

MR. DEPUTY-SPEAKER: Please don't interrupt: he has been allowed to make a submission under Rule 377. Don't turn it into a discussion.

SHRI K. LAKKAPPA: It is unconstitutional and against the interests of the people and subservient to warring elements. Only when a Party is banned can the Government make a raid and, of course, some Parties which were detrimental to the country were banned and their offices were raided by the Congress Government. Ever since the Janata Government has come to power, it has been boasting about the restoration of democratic rights, has been worshipping all along the civil liberties and constitutional guarantees and has been propagating respect for political institutions and democratic institutions. They have been saying that they are very much interested in the development and protection of these institutions. But is it the way of protecting political institutions? Recently, the Punjab Vigilance Department have raided the PCC offices. It appeared in the Hindustan Times on 28th August, 1977:

"The Punjab Vigilance Department today raided the Punjab Congress Bhawan herein search of documents relating to the alleged collection of funds for various purposes including the construction of the Congress Bhawan".

If today the Janata Party decide to construct a Janata Bhawan, would anybody agree that their office should be raided for collection of funds? There is no politics involved in my raising the question here. Let all the political parties sit together and discuss this matter and agree on some healthy norms in this respect. But this is not the way to do things. This only shows witch-hunting by the Janata Party.

MR. DEPUTY-SPEAKER: Please wind up now.

SHRI K. LAKKAPPA: Then, in the Tribune on 28th August, 1977, it has been stated:

"Mr. Mohinder Singh Gill, President of the Punjab Congress has protested to the President and the Prime Minister against the police raid on the Pradesh Congress Office in Chandigarh."

Conducting a raid on a political party office without declaring the party unlawful was unheard of in any demo-

cracy. The Congress Government in the past three decades had never ordered a raid on a political party's office, much less the seizure of party records.

The party records were taken away. Not only that, torture chambers were opened very near to the Congress Party office. This was done to harass the Congressmen and denigrate the Party. Shri Morarji Desai has assured, not once but several times, that there would be no political witch-hunting. The Home Minister, however, has been operating in such a clandestine manner and creating an atmosphere where the functioning of a democratic party like the Congress Party is not possible. This is most unfortunate. I want that certain norms should be fixed in this country in regard to this matter. I would request the Government of India and the Prime Minister and I hope they would see that an all-party convention is held for drawing up suitable norms for this purpose and political witch-hunting is avoided for all times to come.

(ii) DREDGING SUB CONTRACT IN BOMBAY HIGH TO AN INDIAN FIRM BY AMERICAN CONTRACTORS.

SHRI JYOTIRMOY BOSU (Diamond Harbour): Mr. Deputy-Speaker, Sir, the whole day we have been discussing things other than economics; I am now bringing out an issue which, I apprehend, would be a big drain on our foreign exchange resources. One American Company, Brown and Root, have been given a contract in Bombay High. I feel—I do not know anything beyond what has been reported—that the contract was given by the earlier regime and the value of the contract was 73 million dollars, which amounts to Rs. 55 crores in terms of Indian rupees. These contractors have given a major portion of the work in the form of a sub-contract to an Indian firm, namely ESSER re-registered in Madras. My question is: if an Indian firm could have done a major part of the contract, then why is it that the business was routed through an American firm? Because on the value of the sub contract that has been given to the Indian firm, the main American contractor will keep a substantial cushion for himself. That money we could have easily prevented from going out of the country in the shape of foreign exchange. I would like the hon. Minister to tell us as to what is the reason. Was a job analysis done properly? Was the project report thoroughly analysed and who are the persons who are in

favour if giving this business to this American firm of Brown & Root. It is a very serious matter. It is a matter involving the economics of the country. So, will the hon. Minister kindly enlighten us as to why a job that could have been done by an Indian firm was given to an American firm on which they made a profit?

THE MINISTER OF PETROLEUM AND CHEMICALS AND FERTILISERS (SHRI H. N. BAHUGUNA): Normally I am not called upon to answer but since the question has been raised which is of vital importance....

SHRI DINEN BHATTACHARYA (Serampore): And fortunately you are present here.

SHRI H. N. BAHUGUNA: No. I have calculatedly taken decision to be present at the suggestion of the hon. Member. He informed me and I have not only been here but I have waited here for hours for this particular item to come up.

At the outset I must say that I have got a great regard for the capability of Mr. Jyotirmoy Bosu. As an hon. Member of this House, I have known him for a long time, but this is the first time, I think, he has slipped on facts.

SHRI JYOTIRMOY EOSU: I wish to be corrected if I am wrong.

