

RAJYA SABHA

*Monday, the 26th August, 1974/4th
Bhadra, 1896 (Saka)*

The House met at eleven of the clock. Mr. Deputy Chairman in the Chair.

ORAL ANSWERS TO QUESTIONS

Shortage of mutton tallow for soap Industry

*697. SHRI HARSH DEO MALAVIYA
SHRIMATI LEELA DAMO-
DARA MENON:

DR. V. A. SEYID MUHAMMAD :

SHRI SARDAR AMJAD
ALI: SHRI N. R.
CHAUDHURY:

Will the Minister of PETROLEUM AND CHEMICALS be pleased to state :

(a) Whether it is a fact that acute shortage of mutton tallow is causing a serious set back to the soap industry; and

(b) if so, what steps Government propose to take in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND CHEMICALS (SHRI SHAH NAWAZ KHAN): (a) and (b) A statement is laid on the Table of the House.

Statement

(a) There has been some fall in production of soaps by the organised sector as they find the present prices of soaps unremunerative in view of increased costs of oils and fats including tallow.

(b) A representation from the Indian Soap and Toiletries Makers' Association

†The question was actually asked on the floor of the House by Shri HarFa Deo Malaviya.

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for increase, in the soap prices to enable them to maintain the production of soaps at optimum level is under consideration.

The tallow content in soap which was 60% of the total fatty material, a few years back, has been gradually reduced to 30% and it is proposed to reduce it further in order to conserve foreign exchange.

More than half of the soap production in the country is, however, by the small scale sector on which there is no price control. Further expansion in the capacity for production of laundry soaps is reserved for the small scale sector.

Government is encouraging the use of rice bran oil and minor seed oils such as sal, karanj, neem and mowah in production of soaps and with this objective the excise rebate for use of the minor oils in soap production was substantially increased about a year ago. Government has also granted a number of fresh approvals for capacity for synthetic detergents. Synthetic detergents are also produced by the small scale sector.

SHRI HARSH DEO MALAVIYA : Is the Government aware that acute non-availability of caustic soda has resulted in near disappearance of washing or laundry soap from the market and if so has he made any estimate of the scarcity?

SHRI SHAH NAWAZ KHAN : Sir, the question relates specifically to the availability of tallow.

SHRI HARSH DEO MALAVIYA : But, Sir, he has mentioned laundry soap in his statement.

SHRI SHAH NAWAZ KHAN : The question specifically relates to the availability of tallow.

SHRI HARSH DEO MALAVIYA: It relates to soap. If it relates only to tallow, why has he brought in laundry soap in his statement? For laundry soap you do not need tallow.

MR. DEPUTY CHAIRMAN : What is your question?

SHRI HARSH DEO MALAVIYA : This is my first question; I will repeat. Is the Government aware that acute non-availability of caustic soda has resulted in near disappearance of washing or laundry soap from the market and if so has he made any estimate of the scarcity?

SHRI SHAH NAWAZ KHAN : According to our information short supply of soap in the market is mainly due to the non-availability or difficult supply position of tallow and other oils. As far as our information goes the soap industry has not suffered at all due to shortage of caustic soda.

SHRI HARSH DEO MALAVIYA : Is the Government aware that the Birla's caustic soda factory at Porbunder in Gujarat, to which a thermal power plant was given by the Government of Gujarat for a song is utilising only 60 per cent of its capacity and has deliberately created scarcity as a result of which hundreds of small cottage manufacturers of washing soap in Gujarat have suffered a great setback, and in the light of the above will the Government direct Birlas to utilise the full capacity of the Porbunder factory instead of 60 per cent which it is doing today ?

SHRI SHAH NAWAZ KHAN : I am grateful to the hon. Member for bringing this to our notice. I shall certainly take up his suggestion and take up the matter.

SHRIMATI LEELA DAMODARA MENON : The hon. Minister said that the shortage of soap is due to shortage of tallow but as the shortage of soaps in the market is also due to wilful hoarding of soap as has been shown by the discovery of 4 lakhs of cakes in one place, what steps are being taken and at what level does the soap get hidden from the market during the

process of distribution ? Also with regard to shortage of synthetic detergents at what stage is the proposed detergent factory in Kerala which will also meet some of the shortage in this matter?

