[Mr. Speaker].

> deeply grateful to the President for the Address which he has been pleased to deliver to both Houses of Parliament assembled together on the 18th February 1974."

The motion was adopted.

13.27 hrs.

The Lok Sabha then adjourned for Lunch till thirty minutes past Fourteen of the Clock.

The Lok Sabha re-assembled after Lunch at thirty-seven minutes past Fourteen of the Clock.

[MR. DEPUTY SPEAKER *in the Chair*]

ESSO (ACQUISITION OF UNDERTAKINGS IN INDIA) BILL

MR. DEPUTY SPEAKER: We take up the Esso (Acquisition of Undertakings in India) Bill. The hon. Minister.

THE MINISTER OF PETROLEUM AND CHEMICALS (SHRI D. K. BAROOAH): Mr. Deputy-Speaker, Sir, I beg to move*:

> "That the Bill to provide for the acquisition and transfer of the right, title and interest of Esso Eastern Inc. in relation to its undertakings in India with a view to ensuring coordinated distribution and utilisation of petroleum products distributed and marketed in India by Esso Eastern Inc. and for matters connected therewith or incidental thereto, be taken into consideration."

It has been the desire of the overwhelming majority of the hon. Members of this House that foreign oil companies have outlived their utility and that they should be brought under the control of the Government. It also arises out of the policy of the Government which I have the honour to represent in this House in my Department. The Congress election manifesto also stated that the commanding heights of economy in the country should be under public control.

So far as the oil industry is concerned, it is much too important an industry, much too vital for necessary development of the country and also much too powerful an instrument in the hands of unbridled capitalism that it will be politically wrong and economically also incorrect to leave it in the hands of private companies, much less in the hands of foreign companies. Even the undiluted, unbridled, capitalist countries have also come to the conclusion that in the oil industry, the State must have control, at least partial control, it not full control. Nobody will claim Italy to be a socialist country. In fact, it is ruled by a party which is wedded to capitalism, but one of the biggest public sector companies in the world is owned by the Government of Italy. Then, the National Oil Company of Italy, more popularly known as E.N.I., with its drilling operations, with its pipelines, with its refineries, with its tankers, is one of the biggest oil companies. Similarly, France is not a socialist country at all; it is a country of free enterprise, but they have also almost complete control over their oil industry through their company, Francise Petroleum, and its ancillaries. Even in Great Britain, not less than 49 per cent of British Petroleum is owned by the State. Again, Japan is a capitalist country, but in Japan the oil companies are under the control of the Government of Japan. So, for a country like ours which has accepted socialism as its objective, it is necessary to see that our oil industry is amenable to public control. In this country also a major portion of the activities of the oil industry, whether it is refining or exploration, is today in the public sector. So, it is only in accordance

*Moved with the recommendation of the President.

with that policy that we have decided to take over this Company. We have decided that 74 per cent of the shares of this Company should be taken over, that the management should be entirely in the hands of the company wholly owned by the Government of India. ESSO will have 26 per cent of the shares, the idea being that, for the time being, for the next few years, we would be continuing to get supplies from them because in the oil world, one does not buy oil from government companies alone, whether it is from Iran or from Saudi Arabia. The major part of our oil comes from Iran and Saudi Arabia, although Iraq is going to be one of our very big suppliers of oil. These two countries function through private companies. The American companies which have their shares in the exploration have had virtually the complete control except that government control is expanding; there also they have wholly owned government companies like Petromin in Saudi Arabia and National Oil Company of Iran. We thought that it would be expedient in the present context of shortage of oil, till such time that we can get oil from government-owned companies, to get supplies of oil from the private companies. There is only one aspect which perhaps may undergo a change because it is a very changing situation in oil industry. We are getting oil from foreign companies at somewhat cheaper price because they continue to get the oil from the oil-producing countries at a cheaper rate. The oil-producing countries continue to have some of the contracts which they had entered into with these oil companies. So, today, there is a dichotomy between the price at which you get from these oil companies and the price at which you get from the national companies. So, in the present context that this is a situation which, if not ideal, would be suitable for the present siutation in which we are placed.

