

HALF AN HOUR DISCUSSION

Recommendations of Expert Committee on Tyre Industry

[English]

MR. DEPUTY SPEAKER : Now we take up Half-an-hour Discussion. Prof. Kurien. Please be brief. Please put questions. There are others also who want to put questions.

PROF. P. J. KURIEN (Idukki) : Mr. Deputy Speaker, Sir the increase in the tyre prices is a matter of great concern. When the question was discussed in this House on 23rd July many members expressed their concern on the increase in the tyre prices. Even the Hon. Minister himself expressed his concern even though he tried to indirectly justify to a certain extent that increase in prices on the plea that the prices of inputs have gone up.

On two occasions earlier it has been reported that when the Minister addressed a meeting of Indian Rubber Industries' Association he warned the industries to accept price restraint and reduce the prices. He told them that increase in prices in frequent instalments will lead to resistance from the consumers and if they did not reduce prices he will take stringent action on them.

Again, on 17th July when he was addressing another meeting he has expressed the same views and the same sentiments. He wanted the industry to roll back the prices. But while he was answering the question on 23rd July in this House, it appeared that he changed his views. He said that the increase in price is primarily due to the increase in raw material prices and raw materials mainly are those based on petroleum products and naturally the price increase in the case of petroleum products will have the reflection on the tyre price. The other raw material, of course, is natural rubber. But I have verified and found that there is no increase in the price of natural rubber for the last three years. Therefore, whatever is the increase in the price of raw materials, it is due to the increase in the prices of petroleum products and therefore, to a certain extent the increase in the price can be justified. That was his argument.

But the basic question is whether the magnitude of this increase in price is proportional to the increase in the price of raw material. In this connection I would like to know one thing. His Ministry has referred this question to the BICP as to whether the increase in price is proportional to the increase in the price of raw materials, whether the increase in price is justifiable. His Ministry has asked the BICP to go into the question and submit a report, as early as in May 1984. A Committee under Mr. Satya Pal was also appointed to go into the other aspects of the question in order to give a report. Both the BICP and the Satya Pal Committee were asked to submit the Report within three months, but the BICP submitted the Report after a year, that is, on May 18, 1985, and the Satya Pal Committee also submitted a Report very late. I do not know why they submitted the Reports so late. But whatever it may be, these two bodies have submitted their reports and I presume that the Minister has taken a stand on the basis of these reports. Sir, these reports are experts' reports. They have gone into all aspects, they have gone into the increase in the prices of petroleum products, they have gone into all other aspects of the industry and then submitted certain recommendations. I think that if these recommendations of the Satyapal Committee and of the BICP are made known to us, are made public, much of the controversy can be avoided. So, I would like to know from the Minister what the recommendations of these Committee are. Let these recommendations, which they have made on a scientific basis, be made known so that much of the controversy can be avoided and we can come to a judgment on whether the price rise is in accordance with the increase in price rise in respect of inputs and raw materials. I hope the Minister will place the recommendations of these Committees before this House.

Coming to the question of tyre price, we know that different interests are involved, mainly the consumer interest. Then there is the interest of the industry, then there is the interest of the growers. Who is the consumer? If you examine it you will find that 80 per cent of the product constitutes truck tyres. And apart from those tyres purchased for public vehicles by Government, most of the tyres are purchased by truck

owners. Most of the truck owners are drivers themselves. They get loans from banks and they buy trucks. Some of them may be owning one or two trucks, but whatever it may be, these truck owners are mini units and the most important thing is that these units should be viable, but the fact is that these truck owners take loans from the banks at exorbitant rates of interest and they take loans sometimes from private parties also and because of the increase in the tyre price and also the increase in the price of diesel, they are unable to pay the instalments to the banks. They are not able to meet both the ends. They are not able to generate sufficient funds for their own livelihood and each unit—each truck owner is taken as a unit—is becoming sick. They are not generating any surplus fund. This is the impact of the increase in tyre price on the consumers. You are aware that there are more than a lakh of truck operators in the country and all of them are in jeopardy and in crisis. So, the most important concern should be about these people who are the consumers.

Secondly, we come to the tyre industry. The Hon. Minister himself in an answer to unstarred question yesterday in this august House stated this. The question was about the loss suffered by the tyre industry in the last three years. He said :

“According to the Automotive Tyre Manufacturers, Association, the published accounts of tyre companies show that the industry earned a profit of Rs. 27.54 crores in 1982 and incurred operating losses of Rs. 3.79 crores in 1983 and Rs. 60.10 crores in 1984. Losses incurred by the industry in 1983 and 1984 are stated to be due to unremunerative prices of tyres.”

