

pants and hand over vacant possession to the allottees, as provided in the Displaced Persons (Compensation and Rehabilitation) Rules, 1955.

(c) Yes, Sir.

Delegations sent Abroad to express India's stand on issue of Bangladesh .

6979. SHRI BHALJIBHAI PARMAR: Will the Minister of EXTERNAL AFFAIRS be pleased to state:

(a) the number of delegations sent abroad to express the view of Government of India on the issue of Bangladesh; and

(b) the expenditure incurred on delegations in Indian as well as in foreign currency?

THE MINISTER OF STATE IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI SURENDRA PAL SINGH): (a). 16.

(b) Rs. 5,65,000.00 approximately.

12.05 hrs.

CALLING ATTENTION TO MATTER OF URGENT PUBLIC IMPORTANCE

REPORTED DEMAND BY FOREIGN OIL COMPANIES FOR FURTHER INCREASE IN CRUDE PRICE

SHRI H. N. MUKERJEE (Calcutta—North-East): I call the attention of the Minister of Petroleum and Chemicals to the following matter of urgent public importance and I request that he may make a statement thereon:—

“The reported demand by foreign oil companies for further increase of 17 cents per barrel of imported crude.”

(Interruptions)

MR. SPEAKER: May I request you all to sit down?

आप लोगों के लिए कोई सुपर ह्यूमन स्पीकर चाहिए जोकि 15-20 सदस्यों को एक साथ चुन सके। आपको मैं रोज़ बताता
241 L.S.—5

हू कि थ्रॉटल आफ दि बिज़नेस में क्वैचमस के बाद कालिग प्रटेन्शन आता है और उसक बाद और बातें आती है। अगर कोई बात कहनी हो तो लिखकर भेजा करें।

श्री उपातिर्मय बसु (डायमंड हार्बर) : लिखकर भेजा है।

अध्यक्ष सहोदय : भेजा होगा तो वक्त पर आयेगा। लेकिन यह क्या बात है कि रोज़ बताऊं और रोज़ आप ऐसा करें कोई तो इसका हल होना चाहिए। रोज़ ही आप ऐसी बात करते हैं, यह बहुत गलत बात है।

THE MINISTER OF PETROLEUM AND CHEMICALS (SHRI D. K. BOROOAH): Crude oil prices have been going up all over the world continually since November, 1970. This increase has been particularly steep during the last 6 months. The principal reason for this has been the virtual cartelisation of crude oil production. Some of the crude oil producing and exporting countries have, for example, doubled their revenues in the recent past despite a reduction in production in some cases. There has also been acute competition among buyers; during the last two months alone, this competition has pushed up the price of a well-known crude from \$2.33 per barrel to \$2.67 per barrel.

India has not remained unaffected by what has been happening elsewhere in this field. Light Iranian crude oil (which is being imported by two of the foreign oil companies operating refineries in India) was quoted at \$1.28 per barrel in October, 1970; this price rose by several stages to \$2.08 on 15th January, 1973 and to \$2.25 per barrel with effect from 1st April, 1973. The increase in the price of the crude oil imported by these oil companies has thus been 97 cents per barrel within the last 2½ years, including a rise of 17 cents during the period between January—April, 1973. Elements of this large increase are said to be due to the Tehran Agreement of February, 1971, which provided for an automatic escalation in prices at pre-determined intervals until 1975, the Geneva Agreement dealing with changes in the par values of

[Shri D. K. Borooah]

major currencies including the dollar, participation by the oil producing companies in the production of oil in their respective countries and the general hardening of prices.

Like all countries which are not importers of crude oil today, we are also greatly concerned at the present situation. The Government have already taken certain measures to meet our short-term requirements of crude oil and are considering an overall strategy to deal with this problem in the long-run. The principal feature of this strategy is of course intensification of efforts to maximise crude oil production within the country, both on-shore and off-shore and a number of steps have been taken towards achieving this objective. We have already made a beginning towards exploration and crude oil production activities in other parts of the world; we propose to diversify our sources of supply by substantially increasing these activities alongwith increase in our domestic exploration and developmental activities. Attention has also to be given to the question of curbing consumption of oil products to the extent possible without slowing down the pace of economic development and also to the long-range question of development of alternative sources of energy.

SHRI H. N. MUKERJEE: I am distressed at the complacency shown by the Minister of Petroleum and Chemicals and what amounts to a spirited acquiescence in blackmail practised by these foreign interests who go on increasing prices to our detriment. Sometimes we tried to resist it, but from the tone of the Minister's reply I discover that he has given up all idea of resisting this continuing blackmail. It is strange that he seems to have forgotten—I mean, the Minister—that oil imperialists whose record is so black are now fighting their last ditch battle for domination in countries like ours, and it is important for us to do something really and truly basic in regard to this challenge. We have known throughout the years that these oil interests from abroad are past-masters in the art of cheating countries like ours.

