

(b; in what manner Government propose to absorb this price hike in the economy of our country?

THE MINISTER OF PETROLEUM, CHEMICALS AND FERTILIZERS (SHRI H. N. BAHUGUNA): (a) and (b) A statement is laid on the Table of the Sabha.

Statement

(a) Immediately after the announcement of the official price increases on imported crude oil by the OPEC in December 1978 for supply on Government to Government contracts, an estimate of the additional foreign exchange requirements for import of crude oil and deficit products indicated the burden at Rs. 179 crores over the level of requirements in 1978. However, in February 1979 UAE, Qatar and Saudi Arabia have announced the increase in prices even for the first quarter at 7.5 per cent as against 5 per cent officially announced by OPEC for the first quarter ending in March 1979. Kuwait has increased the prices by 9.4 per cent and Venezuela by 15 per cent straightaway. The spot market prices of imported crude and deficit products are much higher than the rates quoted for Government to Government contracts for purchase of imported crude. The ruling prices of imported crude and deficit products indicate a steeply rising trend. The latest estimates therefore indicate that the extra burden in foreign exchange may be of the order of Rs. 350 crores over the 1978 level of outlay in foreign exchange for purchase of imported crude and deficit products.

(b) Various proposals are under consideration. No final decision has yet been taken.

Irregularities in the disposal of non-ferrous scrap

*191. SHRI SHIVDAYAL SINGH CHAURASIA:

SHRI KHURSHED ALAM KHAN:

SHRI PIARE LALL KUREEL *URF* PIARE LALL TALIB:

Will the Minister of DEFENCE be pleased to state:

(a) whether it is a fact that several serious irregularities have been reported in the disposal of non-ferrous scrap from Ordnance Depot, Kanpur;

(b) whether it is also a fact that some senior officers in collusion with certain dealers were responsible for these irregularities; and

(c) if so, what are the details in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF DEFENCE (SHRI SHER SINGH): (a) Some complaints relating to Ordnance Factory, Kanpur (and not Ordnance Depot, Kanpur) have been received in this regard.

(b) No, Sir.

(c) Two major complaints have been reported—one regarding disposal of 500 M/T Aluminium Scrap (Turnings and Borings) for which tenders were opened in June 1973 and the other for 85 M/T of Magnesium Turning and Boring (Swarf) in December 1977. On examination it was found that in regard to the case pertaining to the disposal of 500 M/T Aluminium Scrap (Turnings and Borings) there was no evidence of any collusion as alleged in the complaint. The other case about the disposal of 85 M/T of Magnesium Turning and Borings is still under examination.