

[Shri D. P. YADAV]

(2) A copy each of the following Reports (Hindi and English versions):—

- (i) Annual Report of the Technical Teachers' Training Institute (Eastern Region) Calcutta, for the year 1971-72.
- (ii) Annual Report of the Technical Teachers' Training Institute (Western Region), Bhopal, for the years 1971-72.
- (iii) Annual Report of the Executive Committee of the Trustees of the Victorial Memorial Hall, Calcutta, for the year 1971-72. [Placed in Library. See No. LT-5647/73.]

13.58 hrs.

STATEMENT RE. PRICE AND SUPPLY POSITION OF CRUDE OIL

MR. SPEAKER: Shri Dev Kanta Borooah to make a statement on the price and supply position of crude oil.

श्री अटल बिहारी वाजपेयी : (स्वा-लियर) : अध्यक्ष जी, मेरा व्यवस्था का प्रश्न है। इस वक्तव्य द्वारा सदन को कच्चे तेल के मूल्य और उस की वृद्धि के संबंध में जानकारी दी जा रही है। अध्यक्ष जी आप जानते हैं कि जब सदन का सत्र नहीं हो रहा था उस समय सरकार ने अध्यादेश जारी कर के मिट्टी के तेल के दाम बढ़ा दिये पेट्रोल के दाम बढ़ा दिये। अध्यादेश के द्वारा मूल्य वृद्धि करना यह तो संसदीय लोकतांत्रिक परम्पराओं के सर्वथा प्रतिकूल है। यह ठीक है कि संविधान सरकार को अध्यादेश जारी करने का अधिकार देता है, किसी संकट की परिस्थिति में अध्यादेश जारी हो सकता है लेकिन अध्यादेश द्वारा टैक्स नहीं लगाया जा सकता अगर पेट्रोल के दाम में, मिट्टी के तेल के दाम में इतनी वृद्धि की जाती जितनी परिस्थिति के कारण

आवश्यक थी तो शायद यह सदन कड़वी गोली समझ कर उस को निगल लेता। लेकिन दाम उतने नहीं बढ़ाये गये। पेट्रोल के दाम में एक ४० टैक्स है और आठ पैसे दाम बढ़ाये गये।

अध्यक्ष जी, मिट्टी के तेल की स्थिति यह है कि सरकार ने पहले 28 पैसे बढ़ा दिये फिर 10 पैसे कम कर दिये।

अध्यक्ष महोदय : यह मामला तो दो बजे आ रहा है।

श्री अटल बिहारी वाजपेयी : जब संसद की बैठक नहीं हो रही थी, क्या संसद की पीठ के पीछे सरकार अध्यादेश द्वारा टैक्स बढ़ा सकती है? संसदीय लोकतंत्र की सारी लड़ाई इसी बात पर हुई कि पार्लियामेंट की बिना राय के सरकार टैक्स नहीं लगा सकती। अध्यक्ष जी अमरीका वाले इसलिये लड़े।

अध्यक्ष महोदय : वह तो लाये नहीं यह तो आपके सामने आन वाला है।

श्री अटल बिहारी वाजपेयी : अध्यक्ष जी, ऐंज्वाक्यूटिव आदेश द्वारा टैक्स नहीं बढ़ाया जा सकता। यह मामला आपका उठाना चाहिये था।

अध्यक्ष महोदय : मैं तो नहीं उठाता। आपको इजाजत दे दी। दो बजे बहस कर लीजियेगा।

श्री अटल बिहारी वाजपेयी : अध्यक्ष जी, दो बजे तो दाम बढ़ने के बारे में बचा होगी। संसद की राय के बिना क्या वास्तविक दाम बढ़ा सकते हैं?

बिना जन प्रतिनिधियों की सलाह के टैक्स नहीं लग सकता है।

1358 hrs.

अध्यक्ष महोदय : मैंने आपका प्वाइंट ऑफ आर्डर नोट कर लिया है। गवर्नमेंटेशन पर बहस हो ही रही है।

श्री अटल बिहारी वाजपेयी : मैं आपको याद दिलाना चाहता हूँ कि पिछली बार भी यह मामला उठा था। तब यह कहा गया था कि नोटिफिकेशन के द्वारा टैक्स नहीं बढ़ना चाहिये और अब आर्डिनंस के द्वारा टैक्स बढ़ा दिया गया है। पार्लिमेंट की बैठक चन्द दिनों के बाद होने वाली थी। सरकार पार्लिमेंट की बैठक के लिये रुक सकती थी। यह संसद की अवहेलना का मामला है।

अध्यक्ष महोदय : मैं एग्जामिन करूंगा और जो भी होगा आपको बताऊंगा।

श्री मधु लिमये (बांका) : फौजला देने से पहले हमें भी एक मिनट सुन लें।

अध्यक्ष महोदय : अभी नहीं दी है।

SHRI H. N. MUKERJEE (Calcutta North-East) : You have taken note of the point of order and you have reserved your ruling—is that so?