Sir, for a long time, we did not ever know that they were deceiving us over what they called 'gulf price'. We thought that they were charging for transport from the Persian Gulf whereas they were actually charging us money for transport from the Gulf of Mexico while actually oil was coming from the Persian Gulf. They were doing it with impunity over the years and we did not know. We did not know until 1969, if I am not wrong, that they were selling crude to other countries at a much cheaper rate than they were selling to us. Therefore, these people are pastmasters in the art of deceiving countries like ours, and they gave all kinds of phoney reasons in order to justify their demand for price increase.

I am really astonished that the Minister seems to accept, at face value, the notion that all the blame for the price increase—at least a substantial part of it—lies on oil-producing countries who have increased their tariff, something like that, and that is why the escalation has taken place. There were all kinds of agreements, Geneva Agreement and all that sort of thing.

Today we are in direct contact—and we wish to be in such contact—with the oil-producing countries and, with a country like Iraq, we have entered into a sort of agreement which ought to be a pointer for the future. And by our direct dealings with oil-producing countries, in which task, as I tried to say the other day moving the Resolution on oil nationalisation, the Ministry of External Affairs should have a large say, we can get rid of the blackmail which these middlemen, these foreign oil sharks, are perpetuating. This kind of thing has been going on for so long, and we did not know that! Why should we accept this increase? During the last five years there had been repeated increases, and as to what they do occasionally, I have no time to go into all details that are relevant in this matter. Sometimes they ask for an increase and Government succumbs to the blackmailing. Sometimes Government had not conceded their claim to the increase, but Government had been compelled to release foreign exchange to the companies

at the new rates. This sort of thing has happened in recent years. And whenever Government refused to release the foreign exchange required for the higher price of crude, the companies have cut down their imports and have reduced their production at the refinery. Last year, for example, the companies demanded 1.84 dollars per barrel and the Government released foreign exchange at the rate of 1.68 dollars per barrel because that, according to the Government's calculations which must have some sort of expert basis, was the rightful price. We wanted to pay at the rate of 1.68 dollars, but they wanted at a rate of 1.84 dollars. But immediately the companies retained by reducing their import and by cutting their refinery operations and they gobbled up the foreign exchange allocation which this Government had given to them. This sort of thing goes on, and this latest demand for an increase of 17 cents is a very dreadful burden on our exchequer. In 1970, we had to fish out foreign exchange to the extent of Rs. 102 crores for the import of crude oil; in 1971 it was Rs. 138 crores for the same purpose; in 1972 the estimated expenditure of foreign exchange on crude import is Rs. 144 crores. This is not a laughing proposition, this is a very serious matter.

And it is more than time, particularly when the Minister himself had experience of the kind of operation which takes place internally as well as internationally on the oil front, it is high time that something very serious is done to safeguard the interests of our country and to fight the ways of blackmail of these foreign interests. They circumvent all Government decisions and I would like to draw your attention to the fact that these oil companies send out huge monies from this country. From 1968 to 1971, the three foreign oil companies have taken away from India Rs. 320.37 crores. In 1968 it was Rs. 71.11 crores, 1969—Rs. 81.91 crores and 1970—Rs. 72.94 crores and 1971—Rs. 94.41 crores and all—this on account of profits and other remittances. The total capital employed by these companies, however, is about Rs. 111 crores. They go on sending out money to the

extent of nearly their total capital in a period of four years.

Then they have a grip over our country's Government and the administration. They have a grip by all underhand means. For example, they have their own agents planted in the higher echelons of the administration in the Petroleum & Chemical Ministry. The former boss of the Indian Oil Corporation blocked the import of Rustum crude for two years on the plea that it could not be refined in Batauni Oil Refinery. It was an absolute fabrication made by one of the high-ups in the Ministry who did that in the interests of the foreigners. I suppose he has gone scotfree and nobody does anything to get hold of him and give him that kind of punishment that he deserves. We find again that the Managing Director in charge of the Marketing Division of the IOC is one of the former management personnel of the Burmah-Shell. So many other instances can be given. On the last occasion when I spoke about the oil nationalisation, so many instances came to our mind. This Thakru Commission, if it proceeds properly, can bring to light so many scandals related to this matter. These foreign interests have got their representatives in the highest echelons of the administration and they give out arguments to the Ministry which are utterly wrong and which go against the interests of our country and that is why, briefed by his officers, he has now given a statement which is derogatory to the sovereignty of this country.

I would very much like to know why the Minister has agreed. From the look of things, if this statement conveys any sense in English language, he has agreed to a rise when it was patently, obviously, clearly and explicitly against the will of the Government of India. I would like to know: why do you accept a wrong and phoney argument about the tariff escalation and similar things in the oil producing countries? Why don't you find out more about it by direct contact with the oil producing countries, not only with Iraq with which we have established friendly relations and with which the Minister also had contacts but with countries like Algeria and so many others with

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which, we should go even out of our way in order to set up friendly relations, for a variety of other reasons which can be discussed in the External Affairs debate? Why can't we? Why should you accept these wrong, completely wrong and motivated arguments offered by the foreign interests?