So, in this answer, even though, he is quoting the Automotive Tyre Manufacturers' Association, he himself is saying that the industry has suffered a loss of Rs. 3.79 crores in 1983, and more than Rs. 60 crores in 1984. It is also reported that most of the tyre units are sick. They are incurring huge loss. So, on the one side, here is the consumer who has to pay a very heavy price. On the other side, the industry is saying that it is sick. It is incurring very heavy loss. Then, who is getting the benefit? Is the grower

getting it? No, not at all. There is no increase in the price of items produced by the growers for the last three years and they are demanding higher price for their produce. If the consumer is paying more price, then somebody else should get it. Where is the surplus? Where is the profit absorbed? This is the aspect which has to be looked into. This means, fundamentally and basically, there is something wrong. This mistake has to be found out. In this connection, I would like to ask the Minister to look into the functioning of this tyre industry. It is stated that the industry has suffered a loss of Rs. 60 crores. But how many applications for new licences are with you? How many licences you have issued? Already the industry is not producing to the capacity that has been granted. If I am correct, the capacity utilisation is only to the extent of 65%. They say that they are already in loss. They say that they are not able to sell their tyres. The industry says that the tyres are accumulated and there is no buyer for the tyres. So, they are incurring huge loss. At the same time, new applications for licences are coming again and again. New licences too have been granted. Kesav Ram industry has been granted licence for manufacturing another 12 lakhs. Other application are also there. Why are they there? This is something difficult to understand. They say that the industry is running in loss but at the same time, applications for new licences are also coming. This is the point which the Minister has to look into. The answer is known to everybody. What is this industry doing? They are making benefits both the ways. One is that, when they start the industry, they say that a very high investment, has to be made in land, building, equipment etc., so that they can take away a lot of public money and put it in their pocket. Higher investment is a total loss to the company. Total expenditure that is required is Rs. 50 crores. This they will show as an expenditure of Rs. 100 crores and the balance of Rs. 50 crores go to their pockets as black money. So, those who apply for this licence do not have good intentions. They want to generate black money. This is one of the sources of earning of black money.

Another aspect you yourself stated in this House is that the tax component on the price of the tyre is more than 66%. Excise

duty is 66%. Total tax component comes to more than two thirds of the total price. Due to this high excise duty, what some of the industrialists are doing? They actually try to evade tax. Tax evasion is taking place to a large extent. There are some industries which are honest, which are doing properly, and which are functioning well, I know.

But there are a number of other industries in this tyre manufacturing sector. They actually do not pay tax and thereby generate a lot of black money as profit. That never comes in the account book. Therefore, the company is at a loss. This is how most of the companies are at a loss.

So, the most important point is that you have to conduct an inquiry into the functioning of these industries and companies. How far their argument that the increase in price is due to the increase in price of inputs, how far their argument that industries are not viable, is true? That has to be gone into depth and studied.

What I want to know is whether the Minister is prepared to make an indepth study into this aspect also. It has to be studied to what extent the excise duty on the tax component has contributed to the increase in price.

Along with the recommendations of the BICP and also the Satpal Committee, I would like the Hon Minister to appoint a Committee to go into the whole aspects of it and see which are the industries malfunctioning, which are the industries properly functioning and also point out in a scientific way based on facts, to what extent the increase in price is justifiable, to what extent the increase in price is due to the excise duty component and if the increase in price is due to the malfunctioning of the companies, you should not hesitate in punishing these companies. But if it is only due to the increase in excise duty, you should not hesitate to reconsider this excise duty component and thereby the industries should be made healthy.

Sick industries means the consumer will not be saved. Sick industries means the grower will not be saved.

During the last three years, no benefit is given to the growers. The growers are the

backbone of the industry. They are giving us sufficient natural rubber and saving us foreign exchange. But there is no increase in price for the growers' industries and to generate surplus.

Industries should get adequate profit so that the profit comes back to the growers also. This aspect has to be looked into.

In the light of this, I would like to know from the Hon. Minister whether he is prepared to appoint a Committee to go into an indepth study into the whole aspect of the question, whether he is prepared to go into the question of tax component and, if it is contributory to the higher price, whether he is prepared to reconsider that aspect and ultimately ensure a reasonable price to the tyre in the interests of lakhs and lakhs of tyre operators in the country and also rubber growers in the country.

THE MINISTER OF CHEMICALS AND FERTILISERS AND INDUSTRY AND COMPANY AFFAIRS (SHRI VEER-
ENDRA PATIL) : Mr. Deputy Speaker, Sir, Hon. Member Prof. Kurien has expressed concern over the increase in the price of tyres. I may be permitted to narrate, in brief, the problem of the prices of tyres, how the prices have been increased in the past.

