

**THE MONOPOLIES AND RESTRICTIVE TRADE PRACTICES (AMENDMENT) BILL, 1980**

THE MINISTER OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI SHIV SHANKAR): Sir, I move:

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

Mr. Deputy Chairman, as clarified in the statement of Objects and Reasons, appended to the Monopolies and Restrictive Trade Practices (Amendment) Bill, 1980, it is intended to remove certain problems being faced by the industry in boosting up production for export. The Committee on Export Strategy for eighties, appointed by the Government of India under the Chairmanship of Shri Prakash Tandon, popularly known as Tandon Committee, had *inter alia* recommended that in order to meet the emerging balance of payment problem, the average exports of the past three years should be deducted from the total production capacity, while considering the plans and proposals expansion industrial units for the purposes of the MRTP Act. This recommendation of the Committee was examined in the light of the balance of payment deficit which is likely to arise from increasing import prices of crude oil and oil products. Having regard to the urgency of the problem and stepping up our export earnings to meet the unfavourable balance of payments, the Monopolies and Restrictive Trade Practices Ordinance, 1980, was promulgated. The present Bill is intended to replace the Ordinance by an Act of Parliament. This Bill has a very limited application inasmuch as it proposes to exclude the quantum or value of goods exported while computing the total goods produced supplied and distributed in India, or any substantial part thereof, for the purposes of determination whether an undertaking is a dominant undertaking or monopolistic undertaking.

The Bill has been considered and passed in the Lok Sabha on 1st December, 1980, keeping in view the objects proposed to be achieved by this Bill, I move that this august House may take into consideration the same.

MR. DEPUTY CHAIRMAN: There is one amendment in the name of Shri Shiva Chandra Jha. He may move his amendment at this stage without making any speech.

श्री शिव चन्द्र झा (बिहार) :  
श्रीमन्, मैं प्रस्ताव करता हूँ :

"एकाधिकार तथा अवरोधक व्यापारिक व्यवहार अधिनियम, 1969 का और संशोधन करने वाले विधेयक को, जिस रूप में वह लोक सभा द्वारा पारित किया गया है, राज्य सभा के अगले सत्र के प्रथम सप्ताह तक प्रतिवेदन देने के अनुरोधों के साथ राज्य सभा की एक प्रवर समिति को सौंपा जाये जिसमें निम्नलिखित सदस्य होंगे :-

1. प्रो० राम लाल पारीख
2. श्री विश्व गोस्वामी
3. डा० भाई महावीर
4. श्री रामेश्वर सिंह
5. श्री जी० सी० भट्टाचार्य"

*The questions were proposed.*

MR. DEPUTY CHAIRMAN: Shri Basheer.

SHRI T. BASHEER (Kerala): Mr. Deputy Chairman, at the outset I would like say that this is a retrogressive step. Sir, this is the thirty-third year of our independence. Our aim is the establishment of a socialist society. But the picture of the present-day India is thoroughly disappointing. The problem of unemployment and the problem of price rise and other problems are mounting up. Seventy per cent of the total population in the rural areas lives below the poverty line and again, Sir, seventy per cent of the families in the rural areas have no land at all. This is the real picture of India today.

What is the other side of the picture, Sir? Only concentration of wealth in the hands of a few people. That is all. It is in this background that we are discussing this Monopolies and Restrictive Trade Practices (Amendment) Bill. Sir, the declared objective of the parent Act of 1969 is that monopolies and restrictive trade practices must be curbed. It is relevant here to quote the Preamble to the parent Act. It says:

"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 monopoly, for the curbing for monopolistic and restrictive trade practices, and for matters connected therewith or incidental thereto."

Sir, this Bill is contrary to the objectives of the parent Act. This is to suit the advantage of the big business houses and the industrial houses and the multinational combines. Sir, we have some national objectives, some declared national policies. We aim at a socialistic society. That is why we always have been opposed to the concentration of economic power in private hands. We are for the establishment of a socialist society. The Indian National Congress and our leaders like Shri Jawaharlal Nehru had that vision. According to Mr. Nehru, Sir, the strategic points of economic development should be controlled by the State or by the planning apparatus. According to the Industrial Policy Resolution of 1948, the iron and steel units and the power units in the private sector were supposed to be taken over by 1958. I would like to point out that the Government jacks that perspective. Their policies have diluted our declared national objectives. It was only recently that the Minister in charge of Power made a public statement and made a public invitation to the private sector to come to the area of Power generation. Is it not going back from our national objectives, Sir, after this Government came to power, the honourable Minis-

ter for Industry made a statement on our industrial policy. It is a clear deviation from our declared national objectives and a clear deviation from the Industrial Policy Resolution of 1956. And, Sir, the announcement by our Finance Minister in his Budget and the attitude of our Industry Minister and their other policies are all aimed at granting concessions after concessions to the monopoly houses and the multinationals.

Sir, it is indeed strange that within nine months of coming to power, that is up to September 1980, 351 agreements or deeds with foreign multinational corporations have been signed while last year the figure was only 60. Sir,—I am coming to the Bill—what I would like to point out is that on the same line the hon. Minister has come before this House with this Bill. The Explanation which is sought to be added is a new provision which virtually exempts dominant undertakings from the restrictions imposed by the parent Act. Sir, the growing concentration of economic power in the private sector is an exciting issue among the public. The Mahalanobis Committee was surprised that in spite of all measures taken, concentration of economic power in the private sector has increased. The Monopolies Enquiry Commission also recognized this fact.

Sir, the M. R. T. P. Act was put on the Statute Book in 1969. I would like to give some figures regarding the growth of size of some monopoly houses here. In 1972 the value of assets of Birlas was Rs. 641.93 crores. In 1978, it became Rs. 1171.15 crores. The value of assets of Tatas in 1972 was Rs. 589.42 crores. In 1978 it became 1102.11 crores. The value of assets of Mafatlal in 1972 was Rs. 83.74 crores. It became in 1978, Rs. 317.86 crores. That of Singhanias in 1972 was Rs. 121.45 crores. It became Rs. 299.57 crores. This shows the growth of the size of monopoly groups in India. The present amendment would also help the monopoly houses. Goods in their hands are said to be exempted from the restrictions of the MRTP Act. This

[Shri T. Basheer]

is being done under the cover of export promotion. No doubt, export must be increased. India has a huge trade deficit. That is true. One can understand the case for boosting exports. I would like to say, Sir, that this is not the proper way for it. This kind of policy, without vision and perspective, will not help the country to move forward. We will not reach anywhere.

I conclude with these words, Sir.

**श्री रामानन्द यादव :** उपसभापति जी, मैं इस बिल का समर्थन करता हूँ। यह बात ठीक है कि पिछले दिनों में हमारा एडवर्स ट्रेड बैलेंस हुआ है जिसके कारण हमारी आर्थिक हालत बिगड़ने की सम्भावना और अधिक बढ़ गई है। कूड आयल के इम्पोर्ट करने में हमारा एडवर्स ट्रेड बैलेंस होगा और उसको मीट करने के लिए यह बिल लाया गया है, जैसा कि माननीय मंत्री जी बता रहे हैं। लेकिन हमको ऐसा लगता है कि जो राष्ट्रीय मान्यता प्रायः जिसको सभी दलों ने और देश ने एकमत से स्वीकार किया था कि हमारे देश की जो इकानोमी होगी, वह स्वस्थ इकानोमी होगी और पब्लिक सेक्टर इस देश के आर्थिक जीवन में डामिनेन्ट पार्ट प्ले करेगा। आज उस एक्सेप्टेड नेशनल पालिसी से, हमें ऐसा लगता है कि हमारी सरकार धीरे-धीरे अलग होती जा रही है। इसलिए मैं सरकार से चाहूंगा कि कुछ पौइन्ट्स पर वह क्लियर करे।

उपसभापति जी, टंडन कमेटी बैठी और इसलिए बैठाई गई कि एडवर्स ट्रेड जो हो रहा है उसको किस तरह से मीट किया जाए। उस ने कुछ सजेरेंस दिए थे। उन सजेरेंस को सरकार इम्प्लीमेंट करना चाहती है इस बिल के माध्यम से। लेकिन हमको ऐसा लगता है कि यह बिल पाम हो जाने पर भी

सरकार की जो मन्शा है वह पूरी नहीं होने वाली है; क्योंकि इस देश में जो पूंजीपति हैं, इस बिल के माध्यम से उन को फायदा होगा। एक्सपोर्ट के माध्यम से यह कहां तक फारेन मार्केट को कैप्चर कर सकेंगे, हम को इस में संदेह लगता है और मुझे यह भी संदेह हो रहा है और सरकार से मैं चाहूंगा कि इस बात की गारण्टी दे और हाउस को इन्लाइटन करे कि जो फारेन एक्सपोर्ट के लिए गुड्स तैयार होगा और जो बाहर जाएगा वह बाहर किन्हीं मार्केट में बिकेगा और देश के मार्केट में फिर वह लौट कर नहीं आएगा। यह संदेह इसलिए उठता है कि अग्रवाल कमेटी ने एक रिपोर्ट दी है कि यह फारेन एक्सपोर्ट में जो माल जाएगा अगर किसी वजह से कम्पिटिशन में वहां नहीं बिके, उस की वैल्यू घट जाए, तो उस के इस देश में पुनः लाकर बेचने का हक हो। आलरेडी जो आज इस देश के मोनोपोली हाउसेज हैं, जो इंडस्ट्रियल हाउसेज हैं, मल्टी नेशनल्स हैं, फारेन ट्रेड के नाम से जो गुड्स तैयार करते हैं उस में से 10 परसेन्ट पहले ही से इस देश में उन को बेचने का हक है, टेस्टिंग के ग्राउण्ड पर। यह 30 परसेन्ट जो बच जाएगा, अग्रवाल कमेटी का सुझाव है कि उस 30 परसेन्ट माल को इस देश में बेचने का, अगर वह बाहर के मुल्कों में न बिक सका, हक इन मल्टी नेशनल्स को, लार्ज हाउसेज को, कार्टेल्स को और प्राइवेट सेक्टर के लोगों को होना चाहि। इस बिल से ऐसा लगता है कि यह एक्सपेंशन की जो छूट दी जा रही है यह देश के इंटररेस्ट में, समाजवादी ढांचे के निर्माण में एक बहुत बड़ा बाधक हो सकता है। हमारी नेशनल इकानामिक पालिसी थी कि गरीब और अमीर के बीच में जो बड़ी खाई खड़ी है उसके गैप को हम धीरे-धीरे कम करेंगे लेकिन

ऐसा लगता है कि अगर इस बिल के माध्यम से और भी एक्सपेंशन करने का अधिकार हो जाएगा एक्सपोर्ट करने के लिए, तो उस से जा वैल्यू बढ़ेगी वह उन्हीं हाउसेज को मिलेगी—उन हाउसेज को मिलेगी जिनका आलरेडी एक्सपेंशन हो रहा है और जिन के पास पूरी वैल्यू है इसलिए उनके पास बहुत कांसेंट्रेशन आफ वैल्यू हो जाएगा, कुछ ही लोगों के हाथ में पूंजी बढ़ जाएगी। इस प्रकार जो पहले हमारी नेशनल पालिसी एडाप्ट की हुई थी जिस की वजह से कांसेंट्रेशन आफ मनी पावर लोगों के हाथ में नहीं जाने दे रहे थे, आज इस बिल के पास करने से मुझे ऐसा लगता है कि कांसेंट्रेशन आफ इकानामिक पावर पुनः कुछ ही लोगों के हाथों में जा रही है। इस से हमारी जो आर्थिक विषमता है वह और बढ़ेगी, गरीब और अमीर के बीच की खाई पटेगी नहीं, कांसेंट्रेशन आफ वैल्यू होगा, एक्सप्लोएटेशन बढ़ेगा और इस देश की राजनीति में ये बड़े घरानों के लोग आएंगे। उपसभापति जी, भय होता है...