MR. SPEAKER : I am going to examine the position and let you know.

SHRI H. N. MUKERJEE : I want to be clear. You have taken note of the point of order raised about the inadvisability of taxation by way of whatever they have done and you shall inform the House as soon as you can with regard to your ruling.

MR. SPEAKER : I will have to ask the Law Minister to explain it.

SHRI H. N. MUKERJEE : This is a matter of principle. You should direct the Law Minister to come before the House tomorrow.

MR. SPEAKER : That is what I shall do.

SHRI H. N. MUKERJEE : Tomorrow the Law Minister might come.

MR. SPEAKER : I will fix up some time.

SHRI H. N. MUKERJEE : You can tell the House now. You can ask the Law Minister to come tomorrow.

श्री मधु लिमये : आप ते कहा है कि आप कानून मंत्री से कहेंगे। आप हमारी बात भी सुन लीजिये।

अध्यक्ष महोदय : जब ला मिनिस्टर से बात करेंगे तब आप भी प्रश्न कर लेना तसल्ली न हो तो।

SHRI H. N. MUKERJEE : My submission is to get a clarification, that is to say, that without any unconscionable delay the House would get your ruling and if you wish to have the advantage of the Law Minister's advice, he can come here tomorrow, not later.

MR. SPEAKER : Not later. You are right.

श्री मधु लिमये : जब आप निर्णय दें तो इसका भी आप स्पष्टीकरण करे कि अगर एक आर्डिनंस से एक्साइज ड्यूटी बढ़ गवर्नी है तो क्या अगले साल आर्डिनंस से फाइनेंस बिल भी पास हो सकता है ? जब आप सफाई दें तो इसके ऊपर भी आपका निर्णय होना चाहिये। मुझे डर लगने लगा है कि अगर इन बात को आपने चलने दिया तो फाइनेंस बिल भी आर्डिनंस के द्वारा पास हो जाया करेगा और बजट सेशन की जल्दत किसी भी विधान सभा या लोक सभा को नहीं पड़ेगी। आजकल कम से कम यह रोक तो बजट के लिये है और विधान सभाएं बुलाई जाती है।

SHRI SHYAMNANDAN MISHRA (Begusarai): I have another aspect of the matter to submit. It seems that these taxes have already become operative. That is highly improper. Government should have waited till Parliament gave its approval to the Ordinance, and not made the taxes operative straightway.

अध्यक्ष महोदय : एप्रूवल एक्ट करनी थी तो क्या जरूरत थी आर्डिनंस निकालने की ?

SHRI SHYAMNANDAN MISHRA: How can you take Parliament for granted in the matter of taxation?

SHRI P. G. MAVALANKAR (Ahmedabad): With your permission, Mr. Speaker, I want to ask a question. What is the special necessity for the Minister of Law to come and address this House in order to give assistance to you? If you, as the Speaker of the House, think that you need assistance on a legal point...

MR. SPEAKER: I would like to hear what he has to say.

SHRI S. A. SHAMIM (Srinagar): I am a practising lawyer. You can ask me.

MR. SPEAKER: The Speaker, of course, is not prepared for all eventualities, all points of order and everything. Sometimes I also do need to study points. In that case also, I would like to hear the Law Minister as to what his point of view is. It is for the benefit of the whole House, not for me only.

श्री मधु लिमये : कानून मंत्री के बाद हमें; श्री सुनियेगा ।

SHRI P. G. MAVALANKAR: Sir, if this concession is allowed, then everytime a Minister comes and explains, it is possible that a debate will take place. The ruling will entail, therefore, a further unnecessary delay.

MR. SPEAKER: The ruling cannot be shot like a gun. It has to be carefully considered.

SHRI P. G. MAVALANKAR: If you should listen to the Law Minister, then you should also listen to us afresh.

MR. SPEAKER: If he has not satisfied the House on some points, he will be asked to explain them.

SHRI SAMAR GUHA (Contai): It is the usual practice of the Government that whenever they take a decision in regard to the issue of an ordinance or enacting a Bill, the first thing they do is to consult the Law Minister. How is it not expected that the Government has already taken the advice of the Law Minister? Naturally it is the Law Minister who has given the reasons, and the same advice should be given to you now. So, if you really want to have a decision on the matter, and have a clarification on the matter, then the whole issue should be discussed in the House. Whatever the Law Minister may say, opportunity should be given to the House to discuss it.

