

[Mr. Deputy-Speaker]

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, 1973, in respect of 'Other Capital Outlay of the Ministry of Steel and Mines'."

15.48 hrs.

MINISTRY OF PETROLEUM AND  
CHEMICALS.

MR. DEPUTY SPEAKER : The House will now take up discussion and voting on Demand Nos. 66 and 125 relating to the Ministry of Petroleum and Chemicals for which 4 hours have been allotted.

Hon. Members present in the House who are desirous of moving their cut motions may send slips to the Table within 15 minutes indicating the serial numbers of the cut motions they would like to move.

DEMAND NO. 66 : MINISTRY OF  
PETROLEUM AND CHEMICALS

MR. DEPUTY SPEAKER : Motion moved :

"That a sum not exceeding Rs. 64,73,000 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, 1973, in respect of 'Ministry of Petroleum and Chemicals.'"

DEMAND NO. 125 : CAPITAL OUTLAY  
OF THE MINISTRY OF PETROLEUM  
AND CHEMICALS

MR. DEPUTY SPEAKER : Motion moved.

"That a sum not exceeding Rs. 69,12,61,000 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, 1973, in respect of Capital Outlay of the Ministry of Petroleum and Chemicals."

15.48 hrs.

[SHRI K. N. TIWARY in the Chair.]

SHRI DINEN BHATTACHARYYA (Serampore) : Mr. Chairman, Sir, this Ministry deals with very vital sectors of our economy. The saddest commentary that I want to make is that the foreign monopolies have had the strongest grip on these products, that is, petroleum and chemical products. These two vital sectors, petroleum and drugs, are under the firm grip of foreign companies, mainly, British and American.

Take, for example, the price of crude. We import about 14 million tonnes of crude. What is more astounding is that the oil companies, the foreign monopolies, import crude from their own source. Our Government cannot direct them to use crude oil from any other source. Several times it was discussed here also—the Soviet Union wanted to supply crude at a cheaper cost to these Anglo-American oil magnates and they openly said that they were not going to refine any crude that the Government may bring from any other country except their own. What is more astounding is that the prices of the imported crude have been fantastically pushed up again and again at the sweet-will of the big foreign companies. Till the end of 1968 Burmah-Shell charged 1.38 dollar per barrel imported from Persian Gulf and 1.31 dollar per barrel for Agha-ghary crude oil. ESSO and Caltex were charging 1.31 dollars for Arabian crude. In between, only for a short time, 5 per cent was reduced. Again the plea was raised by these foreign monopolists that because higher royalties were charged by the oil-producing countries, they had to increase the cost of the crude. The price of 1.25 to 1.28 dollar per barrel shot up to 1.81 to 1.85 dollar per barrel in the year 1970-71. What an unimaginable increase! When Government, day in and day out, talk of taking the country towards self-reliance, this is the picture that is prevailing year after year in the most vital sector of our economy. Again there is pressure for rise because of devaluation of dollar. The Indian people will have to pay for the higher cost of crude that they will import from their own sources. So, the Indian people will continue to be looted by the Anglo-American magnates and our Government

will always plead helplessness. West German economists have once again proved that the cost of production of one barrel of crude in Middle East is between 25 and 30 cents only. What a naked exploitation and a loot that is going on!

Originally when the foreign companies were given permission to set up three oil refineries here, their sanctioned capacity was only 2 million for Burmah Shell refineries, one million for ESSO and 0.75 million for Caltex. These foreign monopolists clandestinely increased their capacity against the laws of the country, and ultimately the Government had to accede to their request. Today Burmah Shell is refining 4 million tonnes, ESSO 2½ million tonnes, Caltex 2 million tonnes. This is done to subvert the development of our indigenous production capacity. Government has been forced to sanction foreign exchange to import these increased quantities of crude by foreign companies.

Then, Sir, what a fun it is! On 7th April, Mr. Gokhale, the Minister in charge of this Ministry, announced that the foreign oil magnates would not be permitted to make foreign exchange remittances without prior approval of the Government. This announcement was made by him so that we might reduce the remittances of these foreign companies. But by a subsequent statement Mr. Gokhale made it clear that these remittances had certain specified things in terms of certain agreements in force; hence, Government were, under these agreements, required to permit remittances, etc. What Ceylon can do, what Chile can do, what Egypt can do, the Government led by Shrimati Indira Gandhi which is proclaiming 'Garibi Hatao' and self-reliance is hesitating and hesitating to do. I do not know how long this hesitation will continue. Therefore, I demand, immediately outright nationalise all the foreign oil companies.

Then I come to the Oil and Natural Gas Commission. The ONGC is a mystery. For the last ten years there is no progress I do not know whether the Minister is in a position to tell us actually what has been done by the ONGC in the last ten years. Nothing—I will say. On the other hand, so many corruptions were brought to light. The Thakru Committee was set up regarding

the pipeline. What is the result of that inquiry? When will it end? Nothing is known. Every time it is coming up for extension of time. May I here say that Dr. Triguna Sen in whose time this Committee was set up, lost his job as a Minister because he had the courage to set up a committee against the high officials who are corrupt and carrying off their loot along with the foreign oil companies for a long time and that is why Dr. Triguna Sen is no more in the Ministry.

16 hrs.

Coming to the drugs, what is the position? There also, you will find that most of the drugs we have to import at a very high cost. One committee headed by Mr. Gaylord Nelson went into this matter and their finding is that the foreign American drug companies charge upto 11,000% higher prices than the prices prevailing in Europe. This was revealed during investigation of the Senate Committee headed by Mr. Gaylord Nelson. This committee found that many of the drugs marketed by the American companies have not been properly tested about the quality and their therapeutic effectiveness. During the last 20 years out of 16,000 new products marketed by these companies, 11,000 i. e. 70% of them, do not satisfy the therapeutic claim made for them. In addition, many untested and dangerous drugs are regularly marketed. Sometime back there was a case of Thaledomide. As a result of using this drug, many children were born with so many defects. A crop of Thaledomide babies were born.

The latest is the case which has come recently in the papers 'Hexachlorophine' which is used in cosmetic items and we import it from America where it has been found to be injurious. We have seen in Indian newspapers two or three days back that this item should not be used by anybody.

Sir, loot is going on in crude oil. Loot is going on in drugs.

16.01 hrs.

[SHRI R. D. BHANDARE in the Chair]

There are foreign monopolies making huge profits. There is Alembic and Con-

[Shri Dinan Bhattacharyya]

pany. They are producing so many medicines. You have reduced the price of some items. But the drug Company as well as others have increased the cost of so many other items. When you reduce the price of any drug, you do not find it in the market. That is the position. This conspiracy is hatched by the big drug manufacturing concerns both foreign and indigenous. My grouse is that you don't have any check on the prices of drugs. Even in the hospitals that are run by the Government, you won't get the same at fixed price or controlled price, whatever you may say. Under these circumstances, the Minister must make a categorical statement.

I charge the Minister that, at the top of this Ministry there are some people who are in direct connection with the foreign oil companies. There are such top men in the Finance Department also. It is they who did not allow Mr. Gokhale to stop the remittances to the foreign monopolists. You will be surprised if I tell you the way in which they are looting. I will give you some examples of the way these remittances are made. It is not only profit, there are overhead expenses, and so many other items. In the year 1969, Rs. 8191 lakhs were remitted. The figures are Rs. 7264 lakhs in 1970 and Rs. 9441 lakhs in 1971. Until and unless we are free from these big sharks of foreign monopolists, our talk of self-reliance is just a hoax. What about profits of the foreign oil companies? In the year 1970, there was a profit of Rs. 102 crores which they got. In the year 1971 the profit was Rs. 138 crores. In the year 1972 the profit was to be Rs. 144 crores. From this you see what is the state of affairs in this respect, Sir.

I would appeal to hon. Minister Mr. Gokhale to see that with regard to drugs the supply is guaranteed. But this is not done. You fix the prices, but there is no supply. You may fix price, but manipulation is done by the big business, big drug company. They give another name to the same product. They sell at higher rate. Suppose Rs. 15 is the original cost before price fixation. Now after price fixation, the company adds something to it, gives different name, avoids drug control regula-

tion, and charges huge money from the buyers. Regarding the pipeline I have many things to say but I do not have the necessary time for that purpose. I would like to know why the drilling at Baranoola in Tripura had been stopped. I know that there is some scandal regarding the supply of materials there and charges were framed against those who were responsible for it. I do not know what has been done. I would like to know how many inquiries have been set up by the CBI against the corrupt officials. Let the hon. Minister kindly state it. Everybody knows how corruption is rampant in this Department particularly.

So, I would appeal to the hon. Minister to be straightforward. Let him nationalise all the oil companies and have them in the public sector. Let him see that the ONGC serves its purpose and the country may be self-reliant at least in oil.

SHRI S. C. SAMANTA (Tamluk) : I am not happy with the working of this Ministry, especially of the refinery section of the Ministry. I had to raise a half-an-hour discussion here about the pipeline laying...

SHRI K. P. UNNIKRIISHNAN (Badagara) : I would request that one more hour may be given for this debate, because it is very important for our economic development.

SHRI SAT PAL KAPUR (Patiala) : We also join in this request. The Deputy Minister of Parliamentary Affairs is here, and he may increase the time allotted for these Demands.

SHRI K. S. CHAVDA (Patan) : Instead of four hours, it should be increased to 5 hours.

MR. CHAIRMAN : If ten hon. Members get up and start speaking simultaneously, let them not be under the impression that their demand is going to be accepted. I shall simply put it to the House, and if the House agrees, I have no objection.

SHRI SAT PAL KAPUR : You may put it to the House just now.

MR. CHAIRMAN : For the time being, let Shri S. C. Samanta continue his speech.

SHRI S. C. SAMANTA : The pipeline was constructed from Haldia to Barauni through Allahabad, and there was a grievance in the country about the quality of the pipeline that had been laid. I was astonished to see the pipeline for myself, because Haldia is in my constituency, and when I went there, I say that almost 99 per cent of the pipes had been damaged, and this was brought there by the contractors. Shri P.R. Nayak was the Secretary to the Ministry at that time and he was looking to all these things. He had something to do with the Bechtel company. Those things have been found out and now the Takru Commission's inquiry into the pipeline affairs is going on.

When a commission of inquiry is set up by a Ministry, then it should be given all facilities, and all documents and other things that are required by the commission should be supplied. We hear that they are not being supplied. The concept and policy of entrusting big public undertakings to the care of industrial managers as chief executives has been seriously compromised in the case of the IOC, in the refineries, pipeline and marketing divisions. The Bureau of Public Enterprises was set up to guide public undertakings. Guidelines were given as far as back as 1967 by the Bureau to all undertakings including IOC regarding various stages of project planning by commissioning a feasibility study or preliminary project report to take investment decision followed by Detailed Project Report and preparation of engineering drawings. This is the procedure to be followed, but in the case of Haldia Refinery, which was estimated to cost only Rs. 46 crores when it was cleared by Government in 1967, the cost has escalated to nearly Rs. 68 crores already and this top. Priority Project which was supposed to be ready in 1969 or so, already late by three years and I can say with the fullest sense of responsibility that there is no prospect of this refinery getting ready earlier than 1974, by which time the total project cost may go up to Rs. 75 crores.

This has happened because deposit clear directives by the Finance Ministry in 1967 guidelines given by the Bureau of Public Enterprises, Haldia refinery is being built

without a DPR and the foreign collaborators, in conjunction with unworthy executives of the IOC are, once again, taking us for a ride.

IOC has violated government directives about project planning once again to the detriment of the public interest and public exchequer. The IOC Board, according to my information, had insisted on regular review of the project by means of PERT diagrams some 2 years ago. Throughout 1971, no realistic PERT diagram was presented to the IOC Board. The Committee on Public Undertakings in its 66th Report had highlighted the follies of project planning of the Haldia-Barauni pipelines without a proper project reports. Without a paper project report things are going on. We must know where we are.

