RAJYA SABHA

Thursday, the 3rd August, 1967/the 12th Sravana, 1889 (Saka)

The House met at eleven of the clock, MR. CHAIRMAN in the Chair.

ORAL ANSWERS TO QUESTIONS

†MONOPOLIES AND RESTRICTIVE TRADE PRACTICES COMMISSION

*153. SHRI R. P. KHAITAN: Will the Minister of INDUSTRIAL DEVELOPMENT AND COMPANY AFFAIRS be pleased to refer to the reply given to Unstarred Question No. 16 in the Rajya Sabha on the 7th November, 1966 and state:

(a) whether the Monopolies and Restrictive Trade Practices Commission has since been set up;

(b) if so, what is the constitution of the Commission; and

(c) what powers have been vested in it?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRIAL DEVELOPMENT AND COMPANY AFFAIRS (SHRI K. V. RAGHUNATHA REDDY): (a) No, Sir.

(b) and (c) Do not arise.

श्री आर० पी० खैतान : मोनोपली इन्क्वायरी कमीशन का रिपोर्ट 1965 में आई, रिजोल्यूशन 1966 में आया और 1967 चल रहा है, अभी तक इसके बारे में कुछ भी नहीं किया गया है, क्या कारण है मंत्री जी बतलाने की कृपा करेंगे ?

SHRI K. V. RAGHUNATHA REDDY: Sir, the Monopolies Bill is being drafted; it is under preparation. As soon as the formalities are over, as has already been stated on the floor of this House, we are trying our best to introduce the Bill before the end of the Session.

شری اے - ایم - طارق : میں وزیر صاحب سے یہ جاننا چاہتا ہوں کہ منوپلیز کے بارے میں پنڈت جواہر لال نہرو نے جو ایک نظریہ ملک کے سامنے رکھا تھا یعنی منوپلیز جو ہیں ان کو کس طرح" الگ کیا جائے اور ملک میں صحیح پالیسی کا ہو - کیا سرکار ان نظریوں کو اپنانا چاہتی ہے اور کیا سرکار کا یہ ارادہ ہے کہ ان نظریوں پر جو پنڈت جواہر لال نہرو نے اس بارے میں رکھے تھے اپنی پالیسی بنائے -

†[**श्री ए० एम० तारिक** : मैं वज़ीर साहेब से यह जानना चाहता हूं कि मोनोपलीज के बारे में पंडित जवाहरलाल नेहरू ने जो एक नजरिया मुल्क के सामने रखा था यानी मोनोपलीज जो हैं उनको किस तरह से अलग किया जाय और मुल्क में सही पालिसी क्या हो, क्या सरकार उन नजरियों को अपनाना चाहती है और क्या सरकार का यह इरादा है कि इन नजरियों पर जो पंडित जवाहरलाल नेहरू ने इस बारे में रखे थे, अपनी पालिसी बनाये ?]

SHRI K. V. RAGHUNATHA REDDY: Sir, all the principles of economic and social philosophy enunciated by Shri Jawaharlal Nehru have been fully taken into consideratic and in fact we are trying to impl ment this philosophy in action.

SHRI MULKA GOVINDA REDDY: I just wanted to know from the Minister whether the Bill is ready and whether it is going to be moved during the current Session and, if so, a categorical statement may be made, because

†Transferred from the 31st July, 1967.
† [ ] Hindi transliteration.

there are some pressures on the Government that it should not be brought forward during this Session.

SHRI K. V. RAGHUNATHA REDDY: Sir, we may categorically state that there are no pressures on the Government being exercised by any source whatsoever. The Bill is being drafted and as soon as the draft is over and the necessary formalities, have been observed, the Bill will be introduced in this House. As I have already stated, we will introduce the Bill before the end of this Session.