The Minister speaks of an overall strategy. I do hope he had anything in the nature of an overall strategy. Why should we postpone nationalisation as we said the other day, if at all he has any serious intention, till 1979, and in the meantime, they would do the maximum damage to these installations. If at all, they would leave ruination behind them and we are telling them, 'You can rule the roost till 1979'. Why do we enable these foreign interests to fleece us in the way they do in the meantime?

He refers to our efforts to increase our production. Now, what is his view in regard to what?

The Soviet experts have repeated very recently, like Prof. N. A. Kalinin who made so many efforts to put India on the oil map of the world. Our Minister knows a good deal about it. The other day he expressed his gratitude to the Soviet experts. He had said, and recently he and other Soviet experts had repeated that with a crash programme, in five years' time, from our own internal resources we can produce 50 million tonnes which is even more than what we require at the present moment.

I want to know why it is that in spite of all this we are not trying to go ahead. And I want to know, pending 1979—the hon. Minister says that 25 years being over, he can then take over these foreign companies,—pending that period, why cannot we take over the administration of these companies so that we can keep whatever assets they may have in tact, so that we can rid ourselves of this incubus of exploitation and blackmail which they are continuing to pursue. I want to know why this increase is accepted. I want to know why we are not taking radical steps

to prevent this blackmail, why we allowed our administration to be cluttered with foreign agents who are shown up to be wicked manipulators for foreign interests I want to know as to what steps you are taking and if you do not take up nationalisation, why cannot you take over the administration of these oil companies in the meantime, without detriment to anything in the nature of our international relations. What is being done to increase our transport capacity so that we do not have to depend upon oil sharks from abroad, so that we may have our own ships and bring the oil from whichever country we want to? I would like the hon. Minister to give his attention, in the earnest manner that they deserve, to these matters.

SHRI D. K. BOROOAH: Mr. Mukerjee has said something about which I might enter a caveat. He had said that the Ministry of Petroleum is cluttered with foreign agents. I repudiate this. I say, they are as good Indians as Mr. Mukerjee and, therefore, it is certainly incorrect to say that they are foreign agents. Clutter means full, it is not a few only. It would be wrong to make such a kind of statement. Mr. Mukerjee said that increase in oil prices has been due to the manipulation of the foreign oil companies. It could have been, Sir, I do not know, all the facts are not before me, before 1970—72. But, from January, 1972, this is what happened. From January, 1972, they organised themselves. Eleven well-known oil producing countries from Libya to Venezuela combined together and they asked for a higher price. All the foreign companies have been compelled to give them higher price. That is the reason for the increase in price. The increase in price is due to the insistence of the oil producing countries from Libya to Venezuela led by Libyan President Gadaffi and so they had to give a higher price. That higher price is for everybody in the whole world, whether it is America or Great Britain or India or Japan. Whichever country wants to buy this oil, it has to buy in the world market at the world prices, as I have already mentioned. In fact, we had a Telex message which is also confirmed by other sources. Earlier,

the oil prices were decided by tenders. Now, there is an open bid. In Abu Dhabi there was an open bid where active bidding for some 630 million barrels (and possibly more) of low-sulphur participation crude being offered for sale by the Abu Dhabi Government over the period 1974—1980 has pushed up the starting price of Murban crude to as high as \$2.65/ barrel for 1974 deliveries (including the 7 cents/ barrel. Teheran increment for 1974, but excluding any adjustment for last month's dollar devaluation).

Now, this is an open bid. All the countries that want to buy have to bid openly. Brazil's State-owned Petro-bras which is in the lead, is offering \$2.65/ barrel for Murban (actually \$2.67/ barrel with 90 days' credit, which works out at about \$2.5/ barrel with 60 days' credit as was allowed in the Japan Line deal) followed closely by the Swiss trading company Naftamondial—\$2.654/ barrel—and the New York-based John Sahaheen Organisation—\$2.64/ barrel. Three US oil companies—Continental Oil, Phillips Petroleum and Charter Oil—have made slightly lower offers in the \$2.58—\$2.62 range.

So, there is an open bid in which Brazil has bought it by bidding against the American companies. So, what Brazil has done, we shall also have to do. If we want to buy oil today, we must go to the open market and buy it. Today, the tender system is as good as abolished. One has to purchase by negotiating or by open bidding. No country in the world including Iraq is willing to sell it at less than the world market price. All this has been done by the OPEC countries under the leadership of the Libyan President, President Gadaffi. In fact, they are not satisfied with this, but now they are having also another discussion and they want to raise the price again. I talked to the Iraqi Oil Minister who himself is a member of the committee to negotiate the proposed revision of the Geneva Agreement, namely, the Ministerial Committee which has appointed a three-man team composed of the Oil Ministers of Iraq (Dr. Sa'dun Hamad), Kuwait (Mr. 'Abd

al-Rahman al-'Atiqi) and Libya (Mr. Izz al-Din al-Mabruk), and presided over by the Libyan Oil Minister. Negotiations with the companies are scheduled to begin in Beirut on 12th April. So, this may be followed up and the price again raised.