The Special Secretary to the Petroleum Ministry had admitted while vouching evidence before the PUC that the entire pipeline project needed redesigning. After the pipeline was completed and defects found, it is now said that redesigning should be done. Then, what has been done? This gentleman, Shri Mangat Rai, ICS, apparently got jittery towards the end of 1971 and quietly resigned from the ICS. The Secretary to the Petroleum Ministry, the Finance Associate and Government Audit have not only ignore the fact that Government guidelines on project planning of Haldia Refinery has been defied by the ICS, but these watchdog agencies, particularly the controlling Ministry, have not taken any action against the persons responsible for it.

An escalation of Rs. 25 crores may not matter to the new breed of public sector executives, the new capitalists without investment, but Rs. 25 crores is a very big amount and, if I may quote, 'money covers a multitude of sins'.

Mr. P. R. Nayak, ICS, the presiding deity of the petroleum firmament for nearly a decade had to be suspended from service for his role in the pipeline muddle. His role in the Haldia refinery project as Secretary of the Ministry when the contracts were executed in 1967-68, the role of his successor, the present Secretary of the Ministry and the concerned executives in the IOC should be looked into forthwith.

[Shri S.C. Samanta]

The conduct of the Finance Director of the IOC in 1967-68, Mr. M. V. Rao, for his role in the pipeline muddle is now under enquiry.

Sir the watchdogs of public undertaking are the Financial Controller and the Finance Director. From 1966, till September 1971, a brother-in-law of Mr. Nayak was the Financial Controller of the Refineries and Pipelines Division of the IOC. How did Mr. Nayak manage these things ?

MR. CHAIRMAN : The matter is before the Commission. So, these facts as to what he did and what others did need not be mentioned in the House because the matter is *sub-judice*. Let the Commission make all possible enquiry. Kindly switch on to other points.

SHRI S. C. SAMANTA : All right, Sir. This Ministry has suffered much because of the change of Ministers. Perhaps in no other Ministry such changes have taken place. Fortunately or unfortunately, we have now got one Minister, and we hope that the grievances about which we feel very strongly will be taken care of by the hon. Minister.

SHRI VASANT SATHE (Akola) : After all, oil is slippery.

SHRI S. C. SAMANTA : But the law is there and the law will protect.

SHRI P. VENKATASUBBAIAH (Nandyal) : Not brother-in-law !

MR. CHAIRMAN : Do not disturb him, Let him speak.

SHRI S. C. SAMANTA : Sir, you have reminded me of the Takru Commission I would not, therefore, go further. I would only request the hon. Minister to see the Thakru Commission is helped with all the papers and other things that it requires, so that we could look to the Ministry in such a way that we can have some faith in the public undertakings in which we are taking so much interest. We are nationalising so many institutions, and so, if our men who are put

in charge of them do not do well, what will be the fate of the Government, I do not know.

With these words, I support the Demands for Grants.

SHRI R. V. BADE (Khargone) : I beg to move :

"That the Demand under the Head 'Ministry of Petroleum and Chemicals' be reduced to Re. 1."

[Need to take over all medical pharmacies which are owned by foreign companies. (26)]

"That the Demand under the Head 'Ministry of Petroleum and Chemicals' be reduced to Re. 1."

[Need to stabilise prices of medicines. (27)]

"That the Demand under the Head 'Ministry of Petroleum and Chemicals' be reduced to Re. 1"

[Need to check adulteration in medicines. (28)]

"That the Demand under the Head 'Capital Outlay of the Ministry of Petroleum and Chemicals' be reduced to Re. 1"

[Failure of I.O.C. to give petrol pumps to the cooperative societies in Maharashtra and Madhya Pradesh. (29)]

"That the Demand under the Head 'Capital Outlay of the Ministry of Petroleum and Chemicals' be reduced to Re. 1."

[Failure to nationalise all foreign oil companies working in India. (30)]

"That the Demand under the Head 'Capital Outlay of the Ministry of Petroleum and Chemicals' be reduced to Re. 1."

[Failure in conducting inquiry into the corruption prevailing in India Oil Corporation. (31)]

SHRI DINEN BHATTACHARYYA : I beg to move :

"That the Demand under the Head 'Ministry of Petroleum and Chemicals' be reduced by Rs. 100."

[Need to nationalise oil companies belonging to U. S. A. and Great Britain. (39)]

"That the Demand under the Head 'Ministry of Petroleum and Chemicals' be reduced by Rs. 100."

[Need to reduce the price of kerosene oil. (40)]

"That the Demand under the Head 'Ministry of Petroleum and Chemicals' be reduced by Rs. 100."

[Need to check adulteration in petrol supplied from petrol pumps. (41)]

"That the Demand under the Head 'Ministry of Petroleum and Chemicals' be reduced by Rs. 100."

[Need to reduce the cost of drugs commonly used by people. (4)]

"That the Demand under the Head 'Ministry of Petroleum and Chemicals' be reduced by Rs. 100."

[Need to re-instate twelve employees of Antibiotic Plant at Birbhadra, Rishikesh (43)].

"That the Demand under the Head 'Ministry of Petroleum and Chemicals' be reduced by Rs. 100."

[Need to bring the wage scale of the employees of Antibiotics at Birbhadra, Rishikesh at par with the wage scale of Pimpri Plant under the same Ministry (44)]

"That the Demand under the Head 'Ministry of Petroleum and Chemicals' be reduced by Rs. 100."

[Need to set up a permanent Joint Committee in I. D. P. L. to negotiate and settle the grievances of employees (45)]

"That the Demand under the Head 'Ministry of Petroleum and Chemicals' be reduced by Rs. 100."

be reduced by Rs. 100."

[Need to take steps to improve the deteriorated industrial relations at the Antibiotic Plant at Rishikesh (46)].

"That the Demand under the Head 'Ministry of Petroleum and Chemicals' be reduced by Rs. 100."

[Need for a thorough revision of wages in the pharmaceutical factories both private and public (47)].

"That the Demand under the Head 'Ministry of Petroleum and Chemicals' be reduced by Rs. 100."

[Need to take effective steps to check the sale of spurious drugs in the market (48)].

MR. CHAIRMAN: The cut Motions are also before the House.

SHRI INDRAJIT GUPTA (Alipore): Mr. Chairman, Sir, in this modern age of technology and science, the economic well being and prosperity of our country will largely depend on how the plans in the field of oil and petroleum are executed. I am sorry to say that at present, in the country's battle for self-reliance and economic independence, the petroleum sector represents the most dismal and depressing picture that one can imagine. Instead of increasing self-reliance we are moving in the opposite direction. The gap between the demand and the supply of petroleum products is not narrowing but increasing sharply. My friend, Shri Bhattacharyya, spoke quite a lot about imports of crude oil. The bill for this at the present rate will soon go up to something like Rs. 200 crores per year. It is estimated that the requirements of crude will increase from 18.46 million tonnes in 1970 to 26.50 million tonnes in 1974. In this increase the degree of indigenous production will not go up but go down from 36.9 per cent in 1970 to 33.2 per cent in 1974. These are calculations made by the Public Undertakings Committee in its latest report on ONGC.

In this vital and strategic sector of national economy in which there are very

[Shri Indrajit Gupta]

high stakes, it is my charge that the Government has been criminally complacent. I am not blaming this Particular minister, because he is new to his charge, but over the years, the Government has been criminally complacent, allowing persons in high places to bungle and make the country pay dearly for their incompetence or may be for something worse than incompetence. The PUC's report on ONGC shows something which is truly shocking. At a time when the country is struggling with its back to the wall, when we are being blackmailed by the cut-off in US aid, when foreign-owned refineries are importing crude at fancy prices, at such a time, this report shows that the ONGC, or rather, one of its subsidiaries called Hydrocarbons India Private Limited, has failed to lift and utilise 62.2 per cent of the country's share of Rustom crude which was allotted to us. This has cost the country a loss of Rs. 15.59 crores. If this is not criminal, I would like to know what is.

It is estimated that the annual cost of imports of petroleum products in this country is roughly Rs. 30 crores. On that basis, we find that if Rustom crude had been imported and utilised in the last four years, this country could have saved Rs. 120 crores in foreign exchange, and the idle capacity of 1 million tonnes in Barauni Refinery could have been put into commission. You know what happened? For two years, this matter was held up because Mr. N. N. Kashyap, who was then boss of IOC, had pleaded that unless this Rustom crude is properly analysed by the Petroleum Institute at Dehra Dun to see what its lube content is, it is not proper to use it in Barauni or any other refinery. After two years, it was found that this crude is perfectly all right and there is nothing wrong with its lube content. IOC had actually passed a resolution that this Rustom crude should be brought and utilised. But two years were wasted by Mr. Kashyap. Even now I am told it cannot be used straightway, unless the Barauni Refinery is redesigned to some extent, because it was designed for a different type of crude. For redesigning, IOC had sanctioned an amount of Rs. 13 crores and a decision was taken by Government that this project would be undertaken for making the necessary modifications in the

design, so that the Rustom crude could be utilised and 1 million tonnes of idle capacity at Barauni could be put into commission. But nothing has been done about it up till now; I want the minister to tell the House who is responsible for sabotaging and scuttling this whole thing, why the country is being made to suffer this enormous loss and why 62 per cent of Rustom crude which is ours is not being lifted and used. Somebody in the Petroleum Ministry has to be held responsible. This kind of constantly covering up and allowing people to go scotfree is something which this country will not tolerate any longer. I think a thorough shake up is called for, a thorough shake up in the ONGC and the Ministry for this kind of scandal has to be stopped.

I would like to make three specific suggestions. Firstly, we have had a prolonged experience of successive ICS officials heading this Ministry in the capacity of Secretary. I want now, at least for once as a trial, let us have as Secretary in this Ministry a technical expert who knows something about petroleum, a petroleum expert. We do not want this successive tribe of ICS officials to go on fouling up this very vital and strategic sector. As you all know, three previous Secretaries, Shri S. S. Khara, Shri Damle and Shri Nayak, have been put on the mat by the Pipelines Enquiry Commission. Notices have been served on them to appear and answer for their responsibility in this whole sorry tale. So, my first suggestion is: let us make a break, let us have as Secretary a technocrat, if you like, an expert who knows something about petroleum.

The second suggestion that I would like to make is that a vast new prospect has opened before us, which we should explore and pursue, a tripartite agreement should be worked out between India, Bangladesh and USSR for a joint off shore exploration for oil. The entire off-shore from Visakhapatnam to Cox's Bazar can be explored provided there is co-operation between the governments of India, Bangladesh and USSR. USSR, I am sure, can supply the necessary equipment. But this should be done and it should be given priority. At least we should try for it, provided the other two governments are willing.

My third suggestion is we should encourage young petroleum geologists, very young and good scientists who are already in the ONGC itself to go in for off-shore and on-shore exploration for oil.

Incidentally, while I am on this point if I may ask a specific question what has happened about the resumption of drilling for oil in Bodra in West Bengal? Because in 1964 when one of the drills broke up we were told by Dr. Triguna Sen that after some more sophisticated survey was carried out by some equipments which we are to be imported drilling in this area would be resumed. After that we have not heard anything further on that. I wish he will tell us something about it.

I would like to support the plea of Shri Bhattacharyya for the the nationalisation of the foreign oil companies. I have four specific complaints against them. Firstly, they are demanding higher and higher prices, fancy prices, for their imported crude. Secondly, they are repatriating not only their large profits, but it is reported that they are repatriating portions of their reserves. They are removing their assets. Thirdly, they have drastically reduced employment; especially in the eastern region of the country, I know that thousands of their employees have had their services, terminated or been forced to resign their jobs. They are either handing over much of their work to contractors or installing computers in their Bombay offices and they are cutting down their staff in the eastern region. Fourthly, in times of national emergency these oil companies have always betrayed a tendency to try to pressurize us and blackmail us.

Finally, I would like to say a few words about the the Pipeline Enquiry Commission, not about anything which is sub-judice, as you correctly pointed out. My grouse is that government took a stand regarding the principal accused, Shri P. R. Nayak, of extending his services and then suspending him.

