

[Shri K. C. Pant.]

cooperation of the people will be forthcoming in full measure. Ultimately it is this co-operation on which all of us depend to see that the right climate is created and there is vigilance on the ground to avoid this kind of thing happening again. I do not know the capacity of thermal plants of private licensees which have been taken over, but I shall find out. If it is likely to help the situation, I shall certainly try to get these plants started again, not perhaps by the licensees, because that is not our policy, but the Government can step in and start these projects. I shall find out the position with regard to this.

SHRI BIRENDER SINGH RAO: I wanted to know whether the records of these engineers are screened by some authority at the Centre before they are appointed in high positions like Chairman.

श्री सतपाल कपूर : उपाध्यक्ष महोदय, मैंने इस के लिये 377 में भी नाम दिया था और कालर्टेन्गन में भी नाम दिया था। मैं सिर्फ इतना कहना चाहता हू कि मिनिस्टर माह्व इस पर दाबारा पत्राव गवर्नमेन्ट के साथ बात करे।

14.31 hrs.

DEMANDS FOR GRANTS—1974-75 Contd.

MINISTRY OF PETROLEUM AND CHEMICALS

MR. DEPUTY SPEAKER. The House will now take up further discussion and voting on the Demand for Grant under the control of the Ministry of Petroleum & Chemicals. Shri Nawal Kishore Sharma will continue his speech. He should be brief because he has already taken fifteen minutes.

SHRI NAWAL KISHORE SHARMA (Dausa): Sir, I will conclude within five minutes.

SHRI S. M. BANERJEE (Kanpur): Sir, I rise on a point of order. You have stated that the debate on the Demand for Grant of the Ministry of Petroleum & Chemicals may be continued. Under rule 340, at any time after the motion has been made, a member can move that the debate on the motion be adjourned.

MR. DEPUTY-SPEAKER. There is no point of order.

SHRI S. M. BANERJEE: You can rule it out after you hear me. While we are discussing the price hike on petrol, in the city there is a strike by the taxi-drivers.

MR. DEPUTY-SPEAKER: I say this is abuse of the rules.

SHRI S. M. BANERJEE: I would request the hon. Minister to make some statement on this.

MR. DEPUTY-SPEAKER: This has nothing to do with debate.

14 33 hrs.

[SHRI JAGANNATHRAO JOSHI in the
Chair]

श्री नवल किशोर शर्मा (दौसा) : मभापति जी, मैं कल निवेदन कर रहा था कि राजस्थान में खाद का कारखाना लगाये जाने का जहाँ तक सम्बन्ध है, सरकार की यह नीति रही है कि जो बैकवर्ड इलाके हैं, बैकवर्ड पारिबन्धिज है, उन को प्रिकरेम दिया जाय और उस नीति के अनुरूप राजस्थान का सीकर जिला एक रेगिम्नानी इलाका है, उस जिले के मलादीपुरा क्षेत्र में पाइराइट बहन तादाद में उपलब्ध है। इस लिये मैं कहना चाहूंगा कि न्यायसंगत यह है कि सलादीपुरा में यह कारखाना लगाया जाय। मैं यह भी कहना चाहूंगा कि जब किहरी लगाने की बात चल रही थी उस वक़्त राजस्थान के जयपुर डिवीजन के मन्त्री

साबोपुर को इस रिफाइनरी के लिये चुना जाना था, लेकिन बाद में वह रिफाइनरी मधुरा में चली गई। इस लिये मैं मंत्री महोदय से जानना चाहूंगा—रिफाइनरी न सही, लेकिन कम से कम खाद का कारखाना तो इस जिले को दिया जाय जिस से उभ क्षेत्र का कुछ लाभ हो सके।

अब मैं मंत्री महोदय का ध्यान एक मिरियस बान की तरफ आकर्षित करना चाहूंगा। राजस्थान से बीकानेर जोधपुर में जिप्सम बहुत बड़ी तादाद में मिलता है। यह जिप्सम मिन्दरी के कारखाने के लिए खाद बनाने के काम में आता है। आप ही फर्टिलाइजर कारपोरेशन ऑफ इण्डिया राजस्थान सरकार के साथ जो एग्रीमेंट किया, उस में बीकानेर की खानों को, जिन में जिप्सम मिलता है, एक-बन्ध कर दिया। मैं उम के इतिहास में नहीं जाना चाहता, लेकिन इतना अवश्य कहना चाहता हूँ कि इस बीकानेर जिप्सम के मालिक एक सि० दत्ता है जो बड़े अमरदार आदमी हैं। इस फर्टिलाइजर कारपोरेशन के कुछ बड़े अधिकारियों में उन के सम्बन्ध है जिस की वजह से बहुत बड़ा पैसा व इस जिप्सम में बनाने रहे। इस लिये इस सारे मामले की जांच की जरूरत है। अब उन्होंने राजस्थान सरकार के साथ ज्वाइन्ट वेंचर में एक कम्पनी बना ली है। हालांकि उम में 50 परसेन्ट शेयर राजस्थान सरकार के है, लेकिन दुर्भाग्य में सारा मैनेजमेंट दत्तामाहब के हाथ में है। मेरा निवेदन यह है कि या तो आप राजस्थान सरकार पर दबाव डालिये कि वह बीकानेर जिप्सम को अपने हाथ में ले या आप यह व्यवस्था की जाए कि यह बीकानेर जिप्सम दत्ता साहब के हाथ में निकल कर फर्टिलाइजर कारपोरेशन द्वारा मैनेज किया जाय, क्योंकि इससे देश की बहुत बड़ी हानि हो रही है। मेरे पास समय नहीं है, इस लिये मैं बहुत ब्रिटेन में नहीं जाना चाहूंगा

इस घुटाले में देश के कई बड़े-बड़े लोग शरीक हैं। मैं चाहूंगा कि आप इस सारे इतिहास को देखें और यदि आप मैटेम्फाइड हों तो उम का इन्जाम कीजिये।

अब मैं आपका ध्यान एक अन्य घुटाले की तरफ दिवाना चाहता हूँ जो बहुत दिनों से चल रहा है और वह है पाइप-लाइन का घुटाला यह सब नग चलना रहेगा—आप जानें लेकिन इस के बड़े-बड़े अधिकारी अब हटने जा रहे हैं। एक मैनेजिंग डायरेक्टर थे जो इस्तीफा देकर चले गये। आप तौर पर यह रिवाज हा गया है कि पब्लिक सेक्टर अण्डर टेकिंग में घुटाले होने हैं और घुटाले करने वाले लोग जाच शुरू होने और कम्पनी होने के पहले ही बोरिया-बिस्मरा उठा कर चले जाते हैं, उन पर कोई एक्शन नहीं हो पाता है। यह स्थिति ऐसी है जिस पर विचार किया जाना चाहिये। आप तौर पर यह बात होनी है य प्रश्न अपने आप में एग बड़ा अजीब प्रश्न है। इस लिये मैं निवेदन करना चाहता हूँ कि इस को आप देख कि लोग इस तरह में इस्तीफा कर चले न जाय और इस्तीफा देने के बाद जो फायदे उन को मिलते हैं वे उनका न मिल पाय।

आप के गवह्वार में किसानों को एक बड़ी दिक्कत का सामना करना पड़ रहा है। किसान 'एन० डी० ग्रो०' अपने खेत की उपज बढ़ाने के लिए काम में लगना है। उम की हमारे देश में कमी है इस में दो रायतही है। लेकिन मेरा निवेदन यह है कि इस के वितरण में धात्री न हा इस के वितरण में ब्लैक-मार्किट न हा। कम से कम यह व्यवस्था तो आप कर दीजिये कि इस तरह का वितरण सही तरीके से हो। आप स्टेट गवर्नमेंट को कहिए कि हर बंदाक लेबल पर, जिला लेबल पर आप को विभाग के साथ

[श्री नवल किशोर शर्मा]

कोई एडवाइजरी कमेटी बना दीजिये। अगर एल० डी० ओ० के वितरण में किसी डीलर की शिकायत आती है या बैंक-मार्केट की शिकायत आती है तो उस को तुरन्त रिमूव कर दीजिये। पेट्रोल का पम्प लगाने में अगर कोई परेशानी होती है कोई दिक्कत होती है तो उस में आप को बहुत सी फार्मलिटीज जानना पड़ता है, लेकिन एल० डी० ओ० है तो कोई परेशानी नहीं है। मैं आप से एग्जॉर्सेस चाहता हूँ कि इस तरह के मामले में आप सख्ती से काम लेंगे। लोग तो आप से यही चाहते हैं कि उस का न्यायपूर्ण ढंग से वितरण हो।

कैरोलिन के बारे में भी मैं आप से यही कहना चाहता हूँ कि उस में थोड़ा सख्ती कीजिये। कहीं भी आप के विभाग में, मेरे राज्य के बारे में तो मैं जानता हूँ, आप की इण्डियन आयल कम्पनी ने किसी भी कैरोलिन डीलर का लाइसेंस खत्म नहीं किया, समाप्त नहीं किया, जब कि कैरोलिन की बैंक-मार्केट की आम शिकायत है—इस की क्या वजह है। इस का मतलब यह है कि आप की कम्पनी का टाप-मैनेजमेंट, डिस्ट्रिक्ट मैनेजमेंट उन लोगों से मिला हुआ है। इस लिये मैं चाहता हूँ कि कम से कम आप के जमाने में तो यह भ्रष्टाचार इन हद तक न रहे। आप इस को देखिये—आम तौर पर ऐसे लोगों के खिलाफ जिन की शिकायतें आती हैं, उनकी डीलरशिप तुरन्त खत्म कीजिये, अन्य लोग तैयार बैठे हैं इस काम को करने के लिये, उनको लाइसेंस दीजिये।

आप के यहां आई० ओ० सी० में जो स्लैक बैक्स निकलता था, उस को कुछ इण्डस्ट्रियलिस्ट्स को छोटे छोटे उद्योग धन्धे करने वालों को, जिन के धन्धे कलकत्ता और आसाम में हैं उन को आप देते थे इस में आई० ओ० सी० को करीब 480 रुपया प्रति टन मिलता था और इस के अलावा 280 रुपया प्रति टन की एक्साइज ड्यूटी मिलती थी। अब इस स्लैक-बैक्स का देना बन्द कर दिया गया है

और यह स्लैक-बैक्स देने के बजाय आई० ओ० सी० जलान के काम में लग गया है।

मैं इसको एकोनोमिक्स में जान के बाद में निवेदन करूंगा। अगर जलाने के बजाय यह स्लैक बक्स इंडस्ट्रियलिस्ट्स को दिये जाने में सरकार को लाभ है, इंडस्ट्रीज को उपाय प्रोत्साहन मिलता है तो फिर आपका यह आदेश कहा तो सही है, इसको आप देख लें।

इन शब्दों के साथ मैं धन्यवाद दूंगा और मंत्रों महोदय से फिर एक बार निवेदन करूंगा कि सलादीपुरा के कारखाने के बारे में कोई निश्चित घोषणा करके देश में खाद की समस्या और खाने की समस्या दोनों का हल करने के बारे में कोई रास्ता दिखायें।

SHRI D. K. PANDA (Bhanjanagar)
The Report for 1973-74 does not give any hope for the future. It is some sort of a cynical report, away from self-reliance.

This oil crisis has put the entire economy into shambles, and we appear to be running in circles. Even with regard to exploration of oil where there are proved reserves as in Assam, we have not progressed and we do not know how long it will take to produce oil from Bombay. High where, the Soviet experts have indicated, there are reserves; that suggestion was given by them some ten years ago, but so far no steps have been taken.

With regard to IOC management, I have received—the Ministry has also received—a memorandum from the Indian Oil Employees' Union, Eastern Branch, Calcutta. In their memorandum they have categorically pointed out some most serious type of corruptions that are going on in the management, specially in the Marketing and Refinery Division of IOC. For the first time in the history, a principled stand has been taken by the workers' union to fight out this corruption, and in spite of their pointing out this corruption, the Ministry has not taken any action so far and

has turned a deaf ear to what has been pointed out. It has been alleged in the memorandum that, soon after the Bangladesh war was over, the Indian Oil Company, Eastern Branch, were directed by the Government of India to rush supplies to Bangladesh. So, from Sikri and other points, large stocks were sent in which transport contractors were favoured in a big way by the concerned IOC officers. The Branch Manager and Branch Operations Manager who played foul have just been promoted. That is the saddest part of the whole story. Now how will the workers tolerate the moral lectures on socialism from this Ministry? We want to know, when certain things were brought to the notice of the Ministry, how those very corrupt officers have been promoted to higher posts. I demand how the Managing Directors of Marketing and Refinery Divisions were allowed to give promotions to their favourite officers in the last week of January this year when there was no Chairman of the IOC. I want a point-blank answer to this from the Minister.

In that very memorandum another aspect has been given. Branch Manager Mr. Basru has now become the Deputy General Manager in Bombay. This officer, having received direct encouragement for his misdeeds from the Managing Director and General Manager of IOC, Mr. Bhatnagar, immediately committed a fresh illegal and improper act. I will read out that particular portion from the circular order dated 8-4-1974 issued by Mr. Basru.

"Office Order No P/3173.

Sub: Posting

With immediate effect, Shri M Rama Rao, Deputy Engineering Manager, will officiate as Engineering Manager in addition to his own duties till further advice."

Now, the Minister must know that in the judgement given by the Spl Judge in Bombay on 16-8-1973 in that sensational rock cutting case brought up by CBI, three senior officers including the Chief Engineer, Shri S. P.

Bhatnagar were awarded terms of imprisonment and fine and the Spl. Judge passed severe strictures also as to why the Deputy Engineering Manager, Mr. Rama Rao was also not prosecuted for conspiracy and other serious offences.

This happened in August 1973 and in April 1974 this officer was given officiating promotion as Chief Engineer. All these things happened because Mr. Kamaljit Singh can get away with anything. So, I demand that hon. Minister should make a clarification of this position and why no action has been taken on this score.

Now as far as the workers are concerned, they have given this memorandum and they are on the way to strike; in addition to this demand, they have also added some other demands of their own and no action has been taken. Therefore, I demand that the workers' memorandum should be paid urgent attention to.

