

"That leave be granted to introduce a Bill to amend the General Insurance (Emergency Provisions) Act, 1971."

SHRI S. M. BANERJEE (Kanpur) : I do say that this amending Bill is being brought because of the High Court judgement. My objection to this Bill is symbolic in the sense that if you kindly read the Financial Memorandum, when we took over this general insurance we were given an assurance in this House when some Members pointed out that a sum of Rs. 93 lakhs per month is being paid as compensation. We were told that a comprehensive legislation would be brought forward and this kind of compensation will be stopped. If you read the Financial Memorandum you will see the position. It says :

"The amendments are not likely to make any perceptible difference in the quantum of compensation payable under section 6 of the above mentioned Act, and the recurring financial liability on account of the payment of the compensation would continue to be Rs. 33 lakhs per month."

And then it says :

"There will be no expenditure of a non-recurring nature in case this Bill is passed into law."

This really means, Government have no desire to bring forward a comprehensive Bill. They go on paying Rs. 33 lakhs to a the same custodians who were against the nationalisation of banks. This is continued. So, I only request him to assure the House that a comprehensive Bill will be brought forward so that we can do away with compensation.

MR. SPEAKER : If you link it up with another promise, that is a different matter.

What is there in this Bill ? That is what is needed.

SHRI S. M. BANERJEE : Please see the Financial Memorandum; sir.

MR. SPEAKER : So far as the Bill as such is concerned, there is nothing wrong about it. About the rest, you can say any number of times about the promise and other things.

SHRI PILOO MODY (Godhra) : He said his objection was only symbolic.

SHRI S. M. BANERJEE : While it says that there will be no non-recurring expenditure, it also says, Rs. 33 lakhs would continue to be paid. I would like the Minister to assure that the Bill is being brought.

SHRI Y. B. CHAVAN : Is he really very serious in asking me to give that assurance ? Because, the very Act says that this will be taken up and there is no question of any doubt at all. If he needs an assurance I give that assurance.

SHRI S. M. BANERJEE : I accept your assurance.

SHRI G. VISWANATHAN (Wandiwath) : Offer and acceptance.

MR. SPEAKER : The question is :

"That leave be granted to introduce a Bill to amend the General Insurance (Emergency Provisions) Act, 1971.

The motion was adopted.

SHRI Y. B. CHAVAN : I introduce† the Bill.

12.49 hrs.

DEMANDS* FOR GRANTS,
1972-73—Contd.

MINISTRY OF PETROLEUM AND
CHEMICALS—Contd.

MR. SPEAKER : The discussion on these Demands has already taken 35

†Introduced with the recommendation of the President.

*Moved with the recommendation of the President.

[Mr. Deputy Speaker]
minutes more than what was allotted to it.

SHRI PILOO MODY (Godhra) : At that time the Minister was not prepared; now I think he has come prepared.

MR. SPEAKER : The Minister had already taken a lot of time in replying. He wanted to continue his reply.

SHRI S. M. BANERJEE (Kanpur) : I just want to ask one question.

MR. SPEAKER : He will continue with his reply. You may ask any question at the end. He is already on his legs.

SHRI PILOO MODY : He is in possession of the House and not Mr. Banerjee.

SHRI VASANT SATHE (Akola) : He has replied to certain points which were raised.

SHRI S. M. BANERJEE : I only want him to tell us one thing when he replies to the Debate, whether he is going to intervene in the matter of Antibiotics Factory agitation because the strike is taking place on the 11th. I have got the letter with me. I want him to give an assurance that this strike will be avoided.

SHRI K. P. UNNIKRISHNAN (Badagara) : There have been misleading statements made on the floor of the House. It was said that the IOC and Petroleum and Chemicals Ministry have not obstruct the enquiry. I have got a press cutting with me, which is otherwise.

SHRI DINESH CHANDRA GOSWAMI (Gauhati) : We were told that all the cooperation was forthcoming to the Takru Commission. But we have the orders of the 16th December, 1971 when the commission had to observe.

