

SHRI YESHWANTRAO CHAVAN:
Sir, I move:

"That the Bill, as amended, be passed."

MR. DEPUTY-SPEAKER: The question is:

"That the Bill, as amended, be passed."

The motion was adopted.

16.11 hrs.

ESSO (ACQUISITION OF UNDERTAKINGS IN INDIA) AMENDMENT BILL

MR DEPUTY-SPEAKER: Earlier in the day we agreed to amend the order of schedule slightly by taking up item 21 before item 20. This also is a simple Bill which is to extend the time from 180 days to one year

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND CHEMICALS (SHRI SHAHNAWAZ KHAN): I beg to move*.

"That the Bill to amend the Esso (Acquisition of Undertakings in India) Act, 1974, as passed by Rajya Sabha, be taken into consideration"

I beg to move the motion for consideration and passing of the Esso (Acquisition of Undertakings in India) Amendment Bill, 1974 introduced on the 2nd September, 1974.

As the Hon'ble House is already aware, by the Esso (Acquisition of Undertakings in India) Act, 1974, rights, title and interests of Esso Eastern Inc. in relation to its undertakings in India were acquired by the Central Government. Section 13 of that Act provided that every contract entered into by Esso Eastern Inc. for any service, sale or supply in India shall, unless terminated by

the Central Government within 180 days from the 13th March, 1974 i.e. on the 8th September, 1974, be binding on the Central Government or the Government Company to which the said undertakings may be transferred. That Section also specifies the procedure for the termination of such contracts. In view of the very complex and diverse nature of these contracts and their large numbers, it has not been possible to complete the work of scrutiny of all the contracts undertaken or such further action as is appropriate within the specified limit of 180 days. As such, it has therefore, become necessary to extend the period by a further period of six months so that the total period available for the scrutiny and termination of contracts may be made one year

I would therefore, strongly commend this Bill for adoption by the Hon'ble House

SHRI NOORUL HUDA (Cachar): This Bill is short and seems innocent but I would submit that the Government policy is involved in this Bill. You will remember that the Government agreed to 26 per cent equity share in the company though it is well known that our country had been demanding total nationalisation of the oil industry. Even when Dr. Triguna Sen was the Petroleum Minister there was this demand. The oil industry was in the grip of foreign monopolists and there was a demand that it should be nationalised. Till now the Government had not taken any positive step in that direction. As a result of this hundreds of crores of rupees are allowed to be taken away from this country even to day. For this reason this Bill which seeks to extend the time limit of 180 days to one year will not serve any purpose because it does not strike at the root of the problem.

*Moved with the recommendation of the President.

16.15 hr.

[SHRI ISHAQUE SAMEHALI in the Chair]

For the last one year, oil prices have been rising and the Government has not been able to take any steps **to make our country self-reliant as** regards production and distribution of oil. We may have many differences with the People's Republic of China which we have not hidden. But the China of 1949 when Chiang Kai-shek left and the China of 1974 are totally have been able to stand on their own feet as far as supply and distribution of oil and petroleum products are concerned. Because of the correct policies adopted by them, they have been even able to export a **certain amount of oil. Of course, I do not** say we should blindly copy others. But whereas the Prime Minister and other leaders of India have talking about self-reliance in actual practice, what has been happening? ESSO, Burmah-shell and Caltex have been operating here for a long time. To a certain extent, we have been able to curb their profit, but that is not adequate. Not only our party but even the Congress members have been demanding on the floor of this House that within a very short time, we should become self-reliant in oil and not allow the multi-national companies to take away hundreds of crores of rupees to USA, Great Britain etc. to fatten the monopolists there.

This Bill will serve no purpose. It is a self-defeating measure. I demand that the Government's oil policy should be changed. These foreign companies should not be **allowed to reap rich harvests on our** soil. We should take positive steps to stand on our own legs as far as naphtha and other petroleum products are concerned. We should take the assistance of other countries who are willing to give technical know-how without any interest. The operations of these foreign companies should be totally stopped and there should be

cent per cent nationalisation of the oil industry. Not other half-hearted measure would solve the country's problems in regard to oil and petroleum products.

