

ed as by-products from the existing crude oils that are being imported by the oil refineries. There is only one refinery, namely the Digboi Oil Refinery which is producing a number of indigenous lubricating oils, but they are simple ones. For specialised ones, we shall have to get specialised types of crude oil.

Shri Jaipal Singh: Is it not a fact that it is the same crude petroleum we are getting in the Assam oil fields as is there in the Burma oil fields? If in Burma, it is used for manufacture of lubricating oils, why should better qualities of crude petroleum in the Digboi oil fields not be used for that purpose?

Shri K. D. Malaviya: I do not know about the information supplied by the hon. Member, namely that the Burma oil companies are producing all types of lubricating oil in Burma. But I am making a simple statement namely that for various types of specialised lubricating oils, specialised types of crude oil have got to be imported, so that economically and commercially, special kinds of lubricating oil will be produced here. That question is under examination of Government, and we hope that we shall be producing some types of lubricating oil soon.

Shri Viswanatha Reddy: Is it not a fact that during last year, a process was evolved in India for the production of certain types of lubricating oil from castor-seed oil, and also certain types of fuel oils from groundnut oil, and if so, may I know whether any research has been made in that direction?

Shri K. D. Malaviya: I have no specific information with me to give an answer to this question.

Shri Joachim Alva: I find that from the USA and UK areas, over Rs 6 crores worth of oil was imported, and only Rs 2-1/2 crores worth of oil was imported from the other areas. May I know whether Government had enquired whether oil was available from non-USA and non-UK areas at lower rates and in larger quantities?

Shri K. D. Malaviya: Surely, we shall make all enquiries now, with a view to see that the minimum amount of foreign exchange is involved in this.

Shri V. P. Nayar: Do I take it that at present no lubricating oil is produced in any one of the oil refineries either in the Stanvac or in the Burmah Shells or in the Caltex, and may I know whether while setting up these oil refineries, this point was also discussed?

Shri K. D. Malaviya: At present, lubricating oils are indigenously manufactured only by the Assam Oil Refinery at Digboi, and they are producing some common types of lubricating oil. The refineries which have come later on in Bombay have included lubricating blending plants in their schemes, and they import components from abroad and blend the proper type of lubricating oil.

But in order to produce indigenously all types of lubricating oil, we must import certain specialised varieties of crude oil into India, which has to be, commercially, of a sufficient quantity. And that is the question that we are just examining.

Deferred Payment System

*208 { **Shri Heda†**
Shrimati Tarkeshwari Sinha:

Will the Minister of Finance be pleased to state

(a) whether Government encourage deferred payment system for purchasing machinery and other equipment, from foreign firms by Indian concerns, and

(b) if so, what help or guidance Government are rendering to Indian firms?

The Deputy Minister of Finance (Shri B. R. Bhagat): (a) Yes, Sir.

(b) Consistent with the prevailing import policy, Indian firms who secure acceptable deferred payment terms, have a better chance of getting licen-

ces than those who do not. Government have under contemplation various measures to assist importers in this behalf including the exemption from income-tax, in approved cases, on interest payments on the credits.

Shri Heda: May I know whether Government have fixed any minimum period for which deferred payment would be accepted?

Shri B. R. Bhagat: Usually a period of 5 to 7 years is acceptable.

Shri Heda: May I know whether Government prefer participation by foreign firms of this sort of deferred payments?

Shri B. R. Bhagat: We welcome any foreign participation which means import of foreign capital.

Shrimati Tarkeshwari Sinha: May I know whether it is a fact that Government propose to open a foreign exchange fund under the Reserve Bank of India in the name of the importers who import machinery or goods on deferred payment basis? If so, what will be the initial operational capital of that fund?

Shri B. R. Bhagat: That is under examination by Government and it is too early to give any details.

Shri Thirumala Rao: Under this policy, do Government permit import of sugar machinery for the sake of expansion of existing units if the concerned firms secure deferred payment terms from the suppliers from a country like Germany?

The Minister of Finance (Shri T. T. Krishnamachari): At the present moment, we are concerned with helping co-operative societies to import machinery. In regard to helping sugar factories to expand, the matter will have to be considered in the light of the foreign exchange position that exists today.

Shri R. Ramanathan Chettiar: What is the rate of interest for this deferred payment system charged by the foreign suppliers?

Shri T. T. Krishnamachari: It varies. It depends upon the capacity to negotiate in the case of a particular member of a private enterprise.

Shrimati Tarkeshwari Sinha: The hon Deputy Minister has just now said that the question of having a foreign exchange fund is under consideration of Government. If Government approve of this measure, may I know whether the fund will be a voluntary fund on the part of the importers or whether it will be binding on the importers to deposit money in the Reserve Bank?

Shri T. T. Krishnamachari: It depends upon whether the importers, or rather the other party, the foreigners who export machinery, want a guarantee or not. If guarantee has to be provided by the banks in India, then I think the scheme of the fund will operate.

Examination System

*210 { Shri S. C. Samanta.
Shri M. L. Dwivedi
Shri Shree Narayan Das:

Will the Minister of Education and Scientific Research be pleased to refer to the reply given to Starred Question No 201 on the 21st May 1957 and state

(a) the number of State Governments that have come forward to introduce radical reform in the system of examination,

(b) which of the States have found fault with the proposed changes and what are they and

(c) whether any of the State Governments have intimated their intention to take up the matter immediately?

The Minister of State in the Ministry of Education and Scientific Research (Dr K. L. Shrinani): (a) Seven, Madras, Bombay, Kerala, Mysore, Madhya Pradesh, Assam, UP and Union Territory of Delhi

(b) None

(c) All other State Governments are convinced of the necessity of introducing these reforms and are taking steps to do so.