SHRI ARJUN ARORA: Sir, the Minister has denied that there are pressures on the Government, but I understand that there are pressures from inside the Government and that the I.C.S. Secretary and some people in the Ministry of Finance are opposed to the Monopolies Bill being brought forward in a comprehensive manner. May I know if the Government denies these internal pressures also and may I also know whether the Government will bring forward a really comprehensive Bill which will check the growth of monopolies in all the sectors of our economy, because the Monopolies Bill recommended by the Monopolies Commission was not a comprehensive Bill, it was more a penal provision than a preventive one? May I know whether in drafting the Bill the Government has taken care to see that the Bill is both preventive and penal in law?

SHRI K. V. RAGHUNATHA REDDY: Sir, the Monopolies Bill has been drafted or is being drafted by the Company Law Administration and the Finance Ministry has nothing to do with this drafting but, nevertheless, the Finance Ministry may express its views. It is not correct that the Secretaries in the Finance Ministry are trying to torpedo the various aspects of the Monopolies Bill. The next thing that has been suggested by the hon. Member, Shri Arora, is that the draft Bill recommended by the Monopolies Commission is not sufficiently comprehensive to cover all aspects of monopoly. I may submit that we have certainly taken into consideration the inadequacies in the draft Bill recommended by the Monopolies Commission and in view of those inadequacies, we are trying to formulate the Bill in such a manner that it will rectify not only those inadequacies but will also cover various other matters in a comprehensive manner.

SHRI OM MEHTA: Sir, the hon. Minister has said that the Bill is being drafted. I would like to know whether banking institutions will also be brought within the purview of this Bill.

SHRI K. V. RAGHUNATHA REDDY: Sir, the entire Bill is being drafted and the hon. Member may kindly wait till the introduction of the Bill.

SHRI ARJUN ARORA: Unless banking institutions are brought within the purview of the monopoly legislation, the growth of monopoly and the growth or concentration of wealth in a few hands cannot be prevented. The Minister must say something about banking institutions being brought within the purview of this legislation.

SHRI K. V. RAGHUNATHA REDDY: Sir, the Government is fully aware of the suggestions made by hon. Members and their implications. Their suggestions will certainly be kept in mind while drafting this Bill.

SHRI BANKA BEHARY DAS: Sir, whatever might be the professions of this Government, since Pandit Nehru's days it is a fact that monopolies have raised their heads and combinations in a monstrous form, both vertically and horizontally, have come into being. May I know from the Minister whether the Commission, which is going to be set up according to the law that is being drafted now, will be an advisory body or it will have some mandatory power also and may I know

from the Minister also whether the scope of the Bill will be such that any private individual can go to that Commission for a decision on a particular matter?

SHRI K. V. RAGHUNATHA REDDY: Sir, I may very respectfully submit that at this stage we are not discussing the merits of the Bill clause by clause. Certainly the suggestions made by the hon. Members will be kept in mind.

SHRI M. M. DHARIA: Sir, when the Report of Dr. Hazari was discussed in this House, the hon. Minister, while replying to the discussion, had stated on the floor of the House that a Bill regarding the curbing of monopolies would be introduced during this Session. When that categorical assurance was given by the hon. Minister, may we know whether he is going to introduce the Bill during this Session and, if not, why not, because this matter has been pending for a long time? Even though the report was received in 1965, we have not taken any measures so far. So, we all are anxious. I know that the hon Minister himself may be as anxious as we are. Let us, therefore, have a categorical assurance from the hon. Minister as to when he is going to introduce the Bill.

SHRI FAKHRUDDIN ALI AHMED: Sir, I stand by the assurance which I gave in this House I would like the hon Members to realise that the nature of the legislation we are going to undertake is very complicated. I had to consider the various proposals suggested in the draft Bill and I also had to satisfy myself whether the proposals contained therein were in keeping with the requirements of the situation of the present day. All that necessitated the redrafting of the Bill So far as we are concerned, we have more or less completed it and the matter now has gone to the other Ministries and will be placed before the Cabinet, after which the Bill will be brought forward here.