SHRI C.K. CHANDRAPPA (Tellicherry): Mr. Chairman, Sir, while introducing the Bill, the hon. Minister had stated that this is an innocuous Bill only seeking to extend the period of six months to one year. But it is not that innocuous or innocent as the hon. Minister tried to depict it.

Today, when the Government is seeking to extend the period from 180 days to 1 year for finally deciding about the contract entered into by Esso, the main question is, what was the Government thinking while it introduced the Esso (Acquisition of Undertakings in India) Bill this year. When that Bill was introduced most of us felt that it was a half-hearted **measure taken after a lot of vaccination** to control the activities of Esso in our country. What the entire country demanded was the complete nationalisation of the foreign-owned oil companies in our country. It is not that the people wanted to shout a slogan when they demanded that. It is in the very interest of our country to stop the drain of our economy by way of loot by the foreign oil companies for which they are quite well known.

The Multi-National Corporation was working in the field of oil, like, Esso, Caltex and others. They have been reaping enormous harvest of profit from our country all these years. The Government, at last, after a lot of indecision and vacillation, came with a Bill allowing Esso to continue in our country with 26 per cent equity capital even today. Then, the Government said, within 180 days, that is, six months, they would finally decide regarding the termination of the contract entered into by Esso. They had to process it. But this is an admission today that the

Government has failed so miserably in calculating the assets and liabilities and all that and, after taking into account the interest of the country, to terminate the contract entered into by Esso. It is a well known fact that Esso will not enter into a contract keeping our national interest. It is after all a foreign company.

Now, what we understand today, when the Government is seeking an extension of period, is that at the time when the Bill was introduced, they were not clear what to do. They thought, within six months, everything will be done. Today, when they seek another extension of six months, this is an admission that they have failed to process to complete all the necessary formalities and to put an end to contract which is not in the interest of the country.

Is this the way the Government should deal with a matter in which the interest of the country versus the multi-national corporations are involved. We feel rather very concerned that it is a very casual manner in which the Bill was introduced **and it is the same manner in which** the Government is seeking for another extension of period. Can the hon. Minister say that in another six months, he will complete all the formalities? He will not be able to do that. I am sure, he will come again for another extension of time. He should kindly tell us what is the reason for this delay, what prompted the Government not to act expeditiously so that all these contracts could have been terminated within the time they themselves fixed, not fixed by us. What happened? today, the Government should also make it clear what they mean when they say that another extension of six months is required. It means that, for another six months, we will be looted by the contractors who were brought in here for sales or service by ESSO. That means, **even after Esso (Acquisition of Undertakings) Bill has been** adopted, for another year this coun-

try will be mercilessly looted by the contractors who were brought into our country by the old company, ESSO. Will that not be the fact?

Another aspect is that this will hamper the prospects of nationalising other foreign-owned oil companies. The Government stand committed—they have said this in the House as well as outside; they have declared from housetops that this is their policy—to nationalise all foreign-owned oil companies. And in today's context when international cartels are in the dock of world public opinion for their exploitation and developing countries are taking the bold step of nationalising these companies, as has been done by Iraq, by extending the period from six months to one year, I am very sure, we will further slow down this process. If at all there is something in their mind, nationalising foreign-owned oil companies here the process will be slowed down because you could not process their contracts and all that. They could not decide which are the contracts which are in the interest of our country and which are the ones to be terminated. So, for another six months, the fate of the country in relation to foreign-owned oil companies and the programme of nationalisation will be sealed. This is the meaning, as we understand from the attempt of the Government in seeking extension for another six months.

Now I request the hon. Minister to make these points clear: first, what is the reason for the failure of the Government in completing the **formalities within six months**; secondly, what will be the consequences of giving extension for another six months, whether it will not allow the contractors brought into our country by ESSO to loot our country for another six months; and, lastly, whether this measure will not hamper the prospects of nationalising all foreign-owned oil companies in our country. If these are satisfactorily answered, one will understand what is the programme of nationalising the

foreign-owned oil companies in
country.