During September 1981- May 1983, there was no increase in the price of tyres. There was an informal understanding between the Government and the tyre manufacturers that, whenever they wanted to increase the price, they would approach the Government, consult the Government and then increase the price. They were following this practice, this convention. In May, 1983, the tyre manufacturers increased the prices. At that time the increase was of the order of 8 to 9 per cent. But Government was not happy with regard to the increase at that time. Government had to intervene and Government was successful in prevailing upon the tyre manufacturers to roll back to pre-September 1981 price. At that time it was explained to the manufacturers that, if they were justified in increasing the price, certainly the BICP would look into the matter; and after getting the report from the BICP, in the light of the report of the BICP, if they were justified in increasing the price, Government would allow the manufacturers to increase the price.

Again in November, 1913, the prices were increased for certain categories and in January, 1984 prices were increased for truck and bus tyres. So far as this increase is concerned, we have already referred this matter to the BICP for study. I understand that the BICP has submitted a report and that report is being examined now.

Our concern now is about the increase that has been effected by the manufacturers in the price of tyres subsequent to the presentation of the current year's Budget, i.e., after the Budget for the year 1985-86 was presented. Again the manufacturers increased the price. As the Hon. Member Prof. Kurien said just now, with regard to this increase in the price of tyres, I did express my unhappiness while addressing the Association of the Rubber Product Manufacturers in Bombay, and this question was taken up again in the Development Council for tyres held on 17-7-1985. We are trying our best even now we are continuing our efforts. I had specially asked my Secretary to have a meeting with all the manufacturers in order to prevail upon them and also to find out to what extent they were justified in increasing the price. I must admit frankly that my unhappiness was mainly because of this. During all these years, they had increased the prices, but the present increase subsequent to the presentation of the Budget was without consulting the Government. As I said in the beginning, the convention was that they should consult the Government, they should take the Government into confidence, but they did not do that. Naturally I was upset. I thought that they did it unilaterally. This time they did not follow whatever convention or precedence they were following while increasing the price. Therefore, I expressed my unhappiness. I feel that whatever price increase they have effected, it is very difficult for me to say anything because the study is going on. I want to receive a report from the BICP. I don't know whether they were fully justified in increasing the price, whether they are partly justified or they are not at all justified in increasing the price. But my main objection is that before increasing the price they should have come to the Government, they should have discussed with the Government, they should have taken the Government into confidence, they should have consulted the Government. But they did not do so,

Sir, when we are considering the question of price of tyre, we have to consider the question of prices of inputs also. Again I must tell the House frankly that so far as the tyre industry is concerned, as Government, we have to be fair to both the manufacturers and to the consumer. It is our duty to see that manufacturers do not exploit the situation, do not make undue profit, do not create artificial shortage and hold the users or customers to ransom. At the same time if they are justified in increasing the price, if the raw materials that go into the production of tyre have gone up, then we have certainly to look into that aspect also. If the prices have gone up. I agree with the Hon'ble Member Prof. Kurien that if the prices of raw materials have gone up, proportionately the price of tyre can go up. If it is disproportionate, I must say that we have to take exception, if the manufacturers indulge in this.

Sir, I want to give certain figures and I want to make it abundantly clear to the Hon'ble Members that I don't hold any brief for the manufacturers. I am only placing the facts before the Hon'ble Members.

SHRI NARAYAN CHOUBEY (Midnapore) : Are those facts true ? Can those facts be regarded as briefs ?

SHRI VEERENDRA PATIL : I am placing the facts. There is no question of briefs and all that. I have said that I am holding no briefs. I am not quoting these figures in order to support the stand taken by the manufacturers in increasing the price. The Hon'ble House is entitled to know the facts. Therefore, I am placing the facts before the Hon'ble Members.

Sir, nearly 75 to 80 per cent of the raw materials that go into the production of tyre, they form the basic cost of the price. Most of the raw materials are petroleum based raw materials. Hon'ble Members are aware of the fact that in the recent budget, the petroleum price has gone up.

SHRI NARAYAN CHOUBEY : Thanks to the budget !