Here, it would not have been necessary for us to come to the Parliament to take over an Indian company. A Company registered in India can be bought and sold according to the ordinary laws of the land. But, in this case, we are taking over the entire gamut of the activities in the oil industry of ESSO, that is to say, refining plus production of Lube oil in which we have 50 per cent interest and also the distribution. Now, so far as the oil refineries are concerned, this is a company which is registered in India. So far as the Lube Oil company is concerned, it is also registered in India. Thus anybody can buy and sell it according to the laws of the land. But the marketing part of the ESSO Company—they have changed the iternational name from ESSO to Exxon Corporation—it is known as ESSO Eastern Inc. It is not registered in this country, it is incorporated in America and they are expanding their global activity in the field of marketing. Therefore, if you want to take over their assets and business in this country, we can do it only under a law of the land. Therefore, it has been thought proper and regular that it should come before the House as a Bill. That is why I have come before the House. Really, this is a part of the bigger deal which includes the refinery, which includes the lube oil plant. 50 per cent of the Lube Oil plant of this company would be owned by the company and will work under the style and name of Hindustan Petroleum Company and the management would be naturally of that company which would be a wholly Government-owned company.

I do not think there is much room for any controversy here and this, as I said, arises out of the policy which this Government follows, that the commanding heights of the economy should be under public control, particularly, an industry of the style, function and scope of the oil industry.

MR. DEPUTY SPEAKER: Motion moved:

> "That the Bill to provide for the acquisition and transfer of the right, title and interest of Esso Eastern Inc. in relation to its undertakings in India with a view to ensuring co-ordinated distribution and utilisation of petroleum products distributed and marketed in India by Esso Eastern Inc. and for matters connected therewith or incidental thereto."

SHRI JYOTIRMOY BOSU (Diamond Harbour) : I say, better late than never. But, I have my doubts about certain things which I expect the hon. Minister to see and clarify.

First, let us have a look at the Bill. On page 2—General effect of vesting, it says in sub-clause (2)—clause 4.

> "The undertakings referred to in sub-section (1) shall not include the following, namely :—
>
> (a) any share held by Esso in the equity capital of Esso Standard or Lube India;
>
> (b) any trade mark, and any right of Esso to use any trade mark in India, specified in the First Schedule;
>
> (c) all patents and designs registered in India in the name of Esso..."

Now, I would like the Minister to tell us as to what is exactly meant by this and why this has been allowed when you are taking over the company, lock, stock and barrel as is the impression that you are giving.

Then, there is no mention about the Board of Management. Why is it so ?

In reply to Unstarred Question No. 59 it was answered on 13th November 1972.

> "Only ESSO have offered *inter alia,* the total sale of their business interests in India."

Total sale, this is what is said; but in the Bill you have kept plenty of it outside...

> "Burmah Shell and Caltex, the two other foreign oil companies operating coastal refineries and carrying out marketing business in India have not made such an offer.
>
> ESSO have, in their communication dated 3-10-1972 delivered on 5-10-1972 made the following proposals."

Now, I will not read out the whole thing; I will read out the relevant portions which have given rise to suspicion in our minds.

> "Government and ESSO would have proportionate representation on the Board of Management. This means that all Special Resolutions for which a 3/4th majority is required would need ESSO's consent."

This is something very serious. Then it says this and I now come to this sentence:

> 'Gains due to revaluation of assets will be exempted from taxes in terms of the extant taxation laws."

How is it so ? A company operating in this country is there, and you want to exempt them! Will that be legal, will that be moral ? Will that be all right ? You just have talked about socialism. Is this socialism? Then it says :

> "The purchase price can be remitted in equal annual instalments."

You have surrendered. Why should this be so ? You are giving them an undertaking that you will exempt them from paying excess profits tax or whatever it is. Payments through remittances will not be barred by your rules of the Reserve Bank of India. What sort of slavery is this, Sir ?

I am quoting from an article in which Dr. Tanzer, for whom I have some regard, has said as follows :

> "As I understand the siutation the reason ESSO seeks to retain 26 per cent of the equity is that under Indian law the minority shareholders with at least 26 per cent of the equity have an effective veto power over the majority shareholders with regard to basic decisions concerning anything other than normal operating conditions of the country.

