

there is a break after every 7 or 15 days.

So far as cost is concerned, the cost of the drilling platform itself is, in terms of Indian money, Rs. 11 crores. Then we have also invested for the supply base, supply sheet. I think, apart from Rs. 11 crores, there would be an additional cost to the extent of about Rs. 4,00,95,000. So, the total cost would come to about Rs. 15 to 16 crores. As you know, off-shore drilling is a very expensive proposition.

About these 17 experts, they are from an American company; maybe, they are American nationals; but there could also be other nationals; I am not sure; but they are operating on behalf of the American Offshore Drilling Company.

SHRI M. RAM GOPAL REDDY: I want to know from the hon. Minister whether this drilling is going on as per schedule or ahead of schedule and, secondly, whether any exploration has been done in Andaman Islands, near the Burmah oil fields, to find out oil in that area.

SHRI D. K. BOROOAH: After it started spudding, that is, on the 11th of October, since then it has been going on according to schedule. But there has been a delay and that delay was due to the fact that first the trial itself delayed it. Secondly, it arrived here about the 8th or 9th of June and then its functioning depends upon the meteorological conditions. The waves must not be more than 2 metres, i.e. 6 feet high and the velocity of the wind also has to be not more than 15 knots to start the work, but once it starts, it can work also in adverse conditions.

Regarding the second part of the question, Andamans have been considered to be a prospective area but the Andamans between India and the Burma side of the Andamans which is very deep, but it is the Indian side of the Andamans between India and the

islands which will be prospected for oil.

M.R.T.P. Commission's recommendation for permission to Hindustan Lever Ltd. for manufacture of Sodium Tripoly Phosphate

*23. PROF. MADHU DANDAVATE: Will the Minister of LAW, JUSTICE AND COMPANY AFFAIRS be pleased to state:

(a) whether the Monopolies and Restrictive Trade Practices Commission has recommended granting of permission to the Hindustan Lever Ltd. to start a project for the manufacture of Sodium Tripoly Phosphate required in the manufacture of non-soapy detergents; and

(b) whether that will not result in perpetuating the monopolistic stranglehold of Hindustan Lever Ltd., a foreign controlled company?

THE DEPUTY MINISTER IN THE MINISTRY OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI BEDABRATA BARUA): (a) Yes, Sir.

(b) The report of the M.R.T.P. Commission is under the consideration of the Central Government.

PROF. MADHU DANDAVATE: As it is said that brevity is the soul of wit, perhaps brevity also seems to be the soul of the Minister's reply. He could have given a more elaborate reply.

The professed policy of the Government is at least not to allow the growth of monopolies in the country. If, as recommended by the majority report of the Monopolies Commission, Hindustan Lever which actually has a foreign capital of 85 per cent, is given the exclusive monopolistic position to manufacture sodium tripoly phosphate which is required for the manufacture of synthetic detergents, is it not your opinion that this will further strengthen

the monopolistic position of the Hindustan Lever, it may also concentrate the economic power and it will also act to the detriment and neglect of small manufacturers who want to go in for the manufacture of synthetic detergents? I would like to have a specific answer to this question.

THE MINISTER OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI H. R. GOKHALE): It is because a monopoly was involved that the matter was referred to the Monopolies Commission and, as the hon. Member is aware, in the Monopolies Commission there is a difference of opinion. There is a majority report and there is a minority report. I do appreciate the point of view which the hon. Member mentioned which is taken in the minority report. But the majority report has recommended approval of this proposal, but subject to various conditions.....

PROF. MADHU DANDAVATE: But as in this House, minority view never counts.

SHRI H. R. GOKHALE: In my view, as a person responsible for taking the decision, both the majority and the minority views are important. I can assure you that the same care and attention would be given to the minority report as it would be given to the majority report. Therefore, relatively, I cannot say that I will consider this and not the other. I will consider both. But, what I am pointing out is that even the majority report has not recommended the acceptance of the proposal as it is, without any reservations or without any restrictions. The restrictions proposed are many, but one of them relates to the aspect mentioned by the hon. Member and that is the condition that the holding of the non-residents in this company, which, as the hon. Member says rightly, is 85 per cent, should be reduced to 70 per cent. That is the recommendation of the Monopolies Commission majority report.

