

12.05 hrs.

ESTIMATES COMMITTEE

HUNDRED AND FIFTY-FOURTH REPORT

Shri S. C. Samanta (Tamluk): Sir, I beg to present the Hundred and fifty-fourth Report of the Estimates Committee on the Ministry of Commerce and Industry—Coir Board (Reports and Accounts).

12.06 hrs.

STATEMENT RE: AGREEMENTS
WITH OIL COMPANIES

The Minister of Mines and Oil (Shri K. D. Malaviya): Mr. Speaker, Sir this statement is on your direction. During the discussion on 22nd December, 1959, in the Lok Sabha on the Motion tabled by Shri Narayanankutty Menon and others regarding the Petroleum and Natural Gas Rules, 1959 I had stated that "the papers relating to the agreement or the copy of the agreements will be laid on the Table of the House and if necessary some discussions could take place, if the House so desires, and opinions offered with regard to their ratification and the nature of the conditions contained therein". I had during the discussions indicated the difficulties in bringing the details of the negotiations before the forum of the House. The difficulties were also indicated subsequently to the Department of Parliamentary Affairs who were agreeable to delete the assurance implied in my statement from the register of pending assurances. However, you, Sir, had directed that I should place before the House the difficulties in implementing this assurance.

As the House is aware, we had proposals from several foreign oil companies with whom negotiations were being conducted simultaneously. The negotiations have been successfully concluded in two instances, namely with Burmah Oil Company, U.K. and

E.N.I., Italy. Negotiations with some other parties are to be continued. While negotiations are still therefore, unfinished in several cases, it would be inadvisable to give advance publicity to details of negotiations. In regard to the agreement with E.N.I., I had made a statement before the House on 29th August, 1961; both in regard to the agreement with E.N.I. and that made with Burmah Oil Company, there have been several Parliament questions and details have been given in the replies in such questions, so that the House has been kept informed of such matters. However, while negotiations are being carried on with several parties simultaneously, I am sure the House will agree that it would be essential to keep the terms and conditions offered by one party confidential from other parties and it would be prejudicial to the public interest to make public, the details of an agreement with one particular party or the details of conditions offered during the negotiations by different parties. Even after an agreement is entered into, the terms and conditions cannot be made public unilaterally without the consent of the party with whom the agreement is made. The international oil companies operate in more than one country; they may not like to divulge the terms and conditions agreed to by them in one country to the public or the authorities in other countries. In some cases the negotiations have been with Government agencies of foreign governments and it is still more important that unilateral action should not be taken to make the terms and conditions public.

In the circumstances explained above, I hope the House will agree not to insist on my giving more details about the agreements entered into or the progress of negotiations than those already given either in the statements made by me or in answer to the Parliament questions.

Mr. Speaker: After all the statement is only to the effect that the

hon. Minister is not able to give any details.

Shri Morarka (Jhunjhunu): Sir, this statement raises a fundamental point. It concerns the privilege of this House and you should be pleased to give a ruling. In the past the hon. Prime Minister had also given his views on the subject. Therefore, I want to bring it to your notice. Any agreement entered into by the Government with any foreign firm may be kept private as long as that agreement is not concluded but once the agreement is concluded then it has been ruled by you and also confirmed by the hon. Prime Minister that, it would be laid on the Table of the House or at least the main points would be given to the Members. Now, the hon. Minister says that the contents of the agreement cannot be unilaterally disclosed. The other party to the agreement, the foreign firm may never agree to the disclosure of the agreement. Is it fair that the rights of this House should be conditioned by the wishes of the foreign collaborating firm? This point has been discussed more than once and I do not think that this statement should form a precedent. It is a fundamental question and I request you to apply your mind again. The whole question must be considered leisurely and properly.

Shri T. B. Vittal Rao (Khammam): Sir, the hon. Minister will go on carrying negotiations with some other firm and therefore, he will be perpetually negotiating with some firm or the other. Is it that during the course of these years no agreement will be laid on the Table of the House? That means to say, the Members of Parliament will be kept completely in the dark with regard to these agreements.

Pandit Thakur Das Bhargava (Hissar): The hon. Minister himself stated that he could not place the agreement before the House when the

question was under negotiation, and the House agreed that the negotiations could not be disclosed. But, when the agreement is concluded, there is no reason why this information should not be given to the House specially when the Minister himself agreed to place the agreement when concluded on the Table of the House. The fact that any other party or company may take advantage of the agreement is problematic and constitutes no good ground for withholding this information from the House. Even copies of treaties and agreements with other countries are laid before the House, when they are concluded. So, there is no valid reason why this agreement is not made available to the House.

Shri Tyagi (Dehra Dun): There are occasions when the same or similar type of things are still under further negotiation with other parties; it should then be possible for the Government to ask the House to permit them to keep the agreement a secret until the other bargain is completed. If there are any such conditions, we might not press the Government to divulge the agreement.