SHRI SHAH NAWAZ KHAN : Sir, the shortage of soap is due to the steeply increasing prices of oil and tallow which are used in the manufacture of soaps. We have replied various questions in Parliament in which we have stated that the question of increasing the price of soaps is under the consideration of the Government of India. When such an information goes out, it is liable to encourage the tendency to hoard because people start thinking that if the prices increase they may be able to make more money. That sometimes leads to hoarding and I think that is the main reason.

The request of the Government of Kerala for putting up a detergent factory has been acceded to and as far as I am aware they have got the letter of intent and I hope they will start the factory soon.

SHRI N. R. CHOUDHURY : May I know from the hon. Minister whether he is aware that although the production of 501-bar soap is 700 tonnes, only 50 tonnes come in the open market? The rest is sold in the blackmarket. If so, may I know what steps they are going to take? Also, I would like to know...

MR. DEPUTY CHAIRMAN : Only one question.

SHRI N. R. CHOUDHURY : No, Sir. I want to know whether the mutton tallow supplied to the small-scale industry, to the soap manufacturers, in Assam was all adulterated with mud, whether he has got any complaint from the soap manufacturers of Assam and, if so, what action are they going to take?

SHRI SHAH NAWAZ KHAN:

We have received no complaints from the soap manufacturers of Assam saying the mud has been mixed with tallow. We have received complaints that tallow is in short supply, but we have not received any complaint that it has been mixed with mud.

SHRI N. R. CHOUDHURY : What about the 501-soap bar?

SHRI SHAH NAWAZ KHAN : There is no statutory control over either the price or the distribution of soaps and, therefore, I am unable to say how much is distributed and how much is not distributed.

DR. R. K. CHAKRABARTI : May I draw his attention to a statement which appeared in the press about the West Bengal small-scale soap industry? It says though the installed capacity is to produce 1,50,000 tonnes per year, last year they have produced only 31,000 tonnes and this year it will hardly exceed 20,000 tonnes. This is due to the fact that the West Bengal's share from 7,000 tonnes of mutton tallow has been cut down to 4,900 tonnes. Is it also a fact that the Government has lifted the duty on indigenous oil if used by the large-scale sector and the duty has to be given if it is used by the small-scale industry? I am quoting from the Hindustan Standard of 16-5-74 : "The situation has been made worse; while Government has lifted the duty on indigenous oil if used by the large-scale sector." Is it a fact that duty on the indigenous oil has been lifted for the large-scale industry, but it is imposed on the small-scale sector? The position of the small-scale sector in West Bengal is so precarious that whereas the capacity is 1,50,000 tonnes, they produced only 31,000 tonnes last year and they will produce only 20,000 tonnes this year.

SHRI SHAH NAWAZ KHAN :

With a view to encouraging the use of non-edible oils like sal and mowrah

and rice-bran oil, the duty has been lifted. It applies equally to large-scale, as well as small-scale industry. There is no intention that only the large-scale sector should benefit and not the small-scale sector. It will apply equally to all sections of soap manufacturers. As regards the availability of tallow, as I said, previously we were importing tallow of approximately 1 lakh tonnes per annum under PL 480 when the availability was easy and the price of tallow, compared to indigenous oils, was low. Now, tallow is not available. PL-480 funds are not available and the price of tallow has gone up. The hon. Member will be interested to know that the price of tallow has gone up from Rs. 2,750 in 1973 to Rs. 5,440 in the middle of this year. Therefore we are trying to reduce our dependence on America which is the main source of supply of tallow and we are also trying to save foreign exchange by encouraging the use of indigenous non-edible oils. That is the policy.

SHRI D. K. BOROOAH : Sir, so far as tallow is concerned, till 1966 we did it without tallow; we made soaps in this country without tallow. But by 1966 this is one of the Trojan horses that PL 480 introduced into this country, and we became depending increasingly dependant on tallow. But now we find that the price of tallow has gone up considerably; it has become unavailable, with the result that our dependence on the USA for this item has become more or less overwhelming. And more than that, we have now to spend about Rs. 40 crores of our foreign exchange for tallow alone. It has been our policy that we must reduce the use of tallow as quickly as possible in order that in a short while we can be entirely free from this undue obligation on the USA.