**श्री पी० राममूर्ति (तमिल नाडु) :** आएंगे नहीं, वह तो आ चुके हैं।

**श्री रामानन्द राव :** हम को बोलने दीजिए। उपसभापति जी, इकानामिक सर्वे कमेटी बनी। उस ने अपनी पालिसी बनाई। अब आप भी यह सुन कर ताज्जुब करेंगे कि इस देश के बड़े-बड़े पूंजीपतियों ने एक 20-पॉइंट प्रोग्राम इस सरकार के सामने दिया कि आज जो हमारी आर्थिक हालत खराब हुई है इसको दूर कर के किस तरह से उसको शक्तिशाली बनाया जाए? उस में उन्होंने क्या कहा? सब से पहले कहा कि आप एम० आर० टी० पी० एक्ट को खत्म कर दीजिये, इस को हटा दीजिये, जो रेस्ट्रिक्शन्स हैं लार्ज हाउसेज पर एक्सपेंशन पर, फ्री ट्रेड पर उन को हटा

दीजिये। दूसरा सुझाव दिया कि जो पब्लिक सेक्टर है उनका एक्सपेंशन रुकना चाहिए। तीसरा सुझाव यह दिया कि मैनेजमेंट जो पब्लिक सेक्टर का है वह शेयर करे प्राइवेट सेक्टर में। जितने रेस्ट्रिक्शन पिछली सरकार ने नेहरू जी की नीतियों को मानते हुए इम्पोज़ किये थे इस देश के पूंजीपतियों पर, जिस का नतीजा हुआ कि हमने राष्ट्रीयकरण किया, अनेकों इकानामिक रेस्ट्रिक्शन लगाये कि बड़े-बड़े, लार्ज हाउसेज बढ़ नहीं सकें, ग्रे नहीं कर सकें और देश की आर्थिक स्थिति को अपने चंगुल में रख कर जब चाहे इकोनोमिक क्राइसिस पैदा न कर दें उस पालिसी से हम अलग हो रहे हैं। हमारे उद्योग मंत्री महोदय ने इंडस्ट्रियल पोलिसी एनाउंस की। इस में अनेकों कन्सेशन पूंजीपतियों को दिये गये, ओपिन इनवीटेशन आया यहां तक कि पिछला बजट जो पास हुआ उस में भी आप देखेंगे टैक्स होलीडे; सबसिडी दी जाने लगी, अनेकों कन्सेशन बड़े-बड़े पूंजीपतियों को दिये गये। वर्ल्ड बैंक ने भी सजेशन दिया कि पब्लिक सेक्टर और प्राइवेट सेक्टर दोनों के मैनेजमेंट को टाई-अप करना चाहिए, शेयर करना चाहिए, तब जा कर आप की इकोनोमी बढ़ेगी, प्राइवेट सेक्टर के ऊपर जो आप ने अनेकों रेस्ट्रिक्शन लगाये हैं, इस देश के पूंजीपतियों पर लगाये हैं विकास के लिए उन को हटा दीजिए। अभी नयी पोलिसी एनाउंस हुई है, आप को उस की कापी मिली होगी। उस से साफ मालूम होता है कि नेहरू की नीतियों को हम छोड़ रहे हैं। क्या उस नीति को छोड़ कर हम पूंजीवादी व्यवस्था इस देश में कायम करना चाहते हैं? उन नीतियों को देखने से हम को सन्देह होने लगता है। हमारी सरकार इस तरह की नहीं है। अभी जो पास हो रहा है उस से थोड़ा सन्देह हमको

[श्री रामानन्द यादव]

लगता है और सब से बड़ा सन्देह यह है कि क्या जो एक्सपोर्ट के नाम पर गुड्स बाहर जायेंगी वह इस देश में नहीं आयेंगी इस की कुछ गारंटी है इस बिल में ? एक्सपेंशन करने की आप परमीशन देंगे, लाइसेंस देंगे, वह बाहर जा कर बेचेंगे और अगर वह सामान फारेन की मार्केट में कम्पटीशन में नहीं आया तो क्या आप उस को फिर इस देश में ला कर बेचने की इजाजत इस देश के पूजीपतियों को देंगे ? मैं मंत्री जी से जानना चाहता हूँ कि उस चीज को, उस सामान को इस देश में न आने देने के लिए कोई प्रोवीजन आप ने इस बिल में रखी है ? मंत्री जी एक्सप्लेन करें कि किस हद तक जो समाजवादी कदम नेहरू जी ने शुरू किये थे इस देश की अर्थ नीति को बनाने के इस बिल के माध्यम से हम उस ओर प्रगति कर रहे हैं या पीछे हट रहे हैं ।

इन्हीं शब्दों के साथ मैं इस बिल का समर्थन करता हूँ और सरकार से एक बार फिर कहूंगा कि जो हमारी नेशनली एसर्टेड पोलिसी है इकोनोमी की उस पर किसी तरह की आंच नहीं आनी चाहिए । कोई प्रोवीजन जरूर होनी चाहिए ताकि यह मोनोपोली हाउसेज, मल्टी-नेशनल्स, कारपोरेट बोडीज, लार्ज हाउसेज पर जो पहले रेस्ट्रिक्शन इम्पोज्ड हैं उन में किसी तरह की कमी नहीं होनी चाहिए बल्कि उन रेस्ट्रिक्शन्स को और कड़ाई के साथ इम्पोज करें ताकि करोड़ों लोग जो देह त में पड़े हैं, आर्थिक विषमता की बीमारी से ग्रस्त हैं, जिन्हें भर पेट भोजन नहीं मिलता, जिन के रहने के लिये आवास नहीं है, खाने के लिए भोजन नहीं है, न पीने के लिए शुद्ध पानी नहीं है उन का हम इन्तजाम कर सकें । और उन रास्ते पर आप चल रहे थे । उस नेहरू जी की बनायी हुई आर्थिक पालिसी को एडाप्ट कर के हम प्रगति के रास्ते पर चल रहे

थे । आज उस रास्ते को छोड़ कर अगर हम पीछे चलेंगे तो शायद हम पीछे ही लौटेंगे और ऐसा होने से हमारा राष्ट्र मजबूत नहीं होगा । जब सब का पेट यहाँ भरा होगा तो सब लोग, सारी जनता देश का चिन्तन करेगी और जब अधिकांश लोगों का पेट खाली रहेगा तो वे लोग देश का चिन्तन नहीं करेंगे ।

इन्हीं शब्दों के साथ मैं इस बिल का समर्थन करता हूँ ।

SHRI GHANSHYAMBHAI OZA (Gujarat): Sir, the hon. Minister, while moving this motion, said that this is to replace the Ordinance which was issued some time back. Sir, I want to record my strong disapproval to the issuing of ordinances for this purpose. The Government, it seems, is worried about the adverse balance of trade. We had just now discussed on a Calling Attention Notice how this adverse balance of trade has developed over so many months. It was not a sudden development which necessitated the issuing of an ordinance. I am really surprised that even on such issues which can be contemplated, which can be foreseen, the Government in its wisdom issues ordinances. He said just now that one Tandon Committee has been appointed—I do not know when—and that this Tandon Committee has also given its report. Perhaps it was four months back, as was pointed out by some friends here. This is a matter which came to the notice of this Government four months back. How lethargic they are in taking appropriate decisions. They could have come to the House. Heavens would not have fallen if the Ordinance had not been issued. But it has become a fashion with them not only in this matter but another Ordinance is also to be replaced by a Bill. I do not know in what terms we shall record our strong disapproval on this method of functioning. As has been said, the necessity has not arisen all of a sudden. We all are worried about it. Not that it is the concern of this Government alone. It is a matter of concern for the whole nation. Therefore, in all seriousness

we should think about it, namely, why this deficit has arisen. While the Calling Attention Notice was being discussed, some questions were put. It was pointed out that 60 per cent of the import is on maintenance only.

**[The Vice-Chairman (Shri Arvind Ganesh Kulkarni) in the Chair]**

We do not import for building assets in this country, for our development, industrial or otherwise, but only for maintenance. We go on importing like the prodigal son. We all are wasting away our assets, sometimes in current consumption. When I say so, I do not lay the blame on the doors of this present Government alone. In the past also I had raised my voice against so many things, which we could have very well managed here. But unfortunately, they say that there are power constraints and therefore, cement could not be produced and other things could not be produced. But if there is a Government which commands the respect of the people at large, we can discipline the people and say, kindly forego some requirements for the present, let us not waste away our foreign assets which we want badly for the reconstruction of our country. There is a very big time-lag between us and the industrially developed countries. Because of the colonialism we are backward. We want to go ahead. We want to have a pace with them. But this is not the way of doing it if we are going to waste our money, very well earned foreign exchange, only on current consumption. It may be edible oil or it may be sugar. We can manage it properly if there is a will on the part of the Government and the Government commands respect of the community as a whole and ask them to tighten the belts for some time so that we can save all these assets. Unfortunately this is not happening. Now, Sir, my own friend here, read the Preamble to the M.R.T.P. Act, as it was envisaged at that time. It is not mainly aimed at restricting the domestic consumption. It was to lay down a social pattern according to the

Preamble of the Constitution. We want social justice; we want economic justice in this country and, therefore, we wanted to restrict the activities of the big houses, monopolists, international monopolists as well as the local big houses. Now, care should be taken not to let your enthusiasm to earn some foreign exchange by allowing them to use their capacity only for export purposes, to see that they do not encroach upon the fields which are not theirs because there is some suspicion going on as friends here from my side and also as just now Mr. Yadav pointed out, that these loopholes will be taken advantage of to step up their sale in the domestic market. So, kindly see that this is not used as a subterfuge and whatever the loopholes, the Government should see that they are plugged and that only for exports and nothing else this capacity utilisation is done.

The other point that I want to make is, we all know that our small-scale sector and small entrepreneurs also are in a very big way promoting exports and are earning foreign exchange. The big houses may not tread upon their fields and items which are being exported by the small-scale industry and small entrepreneurs may not be allowed under this expanded capacity, to be exported so that they do not compete with the items being exported by small-scale industry. Care should be taken to see that our small-scale is not ousted from the international market. If you do not do this, perhaps, you will be doing indirectly a great harm to small entrepreneurs. I would request the hon. Minister to see that this does not happen.

I wanted to take up a few more points but I would urge upon you, Sir, to allow my friend, Mr. Shiva Chandra Jha, to contribute something and I leave some time out of the time allotted to my party, for him also.

DR. BHAI MAHAVIR (Madhya Pradesh): Mr. Vice-Chairman, Sir, the hon. Minister has come forward with

[Dr. Bhai Mahavir]

\* a Bill to replace an Ordinance which was issued a few days before the current session of Parliament. The point has been made that the heavy crop of Ordinances that was raised during this intervening period, was hardly necessary and, if anything, it shows the Government is unable to determine what particular matter is of an urgent nature and what can wait for the Parliament to discuss before it is made into a law. Even things like Maruti take-over and Auroville were the subjects of Ordinances.