SHRI VEERENDRA PATIL : Whatever it is, we are now not discussing the budget, we are now discussing the impact of the

budgets on the raw materials that go into the production of tyre. I will now tell how the prices of raw materials have gone up. I am not quoting with regard to the recent budget. Since September 1981 upto April 1985 I have got the figures. According to the figures, the raw materials that go into the production of tyre, one is Nylon Tyre (Ind.) Cord and also Nylon Tyre Cord imported, Carbon Black, Butyl Rubber imported and Butyl Rubber local and PBR, Rubber Chemicals. Beadwire, Synthteic rubber, other chemicals, VP Latex and tyre cord. Most of them are petroleum-based raw materials. I do not want to quote all the figures about the increase. In September 1981—nylon tyre imported—54 per cent increase. Indigenous—21 per cent increase. Carbon black—21.25 per cent increase. Butyl rubber imported—37.92 per cent increase. Similarly, PBR indigenous—44.27 per cent, imported—88.86 per cent. Similarly, there are so many other items. In the case of VP Latex is 50.80 per cent.

I wanted to impress upon the Hon. Members how the prices of the raw materials have gone up since September 1981. Not only the prices have gone up—the Hon. Member just now suggested about the tax structure—I must admit again that the tax structure is such—I have got the figures—that the existing duties on inputs and tyres put together come to 85 per cent. And if we include the octroi and also the Sales Tax, then the tax structure on tyre comes to 100 per cent. I have got the figures to illustrate it. Tyre—costs—exclusive of taxes, the standard tyre costs Rs. 2300. This is exclusive of all taxes. If taxes are included, the same tyre costs Rs. 3894. So Hon. Members can very well appreciate the element of tax structure on tyres. Because of the input cost and because of the tax structure the prices of inputs have gone up.

Hon. Prof. Kurien was referring to rubber prices. In rubber we are not self sufficient. I agree that most of the rubber that is being produced is used for manufacture of tyres. Because there is shortage of rubber in the country we are importing them. I have got the figures of rubber imports. In 1981-82 we imported 42,750 tonnes. In 1982-83 it was 30050 tonnes and 1983-84 we imported 44,350 tonnes. The Hon. Member is quite aware of the fact that if you compare the prices of indigenous rubber with the imported rubber, the imported rubber is far cheaper

than the indigenous rubber. I have got the figures to show how the prices of rubber have gone up. The price of rubber in 1981 December was Rs. 14150 minimum and maximum was Rs. 15400. That was the price of rubber during 1981. The Hon. Member was saying that the price of rubber has not gone up and the producers are not being benefited. During 1984 the average price of rubber at the Kottayam market was Rs. 17610 per tonne in January 1984, it was Rs. 17060 per tonne in February and it came down a little in March to Rs. 16960. In April again it has gone up to Rs. 17340 per tonne...

PROF. P. J. KURIEN : What is the average price of 1984 ?

SHRI VEERENDRA PATIL : Pool prices you mean ? If the Hon. Member is very particular about reducing the price of tyre, I would like to know from the Hon. Member if he is prepared to accept the suggestion that whatever rubber requirements of the tyre manufacturers, to that extent the manufacturers should be allowed to import rubber. Then there is a case for us to say that now we are supplying rubber at a particular price, as such, you cannot increase the price of tyres. We are not going to do that because our policy is to protect our rubber growers. That is why only to the extent that is required we are importing and not that because it is cheap outside we are indiscriminately importing rubber. That is not our policy. Our policy is to protect the interests of the growers in our country. I quoted these figures only to impress upon the Hon. Members that it is not correct to say that the rubber prices have not gone up and the rubber growers have not been benefited by the price increase.

Having quoted these figures now I come to the question of price increase subsequent to budget. As I have already said we are making a study. I have already requested the BICP to make a study and submit the report as early as possible. In the light of that Report we will take whatever action is called for. I will be able to tell the House only after I take a decision on the Report that I receive from the BICP.

Sir, a suggestion has been made that we should have control over the distribution and prices of tyres. In our country nearly 200 types of tyres and tubes are being manu-

factured comprising of 500 different trade patterns and half a dozen ply ratings. So, it is difficult to have price control and distribution. Further my own feeling is that whenever we think of a control it leads to black-marketing, corruption and ultimately the consumers suffer.

Another point which is against having distribution and price control is that when we do not have any control over the inputs and the prices of inputs are going upward then how are we justified in telling the manufacturers that they should not increase their prices. Supposing we have control on inputs that go into the production of tyres then there is every justification in thinking of price control and distribution control over the tyres. So long as we are not in a position to control the prices of inputs, I think, we are not justified in saying that they should not increase the prices. The only thing that we have to do is to see that they are justified in increasing the prices. If they are not justified then Government has got so many methods through which we can see that they see the sense and become reasonable and reduce the prices. That has happened in the past and that is going to happen.