With regard to the product exchange there is one chapter 'Product Exchange Arrangement' in the report. Now, I have got a copy of the Auditor General's Performance Audit Report, 1970-71. It is on the IOC Marketing Division, presented to Parliament in September 1973. I understand that this is the first time that a performance audit report on the Marketing Division has been presented. In the Review Committee set up by the Government of India's Audit Board there were two representatives of the Petroleum Ministry and the most mild language used in this report you will find at page 32:

"The Company is not entitled to recover any profit on the products treated as outright sale under these arrangements. The product margin on motor spirit amounting to about Rs. 10.61 crores was forgone by the Indian Oil Company to other oil com-

[Shri D. K. Panda.]

panies during 1966-67 to 1971-72. This in turn increased the repatriable profits of other oil companies."

This I am quoting from that very report. Of course, the language used is very mild. But, here one thing I want to point out. If the company is not entitled to recover any profit on these products and during the period 1966-67 to 1971-72 to repatriable profits amounting to Rs 10 crores have gone to the pockets of the foreign oil companies and during the subsequent period also there must be a profit of a minimum of Rs 5 to 6 crores that might have been allowed to go into the pockets of these foreign companies. Therefore, this product exchange covers not only the motor spirit but it includes many other items. Only on one item we have already surrendered Rs 15 crores during this period to the foreign companies. Then, what will be the position if you just make a review relating to the other items also. Then you will find that crores and crores of rupees have gone or rather have been surrendered to these foreign monopoly companies. Therefore, I want to know when this is in the public sector why this profit should be allowed to be given to the foreign companies and to the tune of crores of rupees. How then can the workers tolerate such a position when they demand a higher wages and even when we want that the prices of petrol should be reduced? To-day also you will find that because of strike most of the MPs had to come by walk to the Parliament.

Such is the position which is taking place and we are not able to reduce the price to consumers. The scooter and taxi drivers have got loans from the nationalised banks and the burden on their shoulders is going on increasing day by day, whereas these foreign companies have been allowed to loot. I do not understand what the Minister is doing as far as these aspects are concerned.

So far as the price of petrol is concerned simply because the cost of im-

ported crude has gone up now people are called upon to pay double price, treble price or even four times the price. Crores of rupees are being drained by these foreign oil companies because of the policy pursued by this Ministry. As far as the pricing of petroleum products is concerned I charge that this is simply being manipulated to serve certain vested interests. Just one example I will give. Take the case of private sector fertiliser producers like Shri Ram Chemicals, ICI, Birlas (Goa) etc. They are supplied naphtha at a very cheap price because that is necessary for them to produce fertilisers. And the price of petrol is kept at a very high level. As far as our own Indian monopolists are concerned they are allowed huge profits. They are supplied with raw materials like naphtha at a very cheap rate but at the same time we are giving more and more profits to foreign oil companies. Therefore the import parity has also played havoc, I should say, and this just cannot be tolerated any more. I want to get a specific answer from the hon. Minister about this. There is the Industrial Policy Resolution of 1948 which has been modified in 1956 but this has been completely violated by the acts of omission and commission of this Ministry. The Nagpal Ambadi deal has been mentioned in the Audit Report at pages 69 to 71. IOC had dealings with Nagpal-Ambadi, an associate of Messrs. Sikri and Grover who are themselves associates of a foreign company. Transformer oil is very much needed and it is also very much in demand by the expanding steel sector for electrical generation and also transmission. So on this score I want the Minister to clarify the position with regard to number one, mineral oil, which includes transformer oil, is in Schedule A industries, and that is reserved for public sector. How is it that Sikri-Grover were issued a licence in November 1965 to manufacture transformer oil? Who initiated this sort of departure from the Industrial Policy Resolution? Has the Ministry taken any action on them who have been responsible for the reversal of

what has been done by the previous Ministry?

Secondly, we know that huge stocks of raw material for manufacturing transformer oil have been given by the Madras Refinery in which the Government had a majority share and out of these stocks, the private parties had been allowed to manufacture and market the much-needed products like transformer oil etc. Why is it that even today the I.O.C. cannot set up its own manufacturing plant? This is very important from the point of view of basic raw materials. And why should not the I.O.C. manufacture it themselves and why it should be given to the private monopoly houses. Who authorised the Managing Director of Marketing Division to advance lakhs of rupees to Messrs. Nagpal Ambadi? Did he have any authority? Did he seek the Board's authority—I.O.C. Board? Not at all. By bypassing the Board, a decision was taken. Therefore, I want also a specific answer in this regard.

MR. CHAIRMAN: For the rest, you may pass on the papers to the Minister.

SHRI D. K. PANDA: I shall pass on. Regarding the fertilisers, the Estimates Committee, in their report on page 35, have suggested—recommendation para—that for the distribution of fertilisers, the proper agency should be cooperatives. But, in that respect, we find that a bigger percentage has been given to the private dealers and why they should not be eliminated as far as distribution of fertilisers is concerned. In that respect, the answer given was this.

“The Qureshi Committee which is going into the question of fixing a percentage of share of cooperatives in the distribution of fertilisers and the distribution margins had its last meeting on the 17th July, 1973 and its report is expected shortly.”

The report is awaited. How long will it take? These are simple things. It

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is a question of a strong political will. Why should it not be channelised through the cooperatives? Why are you again dealing with these nasty gangsters—hoarders—the private dealers? I demand that directly the fertilisers should be supplied to the people in that village and the Government should make arrangements to see that at least whatever is available must be made available to the peasants. There are innumerable suggestions made by the Estimates Committee. Not even one percent of them has been implemented.

As regards Paradip, it has been demanded by Government of Orissa since a long time. I do not know why is it that this has been neglected. Even no reply has been given so far. The last letter that was forwarded to this ministry has not yet been replied to. Why is this attitude being shown as far as Orissa is concerned. They are having so many programmes for removal of regional imbalances. I say that development of Paradip Port should be taken up. Already a fertiliser plant at Paradip has been sanctioned. I want to know one thing from him. Out of 300 M.W. of power which is produced in Orissa, 75 M.W. will be consumed by the fertilisers factory and 50 per cent is already consumed by the Rourkela Steel Plant. Why not you set up your own Central Plant at the central level so that Orissa will not suffer as far as its own industrial development is concerned? Therefore, I demand that there should be some coordination and for the fertiliser plant there should be a central power project so that that particular plant could utilise power from that.

15 hrs.

There have been many occasions in the past when several Members, particularly Members of the Ruling Party, highlighted complete lack of personnel policy in I.O.C. I find from Parliamentary proceedings, that pro-

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gressive Members like Mr. K. P. Unnikrishnan had given several instances on 6.7. 1971, that three years ago, of all this. He had alleged that the son of a Parliamentary Secretariat employee—one Tiwari—was given a cushy job in I.O.C. when the Estimates Committee was probing into I.O.C's barrel racket and an officer of the Estimates Committee secretariat was apparently seduced by I.O.C. It had also been pointed out in 1971 that some 75 sales officers were appointed by Shri Kamaljit Singh in 1970-71 without advertisement.

There should be a probe body comprising Members of Parliament to probe into this matter and submit a report within two months.

SHRI TARUN GOGOI (Jorhat): The country is passing through a great economic stress and strain and to a great extent the energy crisis is responsible and it will continue to be a strain on our country's economy. The Minister of Petroleum has to face the great challenges of energy crisis and he has to carry on the onerous burden. Certain steps have been taken in the right direction for which I would like to congratulate the Minister. But many more steps have to be taken to reach our desired goal. The prime object behind the energy crisis was to put political pressures on those countries which are hostile to Arabs and who are pro-Israel. In fact, never before politically less powerful and military insignificant States could humble the big giants like America and wealthy nations like Japan. For the developed and wealthy nations it was not the price that was a matter of concern. What was alarming them was non-availability of crude because of the oil embargo practised by Arab countries. In the energy crisis the power and developing country like India has been the worst victim. It has become a great strain to India—the country which had spent about little over Rs. 200 crores now the import will go up to Rs. 1300 crores.

Fortunately, because of our correct policy that has been followed in respect of Arab-Israel disputes there has been an uninterrupted supply of crude for our country. These countries have also realised the difficulties and there is a talk going on between our country and them for granting long and soft-term loans so that we can tide over the crisis. Therefore, may I plead with the hon. Minister to take up the matter with all the developing countries in order to lighten our burden and our strain, especially with all the developing countries who have sympathy with the Arab causes and to impress upon the oil-producing countries upon our difficulties so that we may get oil at concessional rate?

In respect of world diplomacy in oil, India has played its game well, and I hope India will play its game well, better and it is heartening to note that the hon. Minister Mr. Borooah is going very soon to the UNO and I am sure he will take full opportunity there to put forward our case. Today, it appears from the newspapers that in the UNO also, delegates from Iraq, Kuwait and Saudi Arabia have expressed their willingness to help the developing countries and according to their views it is not the price rise that hits the developing countries, but along with that the exorbitant rise in prices charged by the developed countries, that is, those countries which have been receiving oil at cheaper rates, also hits them. We hope that there will be more co-operation with the developing countries, and both the oil-producing and the developed countries will realise the difficulties of the poor developing countries and come to their help.

The energy crisis, as I see it, is a blessing in disguise. The availability of crude oil at cheap rates had made us more or less lethargic. Now, the circumstances have compelled us to augment our indigenous sources for oil. It has become an imperative need now to have intensive and extensive off-shore and on-shore drilling for oil inside the country or

in collaboration with other countries in order to find out alternative sources. In every crisis, there is a new strategy needed to meet the situation. The fresh strategy now must be to curb to the extent possible the use of crude oil and in industries it has to be used in such a manner that it will generate export earnings and it should be used only in a vital sector like agriculture. In order to achieve it, there is no other alternative but that we have to suffer. There should be a drastic cut in the use of private motor cars and the production of private motor cars should also be drastically cut and there should be increase in mass transport system for the common masses. There should also be a cut in dieselisation. There should be a cut in consumption of kerosene oil. An alternative should be found out so that for cooking and for lighting, other materials can be used. We should also use less furnace oil in industries and in thermal plants, and we should give more importance to the use of coal. The circumstances have necessitated that the sooner the foreign oil companies are nationalised, the better it would be for the country. I hope the hon. Minister will take the decision at the appropriate time.

As regards Oil India, I have one grievance. The Government of India and the Burmah Oil Co. have equal shares and have equal representation on the board, and in respect of the dividend also they have equal shares. Simply because of the equal investment, equal dividends are not justified for them because the oil belongs to us and it is a scarce resource and a very valuable resource. Therefore, only because of equal investment, they are not entitled to an equal share.

The scarcity or high prices of fertiliser or kerosene have not been agitating the minds of the poor people only but it has been agitating the minds of all people. But because of the availability of crude at blackmarket prices and it is the poor people and the agri-

culturists who have been the worst hit. I know the hon. Minister Mr. Borooah has sympathy with the poor people and the agriculturists, and I am sure he will evolve a proper machinery for distribution so that these poor agriculturists will get their due shares at a concessional rate.

As regards the drug industry, the private sector was so far playing a very significant role. Now we have come into the picture. The role played by the public sector is very small. In view of the present position, in view of the fact that spurious drugs are manufactured, in view of the exploitation and exorbitant price charged by the private companies, the public sector must come to play a dominant role to ensure that standard quality drugs are manufactured and put on the market at reasonable rates to benefit the poor people.

Coming to my State, I will be failing in my duty if I do not draw attention of this august House to the injustice that has been done to it. Assam occupies the predominant place in the oil map of the country. Oil was first discovered in Assam 100 years ago. Though Assam continues to have the highest reserve of oil, though its claims to be the headquarters of the oil industry cannot be disputed, it is not Assam which has been benefited by the establishment of oil and petrochemical industries. Among all the existing refineries, Assam has the smallest one, namely of less than one million tonnes. In respect of other refineries in other States, they are of 3, 4 and 6 million tonne capacity. From this you can judge for yourself what injustice has been done to Assam. There are such industries in other parts of the country where there is not a single drop of oil. I do not grudge any part of the country having industry in it, whether there is oil or no oil. We welcome the setting up of any refinery or any petro-chemical industry in any part of India, but I feel that it is not fair to us that we

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in Assam should be deprived of our legitimate share and legitimate due in this respect

Injustice has already been done to us. Oil was discovered in Naharkotiya in 1952. But it took about ten years for further action. It kept sealed for ten years. Then they set up a small refinery there and that too after a mass agitation launched by the people of Assam.

Now what is our prospect in the Fifth Five Year Plan? There is a proposal to increase the capacity in regard to oil to 10 million tonnes. The capacity of the Gujarat refinery is to be increased to 3 million tonnes. The capacity of the Mathura refinery is to go up to 6 million tonnes. But we are going to have refinery in Assam in the Fifth Plan only of one million tonne.

Then in respect of crude oil supplied to Bargaon we in Assam have been losing crores of rupees in not being able to realise sales tax because of some technicality or some sort of agreement between the parties concerned. We have been demanding for a long time a revision of this arrangement so that Assam may not lose crores of rupees on this account.

Besides oil, Assam has coal reserves which have a low ash content and contain sulphur. According to Dr. Lahuri, who was Director of the Coal and Fuel Research Institute, these are most suitable for conversion to oil. I plead with the Minister for setting up such a plant in Assam.

As regard, the drug industry, there have been certain units set up in the public sector. But the whole eastern region of India comprising Assam, Bengal, Bihar and Orissa has been completely blacked out. You will be surprised to know that while all

States have developed the drug and pharmaceutical industry, in Bengal, and Assam there has been a decline in this field.

As regards royalty on crude, there has been an increase in price of the natural gas supplied from Assam by IOC to the State Thermal Electricity Plant because of the rise in petroleum prices. Does this not justify increase in the royalty on crude from Rs 15 to Rs 30?

As regards the location of the Petroleum Research Institute, the natural location should have been either Assam or Gujarat. What justification can there be for setting up the Institute at Dehra Dun? I fail to understand the logic of this decision.

As regards the employees of Oil India, there is no uniform rule, there is no principle followed, in regard to promotions for junior executives and the lower categories of staff. This has resulted in great discontentment and there are complaints of favouritism and nepotism.