MR. SPEAKER: You are going to discuss it in the House.

SHRI PILOO MODY (Godhra): We are bound to ask the question at the Inter-Parliamentary Union.

MR. SPEAKER: About what?

SHRI PILOO MODY: About this procedure.

MR. SPEAKER: About the procedure? Procedure, of course, is already discussed in the Speakers' Conference. We will discuss it.

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND CHEMICALS (SHRI SHAHNAWAZ KHAN): Shall I lay it on the Table of the House?

MR. SPEAKER: Yes, do not make a statement. It is very risky'.

SHRI SHAHNAWAZ KHAN: I lay the statement on the Table of the House.

STATEMENT

The recent developments in the world oil situation must have caused great concern to the Hon'ble Members and, therefore, I am taking the first opportunity to take this esteemed House into confidence. There are two aspects of this question which have exercised us, the rise in world prices, and the embargoes and cuts imposed by Arab oil producing countries. I will deal with the latter, first.

2. The House is aware of the use of oil by the Arab world as a deliberate act to bring pressure on countries who have supported Israel and have been unfriendly to the Arabs in their just struggle for asserting their legitimate rights and liberating their territory occupied by Israeli aggression. Hon'ble Members are equally aware of the firm and consistent support that India has given to the Arab cause for the last 25 years; in the recent armed conflict we again stood by the Arabs and our stand was widely acknowledged in the Arab world. The ties of mutual friendship and co-operation between India and the Arab countries are thus beyond question and are based on principles which constitute some of the guidelines of our foreign policy.

3. On 28th October, an American journal called the "Petroleum Intelligence Weekly" put out an item which gave a list of a countries which were exempted from oil cuts imposed by Saudi Arabia. This magazine is a vehicle of technical and topical information on oil matters and has wide circulation in world oil circles. The oil company ESSO, which imports crude oil for its Bombay refinery from Saudi Arabia, about the same time informed Government of the cuts

which, according to them, had been imposed and pleading *force majeure*, notified cuts on imports by about 25 per cent—roughly 55,000 tonnes per month. This news was subsequently transmitted to the world press and caused bewilderment in India since it seemed to categorise India as an unfriendly country.

4. My distinguished colleague Sardar Swaran Singh addressed a communication to the Foreign Affairs Minister of Saudi Arabia, and diplomatic enquiries were made with other Arab countries. The response from the Arab countries has been mostre-assuring. Their leaders expressed surprise at any such discriminatory action against India. They have re-affirmed their friendship with Indja and their confidence in our policies. His Majesty the King of Saudi Arabia himself sent a message to his Embassy in Delhi which was communicated to the Ministry of External Affairs on Friday, 9th November confirming that there will be no cuts in oil supplies to India which will continue as before. There have been no other notifications of oil cuts in respect of imports from other countries. As far as the Government is concerned, we cherish above all, the friendship which the Arab world have Tre-ajrmed and which we fully reciprocate; it is a friendship which is and will be fortified both by our policies and our deeds.

5. Caltex and Burmah-Shell have also intimated to us that there would be a reduction in their total availability of crude oil as a result of substantial cuts in production imposed by the Arab oil producing countries. On our questioning, Caltex have clarified that even though they import crude oil into India from Iran, they are importing large quantities from the other Gulf countries for their affiliates and customers in this region and that the overall availability will be strictly prorated; they

[SHRI Shahnawaz Khan]

have also stated that no part of the crude oil availability would be diverted to USA at the cost of India and other countries. We have now received intimation from Caltex that there may be no cut as they may be able to supply replacement crude oil from other sources to make good their overall availability.

As for Burmah-Shell, they have stated that any reduction in their overall availability would be strictly pro-rated, their refineries in UK and Singapore would also be subject to the same percentage cut as their refinery in India and that they would do their best to avoid any cut. There has been no reduction in crude oil imports by Burmah-Shell so far. There has also been no reduction in crude oil imports from Iran for the Ochin Refinery under an existing contract with a French company, from the National Iranian Oil Company for the Madras Refinery and in imports from Iraq.