That is to say, the basic decisions made by the majority shareholders...

. . . that is, Government hereafter. . .

> . . affecting the growth of shrinking of the company, such as capital investment and expansion or capital dis-investment and dissolution require the approval of those minority stockholders holding at least 26 per cent of the equity. . .
>
> Secondly, with the minority interest in the refinery, ESSO might still have some voice in the crude oil supply decision whereas under 100 per cent Government ownership ESSO obviously would have no voice in this crucial decision."

Now you have allowed them to bypass the direct taxes; you have allowed them to bypass the provisions of the Reserve Bank in the matter of remittance of their assets; you have allowed them to bypass the Indian Company Law by allowing them to retain just 26 per cent which gives them a voting power over majority decision.

Then comes the question of compensation which is again another mysterious thing. This might have been agreed to by the ESSO Legal-aid Society. You might have drafted the preliminary thing but the final vetoing has to be done by them. This is what appears in page 4, section 8:

> "For the transfer and vesting in the Central Government under sections 3 and 4 of the right, title and interest of ESSO in relation to its undertakings in India, and for the vesting in the Central Government, under section 5, of the rights specified therein, there shall be paid by the Central Government to ESSO an amount of rupees two crores and fifty-nine lakhs in such instalments and in such manner as is specified in the II Schedule."

We want a clear and categorical answer from the Government. Is it in full and final settlement?

Then, there is a news item dated 28th February. It says:

> "The repatriable value of 100 per cent acquisition of the three operations of the American oil company, ESSO, in India, including interests on instalments, works out to about Rs. 21.97 crores.
>
> "The complete acquisition will take place only after seven years. At present the government proposes to acquire 74 per cent shares.
>
> "A provision of Rs. 1.84 crores had been made in the revised estimate for 1973-74 and another sum of Rs. 6.27 crores is made in the budget for 1974-75."

How have you calculated this figure? We want a clear and categorical answer as to what is the full and final compensation for this takeover? As a socialist, Mr. Barooah, kindly tell us why not outright nationalise it? You do not want to annoy these American tycoons. They are teaching you socialism; they are cooperating with you. Therefore, you must allow all your laws to be brushed aside by this kind of repatriation of funds. You took two years to make up your mind, that is, from 1972 to 1974. Now, I want to ask you: what about the other two foreign companies' takeover? If you have the courage to talk about socialism and if you mean business, they should be offered no compensation whatsoever.

Then, Sir, this is what Dr. Tanser said: He has suggested as follows:

> "India should nationalise all foreign oil refineries and pay no compensation."

He further says:

> "Consideration the enormous profits they have made, these companies deserve no compensation at all. India might look to the examples set by the Chilean Government."

You get cold-feet with regard to the International Copper Company, Mr. Borooah. He also says in his book:

[Shri Jyotirmoy Bosu].

"The Political Economy of International Oil and the Underdeveloped countries--- The international oil companies have ruthlessly exploited so many other underdeveloped countries where the Governments lack the knowledge of the working of the international oil industry or fail to closely monitor the activities of oil companies. As a result, the people of India were forced to overpay millions of dollars for many years for crude oil and for refined products. This is particularly tragic for a country like India where most of the people are extremely poor so that even a few dollars excess payment by a family would result in a serious reduction in its standard of living."

Mr. Borooah, you have a brunt of brass and feet of clay. (*Interruptions*). Then, in reply to another question regarding amounts transferred by the major foreign oil companies to their principals abroad on account of profits/dividends/gross remuneration during the last four years he replied as follows :

	1967	1968	1969	1970
Esso.	74	15	15	94
Esso Refining.	Nil	Nil	171	284

That means Rs. 378 lakhs. That is the position. Mr. Borooah himself gives all the facilities to take out all in dollars. That is, the bank remittances laws will not apply to them. This is not all. The remittances made by three foreign oil companies during 1967, 1968, and 1969 for ESSO and Esso Refining and Esso (Marketing) are as follows :—

Esso Marketing	In Lakhs
1967	Rs. 2186
1968	„ 2876
1969	„ 2573

In spite of that, Mr. Borooah, the great socialist representing the Congress Party and the Government here must fill their coffer before they give a parting kick and leave the country. Well, they are not going to leave the country in any case.