It is also gratifying to note, and I am very hopeful, that the future of the country is not bleak. Off-shore drilling and the drilling at Galeki and other parts of the country have brightened the hope and I am sure under the dynamic leadership of the Minister the whole Ministry together with its departments will be geared up, activated and well-equipped so that we can meet the challenge and see that the country will not only attain self-sufficiency but it will be converted into an oil-exporting country.

With these words I extend my full support to the Demands for Grants of the Ministry of Petroleum and Chemicals.

MR. CHAIRMAN: Shri Shyamnandan Mishra. One Member from your party has already spoken. So, you may not take more than seven minutes or so.

SHRI SHYAMNANDAN MISHRA (Begusarai): Only a few minutes. I rise to participate in the debate to draw attention to a few specific points. Naturally, the House would expect me to begin with my most natural place, that is, my constituency. I have a feeling that the projects at Barauni seem to be nobody's baby. None of the projects at Barauni seems to be keeping to its schedule. They suffer from a lack of construction materials sometimes like steel, cement, etc., although both these materials are produced in Bihar. The projects located in Bihar suffer from a shortage of these materials. You know that steel is produced at Jamshedpur and cement at Dalmianagar and at Bojua-dih. And yet, the projects at Barauni suffered for a considerable period of time due to shortage of these materials.

Similarly, in the case of fertilisers, there have been slippages although we have got the assurance that now steps will be taken to see that the project keeps to its schedule. Nobody has tried to explain to us why these things have happened, why such materials as were readily available in Bihar could not be made available to these projects. Is it not strange that it should have happened?

I take first the instance of Barauni Fertilisers. We were told in the report of 1971-72 that the project was in an advanced stage of construction and was expected to go into production in the early half of 1973. Then the report of 1972-73 said that the progress of construction had been affected by the shortages that I have just now mentioned. Now, we come to the latest report. What does it have to say? The latest report says that "there has been a slippage in the mechanical completion of the project due to the delay in the delivery of some of the critical

items." One really does not know from whom is this delay and where this delay has occurred and who has been responsible for this delay and which was the agency which was to supply some of the critical items and why has that agency not been prompt enough to supply these critical items in time.

We also do not know whether some of these things that have been mentioned earlier, that is, the shortages of steel or railway wagons have been overcome and whether the trial production of this factory can be expected to begin in July, 1974 as promised. Can the hon Minister say that he is going to keep to the schedule that is, the trial production would begin in July, 1974 as promised?

Secondly, with regard to the Barauni Refinery, the third million unit plant had already been completed in January, 1969. And although five years have passed, it has not been operated regularly and the reason given at the beginning was that there was a capacity limitation of the pipelines. But I think that that was not the whole truth. The Government seems to be shying away from telling the whole truth that the crude in Assam was now being diverted to Bongaigaon and therefore the crude was not being made available to the Barauni refinery.

SHRI D BASUMATARI (Kokrajhar): You grudge it?

SHRI SHYAMNANDAN MISHRA: I grudge it because that was the original scheme and they were not trying to go according to the original scheme.

Then it was said that the Government would make arrangements to run this unit on imported crude and for that purpose imported crude would be moved by the products pipeline from Haldia to Barauni. One does not get any idea from this report to what

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extent the products pipelines had been converted fully into this new use, and in what quantity this pipeline was able to transport crude to Barauni refinery during the last year. We also do not know whether the first phase of the programme that was to be completed during the Fourth Plan had been completed. Was it not the duty of the Ministry to tell us whether the first phase that was to be completed during the Fourth Plan had already been completed or if there had been slippage that information should have been shared with us. The second phase was to be completed by the middle of this year. What is the position? Is the second phase going to be completed according to the original idea? When would the refinery begin working to full capacity?

Thirdly, there is a strong case for the location of the Petro-chemical complex in Barauni area. At one time it seemed to have been nearly decided that the complex would be located at Barauni. What factors came in the way of a final announcement about the decision one does not know. One has the suspicion that some pressures seem to be at work for taking away the complex from the Barauni area. The scheme of the Fifth plan to have a 25 crore aromatic project should not be taken away to an area which may not be as suitable as Barauni is for this purpose. I would, therefore, earnestly plead for the establishment of the aromatic complex which is one of the projects included in the Fifth Plan.

Lastly I would come to what might appear to be an unsavoury deal and I do so with some reluctance. If my information is proved incorrect, I will be happy. Otherwise, it would be one of the most stinking scandals. The information that I have got is that there was an—Iraqi deal for the purchase of crude at a lower price compared to the Saudi Arabian crude

purchase. The Saudi Arabian crude price was higher. The higher price paid at that time is estimated to total about two; and a half or three million dollars. It is said that there was some secret deal by interested persons at this end so that a considerable amount of that high price could be collected for private and political ends. Let the hon. Minister tell us whether there was any CCP message from a member of the Planning Commission Mr. Pathak to the Government of India, particularly to the Prime Minister emphasising the undesirability of this deal. (Interruptions). The Saudi Arabian crude was purchased at a higher price and the Iraqi deal was earlier for a lower price. The long term deal with Iraq would now cost our exchequer quite a huge amount because they would also insist on the same price that you have decided to pay to the Saudi Arabian deal and if there was such a message CCP message from a Member of the Planning Commission, Mr. M. S. Pathak, who was responsible for suppressing this message was it somebody in his Ministry or was it at the instance of the Minister himself that this was suppressed from the Cabinet and the Cabinet was not put in a position to take a correct decision in this matter. Now this is one of the things that would have made many heads roll in other countries. But here since you have a majority, you think that you can cover up any clandestine deal of such a nefarious character as I have placed before the House.

Now these are a few points on which I wanted to participate in the debate and I think I have not taken more time than was expected.

SHRI K. P. UNNIKRISHNAN (Badnaga): Mr. Chairman, this is the fourth consecutive occasion when I have been privileged to take part in the discussion on the Demands for Grants in

respect of this Ministry. In the past, I have had many harsh things to say, not motivated by any personal animus, but solely for the reason that I consider this vital Ministry to be of crucial consequence and significance to the future of this country and our economic well being. I have been a critic of this ministry more so because I felt that this Ministry lacked political direction for quite sometime and a set of officers were allowed to run it as a private firm or as an empire and this I thought to be dangerous, because when a Ministry of this kind, where a large number of public sector undertakings are under its charge, deteriorates to this level of functioning, then, it can spell ruin to the concept of public sector, to which we are wedded. But, I am glad, Sir, that this anomaly has been rectified by our Prime Minister by bringing in a great and astute statesman and putting him in charge of this Ministry. He has thereby restored its lost balance and I hope he will, in the years to come, give the lead required because in the present context of energy crisis and our own balance of payments position, it is bound to acquire new dimensions of importance.

Sir, the year under review with which we are primarily concerned, has seen many international developments on the energy front and the crucial development has been, what is termed and what we are familiar with, as the global energy crisis. Basically and in a fundamental sense, it is a question of crisis for the developed countries, but in a more different sense I would say, it affects our future more than theirs. This is because the basic question that has come up is of the nature and extent of the problem of this earth resources particularly of fossil fuels, manner and form of its exploitation and its consequences, the question of quest for alternative forms of energy and also the role of international cartels in, the exploitation of these resources, are all involved in this great debate. I hope this session of the United Nations, which is going to deal with this crisis, and where we

have two distinguished representatives from our country—the Ministry of External Affairs and Mr. Borooah, who is leaving today—will deal with this question adequately and what is more, I hope it will also deal with the question of prices of primary products of the under-developed countries, because I consider it of crucial importance in the present debate. The question of prices of primary products should be raised at least by our delegation and I hope this question will be discussed, as was suggested at the last non-aligned conference of Foreign Ministers.

Sir, I shall now deal with the implications of this energy crisis for our country because we have not only a narrow energy base, but, we have hardly any margin left in our balance of payments. It is a question of drain on our slender resources, of our hard currency earnings and we are absolutely in a difficult phase of our balance of payments position.

In 1950 we had imported crude worth Rs 55.5 crores. In 1960 it went up to Rs. 81.6 crores, in 1970 to 132 crores, in 1973 to Rs. 460 crores and in 1974 to Rs. 1300 crores, which is almost 60 per cent of our total export earnings! This is the background in which we should approach the whole question. The evolution of a new oil policy, a new policy of energy resources and utilisation of fuel is absolutely essential for our developmental thrust. So, I feel that the question of our energy base has to be reconsidered.

The whole question boils down to having the goal of self-sufficiency in energy and feedstocks for fertilisers. This is the question I would like to pose: Should oil alone remain the fuel base of the Indian economy? Can it ever remain so? This ministry and the Planning Commission should have a hard look at facts of the present as well as a clear perspective for future. The officials in the ministry seem to be talking about a 9 per cent growth in the rate of consumption. It is a thing which may be necessary for the next few years. But the whole question must be posed afresh, because our

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aim should be to restrain consumption and avoidable demand for petroleum products and crude and also to look for new sources of energy and food—stock and self-sufficiency in the same

For example, take the use of fuel oil for power generation. I read the other day the "U.S. News and World Report" where Dr. Dixy Lee Ray, the Chairman of the U.S. Atomic Energy Commission reports a very interesting conversation with the Iranian Minister for Water and Power:

"The Iran Minister for Power and Water told Dr. Ray that none of Iran's power plants would be fired by petroleum, because Iran considers petroleum far too valuable simply to produce heat for making electricity. Iran, a substantial oil producer, knows that oil is too valuable to be burnt that way"

But in India in spite of our being an importer and hard-pressed for foreign exchange, we have not understood this position which Iran has understood

Iran has abundant oil reserves and abundant foreign exchange reserves. Yet, they are not prepared to use fuel oil for power generation whereas we would like to burn it away

As a consequence of the crisis in supplies of furnace oil, a whole range of industries—textile mills, cement factories, drugs and pharmaceutical concerns and foundries and a host of other industrial plants have been affected. For the moment, the question is: Shall we import less or more? If we import less, that would necessarily mean much of our refining capacity will have to remain idle. It would also mean that the refineries which we are planning to construct will be starved permanently. While we should have a perspective planning for our refinery development, I would urge

the minister that in view of the earlier stated proposition we should take steps to restrain consumption and avoidable demand and he should have a new look at all the refineries, including the Mathura Refinery. There is also the question of mass transport. Shall we encourage the demand for private automobiles as against the pressure in demand for mass transport facilities in the urban areas where 180 million people are involved? Whether it is dieselisation of Railways or mass transport in urban areas using petroleum products as fuel, the basic question is, shall we have an integrated policy? I would urge the Minister in charge to look into these and some other questions that have been thrown up and a clear perspective brought before Parliament.

Take, for example, Japan. Earlier, say a couple of decades ago when Japan came under the Control of American imperialism, what was sought to be done in Japan was to convert the Japanese energy requirements into a demand for the products of the international or US oil cartels to the extent of 80 per cent of the Japanese needs. This was so until as late as 1970. If we are to follow our policy of inflating or increasing our requirements for fuel, particularly from petroleum products, then we shall find ourselves in a position very similar to that of Japan. It was argued in Japan and Europe by economists, that the more petroleum you use the more exports earnings you get. It was also argued in Delhi that a similar policy should be followed here. I am sorry to say that this policy is bound to prove counter-productive in less than a decade. The question I have posed basically has been answered by the Soviet Union or China, where they have gone up to 50 million country crude, or even by a small country like Mexico where the aim has been to have self-sufficiency with regard to these fuels.

While the reports from Bombay High are encouraging, I hope it will be extended to the whole of West Coast, including the Kerala Coast. I do not know whether I should avoid saying that, but the basic slogan should be "explore with vigour" and also "explore with less of racket"! Because unfortunately, as I have said earlier, in this Ministry there are empires within empires!

The second aim should be curb on consumption. When earlier in the year the Minister came before the House for an increased price and/or excise duty with a view to curb Petroleum consumption, we welcomed it. Then, there should also be maximisation of efficiency of the existing plants. Further, refineries will have to be planned ahead. Along with that there is need for an integrated transport policy. Although it may not be very relevant in this Ministry's debate, an integral and related question is the utilisation of vast reserves of coal and thorium. About 80 per cent of our Hydel potential is going waste. Also, we have the world's best hydrogenable coal available. I wonder whether we cannot evolve a clear-cut energy policy, based on certain fundamental assumptions which I have outlined earlier. Otherwise, we shall have to pay a very heavy price, not only in terms of our development but also even in terms of our survival.

Then I shall come to the question of the public sector undertakings under this Ministry. I shall make only a passing reference to the Marketing

Division of the Indian Oil, Corporation. There have been reports that in a widely publicised press conference the Managing Director of the Marketing Division announced that he had resigned and he had come out with certain allegations against the Ministry. I have not found a rebuttal of it anywhere. I would like to know whether this man, who has been hauled up in this House and outside, did have the temerity to say the things that have been reported in the press, against the Minister or the Ministry and if so, what action the Minister has taken against him. I want to know whether the so-called resignation is a fact, and whether it has been accepted and whether he is still today even attending the office and functioning as such after saying all the things that he wanted to say.

The whole question is, as I said, there are empires within empires! Some of these gentlemen who talk as the chief executives of the public sector undertakings have been behaving as capitalists without investment. They think that this is their grandfathers' property or something like that.

Here is a Corporation with a Rs. 991 crores turn-over—it is not a joke. Both the Ministry and the Corporation are accountable to Parliament because Parliament alone can take decisions regarding this. It is the Parliament's

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supremacy which has to be asserted on the question of public sector undertakings.

In this connection, I would like to know whether the man who had refused to implement a rational distribution policy is still going to be kept. What we require is a new distribution policy. There are about 2,100 kerosene dealers under the Indian Oil Corporation. How many syndicates are running these kerosene agencies? What is happening to kerosene? Is not the Indian Oil Corporation and the Ministry responsible for this? If so, would the Minister think of evolving a new distribution policy?

Some time ago, the hon. Minister was good enough to say that he would think of involving unemployed persons and persons of backward regions and communities, like Harijans, in the distribution network. I would like to know whether he has evolved any concrete policy since then.