SHRI H. N. BAHUGUNA: I must, therefore, in all humility suggest to him through you that the hard fact is that the Brown & Root have not been given a contract of \$ 73 million. He is wrong on that. It is \$ 5 million less. It is only for \$ 68 million....

SHRI DINEN BHATTACHARYA: Still it is \$ 68 million.

SHRI H. N. BAHUGUNA: It is for \$ 68 million. You are cheaper if you compare this to a similar job elsewhere. In the North Sea the British paid at a particular point of time almost twice this amount. Suddenly in a particular situation the market has been different and, therefore, we have been able to do it better and at a lesser cost.

SHRI JYOTIRMOY BOSU: Has this firm been allowed to quote for missing items? Kindly enlighten us on that also.

SHRI H. N. BAHUGUNA: I will try to enlighten the hon. Member as much as I can.

The question is that this is one particular fact on which he has slipped.

The second thing on which he has slipped is that Brown & Root have given a major portion of their contract to an Indian firm. This is another wrong fact...

SHRI JYOTIRMOY BOSU: I did not say 'a major portion'.

SHRI H. N. BAHUGUNA: I have written 'a major portion'. You might have forgotten what you have spoken. This is not a major, it is not even a minor portion. It is a negligible portion. I will tell you what it is like.....

SHRI DINEN BHATTACHARYA: A substantial portion.

SHRI H. N. BAHUGUNA: Not even a substantial portion. The total Brown & Root contract is for \$ 68 million. That has to be paid in dollars. Let us try to understand. Out of the \$ 68 million, Brown & Root have sub-contracted with one Indian firm which has a Norwegian collaboration, for an amount of about \$ 4 million. So from \$ 68 million to \$ 4 million, it is not even substantial compared to the total volume which is \$ 68 million.

The third thing on which he has slipped is that he thinks that it has been a drain on our foreign exchange....

SHRI JYOTIRMOY BOSU: No. You are catching the wrong end of the stick. The profit that the main contractor will make on the value of the sub-contract will be in foreign exchange. You cannot dispute that.

SHRI H. N. BAHUGUNA: May I again enlighten on this through you that the request of Brown & Root is again with the Reserve Bank and with which I have nothing to do nor my Ministry has anything to do, that they should be allowed to make part of their payment to this sub-contractor in rupees. That means \$ 68 million I give him and he gives \$ 4 million to this sub-contractor and out of it a portion is going to be in rupees. That means that out of \$ 68 million, supposing 2 million—I do not know how much—or even 1 million were to be paid in rupees, our outgo will be \$ 67 million and not \$ 68 million and, therefore, it is not a drain higher than that was calculated, that is \$ 68 million.

SHRI JYOTIRMOY BOSU : I am sorry the hon. Minister or his Ministry does not know. But I am positive because I have a commercial background, having worked with foreign companies which Mr. Bahuguna has not. He has not seen the costing chart. For this piece of work the money they have given to the Indian contractor, in their costing chart, I can assure you, there is a 100% addition on the same.

SHRI H. N. BAHUGUNA : May I also make one more request to him? Certainly I have not had the training that my learned friend and hon. Member, Shri Jyotirmoy Bosu had. I have tried to imbibe some of his good home work that he does. I have tried to follow that. I have tried to follow him.

Each of these items have been specifically mentioned in the Contract. This particular portion of work which is now being given to E.S.S.A.R. covers 2.25 million dollars. Actually Brown & Root are paying more to this firm than they had stipulated in their tender to be charged against us. Therefore the O.N.G.C. even if they had given this work separately would not be paying more to Brown & Root than what they are paying. Brown & Root are losing money on that according to the working sheet because they are gaining money on other counts. The whole contract is for \$ 68 million. Somebody loses on items worth 2 crores but on other counts he gains Rs. 10 crores. The contract is a whole piece. It is not that Brown & Root are going to lose money. They are going to make profit. The point is, it is not correct to say what they had entered into was something less or more, it was less than they are paying to the contractor. The figures are available with us.

I would like to go with my hon. friend on one more point—how this tender was given. It is not correct that the previous Government gave this particular work to Brown & Root. This Government has given this particular contract. I must say that, unfortunately, we are too much obsessed by their doings or un-doings. We believe ourselves and some sort of McCarthyism is haunting us, though it died in the country of origin but it appears to be haunting Indian team currently.

must plainly say that it will not be correct to assume that anything wrong has been done in this contract. The Government was approached by the ONGC for this Bombay High Crude, and associated gas to be brought to the

shore and pipes width of 30" and 26" diameter size were to be purchased and laid. We do not have the capability in this country to do this submarine pipe-laying. Moreover, this work was to be covered by loan from the World Bank. We had to float global tenders in accordance with the World Bank regulations. Having floated the global tender as per regulations of the loaning party—the World Bank—we had seven companies from all over the world to tender.