"The commission takes a very serious view of the leisurely manner in which they are carrying out the orders of the commission".

Subsequently, on 3rd July, 1972, the commission had to pass severe strictures. Therefore, I would request on that you may permit us to have a detailed debate for at least three hours on the Takru Commission matters.

SHRI VASANT SATHE : We also feel that there should be a detailed debate on this matter.

THE MINISTER OF LAW AND JUSTICE AND PETROLEUM AND CHEMICALS (SHRI H. R. GOKHALE) : The Takru Commission was discussed on that day at considerable length. As the House is aware, it has also been the subject-matter of discussion on various occasions in the House including Question Hour, and the various aspects which were raised by hon. Members in the course of the debate have in fact been dealt with on different occasions. All that I can say is that here is a tribunal which is dealing with a matter in a quasi-judicial way and holding an inquiry. The general allegation that the Ministry is not co-operating with the commission, I must humbly say, is not correct, because so far as I am concerned, I have issued instructions to co-operate with the commission in the fullest possible manner. In fact, the very first thing that I dealt with after I took over this Ministry a few weeks ago was a request from the Commission that it should be allowed to have the assistance of two investigators who could be appointed under the provisions of the Act. I hope hon. Members will not disagree that as soon as this request was made, without any delay and without any hesitation, I readily agreed to give to the commission the assistance of two investigators for the purpose for which that assistance was asked, namely to correlate the various files and the matter contained in the various files with the terms of reference of the commission. I will assure the House that Gov-

ernment have instituted the inquiry and it can never be the intention of Government to scuttle a fair and impartial inquiry which was set up by Government.

SHRI PILOO MODY Why did they appoint Mr Takru?

SHRI H R GOKHALE : More than this, I do not know what further I can say to assure the House that Government will not come in the way of holding a fair inquiry. Investigators have been conceded and they have been sanctioned, and the further steps for the purpose of getting the financial sanction etc have almost been completed and the choice of the investigators is also left to the commission, so that the commission will itself

SHRI K P UNNIKRISHNAN And also the manner in which they will be used must be left completely to the commission

SHRI H R GOKHALE The manner in which they will be used is not my choice or the hon Member's choice, but that of the commission. The commission indicated in the letter for what purpose investigators were required. The purpose was that they were required for correlating the material contained in the number of files, thousands of files, which were under inquiry, with the terms of reference of the commission. I immediately conceded that purpose, and nobody has come in the way. I think that the investigators will be available to the commission in the shortest possible time. The commission has not in its original letter asked for anything more so far as the investigators are concerned

SHRI PILOO MODY As investigators, I believe the commission has asked for Shri Mohan Kumaramanglam and Shri K P Unnikrishnan

SHRI H. R. GOKHALE : I would, therefore, say the matter has been discussed threadbare off and on in this House on different occasions. As to whether we should try to have an elaborate discussion,

I am entirely in your hands. I do not want to run away from any discussion. But all aspects of the matter have been discussed from time to time on different occasions in this debate and also during the Question Hour on various occasions

Shri S M Banerjee who had just raised some matter in regard to the Hindustan Antibiotics gave me a letter only half an hour back

SHRI S. M. BANERJEE But the union had sent him the letter long ago

SHRI H R GOKHALE I am not complaining about it. I am only mentioning a fact, that the letter which he had referred to reached me a little while ago, and I am immediately attending to it. He has mentioned in the letter that the threatened strike may take place on the 11th, that means, the day after tomorrow. He has also mentioned in the letter that there were discussions but those discussions had not been fruitful. But I can assure the hon Member and the House that as much as he is interested, we on this side are equally interested that there should be a peaceful settlement of this dispute, and I shall try my best to see that matters which are of issue in this dispute are peacefully settled, and I shall look into this matter

SHRI S M BANERJEE . Will he meet the delegation tomorrow when we are free?

SHRI H R GOKHALE These are not matters which I can tell the House here but I would assure him that we are looking into this matter and we shall try to see that the dispute is amicably settled. Further than that, it is not possible to say now

Various aspects of the Takru Commission have already been discussed, and as you, Sir, said earlier, quite some time has been taken on the debate already.