So, if we want to buy crude today, as we have to, we have to buy in the open market, and we have to pay the same price as other countries are paying. There is no hide-and-seek in this. In 1970 it was selling in a buyers' market, and oil was being hawked about everywhere. But today we cannot buy because it is entirely a sellers' market. It is not due to the monopolies of the companies. The companies have no hand now....

SHRI JYOTIRMOY BOSU: Let him not be too sure about these things.

SHRI D. K. BOROOAH: I had a talk with the people who are vitally concerned with this. We discussed this problem with the Iraqi delegation and they said that it had to be purchased at what is known as the world market price, and the price has to be reviewed annually. So, what can we do about it now?

Another thing that is more important is the availability of crude. No company or country is willing to enter into a long-term agreement, not even a two-year agreement, and they say that the price has to be reviewed annually and we have to bid in the open market. Because of our friendship with Iraq and because of our community of ideas, they have agreed to give us 3 million tonnes for ten years, but at the world price. There is no concessional price in this.

Our problem is to get more crude. We must get crude as quickly as possible and as much as we can.

Prof. Mukerjee mentioned about the Russian experts. Prof. Kalinin was in the team of the Russian experts which discussed with us at great length how to improve the production of ONGC. I do not know who the Russian expert who said that we could have 50 million tonnes in five years; it was certainly not Prof. Kalinin, because Prof.

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Kalinin and others—the Deputy Minister who is himself an oil expert was there—said that in five years if 'you could work hard, it could go upto 13 million tonnes'. For that, we need better equipment. They themselves examined our rigs and told us that our rigs have become old-fashioned and out of date and so we must buy at least 22 rigs in order to double the drilling capacity.

Therefore, as I said we are trying to get oil from on-shore exploration as far as we can and in the closest collaboration with the Soviet experts.

Then we are trying also to get some oil outside. The Iraqi Government discussed this matter with us. They have been good enough to give a location for us so that ONGC can drill there, and the location they have given has certainly more prospects for oil than any we have in this country. Drilling facilities there are also better because in the Middle East, particularly in Iraq; the location we have got in Romania is a flat land where drilling for oil could be limited to 2,000 to 3,000 meters, that is, about 9,000 to 10,000 ft. In Assam, we have to drill 15,000 to 16,000 ft. to get oil and the terrain is very difficult and the chances are less bright than in Iraq.

So our strategy is to get in touch with them and get assurances on this, not about the price. We may not get a price concession but what we can get will be an assurance of supply of crude if we get in touch with the oil producing countries themselves.

We have made contacts with Iraq. They have been very fruitful. It may not be just 3 million tonnes; it may be they may give us more. We are in touch with Kuwait. The External Affairs Minister himself visited Kuwait. He visited Bahrain, he also visited Qatar. We are in close co-operation with Qatar, Bahrain and Kuwait, also with Abu Dhabi and Dubai to get as much oil as we can from them.

So I hope that before long, within a month, they will give us their views or

decisions about our oil purchase, the purchase of crude in that area.

We have also discussed the matter of putting up a refinery here in which they will have a share which Qatar may give in terms of crude oil. So we are doing all this. Our expectations are simple, that we must get oil from all countries concerned. Oil is available to us only in the Gulf, the Persian Gulf, not the Gulf of Mexico where there is hardly any oil. We are now negotiating with these countries and I hope we will be successful in getting oil from them.

He said that the oil companies were demanding a higher price. There is one very interesting thing about this. The increase in crude oil prices need not necessarily increase the price of products at least to that extent because there could be a reduction in the refining margin. It is very interesting to note that last year when crude prices had gone up, the prices of finished products did not go up to that extent.

MR. SPEAKER: May I remind the Minister about one thing? We had decided that the duration of the call attention motion be increased from half an hour to 45 minutes; ten minutes for the first member, five minutes each for the others, leaving the total time which can be taken by the Minister to be 10 minutes. It is very difficult to regulate business if this goes beyond this time-limit and into the other business. The Minister will kindly be brief.

SHRI D. K. BOROORAH: I only wanted to reply to all the points raised by Prof. Mukerjee. Naturally, it is a somewhat complicated question.

MR. SPEAKER: But the time you are taking is double the time he took. I would request all Ministers to be careful and stick to the time. Otherwise, I cannot regulate the business.

SHRI D. K. BOROORAH: I will have done in another five minutes.

MR. SPEAKER: Otherwise I will have to ask the Ministers also, to sit down, if

you break this rule, how can I control it?