So far as this Bill to amend the MRTP Act is concerned, we are told that it is a very innocuous piece of legislation and what has been done is a very small thing and the hon. Law Minister considered that it should have no difficulty in being accepted by this august House.

I am aware that the Bill is not, strictly speaking, the Law Minister's baby. He is carrying either the Commerce Minister's baby or somebody else's. But in any case, it is the Government's baby alright, and he is perfectly entitled to carry it with all the love and affection he is capable of. But, Sir..

SHRI SHIV SHANKAR: I cannot trust to pass it on to you.

DR. BHAI MAHAVIR: No, if you are in difficulty, we can serve as baby-sitters in any case. But if the baby is illegitimate, even illegitimate children have some right to affection. Anyway, the point that is being sought to be made is, that the Government wants to encourage exports... and if some business houses are capable of exporting a part of their products, the calculation for the purpose of considering whether they are dominant or not should exclude the portion which is exported. Now, it has been asked here 'What is the guarantee that what is exported today will continue to be

exported in the future also? After all, other countries are no enslaved markets of ours. We could not be sure that if you sell it today, you can compel them to buy tomorrow and the day after also. They may refuse to buy it. Then, we will be saddled with those produced goods which you will justify only for the purpose of exports. It has also been mentioned that they could be reimported or they could be brought back to the country. Well, this aspect I have already mentioned. But I wish to draw the attention of the hon. Minister and the Government to one thing. Are they themselves sure in their own mind, clear in their own mind, what they want to do? Are they sure that they wish to contain these large houses? Are they sure that they wish to relax the restrictions which have been placed on them for whatever reasons, good or bad, they may be capable of? In this respect, I would like to read a few lines from a recent editorial from 'The Times of India', The heading is "More Muddled than ever". This should be a rather flattering compliment, if I may be permitted to say, for the consideration of the hon. Minister. It says, on the question of the policy regarding big houses.

"In May, the Union Minister of State for Industry rapped entrepreneurs hard on the knuckles for suffering from "MRTP phobia" and seeking "lawless freedom". In July, the Government reaffirmed its faith in both MRTP and FERA but declared that no "avoidable restrictions" would be placed on the fullest utilisation of existing capacity, particularly in units that are in the core sector or are linked to it or have an export potential".

Then, it says:

"In August, however, the authorities declared that this would be done only on selective basis."

Who will select, on what basis and for what considerations?

Of course, this has not been mentioned. Then, it says again:

"In September, a cabinet committee took another half turn and decided that all industrial units, including MRTTP companies, would be permitted to instal additional capacity without limit provided the incremental out-put is entirely sold overseas."

In the last part, it says:

"And now at the instance of the Prime Minister herself, the Government is reported to have resolved that all applications for conversion of letters of intent into industrial licences should be referred to the cabinet committee on economic affairs."

Hence, the editorial asks: Why is it that the Government wants to saddle itself with another responsibility by giving it to this committee? Why can't the whole thing be gone into before the letter of intent is issued? It says that perhaps whatever the Government had in mind was likely to be defeated through this self-defeating move. I am not surprised, because, the whole thing falls into a pattern. You first say 'Well, you bloody people, you behave'. Then, you say 'We will give some softness'. But you say that this would be on selective basis. Then, you say 'Alright, you apply, but the decision will be taken by the cabinet committee'. What type of experts are sitting on the Cabinet Committee on Economic Affairs, is well known. The only thing, the only inference which can be drawn is that they will sit and they will determine on considerations other than those which are very clear to us, as to whether a particular sanction is to be given or not. This is the thing which I wish to emphasise now, because, the question is, if the Government is keen that our exports should be promoted and our balance of trade position should be improved, is this the only way? Even if it succeeds in achieving this, this can be just a fleabite. The more important thing is

the tremendous losses which we are incurring because of the bunglings which are going on, on a large scale, in various spheres in our exports and imports. I will just mention one or two. Of course, the hon. Minister may very well be able to say that these are things which do not fall in his domain. But even so, they fall in the domain of the Government. I would submit for his consideration a few instances of how the country could save precious exchange and could gain out of so much exports which we are just squandering because of inaptitude or inefficiency or down-right dishonesty. Firstly, I will talk of the defence affairs. There are reports that we are purchasing 1300 tanks, Chieftain tanks, from U.K. and those tanks are going to cost 1300 crore dollars. It is an astronomical figure—1.3 billion dollars. And these tanks, we are told, are the ones which were produced for the Shah of Iran by Britain. The Shah lost his empire and the order was cancelled. The Royce people were faced with so much of produce and they were on the look-out for willing customers. We offered ourselves as customers for this. When we place the things in a proper sequence, we will see that for long it has been said that our Vijayanta Tank is a good tank, it has seen through a number of wars and we have been working for years with the improved and modernised tank. Still in this year of 1980 we are told that we shall be spending 1300 crore dollars on importing tanks; this is something very curious. Then, Sir, in 1960 we started an anti-missile project. After spending crores of rupees, we are even now dependent on anti-tank missiles from outside. I do not want to multiply instances. I only wish to say, even in the matter of technical skill, the other day we had a question in this House where we asked the Government, how was it that we were importing software from America when here, within our own country, the Department of Electronics was in a position to export software? We were told that that particular type of software was not available. Professor Narasimhan of the Tata Institute is an



[Dr. Bhai Mahavir]

acknowledged world authority on it and the Prime Minister had given him a national award for his research on applied science. When we asked whether he was consulted or not, we were told that he was not consulted. Just in a casual and cavalier fashion the Government decides to import things even those things which we are capable of manufacturing. And here you come forward with the proposal and say that you want to encourage exports and that is why you are bringing forward this provision to facilitate the large houses for the purpose of keeping up their export targets.

The other instance that I wish to cite is about our natural wealth in the form of raw materials. Take, for example, iron ore. We are exporting our iron ore at 9 dollars per tonne from Goa and 17 dollars per tonne of high grade iron ore from Bailadila and Japan is buying this iron ore. In the process of this export and in the process of selling this iron ore to Japan the NMDC has suffered a loss of about Rs. 24 crores, which means that we are selling our iron ore at a highly subsidised rate. We are exhausting our natural wealth. After three or four decades—I do not think it is going to be longer, but the experts think it to be 30 or 40 or just 50 years—we will have exhausted it and it will be exhausted for just a mere pittance, at a very low price. Why is the Government wasting this resource? We are mortgaging our future. We are sacrificing our raw material. We claim that we have so much of technical manpower, so much of strong natural base. This raw material of iron ore should be manufactured into pig iron. It should be manufactured into steel. Steel should be manufactured into special hard steel, and further on, that could be manufactured into other specialised items which would get us 25 times higher price than that of the iron ore that is being exported. But in our country, Sir, we just keep on wasting or squandering whatever wealth we have and at the same time believing that we are getting good foreign exchange in re-

turn. My submission in this respect is that we are not being fair to the country, not being fair to our future generations and we are also not being fair to the economy as it stands today. In this respect, I wish to submit for the consideration of the hon. Minister that this particular thing which he is bringing forward could have perhaps convinced us if the Government had gone all out in trying to tell us that at no point was any leakage being allowed in the matter of foreign exchange; where we could depend on our own where we could achieve self-sufficiency there we are making all efforts to achieve self-sufficiency and we are not depending upon imports. And if we are not doing that, the situation remains as it is—that even in the matter of defence, we are far from self-sufficient, after spending hundreds of crores of rupees. Our laboratories are there. In one particular laboratory, I made a statement here and I asked the Government to enquire, 2000 scientists—qualified scientists—are sitting idle having no work to do, whereas they were expected to see the country forward in the direction of self-sufficiency in the matter of armaments and defence needs. My submission therefore is that it is not as simple a matter as this. The way the Government is proceeding and the manner in which it is taking decisions one after another...

SHRI P. RAMAMURTI: Is it HAL?

DR. BHAI MAHAVIR: It is not HAL, but Hyderabad. Step by step, the way they are proceeding is, once they create a noose, they tighten it. And as soon as they tighten it, they say: "All right, we will be relaxing it if you behave like good boys. But we will do it on a selective basis. So you come forward with your application. Let us see how you are doing. Then after that, we will take a decision". Is there any guarantee that these decisions are being taken not on considerations which are less than fair, which may be useful for the party in power but which are not fair from the point of view of the Government, or the long-term interests of the economy. This is the question which

arises in our minds and, therefore, I am submitting that on a Bill like this, firstly the motive of the Government itself becomes suspect when they issue an ordinance for a thing which could very well have been brought before the House. After all, if it is a follow-up of the Tandon Committee report, that Committee reported four months ago and you have taken four months to decide to issue an ordinance. Is it that you do not have faith in your own party members that they will support your proposal and you want to pre-empt their decision, you want to get them committed even before they are able to apply their minds to a particular proposal? If that were so, it is, I think, not a very complimentary situation for your own party members. But that apart, let the Government give a cool thought to this aspect, are they doing what is possible and what should be done for the purpose of saving our precious foreign exchange, making ourselves self-sufficient in at least essential respects and not wastefully squandering away the well-earned reserves from other countries? If these guarantees and assurances were there, the Government could at least have come forward with clean hands. But I am afraid that that does not seem to be the case in the present situation and, therefore, I do not approve that we should support this Bill. Thank you

SHRI P. RAMAMURTI: Mr. Vice-Chairman, Sir, I am amazed at this Bill. And I also want to express my sympathy for the Law Minister who has got to pilot this Bill. It is not a matter concerning law; it is entirely an economic question. The entire economy of the country is concerned with it. The best man who should have piloted it and who should have answered the criticism in this House is the Finance Minister or the Industry Minister. He is unqualified. If he were in charge of those Ministries, he would have been able to answer. He cannot answer...

SHRI SHIV SHANAR: Even otherwise I can.

SHRI P. RAMAMURTI: Otherwise you don't know these people.

THE VICE-CHAIRMAN (SHRI ARVIND GANESH KULKARNI): He is the Law Adviser to the Government. So he is piloting the Bill and sending it to you.

SHRI P. RAMAMURTI: What they want him to do, he will put in the form of a Bill. What do they want me to do?

SHRI SHIV SHANKAR: Sympathy?

SHRI P. RAMAMURTI: I am expressing my sympathy to him. If you do not want that, I will take it back. Does not matter.

The whole point is, here is another instance where we have had a Government broken promises. Right from the beginning it was proclaimed that the aim of the Five-Year Plan was to lessen the disparities, to see to it that there is no concentration of economic power. Not only in the Five-Year Plans but in the Directive Principles of State Policy in the Constitution also they solemnly proclaimed it. And they went to the extent, in 1976 of saying that the Directive Principles must have precedence over Fundamental Rights. But the most important Directive Principle is that there should be no concentration of wealth and the existing concentration of wealth must be broken. There must be lesser disparities in wealth and income. This was the most important Directive Principle. And I do not want to quote figures. Other people have quoted figures.