**MR. CHAIRMAN:** You can say that he is a "defaulter" not accused".

**SHRI INDRAJIT GUPTA:** Are you sure he is only a defaulter? Anyhow, I do not mind using the term "defaulter".

**MR. CHAIRMAN:** So long as he is not found guilty, you cannot call him accused.

**SHRI INDRAJIT GUPTA:** I have no objection to using the word which you suggest. The principal defaulter, Shri Nayak, was placed under suspension by a procedure which the Government of India undertook with all good intentions for preventing him from seeking protection under the ICS privileges, because he was due to retire. Once he has retired he is beyond the scope of any inquiry. Subsequently, as you probably know, he went to the Supreme Court and the Supreme Court held his suspension to be technically void because I was notified to him that disciplinary action was only "contemplated" against him. The actual disciplinary action order which means that it must be reduced to the form of a concrete charge-sheet was not given to him. He was only informed of a contemplated disciplinary action and he was suspended. The Supreme Court held that this cannot be done and held his suspension order to be technically void. They held that a defective suspension order had been given to him.

I want to know how this was done. It is Mr. B. B. Lal, a responsible officer, the Secretary of the Department of Personnel, who framed the suspension letter. So far as I know, Mr. B. B. Lal has been a member of the I.C.S. for the last 30 years. I cannot believe that he does not understand the English language or he does not know how to draft a letter or frame a proper suspension order. Already, the charges were there. Nine charges had been framed by Mr. Mangat Rai, the Special Secretary in the Ministry and forwarded to Mr. Takru for preliminary investigation. Mr. Takru enlarged those 9 charges to 15 charges. Out of 15 charges, Mr. Takru held Mr. Nayak being *prima facie* guilty or a defaulter on 14 charges. This was done on the 11th January, 1971. Yet, the suspension order which came later on, that is, on the 23rd March, 1971 contained no charges. Hence, it was held by the Supreme Court to be defective. Am I to take it that Mr. Lal is such an immature or an inexperienced officer that he did not understand this or is this another example of the I.C.S. brotherhood gang up in defence of each other?



[Shri Indrajit Gupta]

Perhaps, I am being uncharitable. At least there is one other I. C. S. man, Mr. B. R. Tandon, the Special Commissioner of Departmental Enquiries, who found Mr. Nayak guilty of 11 charges, specially, absolving Bechtel's from paying income-tax on their profits. I believe, this comes under the Prevention of Corruption Act. I would like to know from the hon. Minister why the C. B. I. should not prosecute Mr. Nayak separately and directly on the basis of the finding of Mr. B. R. Tandon's inquiry. A copy of this report, may I ask, should be placed on the Table of the House. Let the Members have a chance of studying it. The Tandon Report was submitted six months ago and we are still in the dark. We do not know what the Government is doing subsequently on the basis of the Tandon Report.

Why is it that the Ministry is opposing the enlargement of the terms of reference of the Takru Commission? Dr. Tuguna Sen had assured the House—I am quoting—"All allegations in the P.U.C. Report, the 66th Report, have been referred to the Takru Commission of Inquiry."

Now, it is found that they have not been so referred. Why should the Ministry oppose the enlargement of the terms of reference? I would like to know that. The original terms of reference had been drafted by the very officers who are under the inquiry of the Commission. Now, it is being argued before the Commission that the terms of reference should be widened. Why should the Ministry come forward to oppose it, we are not able to follow.

Finally, I would like to know what is the role of the Ministry in such inquiries. I am told that even certain files which have been asked for by Mr. Takru are either not being produced or inordinate delay is going on in submitting those files to the Commission. What is the role of the Ministry in that? Is it its job in the face of the P.U.C. Report to assist the Commission in finding out the truth in fixing the guilt where it

belongs to or is it the job of the Ministry to try to shield the guilty officials and even, if necessary, to bring ridicule on the P.U.C. findings and their Report? This is very serious state of affairs. There is not much time at my disposal. I would just say that the whole pipeline inquiry affair must be taken seriously and the way in which the Ministry has been behaving towards it must be given up.

As far as the whole question of sliding farther and farther away from self-reliance, instead of going towards self-reliance, is concerned, and the arguments which I have advanced earlier, it must also be found out who is responsible for this huge loss which the country is made to suffer due to this bungling.

SHRI M.B. RANA (Broach) : I rise to support the Demands for Grants of the Ministry of Petroleum and Chemicals. It was Panditji who, many years ago, took a decision to develop public sector undertakings. His dream has come true today and 97 public undertakings are functioning. It was said by many capitalists that these public undertakings were a loss to the country. But that is not so. Out of 97 public undertakings, 5 are making profits and only 33 are making losses. On the whole, the public undertakings will start making profits very soon after their period of gestation.

No hon. Member has mentioned about ONGC so far. I would like to say a few words about that, but before I do that, I want to bring to the notice of the House that many capitalists are interested in defaming these public undertakings as far as they can and are putting up arguments against the prosperity of the public undertakings. I had the opportunity during the last two years as Chairman of the Committee on Public Undertaking to study in great detail the working of the ONGC. The 16th Report of the Committee was laid on the Table of the House on the 21st of last month. It is rather a bulky report, about 400 pages, and I do not propose to cover more than a few important points in it which relate to the efficiency of the ONGC, to the pattern of financing and the workers' bonus.

16.37 hrs.

[SHRI K.N. TIWARI *in the Chair*]

The Report covered a period of five years from 1966-67 to 1970-71, and for all this period, except for the last seven months, the Chairman was Shri L.J. Johnson. For the last twenty months, there has been no permanent Chairman and one of the Members has been acting. We have expressed our regret in the Report that the Government should have allowed such a situation to arise.

We found, somewhat to our surprise, that in spite of the fact that the ONGC is one of the largest public sector organisations in the country, with a staff of about 22,000 people and an annual budget of Rs. 60 to 70 crores, the Chairman has no powers at all! As the Member in charge of stores and administration, he had the same powers as any other Member for the subjects in his charge, but as Chairman he had no powers. He presided at meetings of the Commission and if there was an equality of votes at any time, he had a casting vote. It seemed to us to be anomalous that the Chairman should have such a heavy responsibility without power. We have again recommended that the Chairman should be the chief executive. The Government representative, when he appeared in evidence before us, again reiterated that the Chairman's role should be merely that of a planner and co-ordinator. We disagreed with this view and felt that merely designating him as a coordinator would not clothe him with effective authority. We have recommended also that, in an expanding organisation demanding quick decision-making, the power to take prompt decisions is a primary pre-requisite and this cannot be fulfilled unless the Chairman, as the chief executive, has the power to overrule the dissenting view of the members in the overall interests of the organisation.

My experience of the public sector organisations has been that, although power and authority are necessary for those holding high office, if they are expected to produce results, efficiency depends much more on personality, drive and commitment than on the fact of being able to exercise power. In many organisations which are doing

badly, those in charge have no lack of power and authority and yet they have failed. We were, therefore, very happy to find an organisation where the Chairman had been able to secure a high degree of efficiency in all spheres of work without actually having any power. We were also impressed by the enthusiasm which we noted at all levels, particularly among the younger scientific and technical officers, which showed that moral was high.

Here I would like to say a word about the labour relations in the ONGC during the period covered by our Report. I must say that they were among the best, if not the best, I had come across. The day before the Committee visited Baroda, two years ago, for example, the labour union of workers of the ONGC in Gujarat was holding its annual conference and they had invited the Chairman to sit with the union leaders on the dais to address the workers. This seemed to us to be an excellent index of the sound relations between management and the workers. We also saw evidence of this wherever we went in the oil fields of the ONGC and at their headquarters in Dehra Dun. It is largely because of these factors that the ONGC's working results in the past four or five years have been so good. In the year 1967-68, for example, they made a profit of nearly Rs. 12.8 crores and in 1968-69, Rs. 12.93 crores. We found that these profits would have been higher had the ONGC not been selling gas below the cost of production and had the sale price of oil not been reduced because of the reduction in the parity price.

The workers of the ONGC brought to our notice the fact that even though the ONGC through their hard work and devotion to duty was earning the highest profits in the public sector, this was not being reflected in the workers' bonus. They complained that the IOC workers, whose work was much less onerous and dangerous, were getting 16% bonus, while ONGC workers in 1968-69 were getting an *ex-gratia* bonus payment of only 8%. This has been raised for next three years to 10%.

When we went into this question, we found that under the pattern of financing in the

[Shri M.B. Rana]

ONGC the exploration losses of the Commission and the expenses on non-producing fields were all being met by setting off the revenue from the sale of oil and gas. Of course, in exploration for oil, and in wild-cat drilling, there are bound to be heavy losses. But we feel that the workers have a genuine grouse since the system implies that they can never expect to get a higher bonus and, in fact, in poor year, the bonus might even come down. So, it was because of this that the ONGC had pleaded with the Government to allow them to undertake refining operations also. The bonus will continue to depend on the profits of the ONGC and since the ONGC's exploration programme is being expanded, it may have to incur further losses. In addition, if it has bad luck and does not find many new fields, all its profits from the sale of oil and gas will be eaten up to meet its losses. We have suggested to the Government that one way out of the difficulty, perhaps, would be to form a parent company to take care of both the ONGC and IOC and to share the profits of these two organisations in some equitable manner.

Apart from the good leadership at the top and high morale in the organisation, the efficiency which we observed in the ONGC appears to be the result also of applying modern management techniques, e. g., Control Rooms at Dehra Dun and at Divisions.

Then they have the Central Workshops. The ONGC whose present rate of production is 4 million tonnes per annum is the largest producer of oil in the country. In the past six or seven years, it has discovered as many as 13 new oil or gas fields. Two or three of them are still being developed. The production of gas is at present about 333 million cubic metres per annum. As a result of the discoveries in the last 5 or 6 years, ONGC should be able to produce 912 million cubic metres per year in 1973-74 on land, which is included in its ten year plan. It should also be able to produce at the rate of 6.7 million tonnes of oil per year on land by 1973-74. The ONGC deserves credit because with seismic equipment which is not the latest in the field, they have been able

to discover as many as 13 fields in the last seven years. This is a very creditable achievement when one considers that these fields are small fields and, therefore, much more difficult to find.

Finally, I would like to remind the House of the magnificent success of the ONGC in 1970 in building up its first offshore platform in very difficult conditions in the Gulf of Cambay. It is in my constituency. The conditions were very difficult. The Russians were expecting high tides in the Narmada river. There were tides of upto 12' and the Russians gave it up and it is our young engineers who worked there day and night and put up this platform and started drilling.

About the ONGC, I would like to mention what a former Minister, Shri Ashok Mehta said in the Lok Sabha while replying to the debate on the Demands of the Ministry of Petroleum and Chemicals in 1968. He says :

"I would like to say something about the exploration programme. It is said that we have spent a lot of money, but not achieved adequate results. We have spent something like Rs.200 crores on the ONGC and we have established 130 million tons of reserves which will be produced. I think these figures are comparable to similar figures anywhere in the world. The performance of ONGC has improved remarkably in the past 12 months...

Today the facts are that the ONGC's drilling performance in 1967-68 has been a record performance for all time. Next year's target is 40 per cent higher than what we have done this year. I would like to know from any Member of the House belonging to any section of the House if we say that our 1968-69 performance would be 40 per cent over the record performance we have put in 1967-68, is not that something for which we should pat the ONGC on its back. I would like to take this opportunity to put on record my appreciation of the work that the Chairman of the ONGC, Mr. Johnson with the wonderful team of

youngmen that he has brought together,—the planning and development team,—and with the control room, has done ”

Before I sit down I would like to say that oil has been struck in my district of Broach. We had about 1 lakh acres of khar land in Broach district while the refinery is put up at Baroda. When the question of expansion comes they want to expand the same refinery while they could easily have a refinery in Broach district where the petto-chemical complex and other things can be set up. In Broach the oil production is same things like 5,000 to 8,000 tonnes a day. So, they should have a second refinery in Broach district for the welfare of the district and for the welfare of the people there.

\*SHRI M S SIVASAMY (Tiruchendur)

Hon. Mr. Chairman, Sir, before I sit expressing my views on the Demands for Grants of the Ministry of Petroleum and Chemicals, I would at the very outset refer to certain important issues relating to my constituency.