Of course, several other conditions are also imposed. All these are under consideration and on which today I am not in a position to give a final information that the Government will take this thing or that thing, but can only say that we will not take any decision in a hurry and without consideration of both the reports.

PROF. MADHU DANDAVATE: Is it not the Commission's view that the demand for non-soapy detergents on the basis of which the whole estimate for the manufacture of this sodium tripoly phosphate is made, is actually incorrect in view of the unrealistic estimate that there is a 25 per cent idle capacity? In view of this, is it not necessary that you should make up your mind as to whether you should permit the vertical integration of industries in this country or whether we should have separate industries as it is happening in most parts of the world so that the raw materials might be manufactured by one set of industries and actual non-soapy detergents might be manufactured by another set of industries so that this vertical combination may be avoided. In a country like ours where 42 per cent of the population lives below the povertyline....

MR. SPEAKER: How is it relevant to the question?

PROF. MADHU DANDAVATE: It is very much relevant. In a country like ours where 42 per cent of the population is living below poverty line, is the consumption shift from soaps to non-soapy detergent a desirable phenomenon? This requires to be stepped up? Will you give me a categorical answer that no hasty decision would be taken in this regard without going into all aspects of it?

SHRI H. R. GOKHALE: No hasty decision will be taken in regard to vertical integration of industries. In fact this is one of the main areas which has been gone into by the

minority report. And certainly it will receive a very careful consideration as to whether such a vertical integration should be allowed or not and whether or not the demand—the projected demand—is inflated or it is realistic. We are examining all this. And whatever decision we take that will be related to the actual demands that would exist by the end of the Fifth Plan.

SHRI DHAMANKAR: At present the only manufacturers of S.T.P.P. are M/s. Albert Morarji and Pandit & Co., whose entire production is committed and not available to small-scale industries and medium-scale units. To save the edible oil for human consumption, the production of detergents is to be stepped up along with the increase of production of S.T.P.P.—the basic chemical for detergents. In this context, may I know from Government whether they will expedite the procedural formalities and licence will be given to H.L.L. to manufacture S.T.P.P. with a specific condition that they will sell it to S.S.L. and medium-scale units at Government rates as a safeguard against the monopolistic tendencies of H.L.L.?

SHRI H. R. GOKHALE: Even on the basis of the report of the majority, supposing it were accepted, one of the conditions is that whatever be the production of S.T.P.P. they are not entitled to use the entire production for themselves, they will have to sell a part of their production to other persons who will use them for manufacturing the end-products. A further rider is that they will not sell it at any price which is higher than the price at which they will sell STPP to their own units for manufacture of NSD. The question whether this company should get it or not is under examination. Even the minority report has not said that the production of S.T.P.P. is not necessary. It is possible that they might have suggested alternatives which also we are considering.

SHRI RAJA KULKARNI: In view of the fact that the Commission's Report is divided into two—majority and minority report—will the Government tell us what is the number of pending applications, especially, those from the Indian entrepreneurs? From the point of view of implementing their own projects quickly as compared to Hindustan Lever and also from the economic point of view, why have not decisions been taken by the M.R.T.P.

MR. SPEAKER: Mr. Kulkarni, this question that you have asked is not relevant to the main question. The question was about the minority and majority report of the M.R.T.P.

SHRI RAJA KULKARNI: The report has dealt with not only the Hindustan Lever, but also with all the other pending applications. How many of such applications are pending still?

MR. SPEAKER: Will you kindly sit down now? There may be many things in the report. Here it is a specific question.

SHRI RAJA KULKARNI: Hindustan Lever has been specifically mentioned. Along with Hindustan Lever, whether any other application is kept pending and whether a decision has been taken in respect of the other pending applications along with the Hindustan Lever.

SHRI H. R. GOKHALE: The hon. member is perhaps under a misunderstanding that there were several applications pending before the Monopolies Commission. So far as I know, the Commission was considering the case of Hindustan Lever only. Of course, there were some other people like Albert-Morarjee, to whom reference was made. They went and objected. These objections were heard. They were acceptable to the minority, but not to the majority. That is a different matter.

There are certain other proposals. They need not necessarily reach the Commission. Therefore, it is not a question of the Monopolies Commission having considered them. They are under consideration of Government. If found necessary, they will also be referred to the Commission.