What is happening is that a new management elite is trying to take over our public sector undertakings, as it happened in the Pemax of Mexico and the E.N.I. of 'Signor Mattei' of Italy. These organisations shall degenerate if the political direction, the clear-cut direction with regard to the policy frame work and the leadership are not provided by the hon. Minister. If the Ministry and the Parliament do not assert themselves, what will happen is that they will be taken over by these elements which might be suicidal not only for the health of the undertakings but also for the future of our country.

There is the question of a subsidiary, the Indo-Burma Petroleum Company which was acquired by the Government sometime in 1969 or so after acquisition of shares from the Steel Brothers of London. The then Chairman of I.O.C. under great parliamen-

tary pressure, had to leave. He had, without any authority, appointed the present Managing Director of the Indian Oil Corporation as the Chairman also of the subsidiary. What did he do? He brought his own relative. This is a classical example of Pemax E.N.I. He brought his relative who was an efficient Research Manager in the Indian Oil Corporation. He was earlier a small official of the Burmah Shell on a comparatively lesser pay scale. He was brought as the Managing Director of I.B.P. He, in turn, brought his relatives. So, this business of bringing the relatives went on. Another brother-in-law of his was brought in, brother-in-law and son-in-law of Deputy Secretary, Joint Secretary, etc.—this thing went on; I shall give the hon. Minister the details—with flats, perquisites and so on.

I think, Dr. Kailas talked about the Finance Director of the I.O.C. But that is a small part of the story which, on scrutiny, I find is incorrect and the expenditure has been authorised by the Company Law administration. There are other stories running into flats, perquisites and so on. Would he put an end to all this? I understand, the officials of the Ministry of Petroleum and Chemicals and also of the Indian Oil Corporation and their relatives have also acquired shares in I.B.P. because the Government controls only 59 per cent of the I.B.P. Co shares. Now, after they have acquired these shares they have also put in an application for bonus shares to the Company Law administration—10 bonus shares for 9. This is how the loot is going on.

I urge upon the Government to take immediate steps to re-structure or re-constitute the I.B.P. management.

Before I conclude, I shall say something about fertiliser. As I said before, the whole fertiliser policy will have to be looked into afresh.

I am referring to the question of feedstocks. Some time ago, in a discussion with the Planning Commission, when some of us raised the question of Toyo deal, some of the members of the Planning Commission raised their eye-brows and probably thought that we were talking ideology! I do not know where this deal stands today. The whole question is this: Do we want self reliance? Shall we do something with the enormous reserves of coal that we have? May be the gestation period will be long, and to begin with, it may be capital-intensive. But shall we go ahead with a clear-cut policy of having five or six coal-based plants in this country? That is the question before us now

Secondly, I would like to see something which is very unpopular; many of my friends on this side and also on that side might be opposed to it, and that is the question of fertiliser prices. I would say that there is a very strong economic case for a rise in the price of fertilisers. Fertilisers are sold in black market and so the money is being taken away by the middle-men. Shall we allow this to continue or shall we mop up some of the surplus income that has accrued to a section of the rural sector and stop this racket in fertiliser to which a number of members have referred? That is the basic question before this Ministry. The black-marketing in fertilisers has to be ended.

Now I shall not deal with any person, but references have been made in this House, and some heated exchanges have taken place, about Fertilisers and Chemicals, Travancore. I would like to assure the hon. Minister of State that I have great regard for him. I did not know the person I have been talking about except that I have casually been introduced. The question is one of efficient management, as I said earlier in this House. The Cochin plant of

FACT has been shut down since 2nd February. When he comes and praises the management of a public sector undertaking, would he bother to find out what is going on? Would he at least call some of us, talk to us and find out what is going on and what is wrong with this plant? I must say with regret, that he has not made any such effort. In Udyogmandal plant, I would like to say, the percentage of production capacity has gone down in 1973-74 compared to 1968-69 or 1971-72; Ammonium sulphate by about 50 per cent and phosphate by 45 per cent. As for the FEDO, the Minister knows what is happening. Still he would like to pay a tribute to him, paint a rosy picture of them in this House and say that things are improving! Another basic question is of trade union disputes. The secretaries and activists of some political parties—Congress (O), some belonging to our own Youth Congress, also belonging to CPI almost all the parties—are being harassed; they have been harassed for saying these things outside. Now I shall come to this crucial question. According to the Ministry of Labour statistics 60 per cent of the trade union disputes in the public sector undertaking are due to non-economic causes. If you want to get the cooperation of labour in running them, you will have to take these factors into consideration and have a clear-cut policy regarding these.

I do not want to take much time of the House. Since this Ministry is concerned with many other vital industries, which are of great consequence to the future of this country and are also directly related to the people and their social experiences, I would say, before I conclude, a word or two about pharmaceutical industry also. I warn that there is going to be a drug famine in India. I am saying this. Not only a number of drugs are going out, they are not available. Even simple drugs like codopyrin and analgin which is a product of IDPL are disappearing

[Shri K. P. Unnikrishnan]

from the market as also so many other drugs. Who is responsible for this situation? I would like to know. If STC is responsible, has the STC been told why they have not imported certain things in time? If it is only a question of raw material shortage, I would like to know whether there is any effort by a section of foreign companies to black-mail this country.

Now, Rs. 300 crores is the present turn-over of Pharmaceutical industry out of which 80 per cent of the capacity has been cornered by foreign pharmaceutical companies many of whom are international giants. In the Fifth Plan the turnover may go upto Rs. 600 crores. Are you going to permit this and allow them to entrench themselves in this country? Yesterday, somebody talked about the General Motors. Now I was told the Dow Chemicals of USA is coming into the Indian explosives market and that Indian Detonators is being taken over by them. If this is the tendency, is there any hope, that at least in this Ministry hon. Mr. Borooah will be able to assert himself and his Ministry will be able to assert themselves and implement our policies?

In 1965, after the Pakistan war, there was a blanket expansion to the extent of 25 per cent. These foreign companies, instead of expanding their capacity for producing drugs and even vitally needed drugs, went on expanding their capacity to produce cosmetics, toiletries, tooth paste chewing gum and so on. Shall we allow this loot to continue. This is the question I would put to the Minister to answer clearly. I hope the hon. Minister will pay attention to some of the crucial points I have raised and I hope he will play a dynamic role in the development of our economy.

SHRI INDRAJIT GUPTA (Alipore):
I am grateful to you for giving me

a few minutes. There is only one point to which I would like to focus your attention. It has been referred to, of course, already by a number of speakers. That is the question of the country's quest for new oil resources, indigenous oil resources. I think the Minister will agree that in more senses than one, the national struggle for self-reliance, for economic development and indeed for survival in many spheres depends now on our ability, on our indigenous talent and resources to speed up and step up at the highest priority possible, the search for oil in our own country.

In this respect, the report of the Ministry has reminded us effectively how critically inadequate our available crude oil supplies are at present. We have got the ONGC producing a little over 4 million tonnes of crude per annum and the only other producer is Oil India which, according to this report, continues to produce at a steady rate of 3 million tonnes per annum. I would like the Minister to tell us how long this steady rate of 3 million tonnes per annum has been continuing steadily. This has been going for a number of years. There is no increase, no growth at all as far as Oil India is concerned and it should not be put in the report in this way as to give an impression that something very remarkable has been achieved. Therefore, the result will be, as it is stated here, that our requirements of crude oil may go upto 40-43 million tonnes per annum in the next five years whereas we are at present producing only 7 million tonnes indigenously.

The experience which we have recently with the Bombay High off-shore drilling only goes to prove in my opinion that there is plenty of oil in the waters of the surrounding ocean and not only on the West Coast but also, if we set about it, we can find out quite a lot of oil. I am quite

sure, on the East Coast as well of this continental shelf, stretching right from Vizag in the South. I would say, right up to Chittagong and Cox's Bazar. There is no reason why we should not have cooperation with Bangladesh in this matter also. Instead of cooperation with our genuine friends, the Government of India is now seeking cooperation for the offshore drilling precisely with those big, multinational foreign oil cartels who are hovering about and anxious to get into this business. It has been stated here in reply to questions so many times that negotiations are going on; details have not been revealed; perhaps they cannot be revealed at this stage. Even the Sagar Samrat, the mobile off-shore drilling platform, which I don't think, by any modern technological standards, can be considered a very efficient piece of machinery,—we know its background, we know how it ran into lot of trouble in the beginning and had to undergo modifications repairs and all that,—but even that, in such a short span of time, has struck oil there, which is at a short distance from the coast of Bombay. Therefore what I would suggest is that if a herculean effort is made by the Government, by the Ministry, by the ONGC, and all available resources of talent, all of our high Indian geologists, geophysicists, oil scientists, and everybody concerned, there is no reason why this pace of oil exploration cannot be stopped up, quite sharply, I would say. Without that, I fear, we are going to be in for some very serious trouble. As Mr. Unnikrishnan pointed out, to what extent we can rely on alternative sources of energy, particularly coal, is also a matter of research and development in this regard. But I must say I am not very optimistic yet about the Government's plans and proposals.

There is one thing I would say that in our foreign collaboration agreements with foreign companies,—whether they are American, or

British, or Japanese or French,—for this off-shore drilling. I would request the Minister to be extremely careful and cautious to see that onerous terms and conditions are not accepted which will do us immense harm in the long run.

It is reported widely in the national and international press that some of these foreign companies are trying to pressurise the Government to see that if they are brought in with their technology and know-how etc. for off-shore drilling, they should be allowed to have a share in the equity participation, just as we have had the example of General Motors coming into Hindustan Motors or regarding the Indian Explosives and so on. This should never be allowed. I know the Minister must have read sufficient literature and books how these multi-national oil corporations (operating in different countries, particularly the underdeveloped countries of the third world) have been able to entrench themselves not only in the economy, but leading on from that participation, to stages even where they are in a position to over-throw certain Governments.

16.00 hrs.

Therefore, these onerous terms and conditions of a share in equity participation or a share in oil—a part of the oil which they find must be handed over to them—for export must be avoided.

As far as on-shore drilling is concerned, we have been hearing for such a long time about the possibilities of oil-bearing structures in Tripura, in Assam, in the Gangetic basin of West Bengal and so on. But, we do not seem to be making much progress. And perhaps one of the basic reasons is that we have not got the equipment. I would like to know from the Minister what happened to the plan, or, the proposal that there was, for the manufacture of drilling rigs at the Heavy Engineering Corporation's Plan in Ranchi? That, as far as I

[Shri Indrajit Gupta]

know, has failed completely. Why is it so? Why is it there is not sufficient measure of coordination between his ministry, the Ministry of Heavy Industry and other related ministries to see that, to the extent possible, the resources of the Heavy Engineering Corporation must be utilised to manufacture drilling rigs which we require so badly? Short of it, whether my friend, Shri Piloo Mody likes it or not, we will be depending on our equipments, particularly, for our drilling rigs, on the Soviet Union and other socialist countries like Rumania etc. And no other country will give you drilling rigs.

SHRI PILOO MODY. What is wrong with it; if you are dependent on them for drilling, you sink with them because they do not know

SHRI INDRAJIT GUPTA. You should know that all the data, on the basis of which, this off-shore exploration of Bombay-high has yielded results was also prepared by us

MR. CHAIRMAN. I think Shri Mody needs a little drilling. He is ignorant.

SHRI INDRAJIT GUPTA: He does not know anything about it That is the trouble. I would like to know from the Minister, when he replies, what concrete steps have been processed or worked out under the Indo-Soviet Agreement, particularly, for the supply of adequate equipment and drilling rigs which will enable us to step up the pace of our on-shore exploration I would say this thing that we are not very much satisfied with the attitude that the Government has taken to the very valuable recommendations which were made by the Malaviya Committee on O.N.G.C. I have no hesitation in saying that the very valuable work of that report is, to a large measure, due to its Secretary which, everybody knows I hope, Shri Borooah knows the name of Shri Sailesh Ghosh who worked as a Secretary of the Malaviya Committee.

He is one of the most knowledgeable persons on oil in this country. And the O.N.G.C. had laid down as one of the top priority tasks of the Government for changing the entire structure of the O.N.G.C. from top to bottom. It also proposes that there should be a separate Ministry of Oil Exploration and under that the whole structure of the O.N.G.C. should be revamped and reorganised from top to bottom. Re-vamping, as I understand it, basically means, change of bureaucrats from top to bottom. Shri Unnikrishnan gave some examples. I do not want to multiply them. The kind of gentleman sitting in this vital position in the whole apparatus should be replaced by technical people, by the people who are knowledgeable in this particular specific field of oil and petroleum who knows something about it I do not know your new Secretary, Shri Dave. I do not have the pleasure of his acquaintance but, I want to know why should a Secretary of your Ministry—an oil Technocrat—not be a person who has, over the years, acquired expertise, knowledge and experience in this specific field? Why should be always be a general administrator and a bureaucrat? Therefore, I would say in our country we have got enough talent We have got enough young people, good geo-physicists, geologists, scientists and oil people to whom one should boldly give responsibility in this period of challenge if you want the country to really come out of this deadlock and take radical steps in the field of oil—our own oil.

One of the most tragic things is that even after 27 years of Independence we are producing only 7 million tonnes of oil per year and we found ourselves in such a hopelessly vulnerable position when the fuel crisis overtook the world We were at the mercy of others. Whether it is oil or coal we have not developed our own resources This basic aspect of our development has been so tragically neglected that now when catastrophe has overtaken the entire world our country—however big it is with its vast

population—finds itself in this respect absolutely vulnerable and weak. This is my final appeal to the Minister that the whole set-up of O.N.G.C. must be re-organised from top to bottom and good technologists—our own people who are technocrats in this line—should boldly be permitted and given responsibility. Energetic plans should be taken up with the help from whatever friendly country or friendly agency it is available who will supply us necessary equipment and know-how without demanding onerous terms and conditions which are against our national interest to make a real breakthrough in the next five years so that we are able to tap these resources and gradually become self-reliant and overcome this kind of dependance on foreign powers and foreign companies.

16.08 hrs.