श्री डी० एन० तिवारी (गोपालगंज) :
सभापति जी, जो मूल बिल इस सदन में
आया था उस वक्त हमने इस के सिद्धान्त,
इसमें क्या क्या कमी है, क्या क्या होना चाहिए,
आयल कंपनियों का राष्ट्रीयकरण होना
चाहिए या नहीं होना चाहिए यह साफ़ बातें
डिस्कस की थीं। अब उन्हीं मुद्दों में फिर
जाना मैं समझता हूँ उचित नहीं होगा।
यह तो एक बहुत ही मामूली और सादा
बिल है। केवल तीन धाराओं का, जिनमें
टाम एक्स्टेंशन की बात कही गई है।

विरोधी दलों की ओर से कहा जाता है
कि गवर्नमेंट काम करने में अक्षम नहीं है,
क्यों वेल्योर हुआ उसका कारण नहीं
बताया गया है। हम लोग अवसर देखते हैं
इस हाउस के द्वारा सेलेक्ट कमेटी बनाई जाती
है और उनको समय दिशा जाना है कि
अमुक तारीख तक बिल पर बिचार कर के उन
को सदन में पेश करें लेकिन अवसर इस
हाउस में उन लोगों का भी अनुभव है कि उनको
दो तीन बार एक्स्टेंशन मिलता है।

इतनी बात तो उसमें आ जाती है कि उनमें
समय में ही नहीं सका है। सरकार भी
इतने थोड़े समय में विचार नहीं कर सकी
और फाइनेलाइज नहीं कर सकी और इसी-
लिये समय बढ़ाने की बात आ रही है।
6 महीने का समय और बढ़ा दिया जाय
ताकि सरकार सोचसमझ कर और अच्छी
तरह जांच कर के उस काम को कर सके।

रही बात लूट की। वह कम्पनी के
समय में सम्भव था। अब सब मामला
सरकार के हाथ में है। और मैं नहीं
समझता कोई सदस्य यह समझे कि सर-
कार लूट करा देगी। लूट रोकने के लिये
ही एक्जोजीशन हुआ है और राष्ट्रीयकरण

हुआ है। इसलिये लूट को सम्भवता नहीं
है। हो सकता है इस अवधि में सरकार
कॉन्ट्रैक्ट के सम्बन्ध में जिन पर विचार करना
था, कार्यवाही करनी थी उनकी वजह से
नम्र लग सकता है। इसलिये धराने
की बात नहीं है। इसलिये इस बिल को
पास करना चाहिये, और वह सब सबान
कितना रखा गया, कितना रखा आया
यह सब पहले हा हा चुका है। अब सवाल
नहीं उठता है। हा, मंत्री जी बना देने तो
अच्छा हाता कि किन्तारणों में वह इस काम
को नहीं कर सके? उससे मेम्बरों को कुछ
सन्तोष हो जाता। ना यह मांग सदस्यों
की जायज है, उसको बना देना चाहिये।

श्री हुकम चन्द कछवाह (मुरैना) :
सभापति जी, जो बिल ऐसो के सम्बन्ध में
हमारे नामने आया है मैं इसका विरोध
करता हूँ। वैसे यह बिल लाने की सरकार
का आवश्यकता नहीं थी। क्योंकि सरकार
ने जो समय मांगा है समझ में नहीं आता
कि सरकार इतना लम्बा क्यों खींचना चाहती
है? क्या कम्पनी वालों को और अधिक
माँका देना चाहता है कि नाना प्रकार का
घाँट ला करे? यदि इन प्रकार की कोई
बात है तो आपने जो निर्णय पहले लिया है
उसी पर कायम रहिये और अधिक समय न
माँगिये। आप कहते हैं कि काफी कठिना-
इयाँ हैं। आबके पास सब प्रकार के विशेषज्ञ
हैं, योग्य व्यक्ति नधाकथिन हैं, तो क्या
प्रारम्भ में इस बात पर विचार नहीं किया
कि हमें समय बढ़ाने की जरूरत पड़ेगी?