SHRI K S CHAVDA (Patan) The hon Member has not replied to any of the

[Shri K S Chavda]

points that I had raised in regard to foreign firms in the drugs and pharmaceuticals industry. A lot of time has been spent on other matters, but nothing has been said in regard to this matter. I may quote from the question which I had put in this House some time back:

MR SPEAKER I am now going to allow him to make a statement

SHRI K S CHAVDA : Of so many points raised, at least some should be replied to. Foreign firm, A both, having Rs 1 lakh subscribed capital has remitted Rs 22 lakhs as dividend to America. Government are encouraging the monopoly of foreign concerns.

SHRI VASANT SATHE : As far as the Takru Commission is concerned, we would still request that a full debate be allowed in view of the inordinate delay of 20 months. Yet a proper inquiry has not started. I do not want to go into the controversy just now. But if a debate is held, it will give us satisfaction.

SHRI H R GOKHALE : I have said what I wanted to on this. Let me turn to some other questions raised and quickly deal with them. Shri Indrajit Gupta pointedly asked in regard to the delay in drilling operations beginning in the Port Canning area of Bengal. The long time taken in this matter has been due to the fact that special digital seismic field units had to be purchased from abroad for resurveying the area, as the earlier survey done by less sophisticated instruments did not give a clear picture of structures where drilling could be undertaken. It took time to do some amount of resurvey with the digital units. Further time was taken in commissioning the playback equipment. The data so far gathered from the resurvey has not delineated any structure where drilling can be taken up. The survey is still continuing.

Similar questions were also raised with regard to Tripura. Here admittedly there has been considerable delay. Initially, the ONGC took much time in preparing the list of equipment and materials which had to be especially imported for the difficult deep drilling likely to be encountered in Tripura. The countries from which this equipment and material had to be purchased took time to decide taking into account the availability of foreign exchange from different sources. The bulk of the orders had to be placed on firms in USA. There was delay in supplies coming in due to prolonged dock strike in 1971 in the USA, of the longshore men. Further delay has been caused because some equipment while being transported by rail has been damaged by outbreak of fire in the goods wagon. It is expected that the drilling may commence towards the end of June 1972.

May I now refer to the question of distribution and marketing of petroleum products raised in the course of the debate. I would like to mention that the IOC's profitability has considerably increased during this year. To give a very brief picture, its range of profits has been of the order of Rs. 20-25 crores per year. During 1968-69 and 1971-72, reserves generated were Rs 125 crores. Government loans repaid out of the reserves was Rs 38.44 crores. Dividend at the rate of 7 per cent paid out of reserves was Rs 19.92 crores. Creation of fixed assets has been Rs. 63 crores. During 1972-73 and 1973-74, IOC is expected to generate further reserves amounting to about Rs. 90 crores.

Another problem which has been engaging the attention of the House on several occasions and I share the anxiety expressed by members is with regard to the sharp increase in the price of imported crude. I had occasion earlier while dealing with various questions on this. I had pointed out that the oil producing and exporting countries have lined up for the purpose of recovery, of tax, royalty and the price of crude. There is also a line up between the

foreign oil companies and these countries. The foreign oil companies operate through their own associates with the result that the burden is passed on to us. I had pointed out that the production cost is only 11 cents a barrel while the oil companies are today making a profit of 30 cents a barrel. This is certainly a most undesirable state of affairs and Government are taking steps to meet it. I may also mention that Government have not conceded the entire demand of foreign exchange. We have released foreign exchange to a lesser extent and the oil companies are also refining oil to a lesser extent and we have to rely on import of finished products from outside.

