRAJIT GUPTA : Sections 21, 22 and 23 are there. They do not go to the Commission. They come to you for approval. That is what they are supposed to do under the Act, but in many cases they only come to you for approval. And in some cases when they come to you, you have given them blanket approval. You give me any example when you have not given the approval to them.

SHRI VEERENDRA PATIL : Whenever any expansion case is concerned, when any new licence is concerned, any merger is concerned, they have to approach the Government or the Company Law Board for MRTP clearance. There is a procedure. There is a procedure for MRTP clearance, after going through that procedure the clearance is given. And they are going through the procedure.

SHRI AMAL DATTA : You are supposed to refer the cases.

SHRI S. JAIPAL REDDY : When there is a quasi-judicial Commission why do you not refer?

SHRI AMAL DATTA : You have the power to refer.

SHRI VEERENDRA PATIL : I am sorry, the Hon. Members are not correct. What the Commission has to do under the Act, is to go into the unfair trade practices. The Hon. Members are suggesting that every application for MRTP clearance should be referred to the Commission. For what purpose, I cannot understand. The Commission is not meant for that purpose.

SHRI AMAL DATTA : I am afraid, the Hon. Minister is not correct. He may please read sections 21, 22 and 23. We think that the Government has got the power to refer

to the Commission. The Government is not referring to them.

SHRI VEERENDRA PATIL : I do not want to argue further.

SHRI AMAL DATTA : It is meant to subserve the clear objectives of the companies.

MR. DEPUTY SPEAKER : Please sit down.

SHRI VEERENDRA PATIL : In 1969 this limit of Rs. 20 crores was fixed. And Hon. Members are aware of the fact that the value of rupee in 1969 was not the same as today. So, there is erosion in the value of the rupee, there is inflation. And this limit of Rs. 20 crores which was there in 1969, if you calculate and see it is not the same Rs. 20 crores today.

Then Hon. Members might argue that it should not be 100 crores, why do you raise it to Rs. 100 crores? I agree that according to them even if I take inflation into consideration it may come to Rs. 60 crores; by somebody's calculation it might come to Rs. 70 or 75 crores. Now the question is that everybody agrees that there is inflation. They are not agreeing with this figure. Nevertheless, that is a different matter. Everybody agrees that this 20 crores is not the same today in 1985. So, now the question is whether it should be 60 or 75 crores. That is one question.

Therefore, I must say that when we have raised it we are not raising it for one or two years. We fixed Rs. 20 crores in 1969 and today you are fixing at Rs. 100 crores, and I cannot say when it is going to be revised or when it is going to be Rs. 150 crores or even more than that. I cannot say anything. Because, when we are legislating we are not legislating for a year or for a term. I do not know about the next regime, and what they are going to do with this; whether they are going to continue with Rs. 100 crores, or they will increase it to Rs. 150 crores, or reduce it to Rs. 50 crores—I cannot say anything. I cannot commit the future Government. But what I say is that we want that there should be some sort of certainty; uncertainty should not be there. That is why we say that even to-day if we take the inflation

into consideration and work out things, we will see that it comes to Rs. 60 crores or Rs. 70 crores. We should not limit it to that Rs. 70 crores, because next year if there is more inflation, we cannot go on changing this every year, saying : this year there is 5 per cent inflation; therefore, from Rs. 70 crores we will go to Rs. 75 crores. Next year from Rs. 75 crores we will increase it to Rs. 80 crores. That cannot be.

SHRI INDRAJIT GUPTA : You are planning for the 21st century.

SHRI VEERENDRA PATIL : Therefore, what I want to submit is that we want some sort of certainty.

The other day, our Commerce Minister announced the Import-Export Policy for two years. Why? Because there must be some sort of certainty. This uncertainty should not be there. That is why we said : instead of putting it at Rs. 60 crores or Rs. 65 crores or Rs. 70 crores now, and changing it after two years or three years, it is better to make it Rs. 100 crores now, and then wait for a reasonable period, so that there will be some sort of certainty, and some sort of security to all the people who are going to invest, or investors. That is why this Rs. 100 crores have been put.

Hon. Members are arguing as if we are doing something to favour certain parties. No. They are aware of the fact that we have increased the limit in the case of small scale sector also. Have we not increased the limit to Rs. 35 lakhs?

SHRI INDRAJIT GUPTA : From Rs. 25 lakhs to Rs. 35 lakhs.