15 hrs.

Then, in reply to another question, they had admitted :

"The foreign oil companies have in recent years been making substantial remittances on account of dividends by drawing heavily on their reserves, which were built up on post profits."

And Government have allowed that. Why have they allowed that ?

Now, I shall show you the profits and the reserves have been drained out and the capital has been depleted. I must congratulate Mr. Kulkarni for writing this small booklet where he has very rightly pointed out that :

"Burmah-Shell Refineries capitalised its reserves and raised its original equity share capital of Rs. 13.82 crores to Rs. 14.54 crores. Apart from widening the capital base for more dividends, this company has further depleted its reserves through other remittance channels. Company's investment (share capital plus reserves and surplus) in 1969 was Rs. 17.70 crores. This was reduced to Rs. 17.34 crores in 1970 and to Rs. 16.62 crores in 1971 its equity share capital remaining constant at Rs. 14.54 crores for all the three years.

Esso Standard Refinining Company of India, did not raise its original equity capital base of Rs. 3 crores, but it did deplete its reserves through other remittance channels. This Company's investment in 1969 was Rs. 21.20 crores. It was reduced to Rs. 18.59 crores in 1970 and was still further reduced to Rs. 16.80 crores in 1971. This investment includes Rs. 75 lakhs of its equity shareholding in Lube India for all the three years."

They are allowing all these things because they cannot but keep them happy and pleased with them.

Then, transfer of reserves is a gain another question replied to by one of Mr. Borooah's predecessors, Mr. P. C. Sethi who is now in Madhya Pradesh. He stated :

"Net profits, transfers from reserves and dividends by the three major foreign oil refineries of Burmah-shell, Caltex and ESSO during the years 1969 and 1970 are as under :

Year	Net Profits	Transfers from Reserves	Rs. lakhs Dividends declared
1969 .	515	446	961
1970 .	546	612	1158.."

This is how they have cleverly reduced the capital.

I shall give you one more figure. The average capital employed by Essos in 1962 was Rs. 546.41 million, and in 1968 it was reduced to Rs. 455.48 million. I have quoted all these figures to show that Government have been allowing these companies to loot the country, hoodwink the Government and bypass their laws. Today, when they are somewhere in between, instead of nationalising them outright a hundred per cent, they have given the power to retain 26 per cent holding and given them all the facilities that they want to take the money out of this country. And they have been allowing this for a considerable length of time with a socialist sign-board hanging on their necks.

I demand of this Government that they should take-over this company without paying any compensation, hundred per cent and outright.

Finally, the hon. Minister must give a categorical assurance. Although there is a mention in the Bill, he must assure us categorically that the employment and service conditions will remain good, fair and reasonable.

Finally, I want to ask another question which may not be very relevant to this. Mr. Borooah may kindly tell us what is happening to the petro-chemical project in Haldia, is it being again drilled and sabotaged by interested quarters ? We want a clear and categorical answer.

I support this Bill, but I do not appreciate at all the fact that Government are not taking it over hundered per cent and they are paying compensation.

DR. RANEN SEN (Barasat): I thank you for giving me this chance to speak today and I thank Mr. Kulkarni also for permitting me to speak before him, because I shall not be present on Monday.

I oppose this Bill and I do so because it is a very obnoxious Bill brought forward before this House with a view to hoodwink the Members of this House. I shall explain.

The hon. Minister has referred to the desire of the country for notionalisation...

SHRI D. K. BOROOAH : Taking over.

DR. RANEN SEN : It was the desire of the House also. Last time, Shri H. N. Mukherjee moved a resolution here which was unfortunately defeated by the Government side, for nationalisation of all foreign-owned oil companies. Instead of nationalisation, instead of taking it over, he is bringing this Bill. What is the purpose of the Bill? The purpose of the Bill is to acquire huge junks which go in the name of installations, depots and filling stations. According to the depreciation that is made by the oil companies, the life of material of these types is on the average age 5 years. Here it is more than 10 years old. The depreciation is made on the value of five years. The Esso installations in Bombay, Madras, Calcutta (Budge Budge) and its deposts throughout India are by and large 10 years old on an average, and we are purchasing them.