Incidentally, finished products are comparatively at a cheaper rate now. It is better to import these finished products rather than to buy with the foreign exchange the crude oil which they are demanding. In this regard we are looking for alternative sources of crude oil. We are going to expand, as much as we can, our programme of exploration and production of oil from our own land and offshore areas. We have been keeping a vigilant eye on the trend of product process in international market and have been able to buy some of these products, in which we are deficit, at prices which have saved us foreign exchange compared to the foreign exchange that import of crude to produce these products would have cost us. We have not allowed the internal prices of oil products to increase unduly in relation to increase in the cost of crude but allowed increase to the extent we have considered reasonable. We are expanding the refinery capacity in the public sector so as to ensure that we maintain near self-sufficiency in the indigenous production of oil products and acquire for the public sector an overwhelmingly predominant position with freedom to import crude at fully competitive prices, thus counteracting to a large extent the handicap of the Refinery Agreements having given the private oil companies the right to get crude from their own sources.

13 hrs

Sir, in regard to remittances, as I have said Government has taking steps to see that every attempt to make remittances in foreign exchange from their profits is scrutinised very carefully and, as I have mentioned earlier, the Government of India has now agreed to submit this to the Ministry before the remittance is actually allowed. But some of the remittances are part of agreements which have been entered into some years back i.e. with the three major oil companies in India, and those are being allowed which have been made on the basis of this commitment made in the agreement.

Sir, a number of speakers spoke about the need for nationalisation of the foreign oil companies. I have listened with great interest and I may say with sympathy to the suggestions, and also appreciation of those suggestions, insisting that the Government may immediately take over the oil companies. This is not a matter on which I can immediately give any specific reply. The best way in which I can reply, perhaps, is by quoting the balanced approach to the whole question of nationalisation that was reflected in the Prime Minister's reply to the debate on the President's Address. She said, "The Government is neither averse to, nor afraid of, nationalisation. But nationalisation has to fit into our overall scheme of priorities with reference to the changing conditions of our economy. We shall nationalise an industry or a unit if it is essential to strengthen the control of the public sector over the economy. That is why 14 major banks were nationalised and later the General Insurance Companies. We shall also not hesitate to nationalise any unit or industry when there is evidence that it is being managed to the detriment of the national interest. That is why we took over the management of certain coking coal mines and of copper. Nationalisation is one amongst many instruments at the disposal of Government to curb concentration of economic power

[Shri H. R. Gokhale]

in private hands, and we resort to it after a careful assessment of the efficacy of the other instruments available, in a given situation."

There can no doubt that this matter is of great importance. The Hon'ble Members may rest assured that Government will give the most careful consideration to the different points that have been made in the course of the debate.

These were the major points which arose in the course of the debate. A large number of other points were raised in the course of the debate. All that I can assure the Hon. Members is that I have taken very careful note of all the points which have been raised.

SHRI K. S. CHAVDA : My points have not been taken note of.

SHRI H. R. GOKHALE : They have been taken note of.

SHRI K. S. CHAVDA : Out of 250 crores of business of drugs and pharmaceuticals, nearly 200 crores business is in the foreign firms and they are getting a huge amount of profit. The points has not been touched. I have made serious charges. Government is involving itself. Sir, how is it there ? You allow me. May I say one thing ?

MR. SPEAKER : No question of allowing, it is a question for the Minister to yield or not to yield.

SHRI K. S. CHAVDA : He is yielding Sir. He has already yielded.

MR. SPEAKER : You go on. I am not in the picture. You must know the rules.

SHRI K. S. CHAVDA : While speaking, I had made two suggestions, One was regarding whether the Minister would assure the House that from today onwards no further expansion on regularisation or

COB licences would be issued to foreign firms regarding tablets, injectables, and so on.

The second suggestion was whether he will assure the House that he will appoint a Parliamentary Committee to study this question of working of the foreign firms. I had made two suggestions. Will he reply to these two suggestions ?

SHRI H. R. GOKHALE : I have dealt with it already. All that I can say is that it has been the Government's endeavour to encourage further growth of the pharmaceutical industry and to enable the Indian sector to acquire a larger proportion of the total production. For this, it must develop effectively research on developmental activities within the country. To this, the Government are paying increasing attention.

The drug industry, as hon. Members know, is mainly research-oriented, and while it is not possible for us to completely dispense with the role of foreign companies in producing drugs in this country, Government's effort has been to see that larger and larger spheres of this production are allowed to the Indian industry.