SHRI VEERENDRA PATIL : From Rs. 25 lakhs to Rs. 35 lakhs, and then we have gone upto Rs. 45 lakhs in the case of ancillary industries. You must understand it. There was a time, about 10 or 12 years back, when the small scale industry was only upto Rs. 5 lakhs. To-day, from Rs. 5 lakhs, it has gone upto Rs. 45 lakhs. You can argue that it should not be Rs. 100 crores; it should be Rs. 80 crores, or Rs. 70 crores. There, I agree that we will have an honest difference of opinion. But what I want to say is : "Don't give an impression or a picture that we are bent upon helping a particular section." That is not so.

SHRI AMAL DATTA : What about proper evaluation of the assets? You are taking the book value of the assets, and that is not the same as the market value. You should take the proper market value at the same time. Actually, when you are allowing Rs. 100 crores, you are really allowing Rs. 1,000 crores.

SHRI VEERENDRA PATIL : There is another object behind it. But I must admit that Hon. Members may not be convinced if I advance this argument. To-day what is happening? By this method, we are helping only the top 10 to 20 monopolists. I think that if you analyze it, you will be convinced about it. You take a party which has Rs. 25 crores. To-day, he is an MRTP house. I want to know whether a house having Rs. 25 crores' assets is in a position to compete with a house having Rs. 1,500 crores. To-day, they are on par. They are not treated differently. They are at par, 'because all MRTP houses' means all MRTP houses, irrespective of the assets that they are owning over and above those 20.

SHRI AMAL DATTA : How is this increased ceiling going to help them in their competitiveness?

SHRI VEERENDRA PATIL : It is only helping those 20 people. To-day, they are enjoying the monopoly. We want to break that monopoly. We want to create competitors. That is why we think of helping these people, to get out of the MRTP.

What is happening? Although the MRTP Act is there, the provisions are there—are you not allowing the MRTP houses in non-Appendix I areas also?

SHRI INDRAJIT GUPTA : We are not supposed to.

SHRI VEERENDRA PATIL : We are allowing in certain areas.

SHRI INDRAJIT GUPTA : Entry into non-Appendix I industries is banned for the monopolies. How are you allowing them?

SHRI VEERENDRA PATIL : I tell you : with your knowledge it is going on. If the MRTP houses want to enter small scale industries, they can do so, provided they

accept the obligation of 75 per cent export. MRTP houses are allowed to go to backward areas and in no-industry areas, in non-appendix also provided they accept 30 per cent export obligation and in no-industry districts provided they accept 50 per cent export obligation.

SHRI INDRAJIT GUPTA : You revised your industrial policy recently.

(Interruptions)

SHRI VEERENDRA PATIL : I am telling you authoritatively. Now, why I am telling you, why I want to tell you that we are relaxing this, why we are asking them to go to backward areas, why we are telling them that we are prepared to give concessions, you please go, it is because today the position is that small scale industrialists are not in a position to invest more and MRTP houses are not allowed to invest and start the activities? Then who is to do this?

SHRI INDRAJIT GUPTA : What is the guarantee that these people will oblige you?

SHRI VEERENDRA PATIL : Whether they oblige or not, we are not identifying what these people are, who are these people; we do not know who are these people. What I am saying is that we are providing all the facilities, but if people are not coming forward to invest, what to do? Now, we block MRTP or totally we say that no more MRTP activities in our country at all, whatever they have, let them continue, we do not allow them to have any more activity, by stroke of pen, we can issue order, but do you want that no activity should go on?

SHRI AMAL DATTA : So that MRTP people can get into business.

SHRI VEERENDRA PATIL : Unfortunately, although we tried our best to block the MRTP companies, we could not block because others did prefer to come forward and invest. Therefore, we say, all right, if you want to go to backward areas, we give this relaxation. Why did we give relaxation? It is only out of compulsion *(Interruptions)* All right, we block MRTP companies, but non—MRTP companies should come and start industries; they are not coming. If they are not coming, what is the remedy?

SHRI INDRAJIT GUPTA : Those people who want to come but cannot come because of lack of resources, why don't you help them? These people are not suffering from lack of resources.

SHRI VEERENDRA PATIL : The Hon. Member is aware of the fact that nearly 70 per cent to 75 per cent of the investment that is required for setting up industries comes from the financial institutions.

SHRI INDRAJIT GUPTA : Are you going to stop that?

SHRI VEERENDRA PATIL : No, no, we are not stopping that. Despite that nobody is coming forward, what to do?

SHRI INDRAJIT GUPTA : These 49 companies which are now being taken out of MRTP and you are hoping that they will go to backward areas, and they will do all sorts of things.

SHRI VEERENDRA PATIL : In backward areas, MRTP companies are allowed to go there; they are at liberty to go to those backward areas.