Mr. Speaker: Such questions have been asked earlier. The other day, a question was asked about the proposed linking of East Pakistan with West Pakistan by rail. The hon. Minister of Railways said that he was consulting the State Governments. A question was asked whether before finalising this agreement, if any, the matter would be brought before the House. The hon. Railway Minister properly said that it was not usual in a parliamentary type of Government for the agreements to be placed here for the information of the House, and that they may be brought up before the House after the agreements are entered into. But, if even that is not allowed to Parliament, on whose behalf is the Government being carried on? It may be possible for the agreements to be

[Mr. Speaker]

placed on the Table unless there are any particular agreements which are closely linked with some others as part and parcel of the same agreement. I do not want piecemeal portions of an agreement to be placed before the House. But, if one agreement is independent of another, it could perhaps be placed here. If the terms of the agreement are under consideration by some other party, then, these will be perpetual and Parliament will have no jurisdiction at all. Of course, each agreement, if it is a distinct agreement, must be brought up before the House. It must be open to the House to say that the agreement has been entered into properly or not, that the agreement ought not to be continued or such and such direction may be given, etc. In any case, the House must have knowledge of what the agreement is, unless it is part of another agreement. I cannot see how perpetually the matter can be kept away from the knowledge of the House.

I do not want to force the hon. Minister who is primarily interested in seeing that certain matters are kept secret to the advantage of the country, but whenever there is a difference of opinion here and when there is a concluded agreement, he must satisfy the House as to how he is entitled to withhold the information from this House

Shri K. D. Malaviya: I have already stated my difficulty in this connection. I am convinced that if the details of some of the agreements with the Government have succeeded in concluding with some of the companies are laid before the House, it will not be in the interests of the country. I can understand this demand by the Members of the House, but when these criticisms come from my hon. friend Shri Morarka, who is very well-versed in concluding agreements with business and indus-

trial concerns, I am rather surprised. The parties would not like those things to be disclosed, when they are concerned with a limited number of people. Here are some agreements which are almost linked up with a permanent sort of negotiations with other companies. If one pattern of agreement is disclosed, there are so many parties which are likely to benefit and we may be the worst losers in that. For instance, some of the agreements which had been arrived at by us have been greatly to our benefit because they were kept as a closely-guarded secret. Even now, if they are disclosed, I am quite sure that it will not be to our interest. Therefore, I am not able to decide how to meet the wishes of the House.

May I request you one thing? Both of us might consider this matter in greater detail, and I might have a talk with you in this connection, Sir, and then, you may again like to say something about it.

Mr. Speaker: I have no objection. May I suggest one other course? There is the Estimates Committee and also the Public Accounts Committee. Of course, the hon. Minister is primarily interested in safeguarding the interests of the country. If and when he feels that a matter need not be brought up here, I will appoint a sub-committee of the Estimates Committee to look into it. The Estimates Committee keep everything that is given to them as secret; they are interested in these things, and they have got the jurisdiction to enter into those matters. Of course, I have no objection to look into it if the hon. Minister wants to give it only to me, but the Estimates Committee is better fitted for this purpose. I will appoint a sub-committee of the Estimates Committee, with the Chairman and two other Members, to look into such agreements. Whenever any hon. Minister feels that an agreement, in the inte-

rests of the public and in the interests of the Government, should not be disclosed here, in the first instance I will ask the sub-committee to look into it and then bring it before the House if it is satisfied.

Shri K. D. Malaviya: You, Sir, might take any decision that you like, but may I request that I might have a talk with you before you finalise it?

Mr. Speaker: Yes. If any hon. Members have got any authoritative information with respect to what is happening to similar things in foreign countries, I shall be happy to get it and look into it. These agreements are not special only to this country. In other countries also, there are similar agreements. We would like to know what is the jurisdiction of Parliaments there in regard to these agreements.

Shri Morarka: In this vary country, there are other agreements entered into by other Ministries and they are placed on the Table here? (Interruption).

Mr. Speaker: No Minister has said he is not prepared to place the agreements here.

Shri Sinhasan Singh (Gorakhpur): The reason that the hon. Minister has given for his inability to place a copy of the agreement on the Table of the House is not convincing. Probably the agreement may be in the interests of the company and not in the interests of the country. The hon. Minister said that in that case the other parties may take advantage of the agreement. It may be that that particular agreement is going against the particular company and not against the Government. If so, if other parties are going to take advantage of it, it means that the agreement is to the advantage of the company and not of the country.

Mr. Speaker: We will assume one case is there out of a hundred, where

it may not be in the interests of the country. But, all the same, the Minister would not like to expose himself. That is what he means. Is the House to keep quiet then?

Shri T. B. Vittal Rao: How can he be a Minister in that case?

Mr. Speaker: I am arguing in the hon. Member's favour. Why is he quarrelling? There may be just one case where the Minister might like to keep it away from the House. But the House is interested in seeing that these are exposed. These are matters which will have to be considered seriously. I shall look into this matter. I am not giving my decision one way or the other. Let me go through this and then find out what to do, because whatever decision we take now will be applicable for all time. It is an important matter. I would like to reserve my judgment in this matter. I will talk to the hon. Minister.

12.18 hrs.

ADDITIONAL DUTIES OF EXCISE
(GOODS OF SPECIAL IMPORTANCE) AMENDMENT BILL—contd.

Mr. Speaker: The House will now proceed with the further consideration of the following motion moved by Shri Morarji Desai on the 19th March, 1962, namely:—

“That the Bill further to amend the Additional Duties of Excise (Goods of Special Importance) Act, 1957, be taken into consideration.”

I want to submit to hon. Members of the House that I went out of the way yesterday to adjourn the House earlier, though we had five more minutes to go, and the hon. Minister could have legitimately got up and said: “Let me finish this today.” This is a Bill of far-reaching importance for five years. Whatever is dis-