श्री सतपाल कपूर (पटियाला) : यह सवाल बड़ा सन्धा है और घानरेबल मेम्बर ने इतने रेसिबेंट सवाल पूछे हैं, जिन का जबाब देना जरूरी है। कमेटी ने लिमिट लगा दी है, लेकिन सवालों का जबाब देना तो जरूरी है।

SHRI D. K. BOROOAH: Sir, I will be very brief now. The point that I would like to make is that our strategy is to get more oil from these countries direct, and also to explore for oil not only in this country but in the Middle East countries, those who will allow us to do so, as well as to go out off-shore as much as possible. It is only by producing more oil and getting it directly from those countries that we will be able to meet the increasing demand for oil in this country. Otherwise, we will be in a very embarrassing and difficult position.

MR. SPEAKER: Shri Bhagwat Jha Azad—absent. Shri C. K. Chandrappan.

SHRI C. K. CHANDRAPPAN (Telli-cherry): Sir, listening to the answers given by the Minister, I thought that the Minister was saying that the country was so helpless that we have to go by the dictates of the international cartels. This is the picture he has portrayed. He may have differences of view, but the facts seem to be something different.

I would like to know from the hon. Minister whether this is a fact. You have denied, I remember you have said that Mr. Kalinin has not said that 50 million tonnes of crude can be produced in India. But have the Government received any report any time during the recent past saying that the production of crude can be increased to the extent of 50 million tonnes? It may be Kalinin or it may be somebody else.

Now, another thing is, this Government is agreeing to the dictates, due to helplessness, of the international cartels

for more prices for crude. The foreign refineries in this country are asking for more and more prices as the months are passing. I would like to know from the hon. Minister: what will be the loss that we are going to incur if we agree to the latest demand from the foreign oil companies? The Minister vigorously denied that there was anybody in the Petroleum Ministry who had got anything to do with the foreign oil companies or foreign interests. The Minister might have been objecting to the usage of the term "full of". But he cannot deny the fact. May I know whether it is not a fact that there are some people who are colluding with the international cartels and international monopolists and who are more interested in defending the interests of the international oil monopolists than in defending the interests of his country? They may be Indians. For example, Mr. Verma, the Joint Secretary of your Ministry, who has got a very, very bad record in his dealing with the foreign oil companies, had been a party in all the foreign dealings, negotiating on behalf of the Government. Can you make an enquiry about his shady transactions? Your Ministry was notorious for various other things in the past.

SHRI N. K. SANGHI (Jalore): On a point of order, Sir.

MR. SPEAKER: I myself have already pointed it out a number of times. Please don't refer to any name, because he is not present to defend himself. It must be sent in advance. We have already settled the procedure. You can mention his designation, but not the name.

SHRI C. K. CHANDRAPPAN: The question was asked by Mr. Mukherjee as to what happened to the Rustom crude from Iran? Are you selling it to Japan at the international price? No. You are selling it at a much lower price. This wisdom has been sold to the Ministry by—I will not mention his name—a top bureaucrat sitting in your Ministry. Your Ministry's officials told you that this oil could not be refined in the Barauni refinery and we had to sell it.

[Shri C. K. Chandrappan]

You are selling it to Japan and other countries at a lower price. Why are this sort of shady transactions allowed in your Ministry? Your hands may be clean but the Ministry's are not. There is already an enquiry into the pipeline scandal. Can you order another enquiry about the bureaucrats who are sitting in the Ministry dealing hand-in-glove with the foreign oil interests in this country to the detriment of our interests?

What prevents you from nationalising the foreign oil refineries in India? When you say that the interest of the country is very much at stake because of various pressures from abroad, is it not a fact that we can nationalise the foreign oil refineries and maximise the production of crude? Is it not a fact that your Ministry had agreed to foreign collaboration even in the case of offshore drilling where again you are going to depend on foreign countries for building the platform? I think the platform was designed wrongly and you lost time also in drilling in the Bombay High. I want categorical answers to my questions. If you are not very much interested in defending everyone in the Ministry, the country would like that the matter be enquired into. Something is very much stinking in your Ministry. This is what we feel.

SHRI D. K. BOROOAH: The hon. Member has raised a few points which were raised by Prof. Mukherjee also. About our capacity to produce 50 million tonnes in the next five years, nobody has told us so, and our discussions with the Soviet experts also do not indicate that it would be 50 million tonnes. I do not know whether a formal report has been sent by them—I will certainly look into that—but I am sure that it will not considerably vary from what they had told us earlier.

About Rustom crude, the refineries are built on the basis of the crude. The quality of the crude determines the character of the refinery. Therefore, the construction and the character of the refinery varies from refinery to re-

finery on the basis of difference in quality of crude. I will not go into that because it is a very technical question. Rustom crude has not been sold at a lower price than the international price. With the Rustom crude which is sold we can buy similar quantity of lighter Iranian crude, which is suitable for our refinery. Now we have got a large quantity of crude from Iraq. Therefore, we have to make suitable alterations in our refineries to process that crude. The Rustom crude is only about half million tonnes. To make changes in the refinery in the production pattern only for $\frac{1}{2}$ million tonnes would not be economically feasible.