There is a feeling because tyres are being exported we are earning good foreign exchange... I must again compliment the manufacturers because during the last year tyres of the order of Rs. 45 crores were exported and we are competing well with the supposed to be the best quality tyre producers in the world. I understand this year they are going to export of the order of more than nearly Rs. 80 to 85 crores. Now, you can say why not we ban the export in order to make the tyres available in plenty within the country. Again I would submit for the consideration of the Hon. Members that creating an export market, is a very difficult job. Once we create an export market and then if we destroy that market, again for creating another export market it would be very herculean task and therefore I do not wish to do anything to disturb the market which has been created already. I am not only not going to disturb the market that is created but also the market that is going to grow in the coming years. But I do agree that if the manufacturers become unreasonable, if they go on increasing the prices indiscriminately, if they don't listen to the

advice and if they don't behave properly, then as I have already said, there are so many other methods. One of the methods that we are prepared to adopt is that if the dealers or if the users want to import tyres in large quantities, we are here to help them. Let them import. If the local manufacturers are not supplying tyres at a reasonable price, if the dealers come and approach us for import of tyres from whatever sources they want, we are prepared to help them. We are prepared to help them to the extent possible.

Sir, I would like to give one information before I include. The Hon. Member wanted to know about the capacity of the tyre manufacturing units in the country. Sir, at present the capacity, the installed capacity that is created, according to 1984 information, is 136.56 lakhs tyres, that is, nearly 13.6 million tyres year. That is the capacity created. I agree with the Hon. Member, Prof. P. J. Kurien that whatever capacity is created is not being fully utilised because as against 13.6 million capacity, the actual production in 1984 is only 10.6 million. So, it comes to 77.88 per cent capacity utilisation.

Now, there are so many constraints. We cannot blame the manufacturers. There are constraints about getting raw materials in sufficient quantity, there are constraints about power shortage. They have to overcome these constraints. There are so many tyre manufacturing units who have got their own capacity of power generation because they do not always depend upon the local electricity grid. So, because of all these constraints, they have not been able to utilise the capacity that has been created. But we feel that by the end of the Seventh Five Year Plan, we want to achieve the target by utilising the full capacity, of 27.40 million tyres every year. So additional capacity has to be created. For that we are issuing letters of intent and also we are encouraging more people to enter into this field. I know the Hon. Member, Prof. Kurien must also be aware of the fact that although there are 23 units who are manufacturing tyres in the country, there are only about 6 or 7 houses who are actually monopolizing this market. There are only about 6 or 7 houses which are manufacturing 70 per cent of the tyres in the country. I do not want this monopoly to continue. I am here to encourage more industrialists and other

small units to come into this field. So, we have given letters of intent. But unfortunately they have not started the manufacture of tyres. As the Hon. Members himself said we have issued 3 letters of intent, but so far they have not taken any action at all. We are trying our best to help them start the units. If any application that comes for production of one million or one and half million tyres, if they want to set up factories, we are here to support them. But we do not want any monopoly.

Lastly, Sir, I want to bring to the notice of the Hon. Members in this House that whatever views or concern expressed by the Hon. Member, Prof. P.J. Kurien, is being expressed not only in this Houses but outside also. I have got the information that in the year 1984, M.R.T.P. Commission received a complaint from the Association of State Road Transport Undertakings that the tyre manufacturers acted in unison and in consultation with each other in quoting prices for supply of tyres to Andhra Pradesh and Rajasthan State Transport Undertakings. An investigation was got conducted by the Commission and on the basis of investigation reported dated 13th December, 1984, the Commission has issued notice of enquiry to ten tyre companies on 22nd April, 1985. Enquiry is now in progress. Recently complaint against tyre companies made by All India Motor Transport Congress in May, 1985 about the price increase between November, 1984 and March, 1985 is also being considered by the MRTP Commission. The Commission is going into this matter.

I once again want to make it very clear to the Hon. Members that so far as price increase subsequent to the Budget presentation is concerned, the study is going on. I have already had a discussion with the BICP. I hope, the BICP study will be completed as early as possible and we will be able to get a report. In the light of the report, we will certainly take action against the manufacturers if they are not justified in increasing the prices. If there is any shortage or scarcity, to that extent, if the genuine users want to import, we are here to help them in all possible ways to import the tyres according to their requirements. Our discussions are going on with the manufacturers. We are trying our best to convince them. In

the meantime, if we get the report of the BICP, our case will be further strengthened. I hope that the manufacturers would not take undue advantage of the situation and they would not try to exploit the consumers. In so far as the Government is concerned, we are fully committed to see that if there is any exploitation, it is eliminated totally.