SHRI S. M. BANERJEE: I am happy that the hon. Minister has assured this House that he would look into the matter before granting them any permit to start a project for the manufacture of sodium tripoly phosphate. But is he aware that the same Hindustan Lever reduced their production of dalda at a time when the country was in need of it? It was an anti-national act on the part of Hindustan Lever. In view of their performance and in view of repeated complaints received from various quarters, will he investigate these complaints and inform the House that a proper investigation has been made?

MR. SPEAKER: I think it is not relevant here. It is a suggestion for action.

SHRI S. M. BANERJEE: Our main objection is to their being given a permit in view of their performance. Is an inquiry going to be made into these complaints?

MR. SPEAKER: He can table a separate question.

SHRI S. M. BANERJEE: It will come after 21 days and may become an unstarred question.

MR. SPEAKER: But I do not know how to thrust his question into this.

SHRI SHYAMANDAN MISHRA: May we know whether it is open to the Commission to make any recommendation which patently conflicts with the declared policy of the Government? The Commission has recommended that the foreign holdings should be scaled down from 85 to 70 per cent. So far as our knowledge

goes, Government's declared policy is that foreign holdings should be scaled down to a level below 50 per cent. So is the Commission in order in making a recommendation that they should be scaled down from 85 to 70 per cent only? Secondly, why did the Government think it necessary to send up a proposal of Hindustan Lever when there were other proposals before it? Does it not imply limited approval by the Government of the proposals of Hindustan Lever?

SHRI H. R. GOKHALE: First of all, not every proposal is referred to the Commission.

SHRI SHYAMNANDAN MISHRA: Why did Government send it up when there were other proposals also ending before it?

SHRI H. R. GOKHALE: In this case, it was a clear case of a majority foreign holding, a monopoly concern. We thought we should not take a decision without taking the advice of the Commission.

SHRI SHYAMNANDAN MISHRA: My point is being missed. They had other proposals before them. Why did they send up this one?

SHRI H. R. GOKHALE: I am replying to it. Some of them were pending examination. They are still under examination. I am not saying that they will not be referred to the Commission. What I am saying is that this was the one examination of which was completed and was sent to the Commission. The others also may be referred to the Commission; I am not saying they will not be.

SHRI SHYAMNANDAN MISHRA: My main question remains unanswered. Is it open to the Commission to make a recommendation which conflicts with the declared policy of the Government in regard to foreign holdings? The hon'ble Minister cannot be allowed to get away like this. He must answer it.

SHRI H. R. GOKHALE: First of all, there is an assumption that under the law, there is a limit with regard to non-resident holdings of companies which are in existence. For the future under the new law which is coming, the foreign holdings may be limited in non-priority fields to 40 per cent to 45 per cent—I do not remember the exact percentage. So far as the Monopolies Commission is concerned, it is free to take whatever view it thinks reasonable. But certainly it is not open to Government to do anything against its declared policy. The recommendations of the Monopolies Commission are not binding on the Government. We will consider all the aspects including the existing policy of the Government.

SHRI SHYAMNANDAN MISHRA: Any limb of the Government cannot go against the declared policy of the Government. It is a limb of the Government.

SHRI H. R. GOKHALE: I am sorry. It is not a limb of the Government.

SHRI K. LAKKAPPA: The hon. Minister has asserted that the Monopolies Commission's recommendations have not been taken up to take any action regarding this issue. I would like to know, in view of the large-scale complaints against Hindustan Lever which, as a foreign holdings company, is allowed to manufacture all essential commodities in this country, which are required for the vulnerable sections of society, whether the hon. Minister will, before taking any decision, take into consideration the question of taking over this company. In order to avoid all confusion, I would like to know whether steps have been taken to nationalise this company so that the Government may own this company which has got foreign holdings.

MR. SPEAKER: Order, please. You are again up. Has the Minister understood his question?

SHRI K. LAKKAPPA: I will be very brief in my question so that the Hon. Minister will understand. In view of the fact that the matter has not been settled, I would like to know whether the Ministry is making any effort to take over this company, that is, nationalise this company.

MR. SPEAKER: He says that in view of the number of complaints against this company, whether the Government will take over this company.

SHRI K. LAKKAPPA: Sir,....

MR. SPEAKER: Do not further confuse it.