श्री राजनारायण श्रीमान् क्या मंत्री जी को एक कहावत की जानकारी है— 'खांसी आए भोर, मुह बाए शाम' यानी खासी सुबह आती है और शाम मे बहुत से लोग मुह बाए बैठे है कि खामेगे । सदन का समय नष्ट हो रहा है, कहते है बिल आएगा, आप देखे क्या आएगा क्या नही । एक ही सवाल है कि जो मोनोपली इन्क्वायरी कमीशन ने एक समुचित व्यवस्था के सम्बन्ध मे कहा था उसके लिए एक विधेयक लाने की बात है, उस विधेयक को सरकार यहा कब लाने जा रही है ? जब विधेयक आएगा हम देख लेगे कि क्या है, क्या नही है । इस सेशन में सरकार को लाने मे उसे क्या दिक्कत है ?

श्री फखरुद्दीन अली अहमद : इसका तो जवाब दे दिया है ।

श्री राजनारायण : क्या दे दिया है ।

श्री फखरुद्दीन अली अहमद : दोहराने की जरूरत नही कि इस सेशन मे लाया जायेगा ।

श्री राजनारायण : श्रीमन, हमें अभी साफ नही हुआ । मोनोपली इन्क्वायरी कमीशन की रिपोर्ट पर इस सदन मे सबसे पहले बहस हुई, कई महीने हो चुके । मै यह जानना चाहता हू कि इस विधेयक के बनाने में सरकार इतनी देर क्यो कर रही है और सरकार ने इसी सेशन मे इस विधेयक को लाने की आवश्यकता क्या नहीं महसूस की ?

श्री फखरुद्दीन अली अहमद मैंने तो इसका जवाब दे दिया । मझे अफसोस है कि आनरेबल मेम्बर ने मेरा जवाब नही सुना । हम इस सेशन मे बिल ला रहे है ।

SHRI CHANDRA SHEKHAR: The hon. Minister of State just indicated that the Bill is being framed by the Company Law Board and not in the Finance Ministry. So no question of pressure from the Finance Secretary or any officer in the Finance Ministry arises. But may I know from the Minister whether he is conscious of

the influences working in the Company Law Board itself, as was indicated by the Transport Minister the other day in the House that the Company Law Board has absolved the Ratnakar Shipping of all their misdeeds, and whether we can get an assurance from the Minister of State and the Minister himself that they will take personal interest in the matter and see that no obstruction is caused by such influences?

SHRI FAKHRUDDIN ALI AHMED: I would like the hon. Member to realise that every Department including the Company Law Board or the Finance Ministry are entitled to give their views, but the ultimate decision rests with me and also with the Cabinet.

श्री सुन्दर सिंह भंडारी : मंत्री महोदय, के उत्तर से उस समय यह भाव निर्माण हुआ था कि यह जितना प्रोसीजर है, कानून को बनाकर और उसकी सारी फार्मेलिटीज पूरी करने के बाद, उसके कारण इसी सेशन में बिल लाना संभव न हो । अगर मैंने आपको गलत नहीं समझा है तो आज बतला रहे हैं कि बिल इसी सेशन में आयेगा । इन दोनों में से कौन सी चीज सही है । यह फार्मेलिटीज पूरी हों या न हों, या तो यह शर्त लगी हुई है या यह कैटेगोरिकल है जैसा आपने पहले कहा और अगर वह कैटेगोरिकल जवाब नहीं है तो जो पहर आपने कहा कि बिल इसी सेशन में आ जायेगा, तो आपके उन आश्वासनों को भविष्य की दृष्टि से हम क्या मान कर चलें ?

श्री फखरुद्दीन अली अहमद : यह दोनों बातें ठीक हैं । बिल के यहां आने से पहले कुछ फार्मेलिटीज हमको आबजर्व करनी पड़ती हैं, हर एक मिनिस्ट्री के व्यूज लेने पड़ते है, केबिनट के पास जाना पड़ता है और जब वहां से अप्रूव होता है तब यहां बिल इन्ट्रोड्यूस होता है । हम उम्मीद करते हैं कि ये सब चीजें पूरी हो जायेंगी और इसी सेशन में बिल आयेगा ।

श्री सुन्दर सिंह भंडारी : लेकिन आश्वासन का क्या मतलब है ?

What is the use of getting an assurance? If all these formalities can be made to serve as an excuse, then what is the necessity of an assurance?