SHRI AJIT KUMAR SAHA (Vishnu-pur): Mr. Deputy Speaker, Sir, in his reply, the Hon. Minister has admitted that after presentation of the budget, prices not only of tyres but also all commodities have risen and he has expressed his unhappiness.

These tyre tycoons are looting the consumers because of the anti-people policy of this Government. They are raising their prices and the Government has no control over them. On the contrary, the Minister is justifying the rise in prices.

This Half-an-Hour discussion relates to the recommendations of the Export Committee on Tyre Industry. I would like to know when recommendations of the Satpal Committee were received by the Government and what action has been taken by the Government. What are the recommendations?

These tyre manufacturers are resorting to various mal-practices such as under-invoicing, tax evasion etc. What action has been taken in this regard?

The Minister has already admitted that he has asked the BICP to study the cost structure of tyre manufacturers. May I know the result of this study undertaken by the BICP? In this connection, I want to say that in our country one of the critical gaps in the development of this industry is the lack of research and development. For research and development, the industry is technologically dependent on foreign collaboration. So, what action is Government going to take to improve research and development facilities in this industry?

SHRI VEERENDRA PATIL : The Hon. Member has put three or four questions. I explained already in detail about the price rise and all that. Repeatedly, I made it clear that I am not justifying the

increase. And I also explained as to why I was unhappy. Whether the increase is justified or not, the BICP is looking into it. I have to repeat it again because the Hon. Member repeatedly mentioned that I had justified it. I did not justify it.

The Hon. Member wanted to know about the Satya Pal Committee. The Satya Pal Committee submitted its report in February 1985. The recommendations of the Committee are such that we have to send those recommendations to different Ministries for consideration and implementation. That is being done. So far as recommendations on which we have to take a decision are concerned, we are processing the same.

I may mention for the information of the Hon. Member that the Satya Pal Committee in their report have made it very clear that with regard to the distribution and marketing, they are against control. The committee have observed :

“With the significant increase in the capacity and output of automobile tyres and tubes, the situation has changed from a sellers’ market to a buyers’ market. However, the industry should endeavour to check unhealthy trends by announcing dealers’ and retail prices and discounts voluntarily and ensure that the consumer has adequate choice, particularly in regard to tyres of low prices.”

Satya Pal Committee has also suggested that it would not be advisable to introduce price control for the reason that it would be extremely difficult to administratively oversee price control. Price control would necessarily have to be coupled with distribution of raw material, which would be impracticable.

Regarding malpractices, evasion of taxes, proper collection of excise duty and all those things, this is a matter where I am not directly concerned. Supposing, there is tax evasion, the Finance Ministry and the Parliament are certainly there, and they are going to look into that matter.

With regard to R & D, I think the Hon. Member was right in laying emphasis on this; I have already told the manufacturers that they are doing very little so far as research

and development are concerned. I have been impressing on them time and again that they must set apart some amount for research and development. I will again take up this matter.

SHRI AJOY BISWAS (Tripura West) : Sir, I am member from Tripura. The North Eastern Region is lacking in rail communications. So, the price rise in tyres and petrol will definitely affect the North Eastern Region adversely. Actually, we are being sandwiched. The Minister has stated that there was a clear instruction that the manufacturers should discuss with the Government before announcing the tyre prices. But they did not pay heed to the decision of the Government. The Minister has expressed his helplessness. So, it is very clear that the Government is totally helpless before the tyre tycoons. I do not understand why the Government was helpless. May I know if it is a fact that in the last Election, the tyre tycoons had given large sums of money to the National fund of the Congress (I) Party? Otherwise why the Minister is so helpless.

Secondly, some specific complaints against the tyre manufacturers have been received. Will the MRTP inquire into that? Is it a fact that they would not any more operate as a cartel? These are the assurances accepted by the Government. But now they are functioning as a cartel. So it is a breach of MRTP Act. Will the Government refer the matter to the MRTP Commission so that there would be investigation into this?

MR. DEPUTY SPEAKER : Shri Somnath Rath. You also put only questions.

SHRI SOMNATH RATH (Aska) : Sir, I am not going to bring baseless charges on political grounds, as the previous speaker has done. The main question was whether Government proposes to take any action on the recommendations of the Expert Committee on the tyre industry. The answer was that the recommendations of the Satya Pal Committee are under examination of this Government.

Then the supplementary was about the rise in prices of tyres.

So I want to know from the Hon. Minister, whether he will lay the copy of the recommendation of the Committee, which he has just now read for the information of the House. This is one point.