For the four southern most districts of Cape Comorin, Tirunelveli, Madurai and Ramanathapuram petrol, diesel oil and other petroleum products will have to come either from Madras Refinery or from Cochin Refinery. As these have to be transported from a distance of 400, 500 miles away we have to pay 5 to 8 paise more per litre of petrol on account of heavy transportation charges. Bearing in mind the high price that the people of this area have to pay for getting petroleum product and also keeping in view the needs of fast-becoming industrial complex in and around Tuticorin, the Tamil Nadu Government for the past five years has been requesting the Central Government to set up an oil refinery there. Besides this, the work on Rs. 85 crores worth Southern Petro-Chemical Industries Corporation is progressing rapidly and this industrial unit's main requirement of raw material is naphtha. One million tonne naphtha per annum will be needed by this unit. As I pointed out earlier, this naphtha has also to come from either Madras or from Cochin, 400 or 500 miles away from the location of the industry. If you take

into account the transportation charges involved in this, naturally the cost of production of this unit will be mounting up, the burden of which will be passed on to the consumers. The Tuticorin harbour is being expanded at a cost of Rs. 35 crores and the work is likely to be completed next year. If the expanded harbour facilities are to be utilised in full and if the Government wish to have some return on this huge investment the tonnage at this harbour should be increased substantially. In other words, the import and export trade through this harbour should be considerably increased. This in turn emphasises the need for having an oil refinery at Tuticorin.

With a view to making available to the people of these four districts the petrol, the diesel and other petroleum products at the same price at which they are available to the people in Madras, Bombay and Cochin to supply naphtha in quantity locally to the Southern Petro-Chemical Industries Corporation so that its products could be sold at a competitive price to utilise the expanded harbour facilities of Tuticorin in full and also on account of the strategic place Tuticorin occupies in the naval defence of the country I would appeal to the hon. Minister that an oil refinery should be set up at Tuticorin and the Central Government should initiate preliminary action on this proposal.

In the 1971-72 Annual Report of the Ministry, there is reference to Koyalito Refinery, Barauni Refinery, Haldia Refinery and also to the necessity of having another refinery in the north-western part of the country. I regret to say that there seems to be no realisation on the part of the Central Government of the need for having a refinery in the southern part of the country. There is no indication of this in the Annual Report also.

On August 15 this year, we will be celebrating the silver jubilee of our Independence. Even after 25 years of our Independence, so far as petroleum products are concerned, we continue to import them draining our slender foreign exchange resources. Every year the crude oil is imported to the tune of Rs. 135 crores and Rs. 21 crores worth refined petroleum pro-

\*The original speech was delivered in Tamil.

[Shri M.S. Sivasamy]

ducts are imported annually. It has been estimated that in the year 1973-74, to meet the requirements of the country, the import bill on this score will reach Rs 350 crores pre year. I don't think I will be wrong to say that the Ministry should bestow its immediate attention to the ever increasing import of crude oil every year. It is claimed that huge deposits of oil are there in Assam. Four years ago, the Estimates Committee of this House recommended that the Barauni-Gauhati pipeline's capacity should be expanded further if the import of crude oil is to be reduced. This recommendation has fallen on deaf ears and we are importing merrily crude oil worth Rs. 135 crores every year and this figure may go up to Rs. 300 crores in two, three years. If the Government are determined to conserve our meagre foreign exchange resources, then the Barauni-Gauhati pipeline's capacity should be expanded immediately as recommended by the Estimates Committee four years ago. This will help further exploitation of oil available in Assam.

Only the other day I came across a news item in which the Chairman of the Oil and Natural Gas Commission, Shri Negi, has stated that Cauvery Basin in Tamil Nadu and Godavari Basin in Andhra Pradesh have considerable oil deposits. I have also been given to understand that the Government are likely to drop the exploration of oil in these two areas. I am not able to reconcile myself to the two contradictory postures of the Government. When the head of the Oil and Natural Gas Commission has stated categorically about oil deposits in Cauvery basin and Godavari basin, would like to appeal to the hon. Minister that the exploration work there should continue.

It is stated in the Annual Report that there is enormous potential for oil in the off-shore areas of our country. It is also stated that if the Aliabet off-shore area in Gujarat is exploited in full, it will meet the entire oil requirement of the country. What do we see? The work in this area has come to a standstill. The lame excuse advanced is that the floating crane and the power tug are not available. When you are importing crude oil and other petroleum products to

the tune of Rs. 160 crores a year, which is likely to go up to Rs. 300 crores in a year or two, when the foreign exchange position is not so good, can you accept the argument of non-availability of floating crane and power tug for continuing the off-shore drilling in Aliabet area? If this is the performance in the basic requirement of petroleum products without which our economic advancement will receive a set-back, I am tempted to call this Government as inept, ineffective and inefficient. If the drain of foreign exchange is to be stopped immediately the floating crane and the power tug must be made available to the O. N. G. C. so that it can continue the off-shore exploration of oil. I don't think the House will tolerate any delay on the part of the Government so far as this issue is concerned.

Before the independence was achieved, it was the slogan of the Congress Party that all foreign exploitation would be exterminated from the country immediately after achieving independence. After 25 years of independence, what is the position? Out of the total import of 19.6 million tonnes of crude oil, 8.2 million tonnes of crude oil are in the hands of foreign-owned oil refineries. The Government and the Members of the ruling party take pride in doing nationalisation of this industry and the other. They also proclaim from house-tops that the Government are thinking of nationalising so many institutions in the country, the Government boldly and courageously nationalise industries of indigenous origin, industries which have been set up, and developed by our own people. But the Government show all signs of reluctance, hesitation and cowardice in the matter of nationalising foreign-owned companies and industrial units. During the last four years, the Anglo-American Refineries have earned a profit of Rs. 55 crores and have repatriated the whole sum. During this period their investment is Rs. 109 crores. The profit is more than 50%. They have not brought money from their countries for investing Rs. 109 crores here. They have just converted the dividends into share capital. If the Government ask them to buy crude from Russia, they will not buy. They have their own preferred source of supply. I would appeal to the Government that there should not be any delay or any

sign of hesitation on their part to nationalise the Anglo-American giant companies. They have swindled the country for two and half decades. They have dominated our economy for twenty-five years. They have repatriated to their countries more than what they have invested here. If the exploitation of white people is to be put an end once and for all, then these foreign-owned refineries should be nationalised without any fear or compunction.

In this regard, the Shantilal Shah Committee has recommended that the Government should set up a separate purchase organisation for the purpose of importing and stocking crude oil and then distribute it to the private refineries and to the public refineries. The Committee has stated that that is the only way to curb the profiteering tendency of these foreign-owned refineries. I wonder why the Government have not so far set up such an organisation. For marketing the oil they have the Indian Oil Corporation. Why should they not have another organisation for making purchase of crude oil from other countries and then it can be distributed to both private and Public refineries? I would like the Government to do this immediately and end the exploitation of foreign-owned refineries.

17 hrs.

The Drug Control Act was passed by this House. There is 15% ceiling on profit under this Act. But the balance-sheet of Glaxo has revealed a profit of 20%. The profit of Pfizer and Hindustan Warner has gone up by 27.1% after the enactment of this law. It is not that I am saying this. Their own balance-sheets reveal this. I would like to know what action has been taken by the Government under the provisions of the Drug Control Act fixing a 15% ceiling on profit. When these foreign-owned companies are making profits against the express provisions of a law, then it is essential that the Government must take penal action against them.

We have many public sector undertakings in the fields of medicine, engineering heavy engineering and so on. I will give here the example of Indian Drugs and Pharmaceutical Ltd. The paid up capital of this public sector undertaking is Rs. 27.15 crores. The long-term loan received from

the Central Government is Rs. 31.20 crores; the short-term loan comes to Rs. 25.49 crores. With the total investment of Rs. 83.85 crores, if you look at the performance of this unit during the last four years, you will find that it is continuously running under a loss. In 1968-69 the loss was Rs. 4.59 in 19(9-70), the loss was Rs. 3.80 crores; in 1970-71 the amount of loss was Rs. 2.6 crores and in 1971-72 the loss came to Rs. 4.72 crores. With an investment of Rs. 85 crores, and after giving administrative and technical experience during the last 11 years this unit was set up in 1961—if this undertaking is showing a loss, either it must definitely be due to administrative lethargy and inefficiency or the unit must have become a bureau for malpractices. It is time that the Ministry goes into the question of recurring losses of such public sector undertakings. If the programme of nationalisation is to yield any beneficial results to the people of the country, if the pace of socialism is to be hastened, then it must be ensured that these public undertakings start earning profits. If the present trend continues unabated, then the people of the country will give their verdict about the intentions of the government.

SHRI DINESH CHANDRA GOSWAMI (Gauhati): Mr. Chairman. Sir, we have before us the Annual Report of the Petroleum Ministry and the Annual Report of the Indian Oil Corporation Ltd., public undertakings under this Ministry, covering the period upto March, 1971.

Even a casual study of the Balance Sheet and Annual Report of the IOC for the period ending March, 1971, will make the most ardent votary of public sector set up in the agony and in despair because during the period under review, during 1970-71, IOC's sales turnover increased by nearly Rs. 100 crores compared to the previous year, but the net profits went down by nearly Rs. 5 crores—from Rs. 0.41 crores in 1969-70 to Rs. 15.77 crores in 1970-71. It is indeed strange and unfortunate because IOC operates in a near-captive market. Barring the city of Bombay and the Maharashtra region where two on-shore foreign-owned refineries are located, IOC has no competition and even in an economy of shortages, it is obvious that IOC has failed, miserably failed, to achieve economies

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of scale. All Indian Market participation of IOC during the year was 51.6 per cent. In other words, IOC alone sold more products than all the other organisations put together.

The Industrial Policy Resolution of the Government of India placed oil in the highest priority category, where it was supposed to attain the commanding heights. IOC has attained, thanks to Government policies, that commanding height in distribution of Petroleum products without the commensurate return to the public exchequer. Its unit cost of operation is by far the highest among similar organisations refining and marketing petroleum products.

Over the years, most constructive suggestions made by experienced and knowledgeable Members of Parliament, and by Parliamentary Committees to improve the working of the IOC, and to streamline its administration at various levels have been ignored with impunity by the bureaucratic machinery completely. The result has been obvious. I will come to the results shortly.

So far as payment to ONGC and Oil India, a fifty-fifty partnership with British oil interests, is concerned, the question of import-parity price comes in. The crafty bureaucrats who got the Government to accept import parity as the basis of pricing of indigenous crude, had acted against national interest and the IOC, manned at the top, at the Chairman's level until recently by undesirable men from the ICS and at the Managing Directors level by pensioners from Burmah-Shell, and the Ministry have failed to protect the interests of IOC. The so-called Arbitration Award given by Mr. Mangat Rai, ICS, who recently resigned from ISC apparently apprehending departmental action for his role in protecting guilty ISC men involved in pipeline muddle, gave a thoroughly subjective award about crude prices. In the first place, his selection as Arbitrator of a fellow-ICS and Chairman of IOC was behind the back of the Board of Directors and in the second place, the Award itself was bad. It is high time the Government, particularly the Planning Commission, thoroughly reviewed

the question of import parity and find rational solutions in our national interest and in the interest of the public sector in oil. The agreement should be reviewed and revised so that we may have a majority share and the entire audit of Oil India may come within the purview of the audit by the Comptroller and Auditor General. The Board of Directors must also be reconstituted.

The ties of the British oil industry and the bureaucrats of the Petroleum Ministry deep and well-known. This started with the refinery agreement with Burmah-Shell 20 years ago and BOC as well as AOC, who are direct beneficiaries and partners in the Oil India agreement are part and parcel of the international oil cartels as represented by the Burmah-Shell group. One has reason to doubt that the oil India agreement, particularly the second supplementary agreement executed in 1961, is a manipulated and fabricated document. The Joint Secretary dealing with this subject had openly asked for an enquiry by writing to the then Cabinet Secretary. The then Financial Adviser, Mr. A. V. Venkateswaran had also supported the Joint Secretary that the second supplementary agreement with Oil India was manipulated. But the result of this action of the two honest officers has been that both of them had to leave the ministry and officers against whom specific allegations have been made were rewarded. For instance, Mr. S. D. Bhambri, the then Deputy Secretary who was dealing with this matter, was rewarded in many ways by the superior officers at whose behest this shady deal was executed. Mr. Bhambri was brought back from IOC to the Petroleum Ministry as Joint Secretary and he is now the Official Director in the Oil India Board. I have heard people saying that the whole thing has degenerated into a cooperative of anti-national elements. As an ardent supporter of public sector, I have made this allegation and I request the Minister to enquire as to whether the second supplementary agreement with Oil India is a shady document or not? I hope the minister will give a specific reply to it. It is pertinent to note that the conduct of Mr. Bhambri is under enquiry by the Thakru Commission.