The whole world knows and the Congress Party cannot today deny the fact that during the last thirty years of its rule concentration of wealth in the hands of a few monopolists had taken place and monopoly houses have grown like hell. This is something that has happened. Of course, every time they will remind, "We are going to do this, we are going to do that". It is a Government of continuous broken promises. Intentions, they say, are good. But I would like to remind them that the way to hell is paved with good intentions. You may have good intentions but that is the way to hell. The policies that you have been pursuing all these years have led to a position where greater

[Shri P. Ramamurti]

and greater concentration of wealth has taken place in the hands of the big monopolists who are interested in making as much profit as possible at the expense of the common people, by fleecing people. This has been going on for 30 years and, under some pretext or other, every time concessions were given to these big monopolists all these thirty years despite the Industrial Policy Resolution that has been laid down first in 1948 and then revised in 1956. In spite of all these things, whatever might have been stated in these Resolutions, there is one escape clause: In the interest of the country; in the public interest. So, under that escape clause, concessions after concessions have been given all these thirty years to the big business houses. I do not want to detail those concessions. When the MRTP Act was formulated, at that time itself we pointed out that there were enough loopholes in this Act for the monopoly houses to escape and in the interest of the country, in public interest and so many things the monopolists will continue to get what they want. And this is what they have been getting despite the Monopolies Commission and all that.

Today the way is further cleared. In the name of export they will be given opportunity to expand their capacity. This is the further clause. Now I would like to ask them. How is it that our export needs have been growing? Then they would say, prices of petroleum products have suddenly increased and, therefore, things have become difficult. But, after all, exports can be cut down, imports can be cut down and a lot of savings can be made by cutting down imports. Unnecessary imports are taking place in this country. As my friend, Dr. Bhai Mahavir, has given some instances, I can give instance after instance in every industry where local talent has not been encouraged, where our R and D people have been discouraged and how, despite all the ten thousand crores that have been spent on the R and D, engineering was encouraged in this

and D today we are importing capital goods. Our heavy Engineering Corporation in Ranchi is not being utilised to its full capacity. Hardly 25 per cent of its capacity is being utilised. If machines were made and if design engineering was encouraged in this country with our talented people, the imports could have been cut down and in fact there would have been no need for imports. All these years the slogan given was "Export or perish". Today what has happened is that in this country the slogan has turned out to be "Export and perish". People have exported and people are perishing. This is what has happened. You export everything. Take the sea-food, the prawn fish. If the poor people of this country eat that food, their stomach will be affected, they cannot digest it, but the Americans and the Japanese will be able to digest the prawns. Our people are not meant for fish-eating. Take mangoes. If a poor man in this country eats mango, it tastes bitter, but you export it to Saudi Arabia Plantations you export to Saudi Arabia; even vegetables you export to Saudi Arabia. This is what is happening. This is what you have reduced your economy to in the last thirty years. And whenever we point out these things, naturally, we become your first enemies, when we oppose them and mobilise the people against this policy. Today you are selling the country to the foreign multi-nationals. There is a lot of corruption in the public sector undertakings. It is not my finding. It is a finding of the Wanchoo Committee itself. You talk of the black-market economy in this country. The public sector itself is an agent for creating black money in this country through contractors. When all these things have happened, the entire people today are not prepared to believe your words and they are rising in revolt. Naturally, you have no other go but to talk of emergency. This is the main topic that was talked about in the All-India Congress Committee meeting held two days ago; and there was the Prime Minister who before becoming the Prime Minister had proclaimed sole-

only to the entire people that for 10,000 years there would be no need for emergency; but within ten months you are forced to talk of emergency. Why? These are the complusions of your policy, of your past economic policy that you have been pursuing all these thirty years, where the landlords were allowed a free hand, to do what they liked, to commit atrocities. The resources that are available in this country are cornered by these farmers and they are not utilized for the purposes of productive investment and, as a result, you go on getting foreign loans, you have to pay interest and servicing charges and so you have to export more. So go in for more and more of foerign loans, incur more and more of servicing charges and, therefore, have more and more of exports. This is the policy that you have been pursuing and the pursuit of this policy has today brought you to a position of bringing this Bill for giving more expansion facilities to the monopoly houses in order to have exports. And I can tell you, under the present conditions of the world economy—where the entire capitalist world is passing through a Stagnation but also in terrific phase of what they call not only stagnation but also inflation; and so they have coined a new word “stagnation”—they may not be able to buy your goods. In England, the other day, there was a huge demonstration of 1000 unemployed workers in Liverpool. The entire people of England are rising in revolt against them. Industries are collapsing; poverty is there. The same position is there also in the EEC countries. Detroit in the United States is today completely closed. This is the state of the world market and in this world market when you are going to export more and more, you are going to give more and more capacity to those people to exploit you.

My friend, Mr. Yadav, was supposed to support the Bill. But I would like to point out that his entire speech was in opposition to that. Not a single word could he say in your favour excepting

the formality the **manthram**, because he happens to be a Member of your party. He said, “With these words I support this Resolution.” He is a wonderful man, a wonderful person.

हमे शक है लेकिन शक होते हुए भी मैं इसका समर्थन करना हूँ।

What a wonderful galaxy? All the things he said were against this Resolution, and then he said, “Well, I would support this Resolution.” This is a wonderful case that you have got. And how my friend, Mr. Shiv Shanker, will be able to defend that position, I do not know. You must ask Mr. Venkataraman to come here and give us the figures because you are not familiar with those figures you have been a good lawyer throughout. If I had given my brief to you, you would have argued very well better than I. I do not know whether Mr. Venkataraman has given you the brief or not. All these questions are there.

This is a Bill which, under the guise of export promotion, is going to increase the economic capacity, the economic power, of the big business houses in this country, who are allied with the big multinationals. And, therefore, all the talk of self-reliance is going to be given the go-by. And this is not going to better in any way the conditions of the people; on the other hand, the conditions of the people are going to worsen. The monopolies are going to grow. My friend, Mr. Yadav, said, he was suspicious. As a result of that, he was apprehensive that the monopolists, political interference in the Government, will grow. Already, the monopolists are interfering in politics. They are today...

**SHRI KALYAN ROY** (West Bengal): Are you dictating a reply to the Minister?

**SHRI P. RAMAMURTI**: Who?  
**SHRI KALYAN ROY**: The Minister.

**SHRI P. RAMAMURTI**: He would not be able to reply today what is happening is that the monopolists, are already deciding the policies, and their influence to do so will increase. The World Bank is deciding our policy.

[Shri P. Ramamurti]

As he said, there is no self-reliance with regard to the Vijayanta Tanks. Even the tank technology, in 30 years, could not be developed. That is the state of affairs in the country. When we say, this, our Prime Minister will come and say, "You are degrading the engineers". We are not degrading the engineers. Our complaint is, "You are not utilising our engineers and our scientific talent and all that." Not utilising them, you have got to grow more and more dependent upon them. Apart from that, what about the Centurian Tank? You are going to sell 200 Centurian Tanks. That you have got. There is a proposal already pending with the Government. And you are going to purchase tanks worth Rs. 1300 crores whereas Israel could retrofit the Centurian Tanks and said that they gave good work in the Arab-Israeli War. The other countries have retrofitted them. We cannot do that. It is a simple matter. Still, money is involved in this. Let us not forget that in every transaction there is money involved. Somebody in a good position has got to get that money, and he monopolises the whole thing. I do not know who he is. I am not blaming a particular person. But the fact remains that money is involved in everyone of the foreign purchases. And therefore, the foreign purchases are preferred to the development of the indigenous industry. This is what is happening in this country.

Then, you will talk, "We are also going to expand the small scale sector." The capacities of the big industries are already developed, already increased. Under the new Industrial Policy Resolution placed before the House in which you have not debated either in this House or in the other House—even without debating and even without getting the sanction of Parliament, you have already started implementing that Resolution. You have allowed automatic expansion to the extent of 50 per cent and further expansion of 25 per cent of these big business houses, and now, in the name

of exports, you are going to allow much more expansion. It will be even 100 per cent or something more within a course of five years. If the capacity of these big business houses is increased by 100 per cent, what will happen to the small-scale industries of which you are talking so much? The small-scale industries will be at their behest. They will have to depend upon these big industries for raw materials. For industrial raw materials they will have to depend on them. For example, take soda ash. Tatas and Birlas and half a dozen companies make it and the small-scale industries are to depend on them. For polyester fibre yarn, the handloom weavers have to depend on them. For art silk, they have to depend on Birlas. And now their capacity will be expanded. What will happen? The small-scale industries which are already getting closed will be further closed. And as a result of this, the discontent of the people in this country will certainly grow. And despite whatever you might say or do, the people will certainly rise up. Even the worm will turn. There is a time when even the worm will turn. The people have been fed on promises for the last 30 years. The people cannot be fed on promises any more. The people today are awake. And therefore, when they rise, you come and say that the Opposition parties are not behaving properly and that the Opposition parties must know to behave properly.

SHRI SYED SIBTE RAZI (Uttar Pradesh): It is a fact.

SHRI P. RAMAMURTI: How are we to behave? And among the opposition parties, the CPM is the biggest enemy, enemy No. 1. I can very well understand it. On the question of foreign policy, the CPM today stands for an independent policy which is more or less in tune with the policy pursued by the Government. On the question of fighting communalism, you cannot find any party more wedded to fighting communalism than the CPM. And you talk so much about fighting communalism. On the question of Assam, on the

question of the north-eastern States, on the question of national integration and keeping the unity and integrity of this country, you cannot find doughtier champions than us. And yet you say the CPM is enemy No. 1. This was the talk in the AICC meeting because there comes the class basis. In terms of class interests, the CPM happens to be the biggest enemy because it stands on a class basis, on the basis of the down-trodden people in this country, on the basis of the working class, on the basis of the peasantry and on the basis of agricultural labourers. It is on that basis that we stand, and whatever is inimical to their interests we will fight to the last. Therefore, we are not bothered by your talk. When the class question comes up, when the class interests assert themselves and comes to the forefront, then the fact that we are together in the fight against communalism, that we are together in the fight for national integration; which today is the most important problem in this country, all this fades into insignificance. Only the class interests come in to the forefront. That is why in the All India Congress Committee meeting, many of your people have gone on saying that the CPM is the number one enemy. I can understand it. I don't blame them. But yet, I would like to say that we have grown in this country not because of your sufferance. We have grown in this country not because of your patronage. We do not depend on your patronage. We have grown in this country despite the fact that the two biggest Communist Parties in the world at one time or the other opposed us and abused us. We have grown in this country without any Communist Party of the world even recognising us. We have grown in this country facing your repression. And we will continue to grow because we are having our feet among the people and because it is the people's interest that we champion.

Therefore, Sir, all that I would like to point out is that this fig-leaf of export promotion is a bogus argument. The real thing is, they are succumbing to the demands of the big business

houses. The Government wants to sugar-coat that by saying that this is for export promotion. It is not going to help in any export promotion. But it is going to lead to the strengthening of the big business houses in the country. Therefore, it is in the interests of the people that I oppose it. I would appeal to people like Mr. Yeday to put their hands against their hearts and find out if this is not in the interests of the big business houses. And if they see that it is in the interests of the big business houses, let them vote accordingly if they have any conscience. Let them not think of party discipline where the country's interests are concerned. Therefore, let them on the other side put their hands against their hearts and find out whether this is not in the interests of the big business houses, and on that basis, vote it down. Then they will be real patriots. Otherwise they will be sycophants. Thank you.