The second point is about the rise in prices. It is said that the rise in prices of tyres depends upon the import of raw materials and mostly on the petroleum based products. The Hon. Minister has said that he is not happy about the rise in prices and in fact during the answer to the question he has also stated that he has threatened some producers about the price rise. It shows that the Ministry is posted with some facts and he is also convinced that. The price rise is very high and the Hon. Minister also stated that there is a monopoly in the manufacture of the tyres. Will the Hon. Minister take steps to see that the monopoly is broken and manufacture of the tyres is done in public sector companies?

About the recommendations of the Committee, the Minister said it is under examination. So when it is under examination, the question of implementation by other Departments do not arise. When the matter has already been discussed with the tyre manufacturers; the details of rise in prices of inputs are ascertained and the report BICP on previous occasions are there why again and again the matter is referred to the BICP, another wait for their report and then to take action? When all the facts are there, action can be taken immediately.

I request the Hon. Minister to reply whether action is going to be taken, if so within how many days. The Hon. Minister has just said that if anybody is interested in importing these tyres, he can do so. But it is also said that by exporting the tyres, the manufacturers have got a lot of profit—some crores of rupees. So, it is but natural, from the answers to presume that the prices of imported tyres will be higher than the prices of indigenously manufactured tyres. Is it a fact? I want a clear answer from the Hon. Minister whether the prices of imported tyres are more, or less than the prices of tyres—indigenously manufactured? When the tyres are being imported and huge profit obtained, why not control the prices of tyres for local consumption in this

country, taking into consideration the profits which the manufacturer gets from exports?

SHRI HANNAN MOLLAH (Uluberia) : Already, lots of questions have been put. From the Minister's explanation, it seems that he is trying to use life-saving drugs after the death of the patient. Why, after increasing the price, should he see whether it is justified or not? That argument is very strange. So, we do not know why the Government takes this attitude towards the monopolists who are controlling the industry.

The Minister also admits that five companies are working as cartels. What is the plan of the Government to break the cartels?

The Minister, during the last few days whenever the question came up, has been threatening them, but the manufacturers do not take this fact into consideration.

MR. DEPUTY SPEAKER : Does he threaten the manufacturers?

SHRI HANNAN MOLLAH : So, the Minister should do something, and not merely threaten them from here. What does Government want to do in this regard?

One of the major weaknesses in this regard is the continuous dependence on external sources for basic and even applied technology in this industry. What are the measures of redressal that Government wants to take in this regard?

Another cause for this sickness is the very high excess capacity, and some of it even illegally created. What is the attitude of the Government to this question?

It has been the practice in this House e.g. that the Railway Minister will say that the Finance Minister is not giving money; the Finance Minister will say that Planning Ministry is not giving the clearance etc. as if there are 3 or 4 Prime Ministers, and under them different Ministries are working. It is one Government. One is accusing the other. Why don't they function in a coordinated manner and arrive at a concerted decision in this regard?

Regarding high prices etc., the Minister can take up the matter with the Finance

Ministry, and not give the explanation, viz. : "Only the Finance Ministry is responsible. What can I do?" It is their internal matter, and they should settle it amongst themselves and then come here with a concerted and clear approach, and not blame each other in different Ministries. And I also like to know whether the Hon. Minister will consider the case of common consumers who use cycle tyres, mopeds and other things. On those articles at least which are used by the common people, will the Government consider taking some steps so that their prices can be controlled? These are my questions.

SHRI VEERENDRA PATIL : Three Hon. Members have sought clarifications. The first member who sought the clarification, I am sorry to say that, availed of the opportunity not exactly to seek the clarification, but to accuse the Government and the ruling party.

AN HON. MEMBER : That is what they do always.

SHRI VEERENDRA PATIL : And it is natural of him to have criticised the Government and the ruling party. He feels that the Government is totally helpless. I must say that the Government is not helpless. The Government is not soft pedalling in its attitude towards the manufacturers. But whenever the Government wants to take action against the manufacturer, they must have sufficient justification for taking action. Simply because they are manufacturers, it is not fair on the part of the Government to brand them that they are there only to exploit the country, and the consumers. We must be convinced about their exploitation and then only there is a case for taking action against them. I can tell the Hon. Member that tyre is one such commodity which is declared as an essential article and essential article are governed by the Essential Commodities Act. The Government has sufficient powers to discipline the manufacturers if they do not behave properly.

AN HON. MEMBER : But it is used to discipline the workers.

SHRI VEERENDRA PATIL : I like to refute with all the force at my command the

allegation that the Hon. Member has made, that these manufacturers have given lot of money to the ruling party and therefore the Government is deliberately not taking action against them.

SHRI NARAIN CHOUBEY : If not 'lot' what is the amount given?