6. As for the oil prices, the subject has been discussed in this House on a number of occasions. In the last three years, the prices have more than tripled from \$1.28/bbl in 1970 to \$3.86/bbl at present. Consequently, the foreign exchange requirements have steeply increased from Rs. 200 crores last year to just under Rs. 500 crores in the current year. Such large increases in foreign exchange outgo on account of oil alone are obviously unacceptable. We have, therefore, to adopt measures to curb the consumption of oil products for personal use. The measures that we have taken would undoubtedly cause some hardship, but the country will have to put up with such hardships if we have to ensure the continuing availability of naphth. high speed diesel oil, light diesel oil, furnace oil etc., essentially needed economic inputs, by way of

fuels and feedstocks for ensuring unimpeded economic growth. The decision that we took was not an easy one but we had no other alternative. We could have rationed these products, but that would have created many more problems. Petrol, for instance, is not a basic necessity and one does not normally ration things which are not basic necessities. Many of the States were opposed to it. Besides we envisage the need for curbs in the next 5 or 10 years and introduction of rationing for such long periods would seem undesirable. I hope people owning personal vehicles will respond in the right spirit and reduce consumption drastically. Every litre of petrol saved will give us naphtha which our fertiliser factories will convert into urea. There is a world-wide shortage of naphtha and unless we curb the consumption of petrol, we will not be able to operate our fertiliser plants to capacity. However, if reduction in the consumption of petrol does not come about, we may reluctantly have to enforce rationing. Many other countries have already done so. We are also trying to block the loopholes in the use of cars for official purposes and by business houses.

7. As for kerosene, we consulted the State Governments and were told that most of the States could not introduce rationing in smaller towns and in rural areas without equating the price of kerosene with high-speed diesel oil, because large quantities of kerosene which was cheaper than high speed diesel oil by about 20 paise per litre, were being diverted for mixing with HSDO. The extent of this diversion during the current year has been estimated at 45 per cent of the total kerosene sale, i.e. almost 1.8 million tonnes of kerosene. We do appreciate the difficulties that would arise with the increase in kerosene oil prices and for this reason we have made some adjustments in excise duty

subsequent to the price increase of 2nd November, which will reduce the burden on kerosene consumers and incidentally on the HSDO, consumers as well. For the first time, we have created conditions for the free availability of kerosene at controlled prices throughout the country by eliminating the incentive for its use in mixing with HSDO. All the kerosene which was being mixed with high speed diesel oil will now be available for sale in the rural areas. Until now, almost 70 per cent of kerosene was consumed in big cities or mixed with HSDO and not more than 30 per cent went into the rural areas. We are now taking crash measures for arranging its sale at the maximum number of existing pumps—there are already 11,000 pumps in the country mostly serving smaller towns and the rural areas. This will be in addition to existing sale channels. Reduction in the price of HSDO will benefit the cultivators who consume some 30 per cent of the total HSDO consumption. We have taken steps to increase its production to ensure its continuing free availability. Its present stocks are an all time high.

8. It would be appreciated that oil products have to be priced broadly on the basis of the price at which we are able to import crude oil. At the same time we have to mobilise resources for the Fifth Five Year Plan. It would not, therefore, be possible for us to absorb increase in crude oil prices by reducing excise duty. That apart, an ordinary consumer would have little incentive for economy unless he pays the true costs of the energy. With further continuing increases in crude oil prices, we would have to tackle this national problem as a challenge to our capabilities. Besides curbs which will have to be intensified, we will also have to develop alternative sources of energy. A comprehensive plan in this regard is being finalised and put through on a crash basis.

18.08 hrs.

STATEMENT RE: FOOD AND
AGRICULTURAL SITUATION IN
INDIA

MR. SPEAKER: Shri Annasaheb-Shinde.

SHRI VAYALAR RAVI (Chiray-inkil): Sir, I have a submission to make on item No. 12.

MR. SPEAKER: If you want to raise it, you should have given advance notice, as Mr. Vajpayee has done.

SHRI VAYALAR RAVI: Because I am coming from a hungry State, I want to raise it here. Please allow me to make it, just in a minute. It is a very relevant and a very genuine point. The Minister is expected to make a statement on the food situation. I just arrived last night from a starving State—

MR. SPEAKER: Your arrival is not a point of order.

SHRI VAYALAR RAVI: I would like to make just one point.

The Government here from Delhi has instructed the Kerala Government to increase the price of rice by 25 per cent, from Rs. 1.10 to Rs. 1.56. This is done, while the wage of the ordinary labour there is only Rs. 2 a day. I would like to inform the hon. Minister that we in Kerala are getting only three ounces of rice per head. The people are starving. I would like to know whether he is going to make a statement, taking into account, and in consideration of the fact, that in Kerala, the food situation is very serious—

MR. SPEAKER: It is not a point of order. (Interruptions). I am sorry my throat is a little hoarse today. Why do you all get up on a point of order when it is not a point of order?

SHRI VAYALAR RAVI: It is very relevant. The food situation in Kerala has worsened now.