So far as charges against certain officers concerned with the pipeline are concerned, I would not like to say anything because that is being enquired into by a Commission of Inquiry. If there are any specific charges against individual officers, if he gives us the details. Government would certainly like to investigate them, if not for anything else at least to give a chance to the officer to clear himself. Whenever charges are levelled against an officer, it is better that they are looked into early and he is cleared rather than his being under the cloud all the time.

When I said that the crude prices had gone up I did not say that it was due to international cartelisation. I made it very clear that it is due to the demand of the petroleum-producing countries. It is not that we are helpless. I have told the hon. House what steps we are going to take. I am an optimist, more so in this matter, because our recent negotiations with Iraq have proved that it is possible for us to get crude from other crude-producing countries and from our own country. Some of those countries which have not got oil resources of their own are exploring in different parts of the world. India has to follow a similar pattern. I am sure with the very well-trained persons we have, the expertise we have acquired, it will be possible for us to provide at least a substantial part of our crude oil requirements in the next five years.

SHRI JYOTIRMOY BOSU: The present situation is the outcome, to my mind, of a complete surrender of this Government to the foreign tycoons. There is a very interesting news item in the *Economic and Political Weekly* of 26th August, 1972, which says under the caption "SCUTTLING MALAVIYA REPORT":

"The Malaviya Committee Report on the Oil and Natural Gas Commission has got stuck in the Petroleum Ministry. That this should be the fate of a report which was supposed to clear the way of a big thrust forward in oil exploration is an interesting commentary on the ways of our government and bureaucracy.

The Petroleum Ministry, as things stand, means the bureaucracy. Since the Ministry has, for long lacked effective political leadership or even a full-time Minister, it is very unhappy about the adverse comments in the report on its role in weakening the oil exploration effort and hampering the work of the ONGC. The Ministry's nominee on the Committee did his best to prevent such criticism being incorporated in the report while the report was under preparation. When this effort failed, the Ministry decided to quietly put the report in cold storage."

I want a categorical reply from the hon. Minister as to how far this is true and whether the Malaviya Committee Report would be placed on the Table of the House for perusal of Members. Then the Shantilal Committee says:

"...it is recommended that a National Petroleum Commission be established on a statutory basis to renegotiate the agreements with the foreign oil companies and to serve as the policy making and co-ordinating authority in respect of all aspects of this industry from exploration and supply of crude to the marketing of products."

We want to know why this Petroleum Commission has not been constituted so

far. Is it not being done to serve the interests of foreign monopolists? We want a clear answer to that.

Here is a Report of the Committee on Public Undertakings. He said, he did not know about the rise of crude prices before a certain date. He should have had a look at it. He should have been guided by the Ministry. It is a very interesting report of the P. U. Committee. It says:

"The increases that have taken place as a direct result of the concerted action taken by the OPEC and otherwise are summarised below.

	Cents/bbl
November, 1970	7
February, 1971	27
June, 1971	6
July, 1971	5
January, 1972	11.7
TOTAL	56.7

Between them the three foreign oil companies are currently importing 7.7 million tonnes of crude oil each year. This is equal to a little over 56 million barrels of crude oil per annum. An increase in the crude oil price by every cent, therefore, results in additional foreign exchange outgo of \$5,62,000.

They have asked for a certain price rise. It says:—

"Two of the three foreign oil companies—Burmah-Shell and Caltex—have sought an increase of 17 cents per barrel to the price of crude from April 1. The third Esso is likely to follow suit.

Among them the three companies import about 7.75 million tonnes of crude oil annually to feed their refineries in India. The latest increase, if

[Shri Jyotirmoy Bosu]

accepted by the Government, would mean an additional expenditure of about Rs. 6.5 crores in the country's crude import bill of about Rs. 120 crores.

The last increase sought by the companies is about 24 cents...."

MR. SPEAKER: He may try to conclude now.

SHRI JYOTIRMOY BOSU: Then I sit down if you like. You kindly see what time you gave to others. I am trying to make out a case....

MR. SPEAKER: 10 minutes for the first member and 5 minutes each for others.

SHRI JYOTIRMOY BOSU: I can sit down then. This is not the way.

MR. SPEAKER: Nobody likes the bell. What to do?

SHRI JYOTIRMOY BOSU: Then, the original and existing coastal refining capacities in private sector (foreign) are as follows:

	(million tonnes)	
	Original Capacity	Present capacity
Burmah Shell Refinery, Bombay	1.50	3.75
ESSO Refinery, Bombay	0.92	2.50
Caltex Refinery, Vishakhapatnam	0.50	1.55
	2.92	7.80

This is what the Estimate Committee says:

"The Committee learn with concern that expansion of the refineries in the private sector was carried out without the approval of Government inasmuch as Government's permission was not sought...."

Here is a newsitem entitled "Big change in oil policy under study". The Government is completely surrendering to foreign monopolists.

I refer you to a book written by a very eminent person Dr. Michael Tanzer who is an authority on international oil trade.