(SHRI DINESH CHANDRA GOSWAMI IN THE CHAIR)

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND CHEMICALS (SHRI SHAHNAWAZ KHAN): Mr. Chairman, Sir, I know the House is hard-pressed for time. So, I will not take very much time of the House. I will deal first with the fertiliser. A large number of hon. Members including Shri Verma, Shri Genda Singh, Shri Shivnath Singh, Shri Kachwai and a large number of other hon. Members expressed concern about the production of fertiliser in this country. I fully share that concern of the hon. Members and I would not like to mince matters or conceal anything. I would like to say quite frankly that the situation regarding fertiliser is not at all satisfactory. There is a great deal more to be desired. I would, therefore, like to explain the position in some detail because the country is very much exercised over it.

We are at present trying to increase the production of fertilisers as fast as we can. As the House is aware, we have to import large quantities of fer-

tilisers every year. Our existing installed capacity is 19,39,000 tonnes of nitrogen and 5,60,000 tonnes of phosphates. We hope to complete certain projects by 1974-75, and in the public, private and co-operative sector, we hope to create an additional capacity of 8,22,000 tonnes of nitrogen and 2,99,000 tonnes of phosphates. There are other projects which will be completed after 1974-75, and the total capacity both in the public and in the private sector to be created after 1974-75 would be 14 lakh tonnes of nitrogen and 3,63,000 tonnes of phosphates. We have also a number of projects which have been approved in principle. With these projects, in the public sector, the private sector and the co-operative sector, a total capacity of 23,50,000 tonnes of nitrogen and 5,21,000 tonnes of phosphatic fertilisers would be created. Therefore, the total capacity that we shall create by the end of the Fifth Five Year Plan would be 65,51,000 tonnes of nitrogen and 17,43,000 tonnes of phosphatic fertilisers.

In 1973-74, the installed capacity was 11,28,000 tonnes in the public sector. Against that, we produced 5,34,000 tonnes of nitrogen. In the private sector the installed capacity was 8,11,000 tonnes, against which the production was 5,26,000 tonnes. A number of hon. Members had expressed concern at the low utilisation of the existing capacity. I admit that the utilisation, particularly in the public sector is not very satisfactory. In 1973-74 it had been 47.3 per cent which was rather low. The utilisation of capacity in the private sector has been 64 per cent which appears to be very much better. But so far as the public sector is concerned, I would like to state that in this we have included the new plants at Durgapur and Cochin where the utilisation of capacity has been 3.9 per cent and 8.6 per cent respectively, and these are very low figures because these plants are still being stabilised, and the production has not yet been fully stabilised, and these two plants are having numerous difficulties.

SHRI KRISHNAN CHANDRA HALDER (Ausgram) For instance, what are the difficulties at Durgapur?

SHRI SHAHNAWAZ KHAN On a number of occasions, the House has expressed its great concern over the slow progress of these two plants. The main difficulties in these two plants were as follows:

These two plants were erected from foreign exchange given to us as credit by some countries. About 35 per cent of the equipment had to be imported and 65 per cent had to be fabricated indigenously. When the plants were put into commission, we found that most of the imported equipment started failing. It is this that has been giving us a lot of trouble. But I will say this to the credit of our officers that they have been working very hard and have pinpointed the defects in these plants. These plants have worked from time to time, but still they have not overcome the difficulties. We have employed the best talent available in the country to overcome this problem, but so far they have not succeeded, and now we have requested a foreign firm who supplied most of the equipment—a firm by the name Montecatini, who are internationally famed in the field of fertilisers. They would be sending their people and would be carrying out an end to end survey of both plants. They are both in the same condition and we hope by this end to end survey by this very renowned firm, they will be able to suggest some way out of the difficulties.

I would like to point out that it is our endeavour to start producing fertiliser plants in our own country. It was with this in view that we tried to increase indigenous production to the maximum extent so that we have to import only the minimum of equipment from abroad. May be there are certain problems but when we undertake new projects and new jobs, certain problems are bound to crop up. It is a new venture and we hope with the help of our engineers and foreign experts whom we have invited, we

will be able to put these plants back into operation.

I would also like to say that apart from these two new plants, we have included in the public sector the Rourkela plant where the capacity utilisation is 383 per cent and the Neyveli plant where the capacity utilisation is 214 per cent. These two plants are not controlled by my Ministry.

The House knows the problems of Rourkela. They do not have sufficient coke oven gas. Neyveli has the problem of having very old and aged machinery which is continuously breaking down leading to shortage of lignite. If these were to be left out, the remaining plants in the public sector compare very favourably with the plants in the private sector. Their percentage would be 73. Therefore, it is wrong for anybody to say that the units in the public sector are not functioning well. Our plants at Gorakhpur, Kanpur, Nangal, Namrup and Trombay compare very favourably with any of the best plants in the private sector. We hope that the other plants which are lagging would also come up. With ACT, it is a problem of old age.

SHRI K S CHAVDA (Patan) Not comparable with the Gujarat fertiliser factory.

SHRI SHAHNAWAZ KHAN Gujarat fertiliser factory is doing very well too. But as you know, they were also affected by floods. We are very proud of that factory, they are doing very well.

श्री नागेंद्र प्रसाद (सीरासर्द)

।सदरी के बारे में कुछ बताइये ।

SHRI SHAHNAWAZ KHAN Sindhri also is getting old. They have plans for rationalisation and modernisation of the plant and they hope to switch over from the use of gypsum to rock phosphate, and we hope that when these schemes are introduced Sindhri would also come up.

की नागरेन्द्र प्रतीक बाधन : इसमें कितना समय लगेगा, य० मंत्री जी बतायें ।

श्री शाहनावाज खान : बहुत जल्दी हो जायेगा दो-दो साल लग जायेंगा ।

In spite of all our efforts, our indigenous production by the end of the fifth five year Plan would be in terms of nitrogen 40 lakh tonnes and our requirements in terms of nitrogen would be 52 lakh tonnes. That leave a gap of approximately 12 lakh tonnes which we would still have to import at the end of the fifth five year Plan. As I said, the situation is quite serious, and with the recent very steep increase in the price of petrol and crude oil, it has become extremely difficult to import any fertilisers from countries abroad. Many of the countries with whom we had entered into contracts for the supply of fertilisers on a long term basis have pleaded their inability to honour those contracts because they said, "we do not have the oil; and we do not have the raw materials and therefore we are not in a position to supply to you."

Another very alarming thing that happened is that urea which used to cost approximately 50 dollars per tonne—my friend Shri Jagannath Rao knows because he was Minister of Supplies—is now not available even at 300 dollars per tonne. We are hunting for fertilisers

SHRI K. S. CHAVDA: Is there any penalty clause in the agreement, because it is a breach of the agreement?

SHRI SHAHNAWAZ KHAN: They plead force majeure.

MR. CHAIRMAN: If you start answering questions, there is no end

SHRI SHAHNAWAZ KHAN: My hon. friend Shri Unnikrishnan very rightly said and very correctly em-

phasised the importance of using coal feedstock for our fertilisers. In this country, nature has blessed us with huge reserves of coal. We have in this country, proved and indicated reserves of coal to the extent of 50,000 million tonnes; so much is available in this country.

SHRI RAJA KULKARNI (Bombay-North East): But not the technology.

SHRI SHAHNAWAZ KHAN: Technology also. I entirely agree with my hon. friend that we should have more and more fertiliser plants. As the hon. House knows, we have presently three coal-based fertiliser plants under construction. One is Talcher. I had been to Talcher where a coal-based plant is coming up fast and we hope that within the next two years or so, the plant would be commissioned. At Ramgundam also we have a plant coming up and that is also coal-based. We have one at Korba. This merely the beginning and once these three plants are proved and our people get the know-how and the technique of running these plants, I am sure, you will be able to put up many more coal-based plants as we have huge resources of coal in almost all the coal mines of India. A large number of hon. friends expressed anxiety and dissatisfaction over the distribution system. Shri Genda Singh is sitting here. He has been the Minister for Agriculture in Uttar Pradesh and he feels strongly for the farmers. There are many other Members who have complained that there was maldistribution and blackmarketing in fertilisers. On our side we have been trying in our Ministry to take whatever deterrent action we could and we have already terminated a large number of contracts. I was looking at the figures and hon. Members wanted to know these figures. During the year 1973-74 F.C.I. have either terminated or suspended the contracts of 73 firms. The State Governments have launched prosecutions in about 100 cases. I appreciate that there should be no blackmarketing in fertilisers and the farmers who work so

[Shri Shahnawaj Khan.]

hard to make the country self-sufficient in food should be able to secure fertilisers at controlled prices. Many State Governments have also requested us to hand over the entire distribution of fertilisers to the State Governments, and we have written back to say that we are quite willing to hand over total production of fertilisers to the State Governments provided they accept all types of fertilisers. The Fertiliser Corporation of India is producing different types of fertilisers. Some are popular and fast moving while others are rather slow moving and our experience is that people like to take what sells easily and they are not keen to take the stuff which is not fast moving.

SHRI KRISHNA CHANDRA HALDER. Have you got any plan to manufacture fertilisers from garbage?

SHRI SHAHNAWAZ KHAN. I shall come to that. Sir, adequate promotional and marketing activities have also to be undertaken to popularise different types of fertilisers. If the State Governments take over the distribution, they would have to take over this too. We have requested the State Governments that if we hand over the distribution to them, they, in turn, would not hand it over to the private parties and that they would do it through the cooperatives. Then, there was the question of utilising the personnel of FCI.

SHRI M C DAGA (Pali). Some norms should be fixed by the Centre.

SHRI RAJA KULKARNI: Do we take it that the Fertiliser Corporation is willing to hand over the distribution of fertilisers to the State Governments under certain conditions?

SHRI SHAHNAWAZ KHAN. We have agreed. We have already done so and we are quite prepared to do it provided they accept these conditions. But, I would like to say that Fertilisers Corpora-

tion is only one of the parties. There are private sector people who have their own distribution agencies. Yesterday, Mr Kachwai made a very useful suggestion that Government should control even the distribution of fertilisers from privately-owned factories. This is a good suggestion, which I am sure would be considered by the Ministry of Agriculture to whom this relates.

Sir, I shall be failing in my duty if I do not refer to demand of hon. Member from Rajasthan for setting up a fertiliser factory based on Saladipura pyrites and Jamnakotra rock phosphate. A feasibility report has been prepared by a World Bank team and that feasibility report is presently being evaluated by a very high level committee and I am sure, as soon as the report of the committee is available, suitable action would be taken.

SHRI SHIVNATH SINGH (Jhunjhunu): What do you mean by 'as soon as'? Can we know the time?

SHRI SHAHNAWAZ KHAN: We hope we will be able to take advance action during the Fifth Five Year Plan. Some Members wanted to know what was the position regarding Mithapur. Tatas had applied for a letter of intent. Then, later on, they allowed that letter of intent to lapse. We do not know the reason, why they have done so. Shri Shyamnandan Mishra—he is not here—wanted to know, what was the reason for the slippage of Barauni factory and which was the firm which had not supplied equipments in time. Sir, the equipments were boiler, feed water heater, material handling equipments and prilling towers. They were supplied by some indigenous firms both in the private and public sectors.

Then, some Members wanted to know, how is it, when we are short of Naphtha in this country and when

Naphtha is required for fertiliser plants, that we want to export Naphtha now. The reason is, some of our plants have not been able to utilise the full quantity of Naphtha, due to various factors. For instance, I have already explained about the difficulties in Cochin and Durgapur. There, are difficulties in other plants due to shortage of power. Compulsory power cuts have been imposed with the result that the factories could not utilise the full quantity of Naphtha and we have to export Naphtha. We are offering that Naphtha to countries which can in turn give us fertilisers—who may be short of Naphtha and who are in a position to supply fertilisers to us—in lieu of Naphtha.

Drugs and pharmaceuticals is a sector in which the public sector, private sector and foreign companies can operate. At present the share of the public sector in this business, I admit, is low. It varies from 6 to 8 per cent. But with the expansion programmes we have launched for the fifth plan, we hope that the share of the public sector in formulation would go up to 20 per cent and in bulk drugs, it would be over 50 per cent. That would be a big step forward. A number of hon. members have said, the foreign firms were having a free hand and making huge profits. We have taken several steps to regulate the activities of foreign firms, namely:

1. The Indian sector of the industry is given preference in approval of manufacturing schemes.
2. Manufacture of increasing number of bulk drugs through public sector undertakings.
3. Industrial licences are usually not issued to foreign firms for producing formulations unless linked with the production of bulk drugs.
4. Foreign firms are asked to take up production of bulk drugs from more basic stages and to make available a suitable portion of their bulk drugs production to non-associated formulators. This is a very important encouragement to the Indian in-

dustry.

SHRI K. S. CHAVDA: 60 per cent of the turnover of Indian firms is invested in the production of bulk drugs whereas less than 5 per cent of the total turnover of foreign firms is invested in bulk drugs. Still, the Ministry is equating the two.

MR. CHAIRMAN: The senior Minister will reply. Now let him continue.

THE MINISTER OF PETROLEUM AND CHEMICALS (SHRI D. K. BOROOAH): All hon. members have made valid points, including Mr. Chavda. I would like to reply to all their points, but that will take as much time as they have taken together. Therefore we were to have priorities since time is very short. He deals with the subject of drugs and Pharmaceuticals. Therefore he should reply.

MR. CHAIRMAN: The senior Minister has to reply when he will cover some of the points. Before that there are three members who have to speak: If the Minister is not able to cover all the points raised by members in the debate undoubtedly he will communicate to you the reply.

SHRI SHAHNAWAZ KHAN: As I said, there will be appropriate export obligation imposed on them and there will be a progressive reduction of foreign equity participation. Every time they come up for expansion, we reduce their equity capital. We are taking all these steps. In addition, under the Reserve Bank of India Control Order we control further expansion of these firms. We have also appointed a Committee under the chairmanship of Shri Hathi, which will go into all aspects. Since Shri Chavda is a member of that committee, he can place his useful suggestions before that committee.

SHRI K. S. CHAVDA: The main point is to encourage Indian industry.