Secondly, more than Rs. $2\frac{1}{2}$ crores are being paid in foreign currency. We are

[Dr. Ranen Sen]

sending it in foreign currency to their US office, and here it is categorically and specifically stated, ". . . shall carry interest, free of income-tax at the rate of six and a half per cent per annum. . ." I have made a small calculation from which it appears that this Rs. 2½ crores, tax-free, etc., will come nearly to another Rs. 3 crores. That means it will be nearly Rs. 3 crores over and above this Rs. 2½ crores. This, as I said earlier, is a very obnoxious Bill. What is the position ? The Government was to take it over. The Government have already powers to regulate the price and distribute all the oil products under the law of the country. The Government have the power to make the IOC the sole selling agent, because we are only taking the marketing division of Esso and nothing else. The IOC has built up a huge marketing division, though of course, it is luxurious. Anyway, it is a huge thing. Even now, Esso is distributing 15 per cent of the country's requirements. That too to a large extent comes from the IOC through product exchange. The IOC and the IBP—Indo-Burma Petroleum Co.,—have adequate facilities. Point to point, wherever Esso exists, they have their own depots and their installations and their officers and their cadres, and more can be recruited if necessary.

Therefore, the whole thing could have been taken over by the IOC very smoothly and very painlessly, and the IOC could distribute, because only 15 per cent of Esso's production goes into the market. As I said earlier, the Esso installations in Cochin, Madras, Budge Budge and other places are absolutely superfluous today, and that is why this crafty American company now wants to sell its old junk to the Government of India, to the Indian people. The existing rules and agreement provide for the oil companies converting the pumps and Indian Oil could be used in a selective basis to distribute the products. So, IOC can distribute on a selective basis. There is no difficulty in that.

Now, I come to the question which has been raised by Mr. Jyotirmoy Bosu also. It is about the exemption. The Minister said "I will take it over later." That means the refinery and the Lube Co. They are Indian companies and so there is no difficulty, in purchasing them. He said : "purchasing them." The first question is, 74 per cent equity shares will be purchased by the Government of India in regard to the refinery and 24 per cent in regard to Lube oil. What will be the price ? What is the value of the equity shares ?

He has not mentioned anything in this Bill. To be honest, this Bill should have contained something more than what it has contained in the objects and reasons. Here it states simply :

> "Government has entered into negotiations with Esso Eastern Inc. for acquiring a 74 per cent interest in Esso Standard Refining Company of India Limited. ...and a 24 per cent interest in Lube India Limited..."

At what price ? How much are Government going to pay ? My suspicion is that junks are being purchased at a cost of nearly Rs. 2.5 crores and that too in foreign exchange. Mr. Bosu has already mentioned about the exemptions, (a), (b) and (c). Any share held by Esso in the equity capital of Esso Standard or Lube India cannot be touched. Any trade mark and any right of Esso to use any trade mark specified in the First Schedule is also exempted. You cannot touch it. All patents and designs registered in India in the name of Esso—these also cannot be touched. You are going to acquire something but you cannot touch their patents registered in India! This is objectionable; this creates suspicion. After all we are a free country, as free as the United States. Our parliament is supreme and sovereign. They have brought a Bill which does not say many things; there is a clause in this Bill which is obnoxious and which goes against the sovereignity of our country and our national interest. That is my charge against the Minister and the Government. In the form of an innocuous Bill he tries to introduce a thing whose only beneficiaries are the Americans and the Esso Company which for years together, after Independence and before Independance in a different name along with Burmah Shell and Caltex had been looted India. I do not want to go into the figures; it is known to everybody....(Interruptions).