DR. (SHRIMATI) NAJMA HEPTULLA (Maharashtra) Mr. Vice-Chairman, speaking on the Monopolies and Restrictive Trade Practices (Amendment) Bill I support the stand of the Government in this regard. Apart from the global oil situation prevailing in the world, the present war between Iraq and Iran has accentuated the situation. Though the Commerce Minister is not present here at the moment, he would agree with me and support my statement that this is causing a great burden and draught on our foreign exchange resources. These two countries, Iraq and Iran, have not been able, more so now when they are at war with each other to meet our demand when they are at war with each other and we have to make on-the-spot purchase of oil in the open market. It has, therefore, become essential that we should now increase our exports for earning foreign exchange. The suggestion of the Tandon Committee has become very important in the present situation and we should give priority to exports and we should put in our best endeavours to increase our exports, to earn the much needed extra foreign exchange. Today we export

various kinds of industrial and consumer goods to both the underdeveloped and developing countries as also the developed countries. In this field we have to compete in the international market. And to be able to market our products, we should produce the best quality goods which are up to the standards of international demand. For example, when we produce a car meant for export, we cannot produce a car which is ugly or the design of which is obsolete. This is not the home market. We have to produce it in accordance with the requirements of those who buy it. They have got a choice and when they pay for it, they are not buying our goods under any obligation or necessity. Therefore, it is imperative that we should improve the quality of whatever goods we are producing for export. It is therefore a healthy decision the Government has taken to allow monopoly houses to go in for export-oriented goods. I feel by this the monopoly houses which are not running to their full capacity and some of them are not, in fact—would be able to run to their full capacity. This will generate more jobs also. They might also be allowed to increase their capacity or modernise their present industry to meet the export market demand which will on the one hand, get us more foreign exchange, and on the other hand at the home front, will create more jobs for the unemployed. This might help in reducing unemployment to a great extent. I would also say that this will cut short the long and tedious procedures of getting permission from the Government due to bureaucratic hazards: certainly no export demand will wait for months and years together. While supporting the stand of the Government on this issue, I would like to mention that our Government should be very careful and vigilant that the concession which is being given to the monopoly houses should not be misused and these monopoly houses, whatever they are producing for export purposes, should never be allowed to sell the

Another important point I would like to mention over here is that these monopoly houses should not be allowed to expand even for export in respect of those items which are already being exported by small export houses because this will interfere in the working of the small scale units. We certainly do not want that these small export houses to be interfered or bogged down by big monopoly houses. As Mr. P. Ramamurti in his eloquent speech, point out these people might take advantage of it and would try to create an imbalance in our policy. One of the able Members of this House mentioned in his speech that by making this agreement we are going away from the path and policies of our great leader, Jawaharlal Nehru. I would like to mention here that it is a fast changing world and the conditions prevailing now are quite different from those days when there was no oil crisis, trade deficits which have made it absolutely necessary now to make such amendments to our policy. Our trade policy is directly related to the international market and demand. Hence we have to make amendments accordingly. This does not certainly mean that we are diverting ourselves from the path of our great leader, Jawaharlal Nehru. As a matter of fact, who knows if he were alive he also might have taken this healthy step. With these few observations I fully support the Government's stand.

श्री नरसिंह प्रसाद नन्द (उड़ीसा) : बिल पास हो गया क्या !

**THE VICE-CHAIRMAN (SHRI ARVIND GANESH KULKARNI):** The clapping is compliment to the Speaker.

SHRI NARASINGHA PRASAD  
NANDA: I too should have joined in  
the compliment.

THE VICE-CHAIRMAN (SHRI ARVIND GANESH KULKARNI): You can join now. Now you can clap.

SHRI SHIV SHANKAR: You must understand that it was a maiden speech.

THE VICE-CHAIRMAN (SHRI ARVIND GANESH KULKARNI): Mr. Kalyan Roy, you also give compliments to her, my dear friend. Mr. Kalyan Roy.

SHRI KALYAN ROY: I too clapped.

I speak not only on behalf of the CPI, but I think I am speaking on behalf of the working class and all national minded people of this country as a whole, when I say that we are totally opposed to this Bill, lock, stock and barrel. The Bill is not an ordinary one. It is a massive assault on the whole conception which was long ago preached by the Government regarding the dangers of concentration of economic power in our country. Not that the Government was doing anything positive to check concentration of economic power because during their regime big business grew bigger and monopolists have accumulated much more assets. But at least they used to pay lip-service to it. Now comes the crude knock-out blow to the situation.

One of the outstanding economic journalists of the country, Mr. D. K. Rangnekar, Editor of *Business Standard*, who, as the Minister knows, has nothing to do with the leftists' movement, in a reference to this Bill and the Government's latest policy decision to allow automatic expansion to big business houses says:

"Can the company in its present stage of development afford frequent changes in the strategy of development? Can it stand an about-turn without costly distortions and excessive social cost?"

It is an about-turn, a *volte face*, which is total. And that is why, Sir, I say

that it is so sinister, so frightening and that is why it has evoked such strong protests and indignation.

Sir, the Prime Minister met the top trade union leaders on the 1st of July, 31 of them, and I was one of them, and we pointed out the problems of industrial growth. In that meeting, Sir, the AITUC representatives, the INTUC representatives, the CITU representatives, the HMS representatives, the representatives of the Defence Employees Federation, representatives of the miners' federation, representatives of the dockers, of the railway employees, of the insurance people, of the bank employees, of the port employees, etc. were present and we were there for four hours and she listened to us quietly. Till today, Sir,—we do not know why—from the 1st of July to the end of December, no steps has been taken and, no follow-up action has been taken. Has any action been taken or has any follow-up action been taken at all? We made concrete suggestions, immediate suggestions, short-term suggestions, and yet, Sir, not one suggestion has been implemented since we met the Prime Minister on the 1st of July in the room in the Parliament House. But the Prime Minister also met the captains of industry, the magnates of the industry on the 16th August and the representatives of the Chambers of Commerce and Industry from all over the country were present and they pointed out certain difficulties, difficulties which they have been pointing out for the last thirty years, and there is nothing new about it. By October or November, Sir, we find that 30 of their recommendations have been implemented, either in relation to automatic expansion of capacity up to the final knock-out below to the economy or in relation to other things. So, Sir, I say: Let the Government come out openly and let them not fool themselves, because they cannot fool us and they are not fooling us. Let them be honest at least. That is why I say that they never believed in the MRTP Act; they never believed in it. As a matter of fact, in their 8th Re-



[Shri Kalyan Roy]

port, the MRTP Commission themselves have admitted that they have failed to play an effective role in curbing the restrictive trade practices. This is why they say:

"We have been handicapped not only because of certain legal limitations, but also because of lack of information and knowledge which would have undoubtedly helped us, but which we have not been able to get owing to inadequate infrastructure."

This is what the MRTP Commission says in its Report. The Report notes:

that the Commission is actively engaged in studying the infrastructure needed by it. Should it succeed in building up the proper infrastructure, it would be in a position to prepare the annual reports stating the state of competition and the amount of concentration in the Indian economy which operate to the common detriment. As yet, there does not appear to be anything more effectively done for in this respect excepting the concern expressed by some sections of the public or voiced in Parliament."

Sir, it says that the Commission has been considerably handicapped in a way in which cases have sometimes not been properly investigated and presented to it either by the Director of Investigation or the Register of Restrictive Trade Agreements despite their best efforts. It says:

"The handicap experienced was chiefly due to the absence of data of the kind which is necessary for the Commission, but which it does not have. The Commission feels that if the officers of the Registrar of the Restrictive Trade Agreements and the Directorate of Investigation should be staffed by sufficient persons possessing required legal qualifications and skills, not only would the two officers be able to present the cases more effectively before the Commission, but the Commission

also would derive much greater assistance and spend even less time on the cases than it has spent for want of such assistance."

Sir, this is the pathetic state of affairs so far as the MRTP Commission is concerned. Even this is not going to solve the problem, I tell you. So, in the name of giving concessions, in the name of building up our export trade, you have given massive concessions, one after another, since the March Budget. Sir, the whole background is sinister and that was why I had to mention about the total ineffectiveness of the MRTP Act and the literal weeping of the MRTP Commission.

We can shout in Parliament, but we cannot do anything about it. It only indicates the shape of things to come. We are warning that this is not the beginning, this is going to be the future policy of the present Government towards concentration of economic power and wealth. Sir, the whole tragedy is this. All the Cabinet Ministers go to receive Comrade Brezhnev at the airport. That is all. But they allow the multi-national and the big business and the World Bank to enter into their bed rooms. Brezhnev is received at the airport and the multinationals are received in the bed rooms. (Interruptions) That is the policy that is being followed by the present Government which is responsible for the mess in the entire economy. Sir, I would like to understand from the Minister, when the MRTP Act was enacted, was it meant that it would allow concentration of wealth for export purpose or the MRTP Act is to be acted upon only within the four corners of the country? I ask this because if you allow any particular unit to expand and get away with it it leads to, nevertheless, concentration of wealth, concentration of power, which definitely, Sir, as you know, go against not only the interests of the country but against the basic interests of the private sector which actually depend on the small-scale industries. So my

charge is, you are scrapping the whole MRTTP Act, going back, allowing the big business to have a free movement, to destroy whatever have been built in this country.

Secondly, it is pointed out that it is for the export trade. Now, Sir, we have discussed the export trade for three hours today in the House. I do not want to go into it. We have discussed the reasons of declining export trade, rise in the balance of trade deficit of nearly Rs. 4200 crores; all that we have discussed today. It was found that it was not only the oil prices which have gone up but prices of other commodities have gone up. How will this concession to the big business help to improve your export trade? We will like to be convinced about it, because it does not depend upon you whether there is recession in other countries, it does not depend on you whether Mrs. Thatcher or Mr. Smith will allow you to export more. There is declining employment. In England, it is 3 millions—even eliminating and ousting these Europeans who came to these countries. Thousands of people from Turkey are weeded out and thousands working in Germany are asked to quit, and so on. How will this concession improve the condition? I do not know. How is it going to help you, Mr. Shiva Shankar, to pick up export trade? Will it not have any adverse effect on the national economy? (*Time bell rings*) This is the danger. How are you sure that they are going to export the additional production abroad? You have given all the concessions—the incentives, the subsidies, the income-tax preferences, export allowances, then free foreign exchange for the groups to go abroad; you have given everything. But is it the reason that the balance of payment is further worsening and you are going to the I.M.F. Even last week, Mr. Venkataraman in the other House said that Rs. 800 crores is not enough and they will have to go to the IMF to plead for further assistance and aid. Is it a pre-condition that you will have to give concessions to mo-

nopolists or big business in order to get assistance from the IMF? This is a very serious question we are raising. I am forced to point out again to the danger of our giving in to the pressures of World Bank. It seems that the schemes of the World Bank are now being implemented without any protest. Sir, I am again quoting:

“According to the World Bank’s projection, India’s trade deficit will swell to Rs. 5,200 crores (\$ 6.5 billion) by 1982-83 as against the Planning Commission’s estimates of Rs. 3,500 crores. The Bank has estimated that by 1982-83 export earnings will rise to \$ 12.15 billion and imports to \$ 18.65 billion.”