In the connection, it is interesting to

note that about 50 Members of Parliament sent a memorandum to the Prime Minister seeking that at least those officers who are under suspicion should be transferred from their concerned jurisdiction. In that list, Mr. Bhambri's name figured prominently. This memorandum was sent to the Petroleum Ministry by the Prime Ministry in October 1970 for necessary action. The Special Secretary, Shri Mangat Rai, the Joint Secretary Shri M. D. Rajwade, whose transfer had been demanded in the memorandum, were allowed to deal with this matter. We have never heard of an instance where a person, against whom there are serious complaints, is allowed to deal with the memorandum submitted against him. What has been the result? The result was that Shri Mangat Rai in his note dated 4.11.70, which is in the official file, advised that a reply be sent to the Prime Minister that the Members of Parliament were subjective and some of the listed officers had nothing to do with the events of the pipeline muddle. He specifically mentioned, and I am quoting :

“Mr. M. V. Rajwade was not on the scene at all and so far as I am aware, they were not at all concerned with any of the noting or events e.g. Mr. S. D. Bhambri.”

About Shri Kashyap, then Chairman, IOC, Shri Daulat Singh, Co-ordination Manager, IOC and Shri R. S. Gupta, Shri Mangat Rai stated in his note that he finds it “difficult to find and indication of their having acted *mala fide*”.

Shri B. Mukherjee, Secretary of the Ministry, who was sufficiently familiar with all these matters, approved the note of 6.11.70 and then Minister was advised, misled, by the bureaucrats to send such a note to the Prime Minister. Unfortunately, we find today that by an order dated 15.4.72 the Pipeline Enquiry Commission served notices, among others, on Shri Gupta, Shri Bhambri, Shri Rajwade, Shri Kashyap and Shri Daulat Singh to clear their conduct before the Commission. The Enquiry Commission passed this order only after detailed and careful examination of the materials before it.

This is the sorry state of affairs in which the bureaucrats have put us. The

bureaucratic machinery has given wrong information to Members of Parliament by giving such a note. I hope that the hon. Minister will apply his independent mind to the whole matter, divorced from the advice of the bureaucratic machinery, and will try to give satisfactory answers to these specific allegations which I have placed before this House and more of which I am sure my friends would be raising here during the debate.

We find that Shri Manghat Rai has suddenly resigned from the ICS. It is unfortunate that the same Secretary is still there in the department, the same Secretary who has approved this note of Shri Manghat Rai on 6.11.70, Shri Indrajit Gupta has alleged that all the materials have not been placed before the Thakru Commission in the way they should have been placed. The Thakru Commission, which ought to have finished its inquiry by now, has failed to do so because of the non-cooperative attitude of the Petroleum Ministry. In fact, a summons by the Thakru Commission, asking for identifying files, has not been complied with by the Ministry so far. It is our demand that these officers, against whom suspicions are there, should be removed because if these officers are allowed to deal with the filed the entire inquiry would become a farce.

I will finish by referring to only two problems relating to my state, as I have no time. We are happy that a petro-chemical complex is coming in Bongaigaon. We thank the Petroleum Ministry for that. But we have come to know from the press reports that this Bongaigaon project will be under I.C.P.L. of Gujarat. We have got genuine feelings that if this falls under the India-Petroleum Chemicals of Gujarat, the aspirations of the local people particularly in matters of employment would be frustrated to a great deal. Therefore I would request the hon. Minister to separtate the refinery from the petro-chemical complex at Bongaigaon and to run the refinery under the IOC.

The other aspect to which I would draw the attention of the Minister is the long-standing request from the Assam Government for increase in the royalty on the crude. Considering that Assam is a poor



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and backward state I am sure the Minister will look into it. In conclusion, may I request the Minister that while replying to the points, I will not get from him a parliamentary reply.

I will explain what I mean by parliamentary reply by referring to an anecdote which has come out in papers today. Mr. Llyod George was moving with his Secretary one day in a car in Wales. And he was lost. He asked one of the pedestrians, "Where am I?". The pedestrian replied, "You are in a car." Mr. Llyod George said, "This is a perfect parliamentary reply because it is short, it is to the point and it does not disclose anything." I hope, the hon. Minister will give a reply which will be brief and to the point but it will not be to that extent parliamentary that it will not disclose anything.

श्री आर० बी० बड्डे (खारगोन) : माननीय सभापति महोदय, आज की मांगें पैट्रोलियम तथा कैमिकल्स से संबंधित हैं। इस से जो घनराशि मांगी गयी है उसमें 100 करोड़ रु० फटिलाइजर के बास्ते मांगा गया है, 850 करोड़ रु० आयल के बास्ते और 250 करोड़ रु० फार्मास्यूटिकल्स के बास्ते मांगा गया है। इस मंत्रालय में तीन विषयों पर ध्यान किया जाता है, एक आयल और पैट्रोलियम, दूसरा फटिलाइजर और तीसरा फार्मास्यूटिकल्स।

पहले मैं फार्मास्यूटिकल्स के बारे में निवेदन करना चाहता हूँ, और वह यह कि 1962 में एक पेटेंट बिल हमारे सामने आया था लेकिन वह उस लोक सभा के जीवन काल में पारित नहीं हो सका, परिणाम यह हुआ कि 1967 में लोक सभा के समाप्त होते ही वह बिल भी लैप्स हो गया। फिर चौथी लोक सभा में वह बिल पेश किया गया और पास हुआ। लेकिन उस पेटेंट बिल का इम्प्लीमेंटेशन अभी तक नहीं हो गया है। कारण स्पष्ट है कि अमेरिकन और फारेन फर्मों उस के खिलाफ हैं। लेकिन अब जब अखिया के साथ ट्रीटी हो चुकी है, और अमरीका का ऐटीट्यूड हमारे प्रति अच्छा नहीं है, तब इन

अमरीकन फर्मों के विरुद्ध पेटेंट ऐक्ट लागू करने में कोई दिक्कत नहीं होनी चाहिये। उस कानून को अमल में लाना चाहिये। आप का देश काफी गरीब है, हर व्यक्ति को दवाई की जरूरत पड़ती है, उसके लिए आप ने ड्रग्स प्राइस कंट्रोल ऐक्ट 1970 में लगाया है। मैं जानना चाहता हूँ कि क्या उस कानून के बाद औषधियाँ गरीब लोगों को मिलती हैं? स्वयं माननीय गोखले साहब ने कहा है :

"As you all know, the pharmaceutical industry has taken rapid strides in recent years, but it has still a long way to go before it can cater adequately to the vastly expanding health and medical programmes of the nation. The *per capita* consumption of drugs is too low here, as compared to that in other developed countries, and today it is of the order of about Rs. 5 in India, as compared to 145 in Germany, Rs. 170 in Japan "and Rs. 190 in U.S.A. This is at once indicative of the magnitude of the challenging task that lies ahead and of the measures that would have to be taken over a wide front in order that all the essential and other life-saving drugs become available to the different strata of our society, particularly in the rural areas and in adequate quantities....."

जब स्वयं मन्त्री जी कहते हैं कि हमें पाँच रु० पर कैपिटा खर्च करना पड़ता है, जो कि अन्य देशों की तुलना में नगण्य है, और अगर इस को 10 रु० प्रति व्यक्ति करें तो काफी प्रयास और खर्चा करना पड़ेगा और बहुत काम करना पड़ेगा।

17.20 hrs.

[SHRI N. K. P. SALVE in the Chair.]

हमारे देश की यह जो हालत है, जो इतना पिछड़ा हुआ है स्वतंत्रता के इतने दिनों के बावजूद भी, उस का कारण यह है कि आपके पास जो मेडिसिन्स हैं वे अमरीकन फर्मों के हाथ में हैं, कम से कम 50,60 प्रतिशत फर्मों उन के हाथ में हैं जिस के कारण अत्यन्त महंगी दवाइयाँ बेची जाती हैं। एक जगह टिप्पणी आती है :

"It has gone absolutely in the interest of foreign drug manufacturers in our country. Flagyl is being sold by May and Baker at 60 paise a tablet, whereas the Indian manufacturers of the same drug are not allowed to charge even 16 paise per tablet."

इंडियन मैनुफैक्चरर अगर टेबलेट बनाता है तो उस को कीमत 16 पैसे प्रति टेबलेट होती है, लेकिन उस को बनाने की इजाजत नहीं मिलती है, और मैं एंड बेकर उसी टेबलेट को 60 पैसे में बेचते हैं। तो इन अमरीका की कम्पनीज को क्या छूट दी जाती है, समझ में नहीं आता। यहां पर जितनी अमरीकन फौज है वह और मैं समझता हूँ कि यहां पर जितने फार्मास्युटिकल ड्रग बनाने वाले हैं, आई डी पी एल है, यह सब डाकू हैं। हमारे मध्य प्रदेश के डाकूओं से भी बढ़ कर डाकू है क्योंकि इन का तो हाल यह है कि प्राण च हरति, वित्त च हरति।

"The American drugs firms have got control over Indian drug industry. They are responsible for the huge losses to the IDPL and they want IDPL to die a natural death. M/s. John Wyth entered into a fishy deal with HAL for manufacturing Ampicillin, when Mr. T. R. Subramanyam was the Managing Director of HAL. He is now an employee of this firm at a very high salary and with other benefits."

उसी कम्पनी का पहले आफिशल था जिस को दूसरी कम्पनी का मैनेजिंग डाइरेक्टर बनाया और इस तरह से उस का आई डी पी एल बे सम्बन्ध शुरू हो गया और लूट शुरू हो गई। जिस कम्पनी को विटैमिन सी तैयार करने के वास्ते लाइसेंस दिया गया था वह आज ऐन्टी बायोटिक्स तैयार करती है। उस ने कभी विटैमिन सी का निर्यात ही नहीं किया। विटैमिन सी तैयार करने के लिए उन्होंने सारा-आई फर्म से कह दिया और उस को विटैमिन सी तैयार करने का लाइसेंस भी दे दिया। इस प्रकार यहां पर लूट चल रही है।

मैंने देखा है कि आई डी पी एल की जो

मशीनरी है वह सब वैसे की वैसे खरी है मैंने एक नोट पढ़ा है उस में लिखा है :

"In the case of Tetracycline, Analgin, Chlorophocol, Folic Acid, IDPL is helping the American firms and the sufferer is the poor tax-payer of our country."

That is one criticism in one newspaper.

जो इस तरह की बातें चलती है उन की तरफ सरकार का ध्यान जाना चाहिए। मैं पूछता हूँ कि जो इस तरह की अमेरिकन फर्म हैं उनको आप बन्द क्यों नहीं करते? मुझे मालूम है कि बाहर से कच्चा माल नहीं आता है, दवायें ही आ जाती है। यहां पर सिर्फ उन का प्रोसेसिंग होता है। टेब्लेट्स बनाई जाती है, कैप्सूल बनाई जाती है और लिख दिया जाता है "मेड इन इंडिया"। लेकिन वह मेड इन इंडिया नहीं होती। वह बाहर से आती हैं। इस की तरफ मंत्रालय को ध्यान देना चाहिए।

दूसरी बात यह है कि आई डी पी एल की जितनी मशीनरी है वह बेकार पड़ी हुई है, जिम का कोई इस्तेमाल नहीं हो रहा है। इस प्रकार से आई डी पी एल और एच ए बी एल की लूट मार चल रही है। इस बात की ओर मैं आपका ध्यान आकर्षित करना चाहता हूँ। आप पार्क डेविस की बात को ही लीजिये :

"Park Davis have offered joint collaboration for capsule plant with IDPL. I am sure such a collaboration would be harmful and should not be allowed or even considered."

German Schering was amalgamated in German Remedies and BDH with Glaxo. Such amalgamations should not be allowed. It must go to Indian firms with less than 26% equity participation."