E.T.P.M. of France

Netherland Off-shore Company of Netherland

Brown & Root of United States of America

SAIPEM of Italy

Santa Fe of Italy

Viking Off-shore Pipeline of Switzerland
Seven companies were there. Then remained in the final analysis two companies who staked their claim to the contract

Both were from the United States of America—one was oceanic and the other was Brown & Root. These two firms contested or staked their game.

The Steering Committee of ONGC went into the whole thing. They calculated everything. Brown & Root were lower by \$ 10 millions. Brown & Root had given the quotation of \$ 68 millions. The other party quoted \$ 78.

Then the matter came before the Government. Oceanic contractors have their Co. & representatives in India. Their name is M/s Roberts MacClean Co. of Calcutta. Shri K. Thaparria is the Chairman. This company wrote to the Prime Minister, to myself that they were the lowest. Sir, at the instance of the Prime Minister, not only me, but my Ministry, the Finance Ministry and everybody concerned went into it and ultimately the Prime Minister also went through the whole exercise. Before going to the Finance Ministry, I said: Let me convince myself whether or not my officers were right on this score. Mr. Thaparria was given this chance. This is not normally done. He was given the chance to come and see the record and find out from the papers as to whether his claim was right or wrong. He went away from me after discussing the whole thing with me. I was convinced about that. Here was an offer which was 10 million lower. Had I given it to Oceanic people I would have been flayed by the whole country saying that

I have wrongly given it to some people who have quoted 10 million more. Of course, some say, 10 million; some others say 8 million; whatever it is, in no case it is less than 8 million. Therefore we gave this contract to this particular company. This was something which was processed by the Steering Committee of the ONGC, the Secretaries Committee of the Government of India, the Petroleum Ministry, the Finance Ministry, and the Prime Minister. They went into the matter in great depth. Brown and Root's offer was the lowest and therefore they were given this work. The final decision was taken on 12-9-77 at a meeting held in the Finance Minister's room attended by all the officers concerned. The matter was again discussed and finalised there.

SHRI BEDABRATA BARUA (Kaliabor) : I have great respect for the hon. Minister and also for my hon. friend Shri Jyotirmoy Bosu, who raised this matter. I would like to know from you, Mr. Deputy Speaker, whether a discussion can be held like this under Rule 377? This is my submission and Point of Order.

SHRI JOYTIRMOY BOSU : We are not following whatever was happening during the last five years. The House is seized of this matter and this is a very important economic issue. The Minister is only making a statement on this and there is no discussion.

SHRI BEDABRATA BARUA : With all respect to you, what I would like to know is this. We have got certain rights and privileges as Members of Parliament. When we want to raise a subject, it has to be ballotted; we have to give proper notice to the Speaker or the Chair and the Chair has to permit it; and only after the Chair has given the permission can the matter be raised. How can we have a discussion just when a matter is raised under Rule 377?

MR. DEPUTY-SPEAKER : You have raised a point; let me answer that. Now, there is no discussion at all. Mr. Jyotirmoy Bosu had raised some point under Rule 377. The Minister can reply to it, if he wants to, under Rule 377. He is only replying to that now; that is all.

SHRI H. N. BAHUGUNA : I was only saying that the terms of the tender have not been violated. We have to go by international practice. We are also tendering in many countries. Let us not raise questions in this august House in a manner which will hit us adversely elsewhere. As the House is aware, we are

doing jobs outside the shores of this country. We take contracts; we also sub-let them to number of parties. In this particular case, there has been a sub-letting by Brown and Root. The ONGC felt that it would not be correct in giving this work piecemeal; this work has got to be done only in fair weather, that is to say, we gave the order by the 13th of September, 1977 and we expected them to complete it by May, 1978. This long route pipeline had to be laid; stones have to be blasted; trenches have to be dug. This was a small work which was given to those people. Somebody asked why did not the ONGC give it separately to them. Sir, if we have more than one contractor, who is going to say whether the trench was all right or not and whether the pipeline was all right or not?

Here, the complete responsibility is on one person. And this is too vital a matter to be trifled with in this manner by distributing it to different people. I have therefore got up to answer this for two good reasons—firstly, there has been, of late, some unnecessary speculation. I am therefore grateful to Mr. Bosu for giving me this opportunity to clear up the mess in the contract to the firm—Brown and Root. I am willing to show every piece of paper to Mr. Bosu and the hon. Member can go through the file. That is because the hon. Member has raised this question. If he wants to bring with him any hon. Member, I have no objection to that also.