तेल के उद्योग के अन्दर आज सारे देश
में कमी महसूस की जा रही है।
और इस क्षेत्र में एक कठिनाई
बढ़ने का आवश्यकता है आज ऐसा
लगता है कि तेल के बिना जीवन सुरक्षित
नहीं है। चाहे मिट्टी का तेल हो, मोटर का
तेल हो या गैस हो। दिन प्रति दिन इसकी
कमी हो होती जा रही है, इसको हमें

मानना पड़ेगा। वैसे जब खत्म हो जाती है तो हमें मंत्री जी को कहना पड़ता है और वह फोन कर कर हमारे घर में वैसे भिजवाते हैं। जब हम लोगों का यह हाल है तो साधारण जनता को क्या हालत होगी इसका अन्तर्धान आप कर सकते हैं। इसलिये इस क्षेत्र के अन्दर नेजी से उत्पादन होना चाहिये। अगर आप में क्षमता है तो कोजिये नहीं तो विदेशों में मद्रयोग लीजिये। परन्तु देश के अन्दर इनकी अत्यन्त आवश्यकता है और बहुत महत्व का विषय है। आप देखिये किनता अधिक तेल हम पैदा कर सकते हैं। आपने जगह जगह खोज भी का है लेकिन उसका लाभ लोगो को नहीं मिल रहा है। इसकी व्यवस्था कीजिये। आप बनाइये इस समय देश के अन्दर किनती क्षमता है और विदेशों में किनता तेल मगा सकते हैं। इस प्रकार की और भी कम्पनिया है जिनको आपने हाथ में लिया। लेकिन अनुभव यही रहा है कि सरकार ने जिस चीज को अपने हाथ में लिया है उसका भट्टा बैठा है। और बाजार में चीज गायब हो जाती है। सरकार में वह क्षमता नहीं है कि उद्योग चला सके।

जो भी विदेशी कम्पनी आप हाथ में लेना चाहते हैं उनमें बड़ी संख्या में भारतीय कर्मचारी हैं। आप विदेशी कम्पनियों पर अधिकार समाप्त कीजिये और कम्पनी में काम करने वाले भारतीयों को भागीदार बनाइये। अगर ऐसा होगा तो लोग बहुत लगन से काम करेंगे, अधिक उत्पादन होगा क्योंकि उनको आकर्षण होगा कि उसके मुनाफे में उन्हें हिस्सा मिलेगा। अगर ऐसा नहीं करेंगे, कर्मचारियों को हिस्सा नहीं देते तो निम्न प्रकार और उद्योग बाटे में चल रहे हैं वही हाल यहां भी होगा।

मंत्री मंत्रीदय ने कुछ कारण बताये कि कुछ मुश्किलें हैं जिनकी वजह से समय की

आवश्यकता है। आप साफ बताइये कि बात क्या है, अन्यथा लोगों का संदेह इस बिल के लाने से बढ़ रहा है। क्योंकि जो पहले बिल आप लाये थे वह पर्याप्त था। क्या हम यह मानें कि उस समय जो बिल आप लाये थे वह जल्दबाजी में लाये थे? या कहिये कि अध्ययन नहीं किया था। हालांकि हम ऐसा मानने के लिये तैयार नहीं हैं। इसलिये इस बिल को वापस ले ले और जो समय आपको मिला है उसमें तेजी से काम करें। इस सदन ने सब प्रकार के अधिकार आपको दिये हुये हैं, उनका सही उपयोग कीजिये। मैं इस पक्ष में नहीं हूँ कि अधिक समय और दिया जाय। अधिक समय माग कर देश में चलनकुड़मो फैल सकती है कि सरकार के कुछ लोगो को कम्पनी में माठगाठ है इसीलिये कम्पनी समय माग रही है और आप देना चाहते हैं। ऐसा सबमर लोगों को न दे।

*SHRI E. R. KRISHNAN (Salem):
Mr. Chairman, Sir, I rise to express my views on The Esso (Acquisition of Undertakings in India) Amendment Bill, 1974.

Sir, through this amending legislation, the Government are taking powers to extend the period by another six months for terminating the contracts entered into by the former ESSO oil company. Before the ESSO oil company was taken over by the Government, it was known to them that so many contracts were there. Did the Government assess properly at that time the time that would be taken to terminate these contracts? I would also like to know whether the Government took the advice of the experienced officials of the Indian Oil Corporation regarding the time that would be required to terminate these contracts. If the Government have done that, I would like to know

what was the advice of the IOC officials in this matter.