This is what he says:

"Approximate prices and costs at three levels of the International Oil Industry:—

	Price per bbl.	Cost per bbl.
Crude oil production	\$ 1.50	\$ 0.25
Transportation	\$ 0.25	\$ 0.25
Refining	\$ 0.50	\$ 0.50
TOTAL;	\$ 2.25	\$ 2.00

Profitability in the industry basically stems from the sale of crude oil. While this is explainable by our hypothesis of greater monopoly control in crude oil production than in refining or transport, in the real world the supply of low-cost crude is not controlled by a single monopolist but by a member of companies which number in recent years has been increasing."

I advise the Minister to read this book so that he can get a clear picture of it....

MR. SPEAKER: I think, I should ring the bell only when the Member asks me to ring the bell. Otherwise, it is no use.

SHRI JYOTIRMOY BOSU: This is the report of what Dr. Michael Tanzer has said in New York:

"Dr. Michael Tanzer, world renowned petroleum expert of New York has suggested in an interview that India should nationalise all foreign oil refineries and pay no compensation. He says

that considering the enormous profits they have made, these companies deserve no compensation. "India might look to the example set by the Chilean government with regard to international copper companies."

He further says:

"...that oil exporting underdeveloped countries should take steps to provide relief in crude prices to underdeveloped oil importing countries and that a measure should also be taken to eliminate oil cartels."

He should read Michael Tanzer. That would serve as an eye-opener for this gentleman. He need not be guided by the bureaucrats most of whom are on the pay-rolls of monopolists.

Now I come to the profits and dividends. Burmah-Shell netted—it is only for marketing and not for crude oil—Rs. 5.61 crores and Rs. 8.60 crores in 1969 and 1970. M/s. Caltex Oil earned Rs. 1.2 crores, Rs. 1.19 crores and Rs. 1.18 crores in 1969, 1970 and 1971.

The correct picture has been given by the PUC. I want to know from the hon. Minister what is preventing them from nationalising this. You should nationalise crude oil importation, refining, the entire thing, because you cannot touch the Agreement upto 1979. We want to have a clear and categorical assurance from them. What has happened to the Malaviya Committee Report? Why are you not forming a commission? You should nationalise the whole thing to do away with the Agreement which is nothing but a garland of slavery on the country.

SHRI D. K. BOROOAH Hon. Member, Mr. Jyotirmoy Bosu, tried to create an impression that we did not know anything about oil prices. I have said in the statement that crude oil prices have been going up all over the world continually since November 1970. And what he has said only confirms what I have said. Oil prices have gone up and are still going up. Crude oil prices have not only gone up but are still going up...

SHRI JYOTIRMOY BOSU: For you.

SHRI D. K. BOROOAH: For the entire world.

SHRI JYOTIRMOY BOSU: It is a matter of opinion.

SHRI D. K. BOROOAH: It is a fact. I am willing to discuss the matter with Mr. Bosu. I am giving facts.

Secondly, about the Malaviya Committee Report, that is under consideration of the Government...

SHRI JYOTIRMOY BOSU: Since when?

SHRI D. K. BOROOAH: Since I took over. We have discussed this matter...

SHRI JYOTIRMOY BOSU: I want a clear reply, Sir. When was the Committee constituted and when was the report given?

SHRI D. K. BOROOAH: These are factual matters. Every Member knows about it. Let me make it very clear that this was discussed by the Consultative Committee of this House on two occasions and they came to certain conclusions. PUC has also sent their recommendations...

SHRI JYOTIRMOY BOSU: When was the Malaviya Committee Report received?

SHRI D. K. BOROOAH: Let me say what I have done... (Interruptions) I am only replying to the question that he has raised. His question was, is it a fact that the Government is trying to scuttle the report...

SHRI JYOTIRMOY BOSU: When was he Report received?

MR. SPEAKER: Please do not interrupt him.

SHRI JYOTIRMOY BOSU: I am trying to get the reply.

MR. SPEAKER: But not without my permission.

I am not allowing.....

13.00 hrs.

SHRI JYOTIRMOY BOSU: That does not really matter much.

MR. SPEAKER: If he says something without my permission, you need not reply to it.

SHRI D. K. BOROOAH: The hon. Member asked a question. He has asked the question but he is not willing to listen to the reply.

The reply is very simple, that this has been already considered by the Consultative Committee. It has been discussed by the Public Undertakings Committee and it has come to the Government. We have come to certain conclusions and we are going to finalise it now. So, it is not going to be scuttled....

SHRI JYOTIRMOY BOSU: You have sat over it for two years.... (*Interruptions*)..

SHRI D. K. BOROOAH: Now, Sir, Mr. Bosu is deeply interested in ancient history and the books which he referred to were published four years ago....

SHRI JYOTIRMOY BOSU: That makes no difference.

SHRI D. K. BOROOAH: So, Sir, when Tanzer wrote that book and also the article which was published in the *Times of India*, if I am not mistaken.....