SHRI INDRAJIT GUPTA : Then what are you expecting from these liberated people now?

SHRI VEERENDRA PATIL : What I expect from these people who are going out of the net of MRTP is that the Hon. members are aware of the fact that we have announced that 25 industries as de-licensed industries; those de-licensed industries are not meant for MRTP companies and small scale industries have not got resources to go into those industries.

SHRI S. JAIPAL REDDY : So, some MRTP companies are being liberated.

SHRI VEERENDRA PATIL : What I want to know from you is that you do not want anybody to enter that area. *(Interruptions)* I cannot answer this argument. *(Interruptions)*

SHRI AMAL DATTA : Your suggestions are very good, but some people who do not follow them are now creating disturbances.

SHRI VEERENDRA PATIL : What I was saying is that Hon. members are under the impression that once these companies

go out of the MRTP net, then they are at liberty to do whatever they want. No.

SHRI INDRAJIT GUPTA : Obviously!

15.00 hrs.

SHRI VEERENDRA PATIL : No. They have got only two concessions. MRTP companies have got two stages of procedure to be followed for getting licence or getting approval for expansion or merger or supporting an industry. The first stage is making a regular application for letter of intent and converting it into licence. That is one procedure. After getting that, they have to approach for MRTP clearance separately. So, in these cases, where Rs. 100 crores limit is given, they have only one stage to follow and not the other one. That is the advantage. That is all. If the Hon. Members are under the impression that this Act is not going to be applicable to them at all, it is not so. All the other provisions of this Act are equally applicable, irrespective of their assets. If they indulge in corrupt practices, this Act is applicable to them. If any complaint is received against the company, even where its asset may be below Rs. 100 crores, the matter would be referred to the Commission, the Commission would go into the matter and inquire into it and punish the company, if they are found guilty.

Now, there are only two advantages. One is that after getting the licence, they need not again approach for MRTP clearance. That is one advantage. The second advantage is, so far as the 25 industries, which are de-licensed are concerned, in order to get into those industries, they need not approach either for MRTP clearance or for any industrial licence. So, these are the only two facilities that are made available to them. I sincerely make an appeal to you. Today, if those monopoly houses with Rs. 25 crores or Rs. 50 crores assets, want to start any activity, they have to get the licence and again approach the Ministry of Company Affairs for MRTP clearance. The procedure is, as soon as they apply for MRTP clearance, it has to be notified and it has to be published for inviting objection. And I must say here that the first ten or twenty big business houses do object and they prevent them to enter that areas. This is what is happening. That is why I want to create competition

for these ten or twenty big business houses. I have got the figures with me and I tell you as to how much assets these ten or 20 industrial houses are controlling out of the 25,000 crores of rupee. They are controlling more than 60 to 65 per cent of the total assets of all these 1300 MRTP houses today. Do you want them to grow further? You do not want any competition for them. That is why I say that I want competition. I want people to compete with them. Now they need not go through this cumbersome procedure to getting MRTP clearance after getting the licence, and those 25 de-licensed industries which are not reserved for MRTP houses, they cannot enter those areas. Small scale industries have not got the resources to enter these industries. And we have to do some thing. If you want to take the policy of 'dog in the manger' I am sorry I cannot say anything. Either you must produce, or you must allow somebody else to produce. I do not agree if you say, 'either you produce or you do not allow anybody else to produce'. That means there will not be any production in the country. There will not be any growth in the country, And the result of these ideologies is that the country will suffer and the common man will suffer. That is why, I want to make it very clear that we have done it not for the benefit of the big houses, but it is for the benefit of people with limited and reasonable resources. We want to see that competitors are created for these big business houses, because only through competition, we can achieve efficiency, we can achieve growth and only through competition every investor and every industrialist would feel that he can survive. Only when there is competition, he can survive and only when there is competition, we will be able to achieve efficiency. That is the purpose of this Act.

SHRI INDRAJIT GUPTA : That is all right. We have understood your argument, whether we agree or not. You want that these companies which are going out of the MRTP now, are to be relieved of some of those complex procedures and so on, to help increase production. But are you also adopting any new policy regarding your financial assistance to them from your institutions? Is that going to be further liberalised or is it going to be very stringent for these companies with Rs. 50 crore or Rs. 75 crore assets? Is there any way of enforcing them to become more self-reliant in getting resources, or are you going to feed them from your

Government financial institutions? What is the policy regarding that?