I shall now turn to clause 9 on page 4. Shri Raja Kulkarni's amendment is there. It is very good to say that no employee should be touched. I quite agree with that. But it says here 'every whole-time officer or other employee'. Is it known to the Minister that an officer in the IOC gets Rs. 1300 or 1500 as salary but he is doing the same job which is done by an officer in Esso and Burmah-Shell getting nearly 3000 to 5000 ? I hope Raja Kulkarni will agree with me. Here also it seems very innocuous. One can understand poor employees; their rights have to be protected. What about the kind of officers I have referred to? Why should they enjoy all the facilities they are getting ? The result is that you will create another class of officers who are protected under this Act but who are doing the same job as the other officers in IOC, but these are a different class of officers.

SHRI VASANT SATHE (Akola) : We will raise the salaries of other officers.

DR. RANEN SEN: I know how much you have raised.

When I first read the objective, I thought it was all right. But when I went on reading it, I found it was hopless. For instance, clause 10 on page 5 says :

"Where a provident, superannuation, welfare or other fund has been established by Esso for the benefit of the persons employed by it in connection with its undertakings in India, the moneys relatable to the employees, whose services are transferred by or under this Act to the Central Government or a Government company, shall, out of the moneys standing, on the appointed day ..... vest in the Central Government or the Government company, as the case may be, free from any trust that may have been constituted by Esso in respect thereof."

This is a very innocuous thing. I hope the Minister knows that Esso, Burmah Shell and other foreign companies have a pool fund for their officers, out of which all the perquisites are given and they are tax-free. So, when you refer to the "Other fund", naturally a suspicion arises that you are going to protect the extra facilities which these officers are enjoying at our cost. Apart from what you are giving to Esso, these officers are getting from us, from the people of India, these extra facilities, when these facilities do not exist for the IOC officers. What is the position of the IOC officers, excepting some like Shri Kamaljit Singh ? They are not enjoying these facilities, even though most of them have come from Burmah-Shell or Caltex or Esso. So why try to protect the special facilities, and special perquisites that these officers are enjoying in the Esso company and create an extra special class of privileged officers ?

there cannot be any objection to it because there cannot be any objection to it because it says :

"No suit, prosecution or other legal proceeding shall lie against the Central Government or the Government company for anything which is in good faith done or intended to be done under this Act."

I agree with clause 13(2), when it says :

"The Central Government may, if it is satisfied that any contract referred to in sub-section (1) is unduly onerous or has been entered into in bad faith or is detrimental to the interests of that Government or the Government company, by order in writing, either terminate such contract or make such alterations or modifications therein as it may think fit."

Here it is known that there are so many agreements, so many contracts, arrived at

[Dr. Ranen Sen]

by Shri Kamaljit Singh and people of his type. What is going to happen to them ? Under the law you are giving protection to officers who are paid Rs. 3,000 to Rs. 4,000 per mensem in addition to many perquisities.

So, we have to oppose this Bill. Parliament should reject this Bill. Government should bring forward a Bill which is unequivocal in its provisions. After all, you have amended the Constitution in the Fourth Lok Sabha so that you need pay only an amount and not compensation. Yet, after the amendment of the Constitution, Government have never invoked that provision of the Constitution. They have paid hage sums of money when they acquired any undertaking. If you want to satisfy your conscience, or if you do not want to rouse the fury of the American companies, you give them some money; let them go back to their country.

Lastly, I want to say about the refinery and other things. A few days back, the Minister said that we cannot nationalise the refinery of Esso or of any other foreign oil company because they are getting oil from their own sources..

SHRI D. K. BOROOAH : The party has not accepted complete nationalisation as its objective. The Congress election manifesto which put us in power stated that the commanding heights of the economy should be under public control.

DR. RANEN SEN : What does he mean by "commanding heights"? This phrase is being thrown at us almost every day in Parliament. Unless you take it over completely, nationalise it, make it your public property, the property of this country, you cannot attain the commanding heights. In the name of attaining commanding heights, you are giving them all sorts of latitudes. Instead of purchasing the refinery, instead of taking over balance 24 per cent by giving them money, it is much easier to take them over completely because they are also Indian companies. There is no conflict on that account. You can take them over.