SHRI JYOTIRMOY BOSU: It is *Economic Times*.

SHRI D. K. BOROOAH: I am sorry, it is *Economic Times*. This article also I have read but, after that, things have changed quite a good deal and prices have gone up....

SHRI JYOTIRMOY BOSU: Sir, on a point of submission. I wanted a clear answer as to when the Malaviya Committee's report was submitted, but the Minister is hiding it. Why does he want to hide it?

MR. SPEAKER: Order, please. That matter was mentioned in the House earlier, much earlier than he came. Why do you insist upon it?

SHRI JYOTIRMOY BOSU: Because they have put it in cold storage....

MR. SPEAKER: I am not allowing. Not only you are taking your full time but you are intruding into others' time also.

SHRI D. K. BOROOAH: It is not put in cold storage. It is very much on the anvil.

SHRI JYOTIRMOY BOSU: What about Shantilal Commission's report for a National Commission for Petroleum?

SHRI PRABODH CHANDRA (*Gurdaspur*): Every minute he is disturbing.

MR. SPEAKER: A very incorrigible man.

SHRI PRABODH CHANDRA: He cannot hold the House to ransom. He should hold his tongue.

SHRI JYOTIRMOY BOSU: I will consult you.

MR. SPEAKER: If he goes on interrupting, the Minister should not answer it.

SHRI D. K. BOROOAH: So far as the question of nationalisation is concerned, it is not a question of refineries. The main problem before us is the crude. If we have more crude, certainly we can take whatever radical measures we want to take.

SHRI JYOTIRMOY BOSU: He is misinterpreting me. We are not getting the crude....

SHRI D. K. BOROOAH: So far as Mr. Bosu is concerned, he knows as well as I do, that so far as the crude production is concerned, it is entirely in the public sector except a small partial participation by the BOC. Therefore,

so far as production of crude is concerned, the private sector has nothing to do with it. It is a very clear question of...

SHRI JYOTIRMOY BOSU: The entire thing should be nationalised.

MR. SPEAKER: If this man goes on like this, I have to prevent him....

SHRI JYOTIRMOY BOSU: I take objection to your way of talking... (Interruptions)

DR. KAILAS (Bombay South): He cannot threaten the Speaker like this. He cannot behave like this.

MR. SPEAKER: Every time he is interrupting.

SHRI K. P. UNNIKRISHNAN (Badagara): This is not a civilised way.

MR. SPEAKER: This Member is not allowing others to listen. He is interrupting every time.

SHRI JAGANNATH MISHRA (Madhubani): He should be named.

SHRI D. K. BOROOAH: Sir, I think, I have replied to all the questions put by Mr. Jyotirmoy Bosu. (Interruptions)

MR. SPEAKER: Mr. Bosu, you don't allow the Minister to speak. You are interrupting him every time. This is not proper. I will not ask him to reply if you go on like this.

DR. KAILAS: Sir, his party does not believe in Parliamentary democracy at all. That is why he is not behaving properly.

MR. SPEAKER: Next Member, Shri Indrajit Gupta,—absent. If he interrupts, the Minister is entitled to sit and we shall proceed to the next item, unless the Member speaks with my permission.

SHRI DINEN BHATTACHARYYA (Serampore): Just a minute, Sir. He put a specific question as to when the

Malaviya Committee's Report was submitted. That is all. He can say this was submitted in this month or this year. That is the end of the matter. Or, he can say, I was not here at that time.

SHRI AMRIT NAHATA (Barmer): But, you cannot ask any question under the sun.

SHRI D. K. BOROOAH: I have answered all his questions.

MR. SPEAKER: Now, Papers to be laid on the Table. Shri J. B. Patnaik.

13.07 hrs.

PAPERS LAID ON THE TABLE

ANNUAL REPORT OF BHARAT EARTH MOVERS FOR 1971-72

THE DEPUTY MINISTER IN THE MINISTRY OF DEFENCE (SHRI J. B. PATNAIK): I beg to lay on the Table a copy of the Annual Report (Hindi and English versions) of the Bharat Earth Movers Limited, Bangalore, for the year 1971-72 along with the Audited Accounts and the comment. of the Comptroller and Auditor General thereon, under sub-section (1) of section 619A of the Companies Act, 1956. [Placed in Library. See No. LT-4786/73].

NOTIFICATIONS UNDER MINES AND MINERALS (REGULATION AND DEVELOPMENT) ACT

THE DEPUTY MINISTER IN THE MINISTRY OF STEEL AND MINES (SHRI SUBODH HANSDA): I beg to lay on the Table—

(1) A copy each of the following Notifications (Hindi and English versions) under sub-section (1) of section 28 of the Mines and Minerals (Regulation and Development) Act, 1957:—

(i) G.S.R. 617 published in Gazette of India dated the 27th May, 1972.

(ii) The Mining Leases (Modification of Terms) Amendment Rules, 1972, published in Noti-