SHRI VEERENDRA PATIL : The Hon. Member knows the policy so far as MRTP companies are concerned. There are so many restrictions on them with regard to raising of funds, approaching the financial institutions, etc. MRTP companies are required to raise their resource to a particular extent. Whatever facilities non-MRTP companies are enjoying, these companies will also enjoy the same facilities. I do not have the figures. But I know of MRTP companies where we have said that their equity should be so much, their debt-equity ratio should be so much. But in the case of non-MRTP companies those rigid conditions are not there. That is why there is no question of giving any more concessions to them. The concessions are already there for non-MRTP companies and rigid conditions are there for the MRTP companies.

Again I appeal to the Hon. Members that this is only to create a healthy competition against those 10 or 20 industrial houses, who are now monopolising the whole economy, that this amending Bill has been brought forward. When we are raising the limit at every level—we have raised the limit in respect of the small scale industries and ancillaries—similarly we thought that we should raise the limit of these MRTP companies from Rs. 25 crores to Rs. 100 crores. It is not that we are going away from the socialist path; we are becoming reactionary—we are treading the path of capitalism and all that. There is nothing like that. There is no question of making any departure from the established policy and the procedure. It is only to see that larger interest is served, there is proper economic growth in the country and there should not be concentration of economic growth in the hands of top 10 or 20 people. With this object I have brought forward this piece of legislation. I hope, the Hon. Members might have been convinced with my arguments and they will support this Bill.

MR. DEPUTY-SPEAKER : The question is :

"That the Bill further to amend the Monopolies and Restrictive Trade Practices Act, 1969, be taken into consideration."

The motion was adopted.

MR. DEPUTY-SPEAKER : Now, we take up clause by clause consideration. The question is :

"That Clause 2 stand part of the Bill.

The motion was adopted.

Clause 2 was added to the Bill.

Clause 1 the Enacting Formula and the Title were added to the Bill.

SHRI VEERENDRA PATIL : I beg to move :

"That the Bill be passed."

MR. DEPUTY SPEAKER : The question is :

"That the Bill be passed."

The motion was adopted.

14-08 hrs.

ANDHRA PRADESH LEGISLATIVE
COUNCIL (ABOLITION) BILL

[English]

THE MINISTER OF STATE IN THE
MINISTRY OF LAW AND JUSTICE
(SHRI H. R. BHARADWAJ) : I beg to
move :

"That the Bill to provide for the abolition of the Legislative Council of the State of Andhra Pradesh and for matters supplemental, incidental and consequential thereto, be taken into consideration."

MR. DEPUTY-SPEAKER : How much time shall we fix ?

SOME HON. MEMBERS. No discussion.

MR. DEPUTY-SPEAKER : All right. the question is :

"That the Bill to provide for the abolition of the Legislative Council of the State of Andhra Pradesh and for matters supplemental, incidental and consequential thereto, be taken into consideration."

The motion was adopted.

MR. DEPUTY-SPEAKER : The house will now take up clause by clause consideration of the Bill. The question is :

"The Clauses 2 to 9 stand part of the Bill."

The motion was adopted

Clauses 2 to 9 were added to the Bill.

Clauses 1 The Enacting Formula
and the Title were added
to the Bill

MR. DEPUTY-SPEAKER : The Minister may now move that the Bill be passed.

SHRI H. R. BHARADWAJ : Sir, I beg to move :

"That the Bill be passed."

SHRI C. MADHAV REDDI (Adilabad One second, Sir. On this occasion I would like to express my happiness and the gratitude at the way the Government has acted and accepted the wishes of the Government of Andhra Pradesh. I am in support of this Bill and I support it.

SHRI E. AYYAPU REDDY (Kurnool) : Sir. through this Bill, Shri Bharadwaj Ji has opened the *darwaza* that was closed for the people of Andhra Pradesh, and he has further secured the constructive cooperation of the Union with the States. We thank him for this and we also thank the Prime Minister for responding to the wishes of the people of Andhra Pradesh and for respecting the Resolution passed by the Andhra Pradesh Legislative Assembly.

MR. DEPUTY SPEAKER : Shri Jaipal Reddy. Three Reddys want to speak.

SHRI S. JAIPAL REDDY (Mahbubnagar) : Sir, while I welcome the Bill, I do not find any reason for thanking anybody. I must make it very plain because we thought no discussion would take place. Now that some discussion is taking place, I must put forth my viewpoint. I do not think that anybody deserves to be thanked for the very simple reason that the Legislative Assembly of Andhra Pradesh was forced to pass the Resolution second time. I will merely refer to one thing, the Constituent Assembly debates. Mr. Ambedkar, while referring to this Article said very clearly :