मेरा ऐसा कहना है कि इस प्रकार की जो फारेन फर्म हैं वह हमारे साथ कोलेबोरेशन करके फायदा उठाती हैं। रिजर्व बैंक की रिपोर्ट में था कि कितना पैसा इस तरह से बाहर जाता है।

[श्री आर० बी० बड़े]

इस की तरफ भी माननीय मंत्री महोदय को ध्यान देना चाहिए।

इस के बाद फटिलाइजर्स की बात आती है। जो खेती का प्रोडक्शन है वह खाद पर आधारित है। यहाँ की खेती सफल हो गई है, लेकिन फटिलाइजर अपने यहाँ उत्पन्न नहीं होती। हम को फटिलाइजर बाहर से मंगानी पड़ती है। यहाँ पर फटिलाइजर क्यों उत्पन्न नहीं होती? कारण यह है कि अभी यही नहीं तय हो पाया कि उम्र का बेस क्या होना चाहिए। किसी ने कहा कि खाद कोल-वेस्ट उत्पन्न होना चाहिये, किसी ने कहा कि पावर-वेस्ट होना चाहिए, फिर किसी ने कह दिया नेप्या-वेस्ट होना चाहिये। हमारे यहाँ कोई प्लानिंग नहीं है कि किस तरह से काम होना चाहिए और फटिलाइजर का उत्पादन किस प्रकार होना चाहिए। एक व्यापारी आ गया उस से कह दिया कि चूंकि अमोनिया में पैसा ज्यादा लगता है इसलिये नेप्या से उस का उत्पादन होना चाहिये, जब वह शुरू हुआ तो किसी ने कह दिया कि पावर-वेस्ट होना चाहिये और उस से शुरू कर दिया फिर किसी के कहने पर कोल-वेस्ट शुरू कर दिया। मैं कहता हूँ कि मध्य प्रदेश में कोल वेस्ट भी हो सकता है और नेप्या वेस्ट भी हो सकता है। शायद यहाँ पर लोगों को पता नहीं है कि हमारे यहाँ नेप्या बेकार जाता है, उसका उपयोग नहीं हो पाता है और फटिलाइजर का उत्पादन नहीं हो पाता। इस सब का कारण यही है कि कोई प्लानिंग नहीं है कि किस पर वेस्ट प्रोडक्शन होना चाहिये। आप के सामने कोई साफ चीज नहीं है। हमारे मंत्री महोदय कानून जानने वाले हैं, मैं समझता हूँ कि वह देखेंगे इस संबंध में क्या क्या हो रहा है।

जो कानून बनाने वाले होते हैं, जो लोग कानून के एक्सपर्ट होते हैं, वे इस तरह की चीजों को बड़ी सरलता से समझ सकते हैं।

जब मैं आई ओ सी के बारे में कुछ कहना चाहता हूँ। बाकी मॅम्बरजें क पास भी यह चीज गई होगी जोकि मेरे पास आई है। यह इतना लम्बा तार है। इतना लम्बा तार पढ़ते पढ़ते मैं थक गया। मैंने सोचा कि यह जन्म पत्री आई है। जैसे कुडली होती है उसी तरह से किसी ज्योतिषी ने इसको मुझ भेजा है। यह पूरी आई ओ सी की पत्रिका है। इसका कारण यह प्रतीत होता है कि आई ओ सी जो डीलरशिप देती हैं वह कोओपरेटिव सोसाइटीज से न दे कर मन मानें ढग से देती है। आपको तो मालूम ही होगा कि नीचे के जो अफसर होते हैं वे काफी कुछ कर सकते हैं। ऐसा मालूम होता है कि वे इनको देने में इंटेरेस्टिड नहीं है। आप तो आई कोर्ट के जज रहे हैं। आपने देखा होगा कि जब कोई केस आता है तो देखा जाता है कि उस में कहाँ कहाँ वीकनेश है। इस तरह की चीजों को लोग देखते हैं। वे फार्म देखते हैं। जो वीकनेश होती है उसको आईलाइट करके जो उनको करना होता है कर देते हैं। एक पेपर भी निकला है आपके खिलाफ। इसका नाम है प्रेम प्रचारक। यह सिन्धी और अंग्रेजी में निकलता है। इस पेपर में यह छपा है :

“IOC favoured private shipping companies. They are not dealing with the Shipping Corporation of India because the Shipping Corporation is unable to satisfy their illegal demand. IOC also hired tankers from the private suppliers to transport the products. IOC officers get the percentage of 5 to 10 as commission from the private shipping companies. This secret commission of 5 to 10 percent is mostly kept in foreign banks. They are doing this transaction through or Mr. Ramkrishna who is arranging all these thing. Inquiry will reveal your goodself more facts.”

Then he has said :

“Pali Oil 800—The price of Pali Oil at Barzuni Refinery is Rs. 850. IOC brings the same from Barzuni to Calcutta and then the sale price is Rs. 950. The same product is sold by the IOC as a Pali Oil 800, actually it is not a Pali

Oil 800, but it is "Indrex Oil 75". The original cost of the indrex oil at refinery is Rs. 1060. IOC sold this product through the foreign agents names of which are given as under :"

And then, he has given so many names. The thing is this.

आपने कोओप्रेटिव मोसायटी को नहीं दिया। जो कुछ भी पत्रिका में निकला है वह सब आपके खिलाफ है और इस वास्ते निकला है कि आपने कोओप्रेटिव मोसायटी की डील बन्द कर दी है इसलिए उन्होंने काफी आपके बारे में दिया है। इसको आपको देखना चाहिए।

"The other dealers of the IOC have no other dealership of any other company except IOC but Dedhia is the dealer of the several companies in different names. This is an admitted fact. In other words, other dealers owe their loyalty to only one company and that is IOC and Shri Dedhia is connected with several companies and still he is being respected, honoured and loved by IOC much more than any other dealer it comes to this..."

Then he has said so many things. He says:

"Do you support this sort of polyandry despite your own promises and the directions of the Ministry and the Board of Directors that such agents will not continue.

(b) The Government's policy in allotting petrol pumps has always been to rehabilitate unemployed graduates and encourage co-operative societies and genuine association. Shri Dedhia who was bankrupt in the trade at some time has been secretly helped to become agent of several foreign oil companies and is getting more and more encouragement from the IOC."

That is the criticism. Then he says :

"Import of 5 lakhs tonnes of crude oil from the Persian Gulf to Bangla Desh ;

We hope your goodself will look into the matter and do the needful for the interests of the nation...

A gross irregularity and fraud has been committed in the matter of freight for transportation.

Following is the summary. Long before the tender for freight was issued in Bombay, IOC entered into a league with one shipping broker, Mr Reshimwala. In terms of this conspiracy, Shri Reshimwala flew to London and come to an understanding with some of the Greek ship-owners whose ships are to be used for transportation."

The consultation with the Director General of Shipping was a farce and the Director General was bullied. He did not however give his consent nor the Chief Controller of Chartering had given his consent. It is understood that the unofficial commission earned by the Managing Director of IOC and its associates will be 20 per cent of Rs. 2½ crores."

अगर इस तरह के एलीगेशन्स लगाये जाते हैं, तो सरकार को डिफेशन का केस दायर करना चाहिए, वर्ना जनता में सरकार के प्रति बड़ा क्षोभ और अविश्वास पैदा होता है।

इन्ज कंट्रोल के सम्बन्ध में कोई कार्यवाही नहीं की जा रही है। उन की प्राइसिज बढ़ती जा रही है। इन्दौर में कर्जा में दवाइयाँ और इन्जेक्शन आदि बहुत बड़ी मात्रा में बेचे जाते हैं। जैसा कि मैंने कहा है, इस प्रकार की दवाइयाँ और इन्जेक्शन बेचने वाले प्राण भी हारते हैं और बिन भी हारते हैं। देश में सस्ती दवाइयाँ उपलब्ध होनी चाहिए और उन्हें हिन्दुस्तान में ही बनाने की व्यवस्था करनी चाहिए। पेटेन्ट्स एक्ट को लागू किया जाये और फारेन फर्ज को बन्द किया जाए।

SHRI P. VENKATASUBBAIAH (Nandyal) : While supporting the Demands for Grants of this Ministry, I would like to make a few observations with regard to certain aspects of the working of certain institutions under its control.

[Shri P. Venkatasubbaiah]

Members who spoke before me highlighted certain points with regard to the working of the Indian Oil Corporation and also the working of the Ministry as a whole. With regard to the working of the Oil India I would like to point out, Government has got 50% participation. Oil India was a foreign-owned company. It had exclusive right of oil exploration in Assam and other areas. Government entered into participation with this company and certain agreements were made. Mr. Goswami referring to those agreements pointed out that with regard to second supplemental agreement, certain concessions were made by Government to this company which gave considerable advantage to the foreign oil company and to the disadvantage of the Government.

I would like to refer to the recommendations of the Estimates Committee which went thoroughly into the matter and pointed out glaring irregularities committed by the Ministry with regard to second supplemental agreement. They categorically recommended that the whole matter has to be gone through. This is what they said :—

"The Committee have considered these reasons. They feel that the original pricing formula laid down in cl.13 of the promotion agreement of 1958 was quite comprehensive and was advantageous to the Government as under that formula Government had option either to fix price of crude at the import parity or cost plus the reasonable commercial return. This gave adequate powers to Government to peg the profits of the company to any figure considered reasonable by them and therefore could well have been used by the Government. Under this formula, Government was also to examine the cost as well as to determine the quantum of cost and elements to be taken into account in calculating such cost in agreement with one Oil India Ltd. Moreover, Government had guaranteed neither any net return to the Oil India Ltd. nor assured off take of specific quantity of crude by the Barauni and Gauhati refineries from any specific area. There was, therefore, no question of any payment of subsidy on the terms of any agreement of 1958."

They further go on to say that by entering into this agreement, Government have had to pay heavy subsidies amounting to Rs. 18 crores, and they have categorically stated that a second look must be had at the second supplemental agreement, and the loopholes have to be plugged properly. With regard to payment of sales tax also, by this agreement, Government have to lose Rs. 3 crores every year. So, they have said that these matters have to be looked into.

Coming to the other exploratory activities of this company, by virtue of this agreement, they do not want to produce more crude oil lest they may lose their advantage. So, they have slowed down the exploration of crude oil in this sector, and the Barauni oil refinery has to get the crude still from foreign countries.

I would request the hon. Minister to get this matter thoroughly examined in the light of the recommendations made by the Estimates Committee.

With regard to the other exploration activities of the Indian Oil Corporation, I can only say that sufficient or significant progress has been made in this field, though it is not according to the expectation that we had. Of course, the ONGC is in the field and is making explorations wherever it is possible. I would only suggest in this connection that since it is a public sector undertaking, there should be a sort of promotional activity too because a thorough geological survey has to be made in order to find out where oil is available. At one time, it was found that there was oil that could be explored in the Cauvery and Godavari basins, but to what extent it is commercially feasible is a matter yet to be determined by Government. I would suggest that the activities have to be intensified, and if oil is found in these areas, Government should not shirk the responsibility of undertaking those activities.

Much criticism has been made about the marketing activities of the Indian Oil Corporation. My hon. friend Shri R V Badc has also referred to this matter. But I do not want to make wild allegations on the floor of the House without satisfying myself whether there is any truth in it. But I would only say that there has been persi-

stent criticism about the marketing activities of the Indian Oil Corporation. Many allegations have been made with regard to favouritism or irregularity in the matter of giving licences to the dealers in various places. At one time, a scheme was drawn up by this Ministry that unemployed educated graduates and engineers would be given first preference. Many complaints have been made, and some have been brought to my notice also, that though the scheme was put on paper, it was not implemented. There were many irregularities and many cases of favouritism. So I would suggest to the hon. Minister that there should be a thorough shake-up and the whole thing should come up.

MR. CHAIRMAN: Now, the hon. member should conclude.

SHRI P. VENKATASUBBAIAH: I have to conclude so soon ?

MR. CHAIRMAN: 10 minutes is the time which a Congress Member can take. So, I am afraid that it is beyond my control, I can give the hon. Member one or two more minutes if he wants.