About the question of Esso getting crude oil from Arabian countries, how much do they bring from there ? Their authorised capacity is 2.5 million tonnes. This much only they may be bringing from there. The Government of India also gives them crude oil. So, it is much less than 2.5 million tonnes. That does not solve our problem. We are entering into agreements with Iraq, Saudi Arabia and Iran. If these agreements to get more crude oil materialise, then the problem can be solved. The problem cannot be solved by getting 1.5 or 2 million tonnes from Esso sources which make us pay fabulous amounts of money. In that respect, I beg to submit that it is high time that the Government take courage to stand up and fulfil the demands of the people to nationalise all the foreign oil companies.

With these words, I ask the hon. Minister to withdraw the *Bill.*

SHRI RAJA KULKARNI (Bombay-North-East) : Mr. Deputy-Speaker, Sir, as Mr. Jyotirmoy Bosu said, it is better late than never. I do also agree with him to some extent. I support the Bill though it has come very late.

I know that there is a lot of controversy about how to characterise the action as envisaged under this Bill, whether it is nationalisation, whether it is achieving the commending heights of economy or whether it is something else. I will deal with this point at a later stage.

It was four or five years ago that this demand was voiced first by the organised workers in the oil industry. They made out a case to the public as well as to the Government that these foreign oil companies were not only adopting anti-labour attitude but they were also looting the country. It was about four years age when the situation about the rise in crude prices, or the present Middle-East situation, or the shortage of crude, had not cropped up. These problems were not there. But a solid case was made out by the organised workers in the oil industry. The Government at that time did not make up their mind. They only said that though we are not against nationalisation, we do not want to make up our mind about it.

On the floor of the House when a question was asked and also when a memorandum was submitted, Government said that there were three alternatives open to the Government on which Government would take a decision. One was termination of the refinery agreements; they were 25-year agreements and the scheduled dates of expiry were 1979 and 1980; whether they should be terminated in a premature stage, that was one point which, Government said, was also open for their consideration. The second alternative was whether to held only a percentage of equity shares of these refineries. The third alternative was nationalisation. Government had no clear perspective even on that. Now, for the last about two years, especially, when the situation in the international level had changed completely, from glut of crude to shortage of crude, from the prices going down to a situation of prices rapidly rising, when a complete change in the situation had taken place, probably Government did not take any decision because they knew that the crux of the problem was availability of crude and Government must get the crude directly from government to government level in the international market. In the first 18 months Government did not get it. But now we have to compliment our petroleum Minister, Shri Borooah: he did succeed in coming out of this vicious circle and has entered into agreement with the Middle East countries for getting crude. Then he has tried to bargain and has taken a decision, and the Bill has come. The point is, what do we call it. The Minister is still not openly saying that this is nationalisation. How then do we characterise it? Do we call it a phased-out nationalisation, if not nationalisation by expropriation? It is not nationalisation by expropriation. We do not use the wird 'compensation' because of the constitutional Amendment. But then the amount that has to be paid is phased out. I think, there was some procedure. The petroleum Ministry had appointed a Committee to consider the offer of the Esso Company itself. There was a surprise when this offer had come. This offer had come because the oil company knew that in India the Government's policy is moving towards take-over; at the same time it also knew the changing situation in the international level. We do not know; but somehow or other the General Manager all of a sudden gave two types of offer and asked the Government to take a decision, either to take-over completely or take-over a percentage of the shares. Now Government, in its negotions, with the Esso, modified Esso's offer, and as we understand and whatever has come into the Press, some kind of a scheme has come out. I would not like to oppose the Bill or to make any suggestion to send this Bill to a joint Select Committee because it would again delay the take-over of Esso. The agreement has already been arrived at. Today the situation is so delicate that any delay in taking over of Esso would not help our country; inside our country Burmah-Shell and Caltex would be enjoying any delay in passing this Bill and in taking over this. So, I would like that there should not be any opposition to the Bill as such but it should be expedited as early as possible. Now how far the provisions of the Bill have been proper and fair, how Esso also agreed to this..

MR. DEPUTY-SPEAKER : Please continue on the next occasion.

15.30 hours

Committee on Private Members Bills and Resolutions

THIRTY-sixth Report—

MR. DEPUTY-SPEAKER : Now, we take up the Private Members' Business.

SHRI AMAR NATH CHAWALA (Delhi Sadar) : I move :

"That this House do agreee with the Thirty-sixth Report of the Committee