My point is this. If he could convince me that we have gone wrong on this, then, I will be the first person to quit and go. This is not something in which I will say that others are responsible. I feel that the responsibility is equally mine and I must say very clearly and correctly that if a mistake is found out, I am not going to say that the officers are wrong. It is the Minister because he is not able to get the things done. We have had enough of it. We better stop calling bureaucracy every time by putting the blame on their shoulders. I take the responsibility on my shoulders and say 'Look here, we have looked into it. It is my responsibility. I must say that in this case, I am more than satisfied.' If Mr. Bosu has no trust in my assessment of the situation, I would only plead with him not to be misled by the press reports which are mendacious. This is being raised for various reasons. This particular Oceanic Contractor and Brown and Root have nothing to choose between them. Unfortunately we have no capabilities of our own so far. Today this type of high sea operation on submarine pipeline—I have to say so—will be a feat. I had been

[Shri H. N. Bahuguna]

to foreign countries recently. The British Oil Co. people told me that this was going to be a feat if we could have the pipelines ready in time in this fair weather season. And if this 68 million job is done within that period, it will really be a feat *par excellence*. So far as this job is concerned, the ONGC has done a good job of it. I am not giving a general certificate for them. But, so far as this particular job is concerned, I find that there is nothing wrong in the proposition; nor do I find anything wrong in Brown and Root giving their sub-contract to another Indian firm. They will be responsible to me—I mean the prime contractor is responsible to me. So far as Brown and Root is concerned, it is their responsibility to discharge their obligation. With these words, I would like to state that in this country, this is a new job and that job has been done by the people with great responsibility. They should not be dampened unnecessarily.

SHRI JYOTIRMOY BOSU : I had an apprehension and that is why I have brought it before you. In the meantime, if I have something to be clarified by you, I shall place it before you.

SHRI H. N. BAHUGUNA : I may invite you to come and see me in that regard.

15-58 hrs.

INLAND STEAM-VESSELS
(AMENDMENT) BILL

THE MINISTER OF STATE IN CHARGE OF THE MINISTRY OF SHIPPING AND TRANSPORT (SHRI CHAND RAM) : Mr. Deputy-Speaker, Sir, I beg to move :

“That the Bill further to amend the Inland Steam-Vessels Act, 1917, be taken into consideration”.

MR. DEPUTY-SPEAKER : Motion moved :

“That the Bill further to amend the Inland Steam-Vessels Act, 1917, be taken into consideration.”

Shri Kadam

15-59 hrs.

[SHRI B. N. TIWARI in the Chair].

SHRI B. P. KADAM (Kanara) : Mr. Chairman, Sir, may I know why the Minister does not want to make a statement after moving the motion for consideration in support of the Bill?

SHRI CHAND RAM : That was because the hon. Deputy-Speaker had already called you.

SHRI B. P. KADAM : Therefore, I am helping you.

SHRI CHAND RAM : Mr. Chairman, Sir, the necessity for bringing forward this Bill has been briefly explained in the objects and reasons of this Bill. The parent Bill was enacted in 1917—almost six decades ago. An amendment of this Bill was brought about in 1951. Bhagwati Committee was set up to report about the inland waterways. They made certain recommendations. Now, the recommendations were processed in consultation with the State Governments as well as the Inland Water Transport Corporation, which is a Corporation under the public sector. Now, this Bill has been brought forward as a result of that recommendation and consultation. Certain deficiencies were felt in the Parent Act and the present Bill seeks to fill up those deficiencies. At this stage, I do not want to take more time of the House except to say that the various lacunae that we had been experiencing have been made up in this Bill.

16 hrs.

When the parent Act was enacted, there used to be steam driven ships. Now, during the course of time instead of steam driven ships other mechanically propelled ships have come into operation. The title of this Bill has been changed. One of the provisions also makes it obligatory for the insurance of the passengers. Similarly, provision has been made against overloading of cargo and carrying of more passengers. Those who defy this provision will be penalised. Similarly, provision has been inserted to make financial assistance available to those who want to operate on these lines. The Parent Act was also silent about the mortgage of vessels. Now mortgage of vessels with the banks and others financing institutions has been made possible. Earlier there was also sometime dispute between different States regarding fixation of rates. Now, if there is a dispute between different States any State can refer the matter to the Central Government and the Central Government will decide the rates. Earlier there was also difficulty in respect of clearance of blocked channels due to acci-