Secondly, I would like to know the total number of contracts that were there at the time of take-over of ESSO oil company. I would also request the hon. Deputy Minister to inform the House the number of contracts that have been terminated during these six months, and also the remaining number of contracts which they want to terminate in the coming six months. I want an assurance from the Government that they would finish the termination of all the remaining contracts within the coming six months, for the express purpose of which this amending Bill is before the House and that they would not, at a later date, again come forward with another Bill for extending this period. I want to know whether IOC was consulted at least now

Thirdly, I would like to know from the hon. Minister whether the representatives of ESSO oil company on the Board of Management of Hindustan Petroleum Company by virtue of 26 per cent Equity Share participation in the new company are putting bottlenecks in the way of expeditious disposal of these contracts. If that is a fact, I would like to know how the Government are going to overcome these tactics

Fourthly, since there is 26 per cent Equity Share participation—I am personally of the view that this is undesirable and the Government should have nationalised ESSO in full—on the part of former ESSO oil company, I would like to know from the hon. Minister the nature of representation that has been given to the ESSO oil company on the Board of Management of Hindustan Petroleum Company.

Finally, I would like to say that the Government do not pay sufficient care and attention to the preparation of legislative proposals, as a consequence of which they have been compelled to bring forward this amending

Bill so soon after passing the parent Bill. With these words, I oppose this amending Bill for the reasons I have stated.

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND CHEMICALS (SHRI SHAHNAWAZ KHAN): Mr. Chairman, Sir, I am very grateful to the hon. Members who have taken part in this discussion. As my hon. friend, Shri Tiwary has said that this is a very simple Bill and all that it seeks to achieve is an extension of period from six months to one year for terminating or amending or making any alterations in the contracts. When we took over ESSO they had several contracts with various other parties and Section 13 provided for the termination of contracts and sub-clause (2) of Section 13 reads:

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

The contracts which were considered to have been entered in bad faith or were unduly onerous in favour of some parties or were detrimental to the interests of the country or the Government or the company could be terminated or amended within a period of six months. The period of six months comes to an end on 8th September. If we do not extend this period then those onerous contracts become binding on us. Therefore, it is absolutely necessary to extend this period.

It is quite true in the first instance we had asked for a period of six months and we felt we would be able to complete the work. My hon. friend Shri Krishnan wanted to know the number of contracts that had to

be scrutinised. These contracts are of two kinds. One, the contracts which were entered into on a long-term basis with big companies and houses and the other of a general routine nature like the retail outlets, etc. In all there were a little over 100 contracts of a long-term nature which were fairly complicated in their nature. Then there were roughly about 3,500 other contracts which had to be scrutinised but these were not of such a complicated nature. The Committee that was set-up by us consisting of officials of the Ministry of Petroleum and Chemicals, and Finance have completed about 80 per cent of the work. Very little work remains to be done and I am confident much before six months we will be able to finish all this.

Shri Chandrappan and many other friends wanted to know why we could not complete this work within a period of six months. Sir, to terminate the contract, a written notice has to be given, and then, an opportunity has to be given to the parties to be heard. All this takes time. Also, when we took over the ESSO undertaking

श्री हुकम चन्द कछवाय (मुरना) :
पिछले छ महीने क्या किया ?

श्री शाहनवाज खां : 80 फीसदी काम पूरा हो चुका है।

श्री हुकम चन्द कछवाय : 20 फीसदी के लिए और छ महीने मांगते हैं ?

श्री शाहनवाज खां : यह जो काम है, यह बड़ा पेचीदा है और हमने वकीलों का समला भी घाना है।

श्री हुकम चन्द कछवाय : घाने वाले छ महीने में पूरा हो जाएगा इसकी क्या गारन्टी है ?