SHRI SHAHNAWAZ KHAN: Dr. Kailas made a reference to the report of the Working Group under the

मैं मंत्री महोदय का ध्यान इस ओर बिलाना चाहता हूँ कि करीब चार बरस पहले, उन से पहले जो मंत्री थे, उन के समय के दौरान, इस मंत्रालय से एक सर्कुलर निकला था, जिस में कहा गया था कि देश में जो शिक्षित बेरोजगार, अरोजगार ग्रीजुएट और इंजीनियरी हैं उनको अपने अपने जिले में रसायनिक खाद इत्यादि के लाइसेंस और पेट्रोल पम्प दिये जायेंगे। हमारे देश के युवकों में इस से काफी प्रसन्नता हुई। पूरे देश के शिक्षित युवकों ने तीन रुपये के फार्म पर दरखास्त की आप के मंत्रालय में। लेकिन दुख के साथ मुझे कहना पड़ता है कि उन युवकों को अभी कलकत्ते के इटरव्यू के बुलाया गया, कभी कभी बम्बई के इटरव्यू में बुलाया गया, कभी पटना में बुलाया गया, मगर उन बेचारे इंजीनियरों और शिक्षित युवकों को लाइसेंस नहीं दिया गया और जो आज देश के बड़े बड़े पूजीपति हैं उन्हीं को लाइसेंस दिया गया। अफसोस की बात है.....

श्री हुसम चन्द कठवार्य : चन्दा देने हैं ।

श्री नागेन्द्र प्रसाद थापड़ : चन्दा देने का काम जनसंघ का है ।

इसलिए मेरा मंत्री महोदय से निवेदन है कि अभी भी आप देश के उन युवकों को जिन के लिए नोकरी की कोई व्यवस्था आप की ओर से नहीं की गई, रसायन बेचने का मिट्टी का तेल बेचने का और पेट्रोल पम्प का लाइसेंस देने का व्यवस्था करें जिनमें बेरोजगार युवकों को काम मिल सके और उन की रोजी रोटी का प्रबन्ध हो सके ।

जहाँ तक पेट्रोल पम्प की बात है जो बड़े बड़े पूजीपति हैं देण के उन्हीं को पेट्रोल पम्प मिलता है । इस में जिन्हें आप ने पेट्रोल पम्प देने का अधिकार दिया है वह बहुत बड़ी धूस की रकम ले कर लोगों को पेट्रोल पम्प का लाइसेंस देते हैं । इसलिए

मेरा निवेदन है कि ऐसे कमेटी के लोगों को आप बरखास्त करे और जिन को अपने मंत्रालय में समझते हैं कि अच्छे आदमी हैं चरित्रवान हैं, उन को आप कमेटी भारतवर्ष के हर एक जिले में बना दें तथा देश के जो शिक्षित नवयुवक हैं उन को पेट्रोल पम्प दें, खाद बेचने की एजेसी दें । इस की जितनी जल्दी हो सके आप व्यवस्था करें, यही मेरा आप से निवेदन है ।

अब मैं केरोसिन तेल के बारे में कहना चाहता हूँ । मैं उत्तरी बिहार में आता हूँ, नेपाल के बोर्डर से । मेरा चुनाव क्षेत्र नेपाल के बोर्डर से करीब 60 मील तक मिला जुला है । नेपाल के बोर्डर पर आज डेढ़ रुपये और पीने दो रुपये लीटर मिट्टी का तेल बिकता है । मैं भोजी जाँ का ध्यान उत्तरी बिहार और उत्तरी उत्तर प्रदेश की ओर ल जाता हूँ जहाँ जहाँ मिट्टी का तेल डेढ़ रुपये, पीने दो रुपये लीटर बिकता है । आप के जो डिस्ट्रिक्ट आफिसर हर एक जिले में आ जायेंगे रहते हैं और जो आप के हालमेलमें है मिट्टी का तेल के चिननी जल्दी हो सके इनका करार कार्यवाही करें, आप के जो डिस्ट्रिक्ट आफिसर हैं जो पटना में बैठे हैं और एक इन्स्पेक्टर जो मुजफ्फरपुर में बैठा है, जो भी हालमेलर मिट्टी के तेल के हैं उन में माहवार उन की रुपया मिला करत है । दि कोई भी संसद सदस्य आप के डिस्ट्रिक्ट आफिसर मिट्टी के तेल के ब्लैक मार्केटिंग के बारे में या तेल ज्यादा कीमत पर बिकने के बारे में लिखते हैं तो संसद सदस्यों को अपने पत्र का उत्तर तक डिस्ट्रिक्ट आफिसर की तरफ से नहीं मिलता है । मेरा निवेदन है कि जब भी कोई संसद सदस्य किसी मिट्टी के तेल के हाल सेल डीलर की ब्लैक मार्केटिंग के बारे में लिखें तो डिस्ट्रिक्ट इंजीनियर को तत्काल उस हाल सेल डीलर को बरखास्त करके उस की जगह पर दूसरे की नियुक्ति करनी चाहिए । इतना ही मेरा निवेदन है ।

[श्री न गोरोह प्रसिद्ध वक्ता]

धन में आप ने मुझे सयम दिया इस
के लिए धन्यवाद ।

SHRI D. BASUMATARI (Kokrajhar): I rise to support the Demands under the control of the Ministry of Petroleum and Chemicals.

This Ministry of Petroleum and Chemicals deals with several industries in the core sector of the Plan. It deals with oil exploration, oil refining, oil marketing and distribution and petro-chemicals, fertilisers, insecticides and chemicals and drugs and pharmaceuticals. That is such a big organisation that it will require a capable man just to control it.

Many of the speakers have stated the difficulties and what is going on. What I feel is that unless this organisation is put under the control of a public undertaking, you cannot do justice to the public. Therefore, I request the Minister who is a man of vast experience and it is said that he has read a lot of books and not only that, he was Chairman of the Oil India for some years and, therefore, he had a vast knowledge of this Ministry and I am sure he will look into these things.

I only want to point out about employment of Scheduled Castes and Scheduled Tribes. You know I have been examining all the Ministries as chairman of the committee on welfare of scheduled castes and scheduled tribes. There, I find that the employment of Scheduled Castes and Scheduled Tribes is somewhere nil, somewhere it is 0.1, like that. But I am told by my friends that he has expressed the view that he would look into the employment of Scheduled Castes and Scheduled Tribes in his own Ministry. But I would like to point out to him that every Minister is so much interested in the development of Scheduled Castes and Sche-

duled Tribes but, at the same time, from my experience, I find that the bureaucrats are very allergic to the development of Scheduled Castes and Scheduled Tribes in all fields. That is the worst aspect. I hope Mr. Borooh is a man of action and what he means he will do and he does. I know him very well. I know from my early life and we are very cordial friends and, therefore, I hope he will do justice to the Scheduled Castes and Scheduled Tribes in his Ministry.

At the same time, in regard to our refineries, we have a refinery at Gauhati. Mr. Tarun Gogi made a mention about it. At the same time another refinery at Bongaigaon has been proposed, the foundation—stone for which has been laid by our Prime Minister. I was born and brought up at Bongaigaon and I hope Mr. Borooh will try to expedite this Bongaigaon refinery. The other day I visited my constituency I saw a few people working there and when I asked some of the officer how long it would take and whether they will be able to expedite and complete it within the targeted period fixed by the Government, they said that it is very difficult because there is transport difficulty and materials are not found and it is difficult to bring them from outside and that, therefore, it would take a longer time than fixed, viz., 1976.

I am sure Mr. Borooh will look into all these things and take necessary action.

There is another point which I would like to mention in this connection, in regard to petro-chemicals, in regard to fertilisers and setting up of petrol pumps. You find that all these things are controlled by a few big capitalist people. You can count these people on your fingers. They are controlling the whole of the petrol pumps in the whole of Assam. I do not at all like to name them. You know; and Mr. Borooh knows these things. One man is controlling the whole of Assam

in regard to these petrol pumps direct and indirectly. These monopolists must be removed from this field and unless this sort of monopoly is removed, we cannot really establish socialism in the country. We cannot have real socialism, the dogma which we cherish so much. My plea is that the scheduled caste and scheduled tribe people should be given opportunities to set up these petrol pumps. They should be given supply of fertilisers, because fertilisers are very important for these poor agriculturists. Our farmers are very much dependent upon these fertilisers and they should be supplied enough fertilisers so that they may engage themselves in increasing the food production of the country. Without fertilisers they cannot increase production.

Assam, as you know, is very much dependent upon nature. The tea garden people are needing more and more fertilisers. You know that 55 per cent of the whole of tea production in the whole of India takes place in Assam only. As many as 23 tea gardens are lying without production because of lack of fertilisers and lack of financial help from the Government. This should be remedied. The tribal people come from outside, from Bihar, from Orissa, from Chotanagpur and also from Madhya Pradesh, for employment, for working in the tea gardens. Those people are going to be without employment now, until and unless these 23 tea gardens, which I mentioned, are taken over by the Government.

Finally I wish to say a word about the scheduled caste and scheduled tribes people. I request the Minister to see that the quotas for these people are filled up and to see that there is no longer any 'nil' figure regarding the employment of these people in his Ministry. In many places what we find is that it is stated that suitable candidates are not available. I had occasion to examine the workshops of the Railways at Bombay. There what we found was this. This was not for

any big technical posts, but only for clerical jobs. I took along with me about 15 graduates and they were promised to be taken immediately on the spot. So, this is one example to show that candidates are available and they can be taken in. I request the Minister to see to it that the shortfall is made up in his Ministry. In his reply I want to know his reactions about these points which I have just mentioned. Thank you.

SHRI SHANKERRAO SAVANT (Kolaba). Mr Chairman, Sir, I rise to support the Demands of the Ministry of Petroleum and Chemicals. The Petroleum and Chemicals Ministry has assumed tremendous importance all over the world in wake of the oil crisis. Probably in the belief that the Arabian countries will always remain our faithful friends through thick and thin, we have neglected the on-shore and off-shore exploration of oil. Today we have learnt a lesson from our difficulties and, I am sure, that the ONGC will rise to the occasion and see that exploration is pushed forward with much greater zeal. Oil countries are making easy money and they think that by this easy money they can exploit the whole world.

As a matter of fact, they should know that principles of economics are against them. Ultimately, exploitation by monopolists boomerangs on exploiters themselves. That is the law of economics. At the end of the First World War, Germany was called upon to pay heavy reparations by its victors. They were in the nature of exploitation. It is well known that the reparation did little good to the victors of the 1st world war. Ultimately it was the Americans and the British who suffered in the great slums that ultimately overlook them. A similar thing might happen if these countries do not stop this present method of exploitation of the whole world simply because they have got the monopoly in oil. Just as in our country we do not allow the monopolists to exploit the people, similarly, taking the world scene as a whole—we should not allow the oil monopolists to exploit

[Shri D. Basumatari.]

the world. We should stop this exploitation by arguing with them. We can ultimately tell them that it is not even in their own interests to exploit the whole world as they are doing at present. We have already taken up the matter with them.

SHRI VASANT SATHE (Akola): Uptill now they were being exploited. It is only now that they are getting a fair price.

SHRI SHANKERRAO SAVANT: It is not a question of fair price. They do not say that what they get is a fair price. They have raised it by three times. You cannot, therefore, call it a fair price.

SHRI VASANT SATHE: They have got the right to do that.

SHRI SHANKERRAO SAVANT: Every monopolist says that he has got the right to dictate his price.

SHRI VASANT SATHE: That is not the stand of our country also.

SHRI SHANKERRAO SAVANT: It is not a question of stand. It is a question of economics. By this method we are going to change the economics of the whole world and it will ultimately boomerang upon them. The laws of economics are inviolable. We are going to take over the Esso and the Burma Shell. The question is whether we will show the same quality and same quantity in our own refineries. As the hon. Minister just now said there is so much of underutilisation. What are the reasons for so much of underutilisation? We should find them out. And ultimately, we would find that in all the public sector activities, the management is indifferent to performance. Their emoluments do not depend upon their performance. The reverse is the case with the private sectors. The problem of management there depends upon their performance. Sometimes it happens that the management in the public sector is in league with the private sectors' manage-

ment. The private sector is interested in seeing that the public sector does not produce good quality and enough quantity. I am not going to say that these are the things which are happening everywhere. It is for the Ministry—the Government—to see that our public sector really does good work and gives a good performance. If they find that anybody's performance is not good, then he should be punished. Not only that. What happens to-day is that that man gets a promotion at the end of a particular service. I say that his performance should be the only criterion for promotion. If we are to take up a trade, we must know what are the usual trade practises. We have got to accept them in our day to day working.

Now, as regards cooking gas, there is considerable unhappiness. I do not know why we are not able to supply cooking gas. Is it due to the fact that cooking gas is not available in sufficient quantity? Acutally, we are refining more and more oil. Naturally, there must be more gas available. Probably the containers are not available. It is for the Petroleum Ministry to see it that the containers for cooking gas are made available. If cooking gas is made available, we will save so much of our coal, timber etc. Otherwise our forests will get denuded.

Then I will turn to fertilisers. Everybody has under-scored the importance of fertilisers. Our production is going down. The main question is about distribution. I do not understand why distribution is not given to the cooperative societies. The distribution of kerosene should also be done through the cooperative societies. Then many of our ills and many of our complaints will vanish.

Lastly, I should like to refer to the adulterated and fake drugs. I cannot understand why these fake drugs go on increasing instead of decreasing. It is for the Minister to see that adulteration and fake drugs do not come

in the market. It should not simply be punishing them afterwards but at the stage of manufacture itself it should be seen that no such drugs are actually prepared. Another friend of mine had said that we were equating the Indian drug firms with Foreign drug firms. Of course, this is the real grievance. Foreign firms like the Union Carbide are getting so many licences. We should see that our firms are not starved like that. Secondly, there are accusations against these foreign firms that they are engaged in spying activities. If that is so it is all the more necessary that we should not encourage them and we should encourage our own firms. Unless we encourage them it would not be possible for them to come up.

All I would like to point out is that the Petroleum Ministry should take all these suggestions into account and see that in spite of the present crisis our country comes up and gets over all these difficulties. With these words I take my seat.

THE MINISTER OF PETROLEUM AND CHEMICALS (SHRI D. K. BOROOAH): I am really at a loose end. I do not know where to begin because the hon. Members, who have been good enough to participate, have placed so many very valid and useful points. If I were to reply to them I do not know whether I will be able to finish within the allotted time given to me.