The World Bank thinks that India is now one of the hardpressed “Third world countries.” They further think that when India comes and approaches the International Monetary Fund and the World Bank for further assistance, they would tell India about it. The World Bank bosses served notice on Indian officials that its future aid programmes would be increasingly linked with its new scheme of ‘structural adjustments’ in the economy. Is it one of the structural adjustments, Mr. Shiv Shankar? Is it one of the demands of the World Bank that you are putting up with? They demand structural adjustments. The position is this that you are giving way to the World Bank, the same way, as you did in 1973-74. Under the pressure of the World Bank the same economic policy is coming back. (*Time bell rings*) As Mr. Ramamurti pointed out without any burqa now your aims are very clear. I only want to point out that the IMF and the World Bank have aided three countries in the last six months. They have given massive aid, exactly what Mr. Venkataraman wants now. These countries are Kenya, Bolivia and Turkey. They have declared that they are going to give massive aid to very progressive democratic countries such as South Korea, Thailand,

[Shri Kalyan Roy]

Senegal, Barbados, Morocco and Malawi. All these countries have been consistently opposing the non-aligned countries. Consistently opposing India and the progressive block in the United Nations consistently allowing the multi-nationals to enter their countries, and they are consistently for the multi-nationals. So you have got to see the international position as it is. How can you get away from it? This is what the World Bank wants. These countries have done it. They have reduced their import restrictions allowed the western countries with foreign imported things and they have cut down their spendings on public sector. (Time bell rings.)

THE VICE-CHAIRMAN (SHRI ARVIND GANESH KULKARNI): Please finish now.

SHRI KALYAN ROY: I am finishing. They have allowed the multi-nationals to set up factories in their countries. As a result, they got the concessions. My final comment on this Bill is that this Bill is neither going to help your export trade nor is it going to help you to reduce your trade deficit. As Mr. Ramamurti pointed out, the disparity inside the country, social costs, tensions inside the country, conflicts inside the country and the irritation inside the country will create a mess and push you to the extremist camp.

SHRIMATI SUSHILA SHANKAR ADIVAREKAR (Maharashtra) Mr. Vice-Chairman, Sir, the latest hike in petroleum prices and the Gulf War have not only disturbed our import-export trade balance, but it has put us a process of rethinking in this direction. So, it is in the fitness of things that in the present situation the hon. Law Minister has brought the amendment to the Monopolies and Restrictive Trade Practices Bill. This has also been recommended by the Tandon Committee.

SHRI KALYAN ROY: Don't tell us that you are supporting it. Sir, she is the only progressive left in that camp.

(Interruptions).

SHRIMATI SUSHILA SHANKAR ADIVAREKAR: Sir, it is in this context that we wholeheartedly welcome this Amendment to the Act which we hopefully think will be able to promote export of industrial products to earn more foreign exchange.

Sir, the MRTP Act did not come up without much thought. It had a bearing of socio-economic perspective for our country, and this Amendment also has the same logic behind it of serving the larger social and economic purpose. So, Sir, it is not at all a case of broken promises but it is a case of continuity of the promises that we have made to the people. Sir, I am only afraid that expansion of big houses to increase the capacity for export may hurt the small-scale sector. As it is, the small-scale sector has its own restraints and limitations and this might affect not only the performance of their export promotion programmes but it may also adversely affect their share in the domestic market because the large scale production will increase competitiveness in the domestic market which I doubt how far the small-scale sector will be able to stand. And I hope precautions will be amply taken to safeguard the interests of the small-scale sector. But as far as the export objectives are concerned the Government and the industry should be bound together and it is no use snipping at each other specially when we are eager to have certain economic developments and we want to reach these targets. Sir, the corporate sector has to follow certain strict ethics in their business, and the Government should also be strict disciplinarian to see that they are properly maintained. In the past, Sir, we have been very

liberal with large business houses, specially those connected with the multi-nationals, Sir, to cite one example, which is a very well-known example, there is the case of the Britannia Biscuits. The no-profit domestic bread production has been assigned to the public sector, the Modern Bakeries Limited, while the British Company was allowed to produce high profit biscuits to the tune of five times of the licenced capacity. And then we listen to the off-hand condemnation of the public sector enterprises by the private sector. Sir, it is very surprising that the bureaucrats working in the Company Law Department and the Udyog Bhavan are harsh with the small Indian firms but are subservient to the interests of local and foreign big business houses. Sir, it is a well-known fact what role these vested interests are playing. But if we are going to be the victims of the vested interests also well, I just wonder how we are going to give justice to the common people. Fortunately, Sir, our new Government is fully aware of it and I understand the anxiety of the new Government to tone up the industry and the economy of the country. The 27 months of Janata-Lok Dal rule has ruined the economy by putting it into the rear gear. The entire MRTPC apparatus was made ineffective by these two Governments. During the Janata rule, the MRTP Commission allowed a worse kind of syndication. Again, Sir, I will give one example to make my point without going much into the details. That is the contract between the Association of Advertising Agencies and the IENS. In the absence of proper leading, the DAVP lost the case. Now I would like to draw your attention, Sir, to a few items which have slackened down the working during the Janata rule and which requires vigorous toning up. *(Time bell rings)* Sir, give me two more minutes. The Directorate of Investigation of the M.R.T.P. Act move very slowly. The Udyog Bhavan rarely used to refer any cases to the Commission before issuing licenses. The number

of prosecutions launched have decreased. The disposal of the cases has also declined. The representation to the court for protecting minority interests or about the mismanagement of the companies, although having a special provision in the law, was hardly being used during those days. And the fine for the contravention of the provisions was so light that it has lost its meaning absolute. Sir, these are a few of the many things which the hon. Minister will have to set right.

Now, there is another case which I would like to refer to here. It is very surprising that the house of the Tatas in a camouflaged way was allowed to acquire the Readers Digest and now they will come with a million-copy Hindi edition of this American reading material to be given to the Indian people. Sir, this makes think twice. I would like to ask why proper investigation is not made before giving licences. So, I would like to suggest to the Hon. Minister to consider building up a good industrial and corporate information system and to promote a national economic intelligence corps to prepare continuous situation reports for the Ministry before issuing these types of licences. If there are any violations, the Government should not hesitate in taking stringent action against such business elements irrespective of their being big, large or dominant.

Sir, there are fears and apprehensions expressed over further concentration of economic powers by some sections; though I do not agree to it, but even then, this could be counter-vailed through public financial institutions and by nominating right type of people on boards of large companies.

Another amendment which I would like to suggest for the hon. Minister's consideration is giving representation to minority shareholders and statutory place for Government nominees

[Shrimati Sushila Shankar Adivarekar]

on boards of all large and dominant undertakings and also include workers' representatives on it.

Sir, I would like the hon. Law Minister to use his good offices to convey our request to the Commerce Minister for channeling selected items of industrial products for exports through public sector companies as we are not getting fair price for our exports because of the multinationals and the lure of our businessmen to bank balances in some safe countries. This poses a danger to upset the trade balance and exchange reserves by invisible imports and smuggling.

Sir, a country like the USA has a much more stringent state monopolies and cartels than we have. But it has not curbed the exportability of the American manufactures. So, I would like the hon. Minister to see that our small sector exporters are also equally encouraged.

Lastly, Sir, I would like to request the hon. Minister to consider the suggestion of creating more bonded export processing zones and then invite the big business houses to build up new capacity in such areas, as it has been done in the Santa Cruz area near the airport in Bombay for the electronics products. I think this will definitely give encouragement to export promotion.

Sir, with these few observations and the few remarks that I have made, I am sure that this amendment will go a long way to increase the new capacity of export promotion and I hope that the Government will take care of the small scale sector also.

श्री शिव चन्द्र झा . उपभाष्यक्ष  
महोदय, इस विधेयक को डस्ट बिन में  
फेंक देना चाहिए, इसलिए यह बहुत स्किल  
फुल वे, स्किल्ड, सटल वे या चोर दगाजे  
बैक डोर से लाया गया है।

This Bill is a stab, a forceful stab in the back of whatever is good in the Industrial Policy Resolutions of 1948, 1956 and whatever was said by Pandit Jawaharlal Nehru in his introduction to the Third Five-Year Plan. Here is the Third Five-Year Plan in my hands, Sir, and I do not want to quote from here. I am only putting before you the gist. It says.

"Excessive economic power in relatively few hands disturbs the balance of power in democracy."

It disturbs democracy, mere concentration of power in the hands of a few is there to disturb the democratic framework, let alone exploitation and other things. This is what happened in Germany and other parts of Europe in the 1930. Eventually, fascism came into picture. There were other factors also but eventually it led to the fascist movement.

Sir, the original intention of the MRTP Act is to curb monopolistic trade in the economy but by this Bill, the hon. Minister wants to say: No, we are not going to nullify its effects or destroy the original intention of the Act. And here in the statement, how skillfully he presents this idea? He rather misreads the elementary economics and he wants us to misread the elementary economics. I shall point out how he is making us to misread the elementary economics. What he wants to say is that the intention of that Act is to prevent dominance or monopoly only in relation to goods made available within the country. If the goods are available, and if there are monopolistic trends, those trends are checked by this Act. That is the real meaning that he wants us to understand. By this Bill he says that that intention of the Act would not be affected, and the original intention of the Act would be same and we do not have to worry that it will nullify the M.R.T.P. Act; I want to point out how elementary economics is being destroyed and I would like

the hon. Minister to explain it. Now, suppose, a firm is producing goods for internal consumption. It rather gets another advantage in the sense that whatever is produced for exports, would not be included in its produce for domestic consumption. When that firm finds that it would not be included in computations, it will start producing more and it will set up more and more industries which will produce only those goods which will be exported. So, the resources of the country will be diverted to those goods and commodities which would be exported for which, through this Bill, you are giving them more privileges and facilities. So, obviously, internal consumers would be affected. Suppose, the Birlas find that by exporting these goods, they would earn more profits. Instead of one industry, they would set up 2 and 3 industries because by this Bill, they will not have any restriction and, therefore, the resources which would have been utilised for internal consumers, would be diverted for production of goods for export. Thus, the internal consumer would obviously be affected. Industries to produce goods for internal consumption would not be set up; rather export-oriented industries would be set up. Therefore, how can you give a verdict whether internal consumers would be affected or not? Only internal consumers would be affected. The resources would be diverted to these industries. This is the elementary economics, which you are misreading or you are making us to misread.

Secondly, there is the question of prices. Let us say, a firm produces hundred units. Let us say again, fifty are exported at present. When this amendment comes into force, it will find that it will be more profitable to export sixty units. It will start doing so. In such a case, only forty units will be remaining for internal consumption. Now, how are the prices determined in an economy? If you take the free economy, free competitive economy, you will find that marginal

cost determines the price. Monopoly considerations are there. But there are other factors also. In the example which I have given if only forty units are left for internal consumption, naturally, the prices would be raised. In the first place, the supply would be affected in the internal market by diverting these resources. The demand would be more, the supply would be affected and automatically, the prices would go up. In the second place, if items which are being produced are diverted for exports, automatically the monopolists would raise the internal prices because a lesser quantity would be available for internal consumption. In such a case, naturally, internal prices would go up. This is the elementary economics. The moment they are given facilities, internal consumers would be affected and this is not the intention of the original Act. The hon. Minister says that the original act would not be nullified and would not be affected. By this amendment, on the contrary, the aim of the original Act would be defeated, monopoly houses would be given much more incentives and there would be more concentration of economic power in the hands of a few. Eventually, this would affect the whole framework and would be against the aims and objectives of our founding fathers of the Constitution, including Pandit Jawaharlal Nehru. They wanted that there should be no concentration of power in the hands of a few. This amendment would only sabotage the ideals of Pandit Jawaharlal Nehru. It is not too late even now to withdraw this Bill. Better late than never. This would not be bad on your part. After all, this is the land of Mahatma Gandhi. You can say, 'This was a mistake on our part'. Personally, I have moved an amendment that this Bill should be referred to a Select Committee. But this would also be only tinkering with the whole problem. The best thing would be to withdraw this Bill. Sir, I oppose this Bill tooth and nail. In fact, if you allow me, I can tear off this Bill

[श्री शिव चन्द्र ज्ञा]

here before you. With these words, I oppose this Bill.