श्री शाहनवाज खां : प्रहलियान छ महीने मांग रहे हैं। मैं उम्मीद करता हूँ कि छ महीने में काम पूरा हो जायेगा।

श्री हुकम चन्द कछवाय : नहीं हुआ, तो फिर छ महीने मांग लेंगे।

श्री शाहनवाज खां : जिस वकन एम्प्लॉ को टेक ओवर किया जा, उस वकन

There were so many pressing administrative and organisational problems and it took considerable time to collect all these contracts from various parties. Their organisation is spread all over India. We had to collect all these contracts, obtain those contracts in the first instance before they could be scrutinised. All this took time. Then, as I said, some of these cases were of a very complicated nature and we had to consult legal opinion. Also, we have been trying to negotiate, trying to come to an understanding by negotiations, wherever the contracts are of an onerous nature and where we can settle this by negotiations. All this has taken time. But I can assure this House that we will try and finish this work as early as possible.

The other questions which were raised by some hon. Members were questions, which were only discussed at the time of takeover and I think, no useful purpose would be served by going into the details. All I can assure the House is that, we are keen to gain complete control of the oil industry as early as possible because oil industry is too important an industry to be left in the hands of foreign firms. There are various alternatives before us and these are either we can abrogate the refinery agreements or we can acquire majority equity participation or we can take over complete control by nationalisation or we can have control by negotiations etc. Sir, it has been considered proper and appropriate that we should try and gain full control by negotiations. I can assure this hon. House that by granting this six

months extension, the interest of our country would not be affected in any way nor would it come in the way of any action that may be considered appropriate by the Government to acquire majority control over other companies which had not been taken over. I would also like to inform the House that we are already in negotiation with the other company Burmah Shell, and action, as considered appropriate, according to the facts and information that becomes available to us, would be taken without much delay.

With these submissions, I commend this Bill to the House.

श्री हुकम चन्द कछवाय : मैं माननीय मंत्री जी से जानना चाहता हूँ कि वे इस बात का विश्वास दिनायें कि आप इसके बाद समय नहीं मांगेंगे।

श्री शाहनवाज खां : अगर कोई कानूनी पेचीदगी नहीं डूँ, तो घर समय नहीं मांगेंगे।

MR CHAIRMAN: The question is.

"That the Bill to amend the Esso (Acquisition of Undertakings in India) Act, 1974, as passed by Rajya Sabha, be taken into consideration."

The motion was adopted.

MR CHAIRMAN: There are no amendments. The question is:

"That clause 2, clause 1, the Enacting Formula and the Title stand part of the Bill".

The motion was adopted

Clause 2, clause 1, the Enacting Formula and the Title were added to the Bill.

SHRI SHAHNAWAZ KHAN: I move:

"That the Bill be passed".

MR. CHAIRMAN: The question is:

"That the Bill be passed".

The motion was adopted.

16.50 hrs.

DELHI SIKH GURDWARAS (AMENDMENT) BILL

THE DEPUTY MINISTER IN THE
MINISTRY OF HOME AFFAIRS
(SHRI F. H. MOHSIN): On behalf of
Shri Umashankar Dikshit, I beg to
move:

"That the Bill to amend the Delhi
Sikh Gurdwaras Act, 1974, be taken
into consideration".

This short Bill seeks to amend the Delhi Sikh Gurdwaras Act 1971, for getting over some difficulties which may be experienced during the working of that Act. This Bill has been drafted in consultation with the Delhi Sikh Gurdwara Board constituted under the Delhi Sikh Gurdwaras Management Act, 1971, for the proper management and control of the Gurdwaras and their property in the capital. I shall now proceed to explain the provisions of the Bill.

Section 40(2)(a) of The Act empowers the Delhi Sikh Gurdwaras Management Committee to make regulations providing for the manner and the criterion for deciding whether a candidate for election or co-option to the Committee is able to read and write Gurmukhi. Since the initial constitution of the Committee is possible only after the general election, it is proposed to confer the power to make rules in that behalf on the Central Government. Cl. 2(b) and cl. 6 of the Bill are intended to achieve that objective. Opportunity is also being taken to amend clause (m) of section 10 (1) of the Act, as proposed in clause 2(a) of the Bill, so as to provide that a person should