DR. B N ANTANI: That is not a categorical assurance either.

SHRI A. G. KULKARNI: In view of a Committee being appointed on the recommendations of the Hazari Report and in view of the subjects and matters considered under the purview of that Committee having some bearing with Monopolies Commission and the Monopolies Commission being also a very important body which will regulate the industrial activities in the country, is it not prodent for the Government to wait till that Hazari Report comes out for introducing the legislation?

SHRI K. V. RAGHUNATHA REDDY: It is not necessary to await the Hazari Report because it has already made some recommendations which we have taken into consideration.

SHRI P. K. KUMARAN: I can understand the reluctance of the Government to proceed with the Bill because the Indian monopolies will be affected The Patents Bill was drafted. A committee of this House and the other House sat for nine months, toured throughout the country, collected mountains of evidence, prepared the Bill, and now the Bill has disappeared. We do not know what has happened to the Bill. That Bill is intended only to weaken the hold of foreign monopolies on our drugs industry. Even that the Government is not willing to do. May I know what has happened to that Bill?

SHRI FAKHRUDDIN ALI AHMED: The assumption of the hon. Member is not correct. There is no reluctance on the part of the Government to introduce such a legislation.

SHRI A. P CHATTERJEE: We are glad to hear that there will be a Bill on this subject. As a matter of fact monopolies have spread their tentacles over the entire economy of the country, and there are 70 to 75 monopoly groups which are controlling the entire economy of the country Therefore, the whole question is not merely restriction and prevention, because if it is merely restriction or prevention, then these monopoly interests which are already in the field will feel elated that other monopolies may not come and interfere with them When is he going to draft the Bill? Will the Bill be drafted with a view to abolishing the monopolies, and if the hon Minister thinks that it is not in the power of this Government to abolish the monopolies, will the hon. Minister kindly admit that?

SHRI K V RAGHUNATHA REDDY The hon Member has referred to the preventive aspect and he has got in his mind the curative aspect, if I have understood the proposition he has made, properly I can only say at this stage that the Government is fully conscious of all these aspects and also the limitations of the Bill that had been recommended by the Monopolies Commission We are completely conscious of all these aspects, and this matter will certainly be taken into consideration.

PROF SHANTILAL KOTHARI: May I know from the Minister whether in the terms of reference of the Commission, banking about which there has been a question from my friend, Mr Om Mehta, will constitute an important factor? I am telling it in the light of the British experience of the monopolies, being examined continuously I only want to warn that the law defines the minimum standards, it does not define the maximum standards Therefore, if you are going to entrust this thing to the same people in the bureaucracy who have failed the leadership or *vice versa*, as the case may be, I am quite sure it will not take us any further May I know from the Minister if those involved in examining the issue are the people of the discarded attitudes or new ones?

MR CHAIRMAN: Do not make a speech. Put a question.

SHRI K V RAGHUNATHA REDDY I may very humbly submit that it is rather difficult to discuss all these aspects at this stage, and I may respectfully state that all these matters are under our consideration, and we have kept in mind all these questions which the hon Member has mentioned. When he referred to the practices in the United Kingdom, we are also aware of the various provisions of the Acts like the Monopolies Merger Act or the Restrictive Trade Practices Act All these provisions we are fully conscious of, and we have taken all these matters into consideration, and a comprehensive Bill would be brought before the House.

Working of Industrial Licensing System

*238 SHRI CHITTA BASU: Will the Minister of INDUSTRIAL DEVELOPMENT AND COMPANY AFFAIRS be pleased to state

(a) whether any "Expert Committee" has been set up to find out whether big business houses gained undue advantages from the working of the industrial licensing system;

(b) if so, who are the members of the Committee; and

(c) what is the term of reference of the said Committee?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRAL DEVELOPMENT AND COMPANY AFFAIRS (SHRI K. V RAGHUNATHA REDDY) (a) to (c) Government have appointed an Expert Committee to enquire into the matter. A copy of the Government Resolution on the subject covering all the relevant points is laid on the Table of the House. [*See below*]