SHRI NIREN GHOSH: Sir, the statement says that 'Government has also granted a number of fresh approvals for capacity for synthetic detergents. Synthetic detergents are also

produced by the small-scale sector. Rupees forty crores are spent in the import of tallow. But for the fresh licences, how many crores of foreign exchange will be required? What is the gap between the production of synthetic detergents by the big houses and that by the small-scale sector? May I know also whether the Minister knows that synthetic detergents in Gujarat or in West Bengal were deliberately under produced and not supplied to the small-scale sector in order to push up the prices, that often synthetic detergents were shipped, exported, out of West Bengal and the West Bengal's plastic industry as well as the soap industry have also gone out of existence? Your statement says that there is no price restriction or curb on the small-scale sector. It is meaningless; they cannot compete with the big firms in the country in any way.

SHRI D. K. BOROOAH: Synthetic detergent is a substitute for tallow so far as the washing soap is concerned. It can be used also, I understand, for toilet soap; but it is a little hard on the delicate skins. Therefore, we have to encourage the production of synthetic detergents as substitutes for tallow. Secondly, a small quantity is produced in the small-scale sector. But it is a highly scientific product, a sophisticated produce. For that, we need development and organised industry. And synthetic detergent, as you know, is not the final product. It is to be based on what is known as ETPP and alkyl benzene. And therefore, it is part of a large-scale chemical industry. That is why it has to be given to well-organised units. We have given a few of them also to units in the public sector or in the State sector.

SHRI NIREN GHOSH: They are under-produced in order to starve the small-scale industry in West Bengal and Gujarat and to boost up the price.

SHRI D. K. BOROOAH: Our production is peripheral. As you know,

Sir, synthetic detergent may also have its aspect of pollution because it has to be made bio-degradable; otherwise, it may be polluted. So many things have to be taken into consideration.

श्री ओइम् प्रकाश त्यागी : उपसमाध्यक्ष महोदय, मैं मंत्री महोदय से जानना चाहता हूँ कि वर्तमान समय में अमरीका से आप कितना टैलो इम्पोर्ट कर रहे हैं . . .

श्री रणबीर सिंह : यह तो पूछो कि टैलो है क्या ।

श्री ओइम् प्रकाश त्यागी : सुअर और गाय की चर्बी है; और कुछ नहीं ।

श्री जगदीश प्रसाद भाथुर : अपने काम की चीज नहीं है, चौवरी जी ।

श्री ओइम् प्रकाश त्यागी : क्या यह सही है कि जितना टैलो आप मंगा रहे हैं अमरीका से वर्तमान समय में वह साबुन के व्यापार में इस्तेमाल न होकर सब यहाँ के घी में मिलाने के लिए इस्तेमाल हो रहा है? क्या आपने जो टैलो बाहर से आ रहा है उसके डिस्ट्रीब्यूशन की भी जांच की है कि जिनको टैलो आपने साबुन बनाने के लिए दिया है उन्होंने वह इस्तेमाल किया है या नहीं इस्तेमाल किया है या उन्होंने ब्लैक में बेचकर घी में मिलावट के लिए इस्तेमाल किया है?

श्री डी० के० बरुआ : श्रीमन्, यह टैलो— पता नहीं किस जानवार का होगा, जो भी जानवर होगा उसका होगा—इसके बारे में मेरी खास जानकारी नहीं है, लेकिन एक बात यह है कि जो भी आता है वह साबुन के लिए इस्तेमाल होता है क्योंकि इसका दाम इतना महंगा है कि बड़ी कम्पनी वाले ही ज्यादा इस्तेमाल करते हैं । 73% of the soap in this country is manufactured by the Hindustan Lever and Tata.

होंगे । खाने के काम में लाया जाता हो, यह तो सम्भव नहीं मालूम पड़ता ।

श्री ओइम् प्रकाश त्यागी : आपने जांच की?