I will reply to a very apparently small point but which is a matter of fundamental importance. This afternoon, Mr. Unnikrishnan, raised a point that we should be careful to see that the public sector organisations are not taken over by capitalist elite. If that were to happen there would really be no point in having this public sector organisation and we might as well sell them to the private sector. The public sector organisations have a special status and special significance, and, therefore, those who run the public sector organisations must have a special attitude or what is popularly

called commitment.

Shri Kachwai and Shri Basumatari had raised a very important point. They said that the Harijans and Adibasis constituted a large part of our population and they had representation in this Parliament and in Government but in many of the public sector organisations they were not represented at all either in business or in jobs. I think this is a very sorry state of affairs and it runs counter to the principle of social justice.

SHRI K. S. CHAVDA: Let him not show only lip-sympathy.

SHRI D. K. BOROOAH: I had a hard look at it and I found that both in my Ministry as well as in the industrial units under it, the representation of both Scheduled Castes and Scheduled Tribes was highly unsatisfactory; and so far as business is concerned, that is, so far as the distributary system is concerned also they have no representation in a satisfactory way. I went to the Prime Minister with a proposal that at least 25 per cent of the retail outlets in the oil industry including the gas distribution agencies should be reserved for Scheduled Castes and Scheduled Tribes. Then I found that because of the shortage of crude oil, there was hardly any prospect of increasing these outlets and, therefore, it would remain only a pious wish.

When we looked at the list of the people, we found that in Delhi, one company or one firm or one individual or one group of people was having distributorship for 53,000 cylinders. I think the rate is about Rs. 3 a cylinder. If they get Re. 1 per cylinder, they would get a net profit of Rs. 53,000.

SHRI JAGANNATH RAO (Chattrapur): Why should he not break the monopoly and give it to Scheduled Castes and Scheduled Tribes?

SHRI D. K. BOROOAH: That is exactly what I am going to do.

SHRI PILOO MODY (Godhra): What about Muslims?

SHRI D. K. BOROOAH: I shall come to that also.

SHRI ATAL BIHARI VAJPAYEE (Gwalior): What about Paras?

SHRI PILOO MODY: Parsis do not want anything special.

SHRI D. K. BOROOAH: This decision of the Government, initiated by the Prime Minister, is going to be implemented, and we have now decided to split it..

SHRI SHYAMNANDAN MISHRA: He said that he had initiated it and he had gone to the Prime Minister, but now he says that the Prime Minister had initiated it. We do not know what the actual position is. Who is the initiator?

SHRI D. K. BOROOAH: It does not matter who the initiator is.

AN HON MEMBER: It was Parliament Members who had initiated it.

SHRI D. K. BOROOAH: That is true that the real initiation started at the Parliament's level.

SHRI PILOO MODY: By the Opposition.

SHRI SHYAMNANDAN MISHRA: As supreme leader, everything goes back to her?

SHRI D. K. BOROOAH: That is true. It cannot be helped. Therefore, we have decided that we shall split these units. We have not yet decided what the minimum would be. My feeling is that it should not be more than 3000 units per person or per company or per unit of distributorship. If we have thus a spread-out and we have a network all over India by splitting it, we would be able to provide for a sufficiently good proportion of Scheduled Caste and Scheduled Tribes young men and educated unemployed persons in this.

SHRI RAJA KULKARNI: Not only IOC, but the private oil company dealers should also be covered.

SHRI D. K. BOROOAH: Yes, Caltex, Esso and Burmah-Shell.

SHRI VASANT SATHE: But do not ask for heavy deposits from them.

SHRI PILOO MODY: The local *bania* will advance the money.

SHRI D. K. BOROOAH: When we decide that they shall get it, it is our responsibility also to see that it is possible for them to get it.

SHRI INDRAJIT GUPTA: What about the kerosene dealers?

SHRI D. K. BOROOAH: We will look into that.

I may not do it overnight, but certainly so far as the gas agencies are concerned.

SHRI D. BASUMATARI: When he was Minister in Assam, the earnest money was brought down to 25 per cent for Scheduled Castes and Scheduled Tribes. He will do the same thing here also.

SHRI D. K. BOROOAH: Forty-five per cent. I am sure I have got the support of all sections of the House.

SEVERAL HON MEMBERS: You have.

SHRI SHYAMNANDAN MISHRA: One thing has happened that Shri Basumatari has moved on to the front bench.

SHRI D. K. BOROOAH: You and I would certainly like to see him there.

SHRI PILOO MODY: One of them will have to make room for him. Let us see how many volunteers there are.

SHRI D. K. BOROOAH: I have disposed of this point earlier lest it be forgotten later on, because I think it is a matter of very great importance because on it depends the introduction of social justice.

SHRI VASANT SATHE: This will include fertiliser also.

SHRI D. K. BOROOAH: AII.

My hon. friend, Shri Raja Kulkarni, spoke about oil diplomacy.

SHRI K. S. CHAVDA: We have abolished Rajas.

SHRI D. K. BOROOAH: It is his name, not a title. I would like to say that we have only one diplomacy, open diplomacy. We have no secret diplomacy in this. We recognise the right of producing countries to their natural resource which, in many cases, is their only resource for economic development. We also recognise the fact that their resource has been exploited ruthlessly for the economic development of advanced countries and they have a right to expect a reasonable return for their oil. At the same time, the high prices of oil have created difficulties for us which we have frankly stated to the oil producing countries and have asked them for an undertaking of our difficulties. There is not even a remote hint of confrontation in this approach. I am glad to say there is appreciation of our position and our approach, and because of our approach to this problem, there have been bilateral discussions and solution of the problem; thanks to the efforts of my esteemed colleagues, Sardar Swaran Singh and Shri D. P. Dhar, we have been able to strike good bargains with countries with such divergent policies as Iraq and Iran. It is because we did not go in for confrontation with anybody. Instead we decided to talk the matter over bilaterally with other countries and place our difficulties before them. It is a matter of great happiness that we have been able to succeed in getting concessions, good deals, both from Iraq and Iran, although they have divergent political philosophies.

SHRI PILOO MODY: What is the good deal?

SHRI JAGANNATH RAO: Favourable terms.

SHRI D. K. BOROOAH: Mutually beneficial terms.

SHRI RAJA KULKARNI: Loan of 110 million dollars.

SHRI PILOO MODY: Is it a secret thing?

SHRI D. K. BOROOAH: The basic thing is known to all. Saudi Arabia has also shown an inclination. They have invited us to discuss this matter. Other oil producing countries in the neighbourhood also have approached us to discuss this matter. I hope in a very short time we will be able to have favourable deals with many of these countries. That is because our policy was right. We had complete sympathy, as the Prime Minister said, total sympathy, for the Arab cause; we did not go in for a confrontation with them, either from the point of view of western countries or from the point of view of non-aligned countries. We decided to go in for bilateral discussions and therefore we have been able to get good bilateral concessions. This is our diplomacy and there is nothing secret about it and it is known all over the world.

Another aspect I would like to bring to the notice of hon. Members is that during the last one year, we have had our share of tensions in so far as the labour is concerned. But in the ultimate analysis, we found that our labour has played a constructive role. There has hardly been any strike. There may be a small tension for a short while but we have been able to sort it out, because we accepted, firstly, the principle of collective bargaining, and secondly, the sovereignty of discussions. We sorted out all the problems among ourselves, and I am happy to tell you this. In regard to Haldia refinery, which was delayed for about a couple of years or a little more than that because of a lot of difficulties including labour trouble, when we discussed this matter with the labour unions who belong to two different groups the major groups being CPI and the smaller group being the INTUC, and both certainly at daggers drawn,—they agreed to work together, and it gives me great pleasure that

[SHRI D K BOROOAH]

they have completed the refinery and it may be that within a couple of months we will be able to go into production. I would like to compliment the workers of the Haldia refinery belonging to different groups for the excellent work they have done.

SHRI RAJA KULKARNI: Announce 20 per cent bonus to the Oil and Natural Gas Commission workers

SHRI D K. BOROOAH: So far as our workers are concerned—we have seen the ONGC workers—they have done an excellent work in Bombay High. That is well known to Members and everybody is very happy about it. I would like to say that that was possible because my colleague Mr. Raghunatha Reddy, the Labour Minister, took a good deal of interest in this, and we have followed a policy of collective bargaining and of finding solution to problems by discussion. That is the policy which we propose to follow in all problems relating to labour.

SHRI VASANT SATHE: Collective on both sides

SHRI D K. BOROOAH: Yes One of the most important points raised by many Members and specially by Mr Indrajit Gupta, was as to what we have done about off-shore drilling. About off-shore drilling, we have already completed the first well and we have struck oil. There is no doubt that we have struck oil. The production test is going to take place. Preparations have been made for the second drilling. It is wrong to say that it is a very old-fashioned drill. It is one of the jack-up drills. The majority of the drills in the world are today jack-up drills platforms. There is a "newer version called semi-submersible." But not many of them have yet been introduced. It is not a secret matter that we are doing it in collaboration with an American company who are working as our employees. Our workers are also

working with them and they are getting trained; and the ship is manned by an Indian captain, Capt. Sulekar, who has proved to be an excellent leader of his team.

AN HON. MEMBER: Mr. Mody is very happy.

SHRI D. K. BOROOAH: Every Indian should be happy about it. (Interruptions)

AN. HON. MEMBER: How many wells have been struck there?

SHRI D. K. BOROOAH: This is the first time in the history of oil drilling that we struck oil in the second attempt at drilling.

SHRI INDRAJIT GUPTA: That shows how much oil is there.

SHRI D. K. BOROOAH: That is true. That also shows that our boys are as good as any other

So far as other contracts are concerned, all over the world in whatever area drilling has taken place, all these companies are functioning. Whether it is Norway or Great Britain, British companies are also functioning and other companies are also functioning here. This is the system and it is known as the general contract service. We are encouraging some of these companies as general contract service. There is a whole scheme of what is known as agreements on this basis. We do not want to give them any equity participation. We are also loath to give them a share in the oil. If we are an oil surplus country it would have been different. It would look very odd if we allow them to take away oil and buy the same quantity of oil from other countries. Therefore, we are going slow. We are negotiating only with two companies although many more companies had come. We should like to be very careful so that we could get the best terms and we keep the oil that is produced here.

There is the question of preparation for further drilling in the off-

shore areas. When I first came here I ordered immediately a seismic survey ship and it is coming early next year. It is an American ship... (Interruptions). If in May digress a little, I was last year in Moscow and I looked at a car. I told my Russian interpreter: that it looked very much like a Fiat car and he said that it was a Fiat.

SHRI PILOO MODY: Not only that, he bought an American ship also in Moscow.

SHRI D. K. BAROOAH: Technology has become more or less international. I must say that it is a fact of recorded history that but for the cooperation and assistance of the Soviet Union there would have been no oil industry in this country. Even today so far as on shore is concerned it is they who have given us unstinted help, as Mr. Gupta had said. Our rigs have become very old. There were surveys. One was by experts secondly, Mr. Sheshin, who is the Minister for oil and who is himself an oilman stayed 15 days with the team and they come to the conclusion that our rigs were old and they need to be changed. We have already decided to buy 18 rigs. For three rigs we have placed orders.

AN HON. MEMBER: From where?

SHRI D. K. BAROOAH: From the Soviet Union. Six will be from Rumania. Two more we are getting from Rumania. This matter is being discussed with them. In our country particularly in eastern India drilling is very deep and we have to go as deep as 6000 metres. Therefore deep drilling rigs are to be manufactured, and they are being manufactured in Russia only now. Earlier they did not go for deep drilling. Rumania has deep drilling rigs and they had given not only this kind of assistance but assistance for equipment, for field installation enamel coated pipes, etc. We are also getting 20 experts from them. Four have already come.... (Interruptions). Our men and their men are working together. Confidence

is a matter of experience. Our experience is that so far as oil exploration is concerned, our men and the Russian men, our experts and their experts have worked together and given results—in India as well as friendship with the Soviet Union. Our experience has been that wherever we have been in difficulty in regard to this matter, the Soviet Union has come to our help. I am a pragmatic person and I do not have any ideological prejudices. I judge the tree by the fruit it bears. So, Sir, that perhaps, takes care of the problem raised by Mr. Gupta. Mr. Raja Kulkarni has been raising a query time and again, and I think with justification, that we should have another Oil Prices Committee. The last Oil Prices Committee was set up in 1968. Shantilal Shah Committee, and its final report came in 1970. But, then, soon after that the entire structure of oil trade has undergone a change. Therefore, we need a new Committee, to have a new look at the problem. Sir, after a great deal of consideration, we have appointed a Committee, but, this time we have only experts. The Chairman is Dr. K. S. Krishnaswamy Executive Director of RBI, Member Shri N. Krishnan, OSD, Department of Mines, Member Shri Ajit Das Gupta of the Institute of Economic Growth and Member Secretary Shri S. Ramaswamy, Ministry of Petroleum and Chemicals. They are expected to submit the report within eighteen months. The last Committee submitted the report in two years. But, we have asked this Committee to expedite the report.

SHRI K. S. CHAVDA: They will ask for extension of time.

SHRI D. K. BAROOAH: Not this Committee. They are busy professional men and they do not want to waste their time.

SHRI PILOO MODY: The implication being Shantilal Shah was not.

SHRI RAJA KULKARNI: Will there be no interim report?

SHRI D K BOROOAH: We have asked them to submit an interim report. That is being done.

SHRI VASANT SATHE: I hope it would not go on indefinitely like the Planning Committee.