SHRI VEERENDRA PATIL : It is an absolutely baseless allegation and is an insinuation. It is not fair on the part of any Hon. Member to make such allegations, simply because he has the liberty to say whatever he wants in this House.

About the monopoly tyre dealers, I have already said that the MRTP Commission has gone into this matter and the MRTP after making an inquiry already issued a notice to some. That inquiry is going on. This I have said, not in reply to any query by any Hon. Member, but I gave this information to the House myself. I want to make it very clear, that about half a dozen manufacturing houses are in a position to manufacture nearly 65 to 70 per cent of the total tyres that are being manufactured in the country.

So, in reply to the query that was made by an Hon. Member, Prof. Kurien, I said that I am here to encourage more parties to come forward, more businessmen to come up, and we are prepared to welcome more applicants and we have already given letters of intent to three applicants recently, who are starting their work. If more applicants come forward we are here to consider if they are in a position to manufacture them. We are keen that more people should enter the trade. That only shows that the Government's intention is not to create monopoly but to check monopoly.

One Hon. Member wanted to know about the expert committee and whether the Government would be in a position to place on the Table of the House the report of the expert committee. I can only say one thing, because I have not taken any final decision with regard to the report—I know that the Hon. Members are interested—that I am prepared to place on the Table of the House the main recommendations of the expert committee, that is, the Satya Pal Committee. There are so many recommendations where the action is to be taken by other Ministries.

Such recommendations have to be referred to those Ministries for taking further action.

The Hon. Member wanted to know as to why they are exporting. Are they getting more money by exporting? I can tell the House that the international price of tyre is almost one-third of the domestic price. So they are not making money by exporting. But there are other concessions which are attractive for them to export more and more. They are exporting tyres because with the export subsidy, they get duty-free import facilities. They have better realisation in export market than in domestic market. Import of tyres is under OGL. So, if any genuine person wants to import tyre, he can do so.

With regard to monopoly I have already made it clear that we are not for monopoly but we are for breaking the monopoly.

An Hon. Member wanted to know as to why this matter is being referred again and again to BICP. This was referred once before the presentation of Budget because there was an increase in prices. Whenever there is an increase in prices, we have to refer it to the BICP in order to see whether the manufacturers are justified in increasing the price. Because of recent increase which they have effected after the Budget, the matter has been referred to BICP. The study has been going on. I cannot take any decision on that unless I get an expert view in the matter. I have already told the House that in the light of the report whatever action is necessary or called for, we are prepared to take that action.

Another Hon. Member wanted to know as to why we are always complaining about high taxes and we are not taking up the matter with the Finance Ministry. So far as excise duty is concerned, we have already taken up the matter with the Finance Ministry. We have made out a case for giving some relief in excise duty. If necessary, we will have further discussion with the Finance Ministry.

DISCUSSION RE : REPORTED ATROCITIES ON MEMBERS OF SCHEDULED CASTES AND SCHEDULED TRIBES IN UTTAR PRADESH, ANDHRA PRADESH, BIHAR, MADHYA PRADESH AND SOME OTHER PARTS OF THE COUNTRY RESULTING IN SEVERAL DEATHS AND INJURIES TO MANY PERSONS

—Contd.

[English]

MR. DEPUTY SPEAKER : Now, we take up further discussion under Rule 193. We have already exceeded the time allotted for this discussion. But some Hon. Members want to express their views on this subject. I request them to be very brief.

PROF. MEIJNLUNG KAMSON (Outer Manipur) : I will try to be very brief. But I cannot leave the points which other Members have not touched so far.

Today, we are completing 38th year of our independence. Tomorrow we will be celebrating our 39th Independence Day. Under the Constitution, we profess secularism, fraternity and all these things. But unfortunately, we have been seeing atrocities on certain sections of the people in spite of this principle of fraternity. This section of the people is not enjoying the social equality and, therefore, it is a matter of shame for us. At the same time, we have also got the report that atrocity is on the increase. So many things are mentioned in the Report also. The crimes generally described as atrocities, include murder, rape, assault and violence resulting in grievous hurt, arson and other offences punishable under the Indian Penal Code. Many Hon. Members have mentioned much about these things yesterday, so I do not want to go into detail on these. Although some Members have referred to the number of crimes that have taken place on Scheduled Castes and Scheduled Tribes, yet I want to remind afresh because we are again discussing it today. During the year 1984, there was a record number of crimes. The number of crimes committed on Scheduled Castes is 15,936 and on Scheduled Tribes it is 4,223. Taking these figures into consideration, I think the problem is very serious. Though we think that we are following democracy and are trying to give