SHRI P. VENKATASUBBAIAH: I am glad to hear that.

So, this matter also has to be taken into consideration.

Coming to the Fertiliser Corporation of India and the production of nitrogenous and other fertilisers in this country, I would only point out certain facts which have been mentioned in the report. With regard to the Nangal fertiliser plant, it has been said that there is acute scarcity of power. So the production has been tardied. In this field, there have been several bunglings made previously. With regard to our policy of having coal-based fertiliser plants, Korba and others, we have bungled. After two three, or four years, we have come back to the conclusion, we should have coal-based fertiliser plants. In pursuance of this, the Ramgundam fertiliser plant is going to be commissioned. They said Rs. 90 crores are going to be spent on it. I would only request that this be expedited because as we delay it, the cost will mount up and ultimately the per tonne cost of fertiliser will go up and we will be compelled to im-

port more fertilisers.

Another important thing is the non-availability of kerosene which we have still to import. When we set up these refineries, the petro-chemical complexes should keep pace with their working and petrol and petroleum products should be turned out as speedily as possible so that in the immediate future we may become self-sufficient not only in petrol and petroleum products but also in the matter of production of fertilisers which will accelerate food production, because fertiliser is the most important ingredient in food production. I hope Government would take the necessary steps.

I also hope Shri Gokhale will continue to hold charge of this portfolio. There has been change of hands in this Ministry so many times. I hope he will continue to hold it and will give a new look and orientation to it so that the basic needs of this country are fully met by these public sector undertakings.

SHRI K. S. CHAVDA (Patna): One of the objectives of the Ministry of Petroleum and Chemicals is to plan development, control and assist industries connected with drugs and pharmaceuticals. I would confine my observations to drugs and pharmaceuticals.

Foreign collaborators and Indian firms are allowed by Government to manufacture basic drugs, the foreign collaborators giving their technical knowhow to their Indian counterparts so that this industry can be self-reliant. But what do we find? The foreign collaborators have acquired such a strangle hold as to that they have hampered the self-reliant growth of the Indian pharmaceutical industry. Government also have promoted the monopoly interests of the foreign firms at the cost of Indian manufacturers. Out of the total business in pharmaceuticals of Rs. 250 crores in the country, nearly Rs. 200 crores in the hands of foreign-dominated firms. They are nearly 15 firms. They do only the formulations and little of basic manufacture. They have invested nothing in research and development of drugs and pharmaceuticals in the country. Still out of Rs. 27 crores worth of imports, Rs. 20 crores are allowed to these foreign firms.

[SHRI K. S. CHAVDA]

Sir, these foreign firms have multiplied their capital to the extent of Rs 150 crores from their original investment of Rs. 5 crores only. That means they have made 3,000 per cent growth in their capital during a period of 15 years,

Kolynos, as everyone knows, with its actual initial capital of Rs. 1 lakh, is having a business of Rs. 1 crore per annum in formulations only. That means it has also made a growth of 10,000 per cent in its capital. No one can dispute that our industry has acquired enough technical knowhow in respect of tablets, capsules, liquids, injectables, etc.

In the last two decades, the progress allowed to be made in the Indian pharmaceutical industry is negligible, while the foreign firms are given preferential treatment. For example MSD has been given a licence to manufacture 144 kilogrammes of vitamin B-12 which is in excess of the total requirements of our country up to 1974. This appears to me to be a case of favouritism having been shown to this foreign firm.

There is another case. Messrs Abbott, the so-called small scale foreign firm, in comparison, has been given hard currency licences worth Rs. 85 lakhs in one year for the import of eight tonnes of erythromycin while the only Indian firm engaged in the same field on the same footing has not been given licences worth even Rs. 5 lakhs for erythromycin.

After one year's chasing by the Indian firm, the DGTD was convinced that the erythromycin import substitution could save foreign exchange to the tune of Rs. 8 million in two years, but the high-power committee on prices diluted the proposal that the firm had no experience. I venture to observe that the hon. Minister had probably no experience of ministership when he joined the Cabinet last year, and yet he is piloting two Ministries at a time quite successfully.

MR. CHAIRMAN: Very abov also.

SHRI K. S. CHAVDA: There is yet

another case. Hoechst and MSD are allowed to import frusemide and indomethacin at Rs. 3,000 a kilogram, whereas the world prices for these drugs are much less than Rs 300 a kilogram. Even then they have been given licences to import to the extent of Rs. 4 million each in one year from hard currency areas. Proposals by the Indian firm for the import of these drugs are kept pending for months together for processing.

The IDPL is not in a position to prosper or to break even, because 90 to 95 per cent of the total drug and pharmaceutical formulations are in the hands of foreign firms, and secondly because they manage to get licences in the name of 'new drugs' or life-saving drugs, etc. During the last one year and a half, they have got 44 regularisation/expansion/COB licences, whereas some of the applications of our Indian firms lie pending under one pretext or the other for over two years. The market of all profitable formulations is in the hands of those 15 foreign-controlled firms, and therefore, the IDPL has been put in a position that it cannot come out of the losses.

It has been observed that under the Drugs (Price Control) Order, 1970, the applications of new formulations by the foreign-dominated firms get the mark-ups as they desire, which give them more profits, while our Indian firms cannot get even the minimum mark-up and they get meagre profits, and thus indirectly the competition of Indian firms with foreign firms is being neutralised by the authorities concerned.

At the end, I would like to make two suggestions. A committee of Members of Parliament should be appointed to make a thorough study about these firms and submit their report to Parliament on the first day of the next session. Secondly, the minister must assure the House that from today no further expansion or regularisation or COB licences for tablets, granules, liquids or injectables should be issued to the foreign firms having more than 26 per cent equity participation.

Now a word about the pricing of RFO and gas sold by the ministry for power generation in Gujarat. States having natural resources like coal and water get the benefit

of power generation at a low cost. In the same way, Gujarat having the natural resources of oil and gas should have got the benefit of power generation at a low cost, but the Ministry of Petroleum and Chemicals have shown a step-motherly treatment to Gujarat in the case of selling gas and RFO for power generation in Gujarat. The Ministry sells gas at Rs. 106 per 1000 cubic metres in Gujarat while in Assam the same ministry sells the gas at Rs. 52.95 per 1000 cubic metres. In Assam the cost of production is much higher than in Gujarat. But the price of gas is much lower in Assam than in Gujarat. In spite of the recommendation of the Santilal Shah Committee to fix the price of RFO at 45 per ton, the Ministry of Petroleum and Chemicals sells it at Rs. 138 per ton, in Gujarat. I know the Government of India has appointed a retired Chief Justice, Justice Hidayatullah, as Arbitrator for fixation of price of RFO. I hope Gujarat will get justice from the retired Chief Justice.

श्री हुकम चन्द कछवाय (मुनेना) : सभापति महोदय, सदन में गणपूर्ति नहीं है।

MR. CHAIRMAN : The bell is being rung. The hon. Member may resume his seat.....Now there is quorum. He may continue his speech.

SHRI BISWANARAYAN SHASTRI (Lakhimpur) : Sir, the Ministry of Petroleum and Chemicals is responsible for many things. They have listed in the Report 7 items under petroleum and 18 items under chemicals. To put it precisely, I should say that the Ministry is responsible to see that wheels are moving, to make the earth more yielding and to make man fit if he is not man is physically fit to provide him drugs and, last but not the least to make the women more charming by providing cosmetics. Within the limited time, it is not possible to examine in all those aspects how the Ministry has discharged its responsibility. Therefore, I will confine my attention to only petroleum.

It is regrettable that there is no firm National policy on oil. Many things have been said on this subject on a number of budget debates since 1967. But up till now no national policy has been formed. There are public sector refineries and private

sector refineries owned by the foreigners. The refining capacity of the private sector refineries is gradually increasing when, as a matter of fact, there should have been a national policy that this should gradually decrease. Only the public sector refineries should be allowed to refine more and more crude oil.

Coming to the performance of the ONGC and Indian Oil Corporation, all the previous speakers irrespective of party affiliations have spoken against them. I do not know how long the Ministry will allow these bureaucrats to indulge in anti-national activities.

श्री हुकम चन्द कछवाय : सभापति महोदय, सदन में गणपूर्ति नहीं है।

18 hrs.

MR. CHAIRMAN : The bell is being rung...now there is quorum.

THE MINISTER OF PARLIAMENTARY AFFAIRS AND SHIPPING AND TRANSPORT (SHRI RAJ BAHADUR) : Sir, I want to put it on record. We are here in sufficient strength. But it requires two parties to make a debate. If there is nobody present on the other side, I am addressing this particularly to members belonging to the Jana Sangh party, who raise the question of quorum, there cannot be any debate. On this side Members are present when there is lively interest in the debate. It is not the unilateral responsibility of one party to maintain the quorum however big that party may be. There should be some persons on the other side who should keep the debate going. (*Interruptions*)

MR. CHAIRMAN : Order, order. I am on my legs. Please sit down. I made an informal request to Mr. Bade to prevail upon Mr. Kachwai not to stand on his right so far as the demand of quorum is concerned. However, if the Member wants to insist upon his right, all that I can do is to ring the bell and call for the quorum. That is all. Now, we continue with the debate. Shri B. N. Shastri may continue now.

SHRI K. S. CHAVDA : Sir, you request Mr. Bade to prevail upon Mr.



[Shri K. S. ChavJa]

Kachwai not to raise the question of quorum. But you should also request the party in power so that they can ask their Members to remain present in the House.

MR. CHAIRMAN : This is the end of the matter. I do not want to escalate this controversy any more. Already sufficient time has been wasted on this. Shri B. N. Shastri to continue his speech.

SHRI BISWANARAYAN SHASTRI : Sir, what I was saying was that there is no national policy on oil. When will the country attain self-sufficiency in producing crude oil and when will the foreign companies which are operating in India not have their licence? I would request the hon. Minister to evolve a national policy on oil so that other Programmes can be fixed up.

The O. N. G. C. has indulged in anti-national activities so far as it concerns the economy of this country. They have indulged in extravagant expenditure. Regarding O. N. G. C. in the Eastern region which is in Assam, they acquired property from the Assam Tea Company at an extra-ordinary price which is more than what the party demanded. This matter was raised in Parliament by me and the then Minister of Petroleum and Chemicals promised a C. B. I. inquiry. I do not know the result of that inquiry. I would request the hon. Minister to place the report of the C. B. I. inquiry on the Table of the House.

Again, regarding pipeline, this question was raised in this House, and a Commission of Inquiry was appointed. That Commission of Inquiry was appointed two years back, in August 1970. They were to submit their report within a period of six months, but we find that the time has been extended more than three times. What is the reason for this? Thereason. The hon. Minister should take the House into confidence and tell the House whether the ONGC or the Indian Oil Corporation or his Ministry is not cooperating with the Commission of Inquiry. Why has the time for submission of report been extended by about two years? It is a very serious matter. Therefore, I request the hon. Minister to take the House into confidence and tell us about it.

Regarding the Indian Oil Corporation affairs, I would like to say that some bureaucrats at the top conspire together to deprive the nation of its due. Mr. Goswami and the other previous speakers had mentioned about it elaborately. Therefore, I do not want to repeat all those points. But I would like to point out one thing that, when a new agreement or a new deal comes up, the bureaucrats combine together to have personal benefits for themselves. I hope, the hon. Minister who is presiding over this Ministry will keep himself alive to this conspiracy.

In the Report regarding refining crude oil, there has been a mention about Barauni refinery and other refineries. But the Report is ominously silent about the expansion of the Nunmati refinery. It was stated that the 0.75 million tonne capacity of Nunmati refinery would be expanded to more than one million tonnes, but nothing has been mentioned in this Report. I do not know what is the reason, what prevents the Ministry from mentioning those things.

Regarding Bangaigaon refinery, it was mentioned here that it was under consideration or that it was in an advanced stage. It is not known when the refinery will start production.

MR. CHAIRMAN : The hon. Member may please conclude.

SHRI BISWANARAYAN SHASTRI : I have only two points more.