SHRI D K. BOROOAH: They are expert technical people and so far as they are concerned, they would be interested in getting things done as quickly as possible. This is at least my expectation. Mr. Gupta and perhaps, another Member, Mr. Tiwary, had asked about the Malaviya Committee recommendations. Sir, as far as Malaviya Committee recommendations are concerned, it is not a strait-jacket. These are guidelines, they are certain basic guidelines, how to get along with our work. We took some time to choose a Chairman for ONGC. We did not have a permanent Chairman at all. He has been continuing on a temporary basis long before I came. According to our present system, he is not the Chief Executive Officer. He only presides over the deliberations of this Commission. He had no authority over anybody. Then we decided that we will appoint somebody. Ultimately, it is not a question of eminent men, but eminent man. If a right man is put at the right place, he will do the job. We appointed a Committee headed by Mr. Haksar, and a number of scientists, technologists and business administrators were associated with this Committee. They were, Shri Mulgaonkar, Prof. Ramanna, Shri Ravi Mathai and Dr. Nag Chowdhury and all of them unanimously recommended the name of Mr. Prasad and he has been appointed Chairman, he has taken over. He is a person from the Atomic Energy Commission and he has also the experience of management of private industry. He has taken over. He has been appointed Chief Executive Officer and Chairman of ONGC. The Secretary of my Ministry as well as the Secretary of the Department of Economic Affairs, have been made part-time Members

of this Commission with a view to expediting the work. He has been given full authority. We want him to be involved in the restructuring of the ONGC on the basis of the Malaviya Committee recommendations, because he will be the man in charge. He is looking into it and before long, he will come with proposals which will suit our very special conditions.

We have found that although ONGC is rationally autonomous, it is entirely dependent on the Government for funds. We have therefore decided that we will have an Oil Industry Development Fund, which would be placed at the disposal of the ONGC to be utilised as and when they want according to their own requirements. In that case, it will be free from the bureaucratic red-tape of a Department of the Government of India. We have worked it out and the proposals will come before the House. We propose to start with an annual amount of Rs 45 crores, which will be perhaps adequate for their purpose. We are not only going in for offshore drilling, but we are going to buy another rig. We have started drilling in Iraq where our team is working. We are trying to get locations in other countries also. I need not name them at present. It is likely that we will get good locations in other countries, because oil is an industry of adventure. It is an industry which cannot be done at the door step. It is not like kitchen garden or catching fish in the backyard ponds. The entire basis of the industry is the spirit of high adventure and we are trying to introduce this spirit of high adventure in our people. I am glad to say that the response has been very good. I hope before long, our people will be able to show their mettle.

We are intensifying our operations in Assam. Mr. Sheshin is of the opinion that Assam has very excellent prospects and we can get perhaps 4 million tonnes. We can double it in the next five years' time.

SHRI K. S. CHAVDA: What about Gujarat?

SHRI D. K. BOROOAH: Production in Gujarat also can be increased, but the fields in Gujarat are not so prolific as in Assam. Our problem in Assam has been, the crude oil pipeline which carries crude from Assam to Barauni is meant only for 3 million tonnes. Now we have found that it is possible to increase it to 4 million tonnes with a little investment. It can carry upto 8 million tonnes with a little more of booster pumps. We have worked it out and we have found that whatever oil we produce in Assam that can be utilised immediately in other refineries like Barauni, Bongaigon and also Haldia. We are going to utilise it at Bongaigaon which is a petrochemical refinery. There are also expectations that the capacity of Assam refinery will be increased from 1 million to 2 million tonnes. Similarly, the capacity of Barauni refinery will be increased from 2 to 3 million tonnes. There will be 2 million tonnes of indigenous crude and another million tonne of imported crude, making three million tonnes. There is no difficulty about processing three million tonnes in Barauni.

SHRI INDRAJIT GUPTA: Can Barauni refine the imported crude without major modifications?

SHRI D. K. BOROOAH: We can do it. We are already doing Iraqi crude.

SHRI SHYAMNANDAN MISHRA: If you can undertake it without major modifications and if the product pipeline is also there for the imported crude, then what is the difficulty in going over to the imported crude?

SHRI D. K. BOROOAH: It takes time. Now the availability has been ensured, we would be able to do it.

SHRI SHYAMNANDAN MISHRA: Can you get any time limit?

SHRI PILOO MODY: Six O'Clock.

SHRI D. K. BOROOAH: It will be done earlier.

Shri Shyamnandan Mishra said that he had been informed that while buying Saudi Arabian crude Shri Pathak, a Member of the Planning Commission, has sent a telegram to us. We did not have any telegram from him. And I do not know how he could send a telegram because Shri Pathak was not associated with the purchase of oil.

SHRI SHYAMNANDAN MISHRA: The Members of the Planning Commission are also entrusted with such tasks when they go abroad.

SHRI D. K. BOROOAH: None of them, except Shri D. P. Dhar, the Minister of Planning, had gone to Iraq.

SHRI SHYAMNANDAN MISHRA: Can you say that Shri Pathak was not associated with it?

SHRI D. K. BOROOAH: Not with the purchase of oil. He does not buy any oil. But, of course, he is an officer of my Ministry. He is the Chairman of E.I.L. He may be a Member of the Planning Commission, but he is the Chairman of E.I.L. which is associated with the designing of factories.

SHRI SHYAMNANDAN MISHRA: So, he is associated with your Ministry; he is not very alien to you.

SHRI D. K. BOROOAH: But he is not connected with the purchase of oil. In our records we have no telegram sent by Shri Pathak from Iraq.

SHRI SHYAMNANDAN MISHRA: Can you say that neither the Prime Minister nor the Cabinet received any telegram? I am asking about the Prime Minister. We also have some information with us.

SHRI D. K. BOROOAH: In my Ministry we have not received any telegram. Regarding the Prime Minister, he can ask the Prime Minister.

SHRI SHYAMNANDAN MISHRA: You are functioning in a collective way.

SHRI D K BOROOAH How can I give the reply right now?

SHRI SHYAMNANDAN MISHRA I raised it two hours back. What is the difficulty in getting the information? Will you please give this information later, say tomorrow?

SHRI D K BOROOAH Tomorrow I will not be here. I will be in the plane.

SHRI SHYAMNANDAN MISHRA Mr. Chairman, when we raise some point in the debate, we want satisfaction on those points in the reply. Why can the Minister not leave a message with the Prime Minister so that we can get that information? There is no doubt that the Prime Minister did receive this telegram. He is avoiding it.

SHRI D K BOROOAH I am not avoiding this.

Then I come to the price of crude purchased from Saudi Arabia. It was the first purchase from Saudi Arabia and earlier we had not bought it directly. This price was decided by discussions in a Committee of the Secretary to the Prime Minister, the Cabinet Secretary, the Economic Affairs Secretary, the Finance Secretary, the Secretary of my Ministry, jointly by myself and the Finance Minister, Mr. Chavan.

SHRI SHYAMNANDAN MISHRA How does it sanctify a higher price for Saudi Arabia crude? A lower price was paid for Iraqi crude.

SHRI D K BOROOAH Are you sure? So far as the price is concerned, the price was fixed by discussions by a committee of the senior officers. The Finance Minister was also there. It was sanctioned by the Finance Minister.

SHRI SHYAMNANDAN MISHRA Whether it was not higher than the Iraqi crude price?

SHRI D K BOROOAH That will be gone into separately. I cannot give the figures now.

SHRI SHYAMNANDAN MISHRA I am sure about it.

SHRI D K BOROOAH You do not know that.

SHRI SHYAMNANDAN MISHRA Please do not presume too much.

SHRI D K BOROOAH Nobody else should also presume.

SHRI SHYAMNANDAN MISHRA See this sycophantic clapping. That is not going to daunt me.

My simple question is, whether you did not give a higher price for Saudi Arabia crude assuming that the quality was the same.

SHRI D K BOROOAH Firstly, you cannot assume that the quality was the same.

SHRI SHYAMNANDAN MISHRA Three million dollars have been cornered that way by some interested elements. That is my allegation and I stand by that allegation.

SHRI D K BOROOAH This is an allegation. The suggestion that the hon. Member has made has no legs to stand upon. It is not only wrong on facts but I am afraid, it is malicious and politically motivated.

SHRI SHYAMNANDAN MISHRA This is the stinking scandal in which he is himself involved. (Interruptions)

SHRI RAJA KUI KARNI He has to withdraw that. This is a baseless allegation. He must withdraw that baseless allegation.

SHRI SHYAMNANDAN MISHRA What is politically motivated? Your political funds are coming from such deals. (Interruptions)

I am asking two precise questions. One is, whether the Saudi Arabia crude was not paid a higher price?

than the Iraqi crude. Let him answer that. The other is, whether the Prime Minister did not receive an C.C.P. message from Mr. Pathak who happened to visit that region.

SHRI D. K. BOROOAH: So far as the prices are concerned, the prices of crude in different countries vary according to quality and, sometimes, also according to an arrangement we arrive at with different countries.

SHRI SHYAMNANDAN MISHRA: My submission is that it is the same quality for which you have paid a higher price.

SHRI D. K. BOROOAH: We do not pay the same price for the same quality. To different countries, we pay different prices. There is nothing wrong in that.

SHRI SHYAMNANDAN MISHRA: Again, he is shifting the ground. He says, "For the same quality, we pay a higher price."

SHRI D. K. BOROOAH: Making noise is no argument.

SHRI SHYAMNANDAN MISHRA: You are not giving any satisfaction; that is no wisdom.

SHRI D. K. BOROOAH: Who can satisfy you?

SHRI SHYAMNANDAN MISHRA: You are incapable of satisfying any person except your master.

SHRI D. K. BOROOAH: I would only say that I repudiate whatever the hon. Member has said.

SHRI SHYAMNANDAN MISHRA: I also repudiate whatever you have said.

SHRI D. K. BOROOAH: So far as Barauni refinery is concerned. I think, I have covered this point.

There was one point about slack wax which is used by the small sector people. The sale was discontinued under the advice of Director-General, Health Services, as the working of the

small units cannot be adequately supervised. Any misuse of paraffin wax made from slack wax or of the extracted oil from slack wax is a serious health hazard. These contain cancer-inducing chemicals. Efforts are being made to evolve adequate supervision over such plants through ISI. The Director-General, Health Services, has been requested to reconsider and have it satisfactorily tested by the ISI. So, it has been stopped by the Director-General, Health Services we cannot use slack wax for production of paraffin wax.

So far as top management of IOC is concerned, I have told this House already. (*Interruptions*) There is now a tendency for new capitalist elite to take possession of the public sector organisations. It has to be watched very carefully.

So far as IOC is concerned, yesterday Dr Kailas raised a question about one officer. He did not name the officer, but it was obvious to me and also to many others to whom he was referring. I have looked into the papers relating to that part. That was, when he was not in IOC but in Lube. Certainly there may have been mistakes, but I was not convinced that there was any corruption. In fact, I have recorded it. Now he has left the Ministry. I do not want to say anything about him. With anybody who leaves my Ministry I would like to part as friends. It is a fact that I did not give any extension to him.

SHRI BIREN DUTTA (Tripura West): What about my complaint?

SHRI D. K. BOROOAH: I have sent a chit to you.

So far as the Managing Director of IOC Marketing Division is concerned, that gentleman had submitted his resignation; I did not want to disoblige one of my senior officers; that is why I have accepted it. Therefore, I have

(Shri D. K. Borooah.)
sent proposals to the Appointments Committee for appointment of IOC Chairman and I hope that will be cleared soon. So, I think before long I will have to restructure the IOC also with a view to make it more effective not only in respect of distribution but also refining because to measure the performance of IOC, it is not enough to look only to the aspect of distribution because to-day it is a sellers' market and salesmanship is not required. What is important is the efficiency of refining. Of course, our refineries have done a good work. They are working at a high percentage of capacity, 95 to 100 per cent, but it is possible that their production quality can be improved and may be we will have to change the production pattern also for which a team of Russian experts is coming. They will look at it because many of our refineries are Russian-made and they are trying to change the pattern to make the refineries more effective and more profitable.

I have been very happy that hon. Members have placed a number of points. We have taken down notes on all the points. Certainly we will try to... (Interruptions). Regarding Shri Mishra's point I will place all the facts before him and I am sure he will be satisfied.

So far as Mr. Dutta is concerned yesterday Mr. Dutta raised a number of points about Tripura. Tripura is on our map and we are intensifying our work in Tripura also. He raised the question about complaints against the Project Officer there. These complaints were looked into earlier also and when it was brought to my notice, I sent the Chief Vigilance Officer there and I understand that the Chief Vigilance Officer has gone there and he also met Mr. Dutta. As soon as I get the report, action will be taken on it.

SHRI SHYAMNANDAN MISHRA: I have no doubt that the hon. Minister has great love and affection for the people of Bihar. I had pleaded that the location of the petro-chemical

complex in the Barauni area should be announced. A decision had nearly been taken earlier. Then why is he yielding to pressures and the announcement is delayed?

SHRI D. K. BOROAH: That is because in the Fifth Plan they have not included any petro-chemical complex except the spill-over which is Bongaigaon refinery petro-chemical complex.

SHRI SHYAMNANDAN MISHRA: They have not indicated that it should be at Bongaigaon.

SHRI D. K. BOROAH: Bongaigaon refinery is a petro-chemical refinery.

SHRI SHYAMNANDAN MISHRA: What are you going to do for Barauni?

SHRI D. K. BOROAH: That is exactly what I am going to tell you. So far as petro-chemicals are concerned, we are awaiting the Planning Commission's clearance. Certainly, Sir, Barauni being the older refinery, will have the topmost priority.

MR. CHAIRMAN: I shall now put Cut Motions Nos. 9 to 21 moved by Dr. Laxminarain Pandeya to the vote of the House.

All the Cut Motions were put and negatived.

MR. CHAIRMAN: Now the question is:

"That the respective sums not exceeding the amounts on Revenue Account and Capital Account shown in the fourth column of the Order Paper be granted to the President to complete the sum necessary to defray the charges that will come in course of payment during the year ending the 31st day of March, 1975, in respect of the head of demand entered in the second column thereof against Demand No. 70 relating to the Ministry of Petroleum and Chemicals."

The motion was adopted.

[The Motion for Demands for Grants which was adopted by the Lok Sabha is reproduced below Ed.]

Demand No. 70—Ministry of Petroleum and Chemicals

“That a sum not exceeding Rs. 58,58,000 on Revenue Account and not exceeding Rs. 200,47,68,000 on Capital Account be granted to

the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1975, in respect of ‘Ministry of Petroleum and Chemicals’.”

18.06 hrs.

[The Lok Sabha then adjourned till Eleven of the Clock on Friday, April 19, 1974/Chaitra 29, 1896 (Saka).]