SHRI SHIV SHANKAR: Sir, I speak with anguish that the right to speech in this case has been converted into a licence to speak anything but about this Bill. What is regretted is that they have not gone into the main questions, as to what exactly is the amendment which is sought to be brought by this Bill, what are the provisions which are sought to be changed by this amendment, whether it really creates a monopoly, whether it really creates a monopolistic tendency to strengthen the hands of the multi-nationals; nothing has been given a serious thought. But forgetting about the amendment, forgetting about the crux which this amendment brings into this Act, speeches have been made only on the periphery, without reference to the amendment itself. It was said that the object of the Act of 1969 is sought to be defeated. It is also said that the Directive Principle of the Constitution is sought to be seriously affected and jeopardised. Before I advert to these aspects, in a lighter mood, I must say that while hearing the speeches, I developed sore throat. By speaking more, I would not like to affect myself to much. But nonetheless, I will meet the relevant points which are absolutely necessary to explain the situation.

5 P.M.

Sir, the hon. Members are aware that 'dominant undertaking' is defined in section 2(d) of the Act. In two parts of that clause it says: (1) That 'dominant undertaking' would mean an undertaking which produces supplies, distributes or otherwise controls not less than 1/3rd of the total goods of any description that are available in India, and (2) provides or otherwise controls not less than 1/3rd of any services. That is the definition of a 'dominant undertaking'. If supposing a particular quantum of goods is produced in the whole country—I am only giving an illustration—and if an

undertaking produces more than 1/3rd of those goods or controls them, that is sought to be a 'dominant undertaking'. Likewise, when it comes to the question of monopolistic undertaking, it refers to one half instead of one-third in the same vein and in similar language. What is sought by this amendment is that an undertaking, which as on today is a dominant undertaking or a monopolistic undertaking, if it exports goods to a foreign country, then that much of quantum will not be reckoned for the purposes of coming to the conclusion whether it is one-third in the case of the dominant undertaking or whether it is one-half with reference to the monopolistic undertaking. That is all the purpose of this amendment. As on today also if the hon. Members who have directed the scathing criticism, were to read a little more carefully section 21 of the Monopolies and Restrictive Trade Practices Act, a dominant undertaking or a monopolistic undertaking, within the meaning of section 2(d) or 2(j) should still apply to the Government for the purpose of expansion and the expansion will have to be granted, having regard to the guidelines that are already there either in the Act or in the rules. It is not as though today the position in that whether it is a dominant undertaking or a monopolistic undertaking, it can not expand at all. That is not the question. Even today, as it stands, the law enables a particular person to file an application seeking expansion, which has got to be considered according to the guidelines and the rules that are already framed.

What is sought to be done by this amendment is, the lengthy procedure which is to be followed under section 21 and which consumes a lot of time and as a result of which the party's interest gets, on more than one occasions, deflated—it is to get over these procedural mazes, this particular amendment is brought about. This particular amendment has been brought in having regard to the unfavourable balance of trade and the unfavourable

foreign exchange reserves that had come to occur because of the rise in the crude oil prices. Sir, if the procedure is sought to be got over, if the procedure is sought to be simplified and in the process of simplification, if an impetus is given to the export process backed by a favourable balance of trade, I am not able to understand as to how the object of the Act is affected, or how the Preamble which has been read by one of the hon. Members or the Directive Principles are affected. The whole question is if this much is the quantum which is being exported, it is sought to be excluded.

SHRI SHIVA CHANDRA JHA: The consumer would be affected or not. That is the question.

SHRI SHIV SHANKAR: I am explaining the situation because you have not read the amendment. I am trying to explain what the purport of the amendment is. I would have very much wished that you had read the Statement of Objects and Reasons because each paragraph explains clearly the position. But you ..

SHRI SHIVA CHANDRA JHA: I have read it.

SHRI SHIV SHANKAR: But you do not understand it. That is the whole difficulty. So I have to make you understand. The whole point is this.

SHRI SHIVA CHANDRA JHA: Will the consumer be affected or not?

SHRI SHIV SHANKAR: I do not know where from... (*Interruptions*) In fact,, I was getting slightly amused when my friend was trying to say: "Look, different things will be produced. If hundred goods are produced, and 50 are exported, then 60 and so on. . . ." Perhaps that is not the question

SHRI SHIVA CHANDRA JHA: That is the question, Sir, If the prices

go up, it will affect the consumer. This is the most elementary thing.

SHRI SHIV SHANKAR: Please listen to me. It seems to be a novel definition of a 'dominant undertaking' and a 'monopolistic' undertaking which I cannot understand. The point is, a particular good, supposing it is available hundred per cent either for production or services, and out of that if one-third is produced, say, by one undertaking, such an undertaking is a 'dominant' undertaking. Such an undertaking is a 'monopolistic' undertaking if it is more than 50 per cent. Then the question is, out of these very goods, for the purpose of reckoning whether it is a 'dominant' or a 'monopolistic' undertaking, that part or that quantum of goods which are exported are sought to be excluded from within the purview of this one-third or half. That is the point.

SHRI NARASINGHA PRASAD NANDA: Mr. Minister, the point is if this one-third goes and is siphoned off to the export channel, this particular monopoly may escape from the definition of a 'dominant undertaking'. That is the point being made by the Member of the Opposition.

SHRI SHIV SHANKAR: You are making some good point which I will answer. They have not made that point unfortunately.

Now, Sir, the point is this. In the process of what is termed as 'siphoning off', it is a case of more manufacturing of goods, more potential for the purpose of the labour, more potential for the growth of the economy. As I said, already section 21 is there. The whole thing that is sought to be siphoned off, for the information of the House, is the complicated procedure that has to be followed if an application is filed under section 21.

SHRI NARASINGHA PRASAD NANDA: Now you are simplifying it. If you siphon off to the export



[Shri Narasingha Prasad Nanda]  
channel, the internal market will collapse.

SHRI SHIV SHANKAR: How?

SHRI NARASINGHA PRASAD NANDA: Because that will draw more profit.

SHRI SHIV SHANKAR: I am only sorry my friend. I would request you to read the Bill because I cannot understand this logic which has no legs. At least if there is a sequence of events for a logic, I can understand the philosophy behind the logic. I cannot understand this. But the position is this.

(Interruptions).

SHRI SHIVA CHANDRA JHA: He is not explaining the situation. He is confusing the whole House.

SHRI NARASINGHA PRASAD NANDA: Let him conclude, anyway.

SHRI SHIV SHANKAR: It is impossible for me to convince the die-hards. Those who would like to speak for the sake of opposition, I cannot convince them. If logic has anything to say in the understanding of matters and getting convinced, perhaps, I could have done something, but if they speak just for the sake of opposition, I cannot help it. (Interruptions) I think the best thing is that they could listen to me. I have heard them and I have not disturbed them when they were speaking. Therefore, it is better, instead of arguing across the benches, if they could hear a little, perhaps, and I could make a little contribution which would be useful to them.

Now, Sir, when it comes to the question of Preamble, the Preamble has been read by one of my friends.

SHRI P. RAMAMURTI: How long will you take?

SHRI SHIV SHANKAR: I would like to be as short as possible—if only you

people do not interrupt me. Because, you can speak whatever you like. If I speak relevance, you have objection.

SHRI P. RAMAMURTI: No, no. I am not objecting. Only I want to know how long you will take.

SHRI SHIV SHANKAR: I will be as short as possible, if only you will listen to me patiently.

Sir, if the Preamble to the Act is read, this is with reference to the operation of the economic system resulting in the concentration of economic power to the common detriment. That is most important. Now the question is, that quantum of the goods which are manufactured for the purpose of the export, how does it affect "common detriment"? That part of it has not been followed. What is said is: Look, it will be an operation of economic system which will be concentrating in the hands of... But then you have to read the whole thing. Likewise, the relevant article will be 39 (c), that is, "that the operation of the economic system does not result in the concentration of wealth and means of production to the common detriment;" That is what is most important. Here is a case where whatever has been exported goes to a foreign country. It has nothing to do with the common detriment of the people here and then it helps in the sense that it would enable a favourable balance of trade and the foreign exchange reserve development process which would ultimately help the country. Instead of that if merely because the amendment has been brought by the Treasury Benches it has to be opposed and, therefore, to say whatever you like and say anything and every- except the subject proper, I think, thing seems to be the privilege of the other side only.

Now, Sir, arguments have been addressed with reference to the fact that the present Bill is contrary to the Act. Sir, the background that I have already put forward would clarify the position that far from saying that this Bill is contrary to the original Act, it

rather advances—in my submission—the cause of the object which the Act itself seeks to achieve, and this position becomes clear if the amendment that is sought to be brought in is understood in the proper perspective in which the amendment is sought to be brought in.

Sir, arguments were addressed and an assurance was sought, as to what happens to the goods exported if they are imported and are again brought into the country for the purpose of sale. The simple answer that one could give is, if they are brought back they will get added for the purpose by one-third or whatever it is and then that will be in the teeth of the provisions of the Act. That would be a very simple answer. Now, Sir, some of the friends have used very good catch-phrases and said that this has affected the socialist goal. It is difficult to understand it unless you concentrate the provisions and try to understand the basis on which the whole amendment is sought to be brought in. On the periphery, it is easy to comment and criticise the amendment, but once you dive deep, it is difficult to criticise it. I would submit that, having regard to the present exigencies where we are already getting depleted with the foreign exchange and where a lot of imports have become absolutely necessary, particularly of the crude oil, an approach has to be taken consistent with the goal that has been set in the Constitution for a welfare State, an egalitarian society coupled with a socialist society that we would like to usher in. I am unable to understand it on the basis of the logic advanced. If emotional speeches are made and emotional arguments are advanced, I would say I am not here to answer them. I am here to answer the rational speeches which have a link with the object of the amendment or the core of the amendment. So, based thereon, I would submit that, so far as this Bill is concerned, it does not in any way affect either the core or the conscience of the Act. It subverts the objective of the Monopolies and Restrictive Trade Practices Act of 1969.