These are the main points which were dealt with, and I thank the hon. Members for taking part in this debate.

SHRI K. S. CHAVDA : Why are the Government allowing the foreign firms to import erythromycine ? (Interruption) This question is of national interest, and it has been raised several times in Parliament. If these important questions are not answered then what should I do ? There is no alternative for me.

MR. SPEAKER : If there is no alternative for him, the only thing I can say is, either the Minister cannot make you understand or you do not understand.

SHRI K. S. CHAVDA : I have understood him fully, that he has mis-

guided the House. If he can say that the facts I have given are not proved, I will resign my seat. (*Interruption*) It is of national interest. Always on the floor of the House, a hue and cry is raised against Indian monopolists. Why are the Government encouraging foreign monopoly? Because they are interested to get something. (*Interruption*)

MR. SPEAKER : It appears you are also angry.

SHRI K. S. CHAVDA : They are making us angry. What can I do ?

SHRI INDRAJIT GUPTA (Alipore) : Sir, one or two questions have arisen out of his reply. On Friday last; the Minister has made much in his reply regarding the fact that his Ministry has submitted something like 4,000 files to the Takru Commission. He repeated over and over again that no less than 4,000 files have been submitted and claimed that this was evidence that the Ministry was fully co-operating with the Commission of Inquiry. All I would like to ask him is whether he is aware whether it is not a fact that on several occasions the Commission has been writing letters to his Ministry pointing out specifically, indicating the number of the files which have not been submitted and which despite repeated requests from the Commission are still not being submitted and which afterwards it is being alleged by the Ministry are either misplaced or destroyed. (*Interruption*) Is this not a fact? This is what we are worried about. For example, I can give some examples. I can not take up the whole lot of it. There was, for example, a file containing the number of foreign tours made by Mr. P. R. Nayak; there were serious allegations as to how a lot of money was being wasted. But the reply given was that "we have to state that the Ministry of Petroleum and Chemicals has advised us that this file No. 22362/OR could not be located so far in spite of their best efforts".

Similarly, I can also quote a whole lot of files on which the Chairman, Mr. Takru himself is saying that they are not being submitted, or that the submission is being delayed; and ultimately they are being destroyed and so on.

Instead of answering this point, the Minister went on saying that "we have submitted 4,000 files." as if that is a great achievement. We want to know if it is not a serious matter. These are serious matters which the Pipeline Inquiry Commission is looking into. (*Interruption*).

MR. SPEAKER : Order please.

SHRI RAJA KULKARNI (Bombay-North-East) : A point of order regarding the statement made, about the crude prices. That is not correct, The statement which the Minister made in his reply, was that the Oil companies asked for a higher crude price, which demand the Government have rejected. But at the same time, when the oil companies took counter-action in importing less crude but utilising the foreign exchange that was allotted, Government did not reduce the foreign exchange that was allotted to the companies. The Government gave the same foreign exchange. That means, Government agreed to a rise in the crude price.

SHRI H. R. GOKHALE : With regard to Mr. Gupta's question, I did not say the Ministry produced 4,000 files. The IOC produced 4,000 files. The Ministry has produced about 300 and odd files. Hon. members know that the transactions which are under investigation by the Takru Commission range over a period which goes back to a decade or more. The files have to be traced; correlated to the terms of reference and then produced before the Commission. Every effort was made to produce all possible files which the Commission asked for. Wherever it was found, particularly the letter which the hon. member mentioned, it was not possible to trace the file, it was so mentioned before the

[Shri H. R. Gokhale]

Commission. But even those files continue to be traced and I am sure will be produced before the Commission. There is no intention nor will there be any intention at any time to keep back a file which is relevant to the terms of reference.

With regard to the point raised by Shri Raja Kulkarni, all I said was, we have not recognised the full increase in the price. We have recognised it to a certain extent and to that extent we have released lesser foreign exchange. The result is that the companies are now importing less crude and therefore so much less refining by the foreign oil companies. We are trying to make up the gap by importing those products.