SHRI H. R. GOKHALE: What is the case against Hindustan Lever, except that it is undoubtedly a majority foreign holding company? It is also true that in respect of certain matters like prices, etc., although it is not related to this question, I may take the House into confidence and say that we have used and we are using such powers in the company law for carrying out an inspection even in respect of this company and they are in progress.

श्री मधु लिमये : अध्यक्ष महोदय, इसमें सीधी सी बात यह है कि ये जो बड़ी-बड़ी अन्तर्राष्ट्रीय कम्पनियां हैं और हमारे देश में जो मोनोपली कम्पनियां हैं, इनका यह दांव-पेच हमेशा रहता है कि वे उत्पादन की शक्ति पर अधिकार जमाते हैं, कंपैसिटी को प्री-एम्प्ट करते हैं ताकि बाद में कोई नया यूनिट न आये। आपका जो वर्तमान मोनोपली एक्ट और मोनोपली कमीशन है, उसको आप ने ऐसा बना दिया है कि एकाधिकारशाही पर रोक लगाने की उनकी कोई शक्ति नहीं है और न आप की ऐसी कोई इच्छा है। मैं यह जानना चाहता हूँ कि कंपैसिटी को प्री-एम्प्ट करने का जो तरीका है, क्या इसको सरकार रोकेंगी अगर नहीं रोकना चाहती है तो मोनोपली एक्ट

और मोनोपली कमीशन को खरम कर दिया जाय, इस पर फिजूलखर्ची क्यों हो रही है ?

SHRI H. R. GOKHALE: What is the question?

MR. SPEAKER: It is a suggestion for action.

श्री मधु सिमये . मैं यही पूछ रहा हूँ किजो कंपैसिटी को प्री-एम्प्ट करते हैं, क्या इस पर कोई रोक लगायेंगे ? अभी मैजारिटी रिपोर्ट आई; यदि उसको आपने मान लिया, उसके बाद तो नई कम्पनियों की एप्लीकेशन पर विचार करने का सवाल ही पैदा नहीं होता है ।

SHRI H. R. GOKHALE: So far as this STPP is concerned, the question of pre-empting the capacity will not arise for this reason that even if the majority recommendation is accepted by the Government,—which I am not sure, because we will consider the minority report very carefully—even then, one of the conditions which the majority has imposed is that even though they might be allowed to produce at a certain capacity, they will not be entitled to use their whole production for themselves. Secondly, with regard to the pending applications, the projected demand is so much; I think it is 20,000 now, and in the fifth five year Plan it would be something like 1,35,000, subject to the comments of the hon. Member, Shri Madhu Dandavate, that this is also exaggerated; but that is a different matter. The projected demand is so much that there is ample scope for giving permission to the other proposals—the small entrepreneurs prefer—which will be taken into account from that point of view. (*Interruption*).

श्री मधु सिमये: पहले उन को मदद कीजिए, बाद में हिन्दुस्तान लीवर को कीजिए ।

Steps taken by Railway Board to bring about Economy in Expenditure

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*25. **SHRI P. M. MEHTA:**
SHRI SHASHI BHUSHAN:

Will the Minister of RAILWAYS be pleased to state:

(a) whether the Railway Board has taken certain steps to bring about economy in expenditure; and

(b) if so, the salient features thereof?

THE DEPUTY MINISTER IN THE MINISTRY OF RAILWAYS (SHRI MOHD. SHAFI QURESHI): (a) Yes, Sir.

(b) On the non-Plan side, economy is to be achieved through reduced expenditure on contingencies and travelling allowances. On the Plan expenditure, a 10 per cent cut has been imposed on relatively low priority works and schemes. Care has been taken to ensure that the hard core development programmes of Railways do not suffer by the economy cut and that essential works continue to be proceeded with.

SHRI P. M. MEHTA: Government are aware of the demand made in this House by Members of all sides for abolishing the Railway Board and the abolition itself will save huge amounts and will improve efficiency. Has any decision been taken to abolish the Railway Board, if not the reasons therefor?

SHRI MOHD. SHAFI QURESHI: There is no proposal to abolish the Railway Board.

SHRI P. M. MEHTA: I had not asked whether there is any proposal. There was a demand from Members here. During every budget session there is a demand for the abolition of the Railway Board. Have the Government taken any decision on that demand?