Certain extraneous arguments have been addressed as to why an Ordinance. Sir, it is a matter for the Founding Fathers who thought that article 123 must have some way. If within the sweep and within the pre-conditions of article 123 an Ordinance could be brought, then it would be a mere political gimmickry to criticise an Ordinance only a political advantage would be sought to be taken. They may say, "Look, article 123 is used in certain circumstances." Nonetheless, all our friends cry hoarse on the question "Well, the Constitution should be implemented." If that legislative power which is enshrined in that article is sought to be used on the pre-conditions satisfying, about which I have made clear in the Statement of Objects and Reasons, what can be the objection? It is said, "Having regard to the urgent need to step up our export earnings, to meet the balance of payments deficit likely to arise from increasing" imports of crude oil and oil products, this Ordinance was issued. Now, if it could satisfy the pre-conditions that are laid down under article 123, to attack it on the ground that this has become a Government of Ordinances is unjustified. If they feel satisfied about it, my friends should bring in an amendment and if they could muster up that feeling, perhaps article 123 itself could be deleted. Article 123 must serve some purpose. I could have understood it if we had gone beyond the precincts of law.

Then some arguments were addressed based on the eighth report of the Commission. The Commission made an observation that the Director of Investigation and the Registrar of Trade Practices were hampered in the process of their services, they were unable to do their job for want of data and, therefore, they reported that a little more staff was necessary. Now that is sought to be attacked on. The Commission only said about the insufficiency of data which was available to these two authorities; and that insufficiency of data, the Commission felt, was because of the handicap of the staff. That is sought to be brought

[Shri Shiv Shankar]

in saying: "Look, you are extending the monopoly houses, you are strengthening the monopoly houses", I am unable to understand this type of emotional logic which would, in my submission, have no bearing to the facts and circumstances of the present case. Sir, I would not like to detain the House any longer. (*Interruptions*)

Sir, he wants to speak in a language which nobody should understand because he feels that that would be a better language for himself and me.

With these few words, I thank the hon. Members for having participated in the debate, and since this particular amendment is going to subserve the objective of that, I commend this for the consideration of the House.

THE VICE-CHAIRMAN (SHRI ARVIND GANESH KULKARNI): Now I shall put the amendment of Shri Shiva Chandra Jha to vote.

The question is:

"That the Bill further to amend the Monopolies and Restrictive Trade Practices Act, 1969, as passed by the Lok Sabha, be referred to a Select Committee of the Rajya Sabha consisting of the following Members, namely:—

1. Prof. Ramlal Parikh
2. Shri Biswa Goswami
3. Dr. Bhai Mahavir
4. Shri Rameshwar Singh
5. Shri G. C. Bhattacharya

with instructions to report by the first week of the next Session of the Rajya Sabha"

I think the Noes have it.

SHRI SHIVA CHANDRA JHA: No, Sir. Ayes have it.

THE VICE-CHAIRMAN (SHRI ARVIND GANESH KULKARNI):

(*After taking a count*)

Ayes      ..      8  
Noes      ..      More than 8.

*The motion was negatived.*

THE VICE-CHAIRMAN (SHRI ARVIND GANESH KULKARNI): I shall now put the motion moved by Shri Shiv Shankar to vote.

The question is:

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

*The motion was adopted.*

THE VICE-CHAIRMAN (SHRI ARVIND GANESH KULKARNI): Now, I shall take up clause-by-clause consideration of the Bill. There are no amendments.

*Clauses 2 and 3 were added to the Bill.*

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

SHRI SHIV SHANKAR: Sir, I move:

"That the Bill be passed."

*The question was proposed.*

SHRI P. RAMAMURTI: Sir, I began my speech in the early part of the debate saying that I had got great sympathy for the Minister because he was a lawyer, and all his arguments were lawyer-like. For example, today...

SHRI NARASINGHA PRASAD NANDA: Today he was not even lawyer-like.

SHRI P. RAMAMURTI: There were hair-splitting legal arguments today. For, example, when the question of the economic power came up, he read the Article and said that concentration

of the economic power to the detriment of public good was bad, but that this was not to the detriment of public good. The whole world knows and the thirty years of experience has known that the concentration of economic power has led this country into the terrific black-marketing, the growing black-money, the evasion of taxes. All these things, according to him, are not to the detriment of the public good but to the good of the public. Everybody knows that every concentration of the economic, wealth automatically, leads to the detriment of the public good. He just speaks those words, "public good" and says that every concentration of economic wealth is not bad. That is why I said, he is a good lawyer. I do not want to argue with him. This kind of legal argument will not convince the people. And you have not answered Mr. Yadav's question. Mr. Yadav raised a pertinent question. How do you know that after expansion, the goods will not be sold here? When they are not sold outside, what will you do with them? Will you not allow them to be sold in this country? Then what would happen to this country? After all, it is an expectation, it is a projection made by the monopoly houses that if you give them permission for expansion, they will be able to export more. But if the international market is dull, they won't be able to sell these things abroad. Then what will happen? The monopoly houses will get further strengthened in the internal market. This is what is going to happen.

All these things he did not care to answer. These were raised by his own party-man. It was just legal quibbling. This is all that I want to say. I don't want him to answer this. Let him get it passed.

**SHRI BHUPESH GUPTA** (West Bengal): Sir, I also share what he has said. But he has given a good certificate that he is a good lawyer.

**SHRI P. RAMAMURTI**: You don't want to give him that?

**SHRI BHUPESH GUPTA**: A good lawyer in the Treasury Benches be-

comes a bad advocate. That is what I find. Now, as Mr. Ramamurti has pointed out, it is a fraud. It is playing with us. Sometimes they bring such Bills, amending Bilis, in order to create an impression as if they are for industrial production or for export promotion or for development. Nothing of the kind. The main purpose of this Bill is to find some excuses in order to appease the monopolists in the country. I am not going into what will happen to those commodities which are not exported. That you can discuss. But, Sir, in a country which is underdeveloped, which suffers from under consumption, the emphasis should be really on meeting the needs of the people, on uplifting their living conditions a little, on giving them a fair deal in their day-to-day life. Then in the context of social justice, they should think in terms of earning foreign exchange. Now, Sir, this policy this approach of export-oriented industries and hence exemption or concession to the monopolists, has the inspiration of the World Bank. They do not now talk about socialism. Have you heard anyone talking about socialism?

**THE MINISTER OF STATE IN THE DEPARTMENT OF PARLIAMENTARY AFFAIRS (SHRI SITARAM KESRI)**: Yes, I always speak for socialism.

**SHRI BHUPESH GUPTA**: For two days we have been treated to a most disgusting monotony of cacophony of the faithful sycophants somewhere. I never heard one getting up and challenging some of the policies. (*Interruptions*). You understand what I mean. You are my good friend. I am not saying about you. But no one had the courage to get up and say from the highest forum of the ruling party. "These policies are wrong; we demand that these policies be changed." Nothing. What did we hear? (*Interruptions*).

**SHRI SYED SIBTE RAZI**: Mr. Bhupesh Gupta, were you present in our session? (*Interruptions*).

**SHRI N. P. CHENGALRAYA NAIDU** (Andhra Pradesh): In the Communist Party, you expect that all members will be disciplined. Similarly when our leaders decide, we support it. (*Interruptions*).

**SHRI BHUPESH GUPTA**: You are very good at interrupting me. (*Interruptions*). Madam, you are nice to look at, but the moment you talk, you spoil your case. (*Interruptions*).

**SHRI SYED SIBTE RAZI**: You are making your own stories. You are a senior Member. You were not there. You have no right to say such things. (*Interruptions*).

**SHRI BHUPESH GUPTA**: Then support us. I know Mr. Ramamurti has paid a tribute to him. If he has spoken and I have not heard it, a hundred apologies to him. But as I was saying, I read the newspapers. I am not a member of the AICC. How can I be there? (*Interruptions*).

**SHRI SYED SIBTE RAZI**: Newspapers are making a mockery of the real things.

**SHRI BHUPESH GUPTA**: I heard "Rashtramatata". "Commander-in-Chief", "Supreme Commander", "Napoleon" male or female; all these things I heard. But I never heard other things. What did I hear there? Therefore; this thing should have been discussed there. These monopolists are responsible greatly, in addition to some wrong policies of the Government, for creating this industrial situation. You did not say a word against Tatas, Birlas, big monopolists at all. Why not? You may say things against me, all right. Shoot me if you like. But show a little courage to say things against them. That is why we say this kind of a thing, as Mr. Ramamurti also said, will not solve the problem. You will not have even export. Do you know where you will have export? You will have export where

you have a fair trade on rupee payment. With such countries you will have export trade. Those who sell things to you and buy your goods. You send them goods and get goods from them. That is where you will earn. From the Economic Community do you expect export trade where they have projected markets. But you are protectionist to Indian industrialists.... (*Interruptions*). I know they will do; they will do all mischief. Anyway, leave that aside. (*time bell rings*) They will not be able to sell in America. Yes, they have now removed some of the restrictions on their garments. But are they not pursuing protectionist policies? Our share in the world trade is going down day by day. Today it is not even one per cent of the total trade of the world. Who is responsible for this? Not we? They are responsible for that and you are giving them this concession. These monopolists have collaboration agreements with them, with the Western countries. They want to sell goods and buy things in order to make more profits here... (*Time-bell rings*) Therefore, I need not say much. You are ringing the bell. You may go on ringing the bell. That is all right. I am just finishing....

THE VICE-CHAIRMAN (SHRI ARVIND GANESH KULKARNI): Mr. Law Minister.

SHRI SHIV SHANKAR: Sir...

**SHRI BHUPESH GUPTA**: Mr. Law Minister, the trouble is you are in the habit of premature action. That is what I would say. (*Interruptions*). An advocate who acts prematurely loses his case and I find that you are getting up before I finish my arguments. Don't do it. Therefore, I say nothing will happen. In the morning I have said, my friends, sitting there, they are nice young friends, some are not so young, but I beseech you, avoid saying 'yes' to everything to the Government. Vote with the Government but you should criticise... (*Interruptions*). When I give them a good advice, they will not take it. I know it.

I will, therefore, not give you any advice. I am very sorry for giving you advice...

SHRI SYED SIBTE RAZI: Don't worry about us. We know what to do. Please don't advise us from this forum and don't waste the time of the nation advising us. We have decided on our path and we will go on our path.

SHRI BHUPESH GUPTA: I know what you do. Generally you do the wrong thing. Therefore, I would not advise you. All I say from the Opposition is they will not like advice .... (*Interruption*). Be damned with this Government which is appeasing the monopolists all the time; you indulge in flattery and sycophancy. You do not have the courage to get up and say to the face of their leader one word of criticism; you go with bouquets which she does not need; without that she is a leader. I repeat it because I find emergency situation, emergency flattery, emergency sycophancy are being recreated in the country, spelling ruin and disaster before us. Have you got it, Mr. Minister?

THE VICE-CHAIRMAN (SHRI ARVIND GANESH KULKARNI): Does the Minister want to say anything?

SHRI SITARAM KESRI: All the allegations are baseless.

SHRI SHIV SHANKAR: I do not think that what has been spoken has any relevance to the subject. But I cannot help observing that this is the wolf-in-the sheep's clothing policy. I would ask my hon. friends whether their Governments in West Bengal and Kerala have not invited monopolists to establish industries in their States.

SHRI P. RAMAMURTI: You give us power to nationalise them.

THE VICE-CHAIRMAN (SHRI ARVIND GANESH KULKARNI): The question is:

"That the Bill be passed."

*The motion was adopted.*

THE VICE-CHAIRMAN (SHRI ARVIND GANESH KULKARNI): The House stands adjourned till 11 A.M. tomorrow.

The House then adjourned at thirtysix minutes past five of the clock till eleven of the clock on Tuesday, the 9th December, 1980.