SOME HON. MEMBERS *rose*—

MR. SPEAKER : Is it going to be the rule that when a member speaks, the Speaker sits down? I am on my legs. I am not going to allow any more questions. There should be a limit to the debate. It has taken one hour more than the allotted time. (*Interruptions*) I am not going to allow any more questions.

I will now put the cut motions Nos. 26 to 31 moved by Shri Bade. Are you pressing them?

SHRI R. V. BADE (Khargone) : Yes, Sir.

MR. SPEAKER : I now put cut motions Nos. 26 to 31 moved by Shri Bade to the vote of the House.

Cut motions No. 26 to 31 were put and negatived.

MR. SPEAKER : I will now put cut motions Nos. 39 to 48 moved by Shri Dinan Bhattacharyya.

Cut motions Nos. 39 to 48 were put and negatived.

MR. SPEAKER : The question is :

"That the respective sums not exceeding the amounts shown in the fourth column of the order paper be granted to the President *to complete* the sums necessary to defray the charges that will come in course of payment during the year ending the 31st day of March, 1973, in respect of the heads of demands entered in the second column thereof against Demands Nos. 66 and 125 relating to the Ministry of Petroleum and Chemicals."

The motion was adopted.

[*The motions for Demands for Grants, which were adopted by the Lok Sabha, are reproduced below—Sd.*]

DEMAND NO. 66—MINISTRY OF PETROLEUM AND CHEMICALS

"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

"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 March, 1973, in respect of 'Capital outlay of the Ministry of Petroleum and Chemicals'."

SHRI K. MANOHARAN (Madras North) : I want to put a pertinent question. Will there be lunch hour?

MR. SPEAKER : No lunch hour. This was announced in the last week itself.

But only the Speaker cannot go out.
You can go out any time you like.

SHRI S. M. BANERJEE : Does it mean the Speaker is not going to have his lunch today ?

MR. SPEAKER : I will find some time for it. I normally take my lunch at 2 or 2.30.

13.15 hrs.

MINISTRY OF LAW AND JUSTICE

MR. SPEAKER : The House will now take up discussion and voting on Demand Nos. 64 and 65 relating to the Ministry of Law and Justice for which 2 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. 64—MINISTRY OF LAW AND JUSTICE

MR. SPEAKER : Motion moved :

"That a sum not exceeding Rs. 5,47,75,000 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 Law and Justice'."

DEMAND No. 65—ADMINISTRATION OF JUSTICE

MR. SPEAKER : Motion moved:

"That a sum not exceeding Rs. 2,37,000 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 'Administration of Justice'."

SHRI SOMNATH CHATTERJEE (Burdwan) : Mr. Speaker, Sir, last year when we discussed the Demands of other Ministries we complained about the lack of time allotted to discuss the activities of this Ministry. But this year also we notice that only two hours have been allotted to discuss the demands of this Ministry.

This Ministry has earned the unenviable record of giving wrong advice to the Ministries, of bad drafting and of making controversial appointment of judges. It has got the dubious distinction of following a *laissez faire* attitude towards law reforms. We all know that both the Civil Procedure Code and the Criminal Procedure Code of this country were framed either in the 19th century or early 20th century. It is generally understood and accepted in all quarters that it is necessary for the purpose of expeditious disposal of cases and litigation that the question of law reforms should be taken up at the earliest.

श्री हुकमचन्द कछवाय (मुरेना) :
अध्यक्ष महोदय, मैं आपकी व्यवस्था चाहता हूँ। गणपूर्ति नहीं है।

SHRI SOMNATH CHATTERJEE : Therefore, so far as the Code of Civil Procedure and the Code of Criminal Procedure are concerned, it is essential that immediate steps should be taken for the purpose of bringing about reforms in them. I know that a Bill to amend the Criminal Procedure Code has been referred to the Select Committee. But, up till now, no Bill has been presented for reform in the Code of Civil Procedure.

SHRI JYOTIRMOY BOSU (Diamond Harbour) : Sir, the quorum has been challenged.