One is regarding the royalty on crude oil. There is a demand from the Government of Assam for raising the royalty on crude oil. The Prime Minister was kind and generous enough to raise the royalty to some extent, but that is not sufficient; considering the poor condition of the State, I request that the royalty be raised from Rs. 10 to Rs. 15 per tonne of crude oil.

The other point is about sales-tax. From Assam crude oil is pumped out to Barauni and other places. But the sales tax on crude oil is not received by the Government of Assam because it is said that it was transacted somewhere else. It is logical that, when the oil comes out from Assam, at the beginning stage, there should be sales-tax

and the sales tax should go to the Government of Assam

One more point regarding employment. It is a general grievance among the people of Assam that even for the low-paid employments, with a salary of Rs. 100 or 200, people are not recruited from Assam. I can give certain instances. Chowkidars, daftirs and drivers are recruited from somewhere else. For instance, if there is a vacancy for such posts in the ONGC in the east in region they do not recruit from the local people there, they recruit from Duhra Dun or some other place. Why should the local people of Assam be deprived of such opportunities? I am not saying about high officers they are selected on merit on an all India basis. I am only speaking about junior officers and clerk, daftirs, chowkidars, drivers, etc.

There also they are not appointed from the local people.

Again one point about the price of petroleum and gas and other allied things. Assam produces crude oil but the price of petroleum is the highest in Assam in India. One litre of petrol is Rs. 1.50 in Assam but you inquire in Delhi, Bombay or elsewhere it is less than Rs. 1.40. Regarding LPG which is used for domestic consumption, the price of that gas is the highest in Assam. I do not know the reason for that. But I would request the hon. Minister to kindly look into it and fix a uniform price all over India.

With these words, I support the Demands.

श्री बरबारा सिंह मभापति महोदय, मझ थोडा सा अर्ज करना है यह माफ करने के लिए कि हम ने जहा पर ग्रीन रिवोल्यूशन की है और सार देश भर में अनाज का भंडार भरा है उसके साथ साथ हमारे जितने फर्टिलाइजर है वह इतने कम है और उनकी कीमत इतनी ज्यादा है कि उनके लिए मुझे ज्यादा कुछ कहने की जरूरत नहीं है। मैं आज सिर्फ यह कहना चाहता हूँ कि जो इन्स्टाल्ड कंपैसिटी है उसका 50 प्रतिशत उपयोग होता है और उसको हम 20 प्रतिशत और इन्कीज कर

सकते हैं जिससे कि हमें फर्टिलिजर ज्यादा मिल सके है। ग्रीन रेवोल्यूशन होते हुये भी फर्टिलाइजर की कीमत बढ़ी है और उस के साथ साथ प्रोडक्शन भी बढ़ा है। लेकिन फर्टिलाइजर की कीमत जो बढ़ी है वह कम हो सकती है। बगल निचले स्तर पर जामात उस के साथ साथ मिल जाये और 20 प्रतिशत उस की कंपैसिटी को हम इन्कीज कर सकें। कमिटी आलरेडी है। लेकिन उस में प्रोडक्शन 20 प्रतिशत और कर सके है। हमें साथ साथ चार हमारे प्रोजेक्ट्स रमीशन होने चाहते हैं और दो के लिए अभी नयागरी हार रही है।

फीट ग्राउन्डिंग के लिए मुझे यह अर्ज करना है कि उस में भी बेहतर लाई जा सकती है। पेट्रोसाइड्स और र्स्मैकटीमाइड्स जिनके चाहिए उस में भी कमी है और उसकी कीमत कम करने की जरूरत है।

दूधारी अब मैं करना चाहता हूँ इम्पोर्ट्स के बारे में 20 करोड़ का हम इम्पोर्ट करते हैं मिथेन और उग के ग्लाइड प्राइक्ट्स। जिनमें भी मिथेनिक फाउंडस है और हाउज और हम दूधारी हम एक्सपोर्ट कर सकते हैं और उस की कीमत जो एक्सपोर्ट में मिलती वह लगभग 400 करोड़ के हो सकती है। तो उस पर अदा जितनी भी कोई शार्टेज है वह पूरा करने का जरूरत है। इंडियन पेट्रो कॅमिकल कार्पोरेशन लिमिटेड जो है उस ने अपने जिम्मे 8 प्रोजेक्ट लिए है। उस पर 160 करोड़ खर्चा गर्च होने वाला है। कहा तक उसकी प्रोग्राम हुई है यह भी सरकार को देखने की जरूरत है। पेट्रो कॅमिकल फील्ड में बहुत कुछ खर्च करने की जरूरत है। उस के साथ साथ मिथेनिक प्रोसेसिंग और इन्विपमेंट तथा और दूधारी चीजें अनी चाहिए। उसमें खर्चा इस पर किया जाता है कि हम प्रोडक्शन कर रहे हैं। लेकिन उस के लिए मार्केट भी चाहिए। यू.एम.ए. और दूसरे यूरोपियन कन्ट्रीज में उस पर 4 से 5 प्रतिशत खर्चा किया जाता है। उस के प्रोपेगंडे के लिए और यह बताने के लिए कि हम नहीं तब ६५

[श्री दरबारा सिंह]

को कर पाए है। इस बारे में टेकनिकल नौ हाउ के लिए भी हम बहुत कम खर्च कर रहे हैं। गैस रिजर्व्स के लिए मैं अर्ज करना चाहता हूँ कि रशिया ने तकरीबन 565 बिलियन क्यूबिक फीट गैस हासिल किया है और अमेरिका में जितना है उस में डबल प्रोडक्शन उन्होंने किया है। उन की जो टीम यहाँ आई थी, उन्होंने जो बनाया है, उस पर अमल किया जाय तो हमारे गैस रिजर्व्स बहुत ज्यादा बढ़ सकते हैं।

ट्रांसपोर्ट के बारे में यह जरूरी है कि पाइप लाइन को बढ़ाने की जरूरत है। पाइप लाइन के बारे में कुछ ज्यादा नहीं कहना चाहता, हमारे साथी बहुत कुछ उस के बारे में यहाँ पर कह चुके हैं, इसमें जो स्केण्डलस बात है, वह देखने की चीज है, लेकिन जहाँ तक पाइपलाइन का सवाल है, वह आगे ले जाई जा सकती है या नहीं, यह एक बहसतलव बात है। लेकिन जितनी स्टोरेज कैपैसिटी की जरूरत है, उसके लिए जितनी पाइपलाइन की जरूरत है, इस तरफ ध्यान देने की जरूरत है।

सी-प्रौद्य के लिये भी काफी कुछ कोशिश करने की जरूरत है। उसके लिए जो टीम यू० एस० एस० आर० से आई है उसने बहुत कुछ इस पर बहस की है और हमें बताया है कि कहां कहां हमें मिल सकता है।

इस के साथ साथ एक अर्ज मैं यह करना चाहता हूँ जिसे पचास लाख रुपये की कॉम्पैरेसी कह सकते हैं—जो नजरिया टी एस्टेट है, उस का पचास लाख रुपया किस ढंग में उन्होंने खराब किया है, उस की एम्कवायरी होनी चाहिए। सेयरमैन की रिपोर्ट भी आई है, बहुरहाल इस पर ध्यान देने की जरूरत है।

मैं इतना ही अर्ज कर के आप का शुक्रिया बदा करता हूँ।

SHRI RAJA KULKARNI (Bombay—

North-East): The nation's oil policy is undergoing various stresses and strains since 1971. During the last decade from 1961 to 1970 Indian oil policy was mainly directed to develop its own indigenous resources for production of crude oil to a large extent as far as possible and creating the machinery which resulted in the formation of the Oil and Natural Gas Commission with an Act of Parliament in 1959. Our national oil policy was dependent upon creating its own machinery, refinery and marketing capacity, to increase their share in the marketing side of petroleum products and refinery products. So far as these limited objectives are concerned, our oil policy has no doubt succeeded. The success is due to our policy of depending less and less on foreign influences and foreign monopoly concerns. Today the IOC, along with its refining and marketing capacity, is controlling more than 50% of the consumption. In marketing its share is more than 50%. The production in respect of the refinery output is more than half

In 1971 the picture in the international oil world started changing and troubles and disturbances came up in our national policy. The point has come for consideration whether we are likely to become self-sufficient not only in products of petroleum and in refining capacity, but also in the production of crude. In 1971, was realised that the whole crux of our oil policy depended on an adequate supply of crude to our refineries, existing as well as projected. Is our indigenous production programme adequate enough to meet the demands of the country so as to make it self-sufficient in the matter of production of crude? But with the changes that have taken place in the international crude oil areas, especially in the Middle East countries, the Persian Gulf countries from where we import crude, it was found in 1971 that instead of becoming more and more self-sufficient, we were becoming more and more dependent on the Persian Gulf countries. Our import bill which in 1969-70 was Rs. 94 crores is expected to go up Rs 184 crores by 1974. In 1970-71 our requirement of crude oil for refining in all the refineries, private as well as public, both indigenous as well as imported crude put together, was about 1846 million metric tonnes. Out of this, hardly 7 or 8 million tonnes was indigenous and

the rest was being imported. By 1974 it is expected that our requirement of crude would be a little more than 26 million tonnes. That means that we shall have to import more than 17 to 18 million tonnes. Looking to the performance of the ONGC and looking to the resources as well as the exploration activities, we shall have to be more realistic. It appears that the ONGC as well as the Oil India both put together will not be able to cope up with the requirements by exploring oil, drilling wells, increasing the production of crude to meet the requirements of the country. So, it means that the country will have to spend more of foreign exchange during the next three or four years than we did during the last decade. If this is the situation, then what is going to be the main objective of our national oil policy during the seventies?

Apart from our efforts to increase our indigenous production, during the seventies, we shall have to find out alternative sources of commercial energy. The crude oil policy is ultimately linked up with the planning of a total national fuel policy as a whole. We shall have to rely on the development of alternative sources of energy in our own country like electricity etc. Coal is becoming outdated and costly, and the coal deposits are not increasing. Therefore, we cannot rely on coal for commercial energy and coal cannot contribute very much with an increasing share to the national fuel policy. Therefore, we shall have to depend, for instance, on the development of electrical energy, and there also, the electrical power has to come from the nuclear energy. Though we are told that the national fuel policy is being examined, we find that we do not have a coordinated plan.

So long as we do not have a proper plan, it is very difficult for this country to become self-sufficient in the coming decade in the production of crude to meet our oil requirements.

Another point which our national oil policy will have to tackle is the question of the relationship with the foreign companies. A demand has been made for their nationalisation. No doubt, this demand has a basis, looking to the performance of the oil companies in the past, including the political aspect. Political factor is also no doubt

one of the important factors because in times of political crisis we have to be careful to what extent we could depend on the foreign oil companies for the growing requirements of our country.

At the same time, we have to explore and find out what pattern of nationalisation is required. Government are trying to avoid taking a decision on the question of nationalisation of the three foreign oil companies in the country. If they have difficulties, if they have the problem at the international level in getting crude supplies at a cost cheaper than what the oil companies are demanding for payment to their international associates, Government have to explore the possibility of developing commercial relations with the Persian Gulf countries and enter into direct contacts with them on a Government to Government basis. In this, price will be a very important factor. They have also to find out whether the Arab countries which are producing a large quantity of oil from which we are getting the oil, will be in a position to continue to supply on a long term basis.

I will now come to the performance of ONGC. Last year the Ministry announced the appointment of a Committee to go into this question. We are told that till this date the Committee has not submitted its report. In the meanwhile, the PUC has made certain recommendations which need to be debated. There are a lot of controversial recommendations. I would say that whether it is the IOC or ONGC, a new outlook and approach is required on the structuring of public sector undertakings dealing with the oil industry.

SHRI DHAMANKAR (Bhiwandi) : I rise to support the Demands of the Ministry of Petroleum and Chemicals. Enough has been said about the IOC's performance. But there are good points also in regard to the operation of public undertakings under this Ministry. I will cite the example of Lubrezol India Ltd. Its production went up from 5,500 metric tonnes to about 9,000 metric tonnes.

MR. CHAIRMAN : He may continue tomorrow.

18.30 hrs.

*The Lok Sabha then adjourned till Eleven of the Clock on Friday, May 5, 1972 [Vaisakha 15, 1894 (SAKA)].*