

CALLING ATTENTION TO MATTER OF URGENT PUBLIC IMPORTANCE**Exorbitant rise in the prices of petroleum products**

SHRI DIPANKAR MUKHERJEE (West Bengal) : Sir, I beg to call the attention of the Minister of Petroleum and Natural Gas to the exorbitant rise in the prices of petroleum products.

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR) : Sir, given India's oil import dependence, which is around 71 per cent at present; volatility in international oil prices inevitably impacts on domestic consumer prices of petroleum products. International oil prices have been unusually high during the current year. For instance, as compared to the average Indian basket of crude oil priced at US \$ 27.96/bbl during 2003-04, the average price during April - December 2004 (upto 6th December 2004) has been of the order of US \$ 37.60/bbl.

(MR. DEPUTY CHAIRMAN in the Chair)

Sir, in the statement that has been circulated to the hon. Members, I have given the details of the international price trends of crude oil, kerosene, LPG, petrol and diesel from March 2002 onwards, that is, from the time of the announcement of the dismantling of the APM (Administered Pricing Mechanism). In March 2002, the Crude-Indian Basket was priced at US\$23.31 per barrel and in November 2004, it had risen by more than 15.5 dollars and stood at US\$ 38.82. During this period, the price of kerosene had risen from US \$ 23.65 per barrel in March 2002 by nearly 20 dollars to US \$ 53.56 per barrel. The price of LPG, which is designated in dollars per metric tonne, had risen exorbitantly, from US \$ 194 in March 2002 to US \$ 469 in November 2004. Petrol prices had gone up from US \$ 26.43 per barrel in March 2002 to US \$ 51.74 per barrel in November 2004, and the price of diesel had more than doubled from US \$ 23.27 per barrel in March 2002 to US \$ 50.90 per barrel in November 2004. I would like to draw the attention of the House to the fact that the prices were even higher in the previous month of October 2004.

Relative to the sharp and persistent increase in the international prices, the modest increase in the domestic prices of these petroleum products during the calendar year 2004 is given below.

Sir, I have given all the details in the table that has been circulated. I would only say that in the case of petrol, as against Rs. 33.70 per litre on the 1st of January 2004, the price has risen to an extremely modest amount

compared to international prices, Rs. 37.84 per litre at present. Diesel has risen from Rs. 21.73 litre in January 2004 to Rs. 26.28 currently. Domestic LPG has risen from Rs. 241.60 per cylinder to Rs. 281.60 per cylinder, that is, and increase of Rs. 40. And PDS Kerosene has remained steady at Rs. 9.01 per litre till today.

These are the Retail Selling Prices in detail, and to facilitate conversion from barrels to litres, perhaps you would permit me to clarify, Sir, that NEARLY 7.2 barrels equals one tonne and, therefore, there are approximately 159 litres in a barrel. The Government and the Oil PSUs have taken following measures to contain the impact of international prices on the domestic consumer prices of petrol, diesel, PDS kerosene and domestic LPG:

The Government reduced excise duties on petrol, diesel and domestic LPG by 4 per cent, 3 per cent and 8 per cent respectively effective 16th June, 2004. Later, effective 19th August, 2004, the excise duties on petrol, diesel and PDS kerosene were reduced by 3 per cent, 3 per cent and 4 per cent respectively. Also, effective 19th August, 2004, customs duties on petrol, diesel, PDS kerosene and domestic LPG were reduced by 5 per cent each.

PDS kerosene and domestic LPG are subsidized products. In addition to the Government subsidy, oil PSUs have been sharing the burden by not passing the full increase in the international prices on to the domestic consumer prices of these products. Despite the steep increase in international prices, the selling price of PDS kerosene has not increased even after an announcement by the previous Government of the dismantling of the Administered Price Mechanism effective 1st April, 2002. The Retail Selling Price (RSP) of domestic LPG has been increased only twice by Rs.20 per cylinder each time, effective 16th June, 2004 and 5th November, 2004 respectively. During the first half of 2004-05, the oil PSUs have had estimated under-recoveries of around Rs.7800 crore on these products. You will permit me, Sir, to just emphasise Rs.7800 crores of under-recoveries on these products merely in the first half of 2004-05. It may be mentioned that at the current level of duties, taxes and Government subsidy, the Retail Selling Price of PDS kerosene and domestic LPG at Delhi would have had to be increased by the following amount based on November, 2004, international prices if we were to attain import parity. PDS kerosene would have had to be increased by 11.05 a litre to reach Rs.20.06 as against the RSP of a mere Rs.9.01. And, domestic LPG, in rupees, per

cylinder would have to be increased by Rs.210.40 to reach the import parity price of Rs.492.00 per cylinder as against the current RSP of mere Rs.281.60.

The oil PSUs have also suffered estimated under-recoveries of around Rs.3300 crores during April-November, 2004, on account of non-revision in the prices of petrol and diesel in line with the international prices.

Sir, in these circumstances, you would appreciate that the Government have taken appropriate measures to protect consumers from the increase in the international prices to the extent possible. Considering the exorbitant increase in international prices and huge under-recoveries of oil PSUs, modest increases have been effected in the prices of petrol (to the full extent of the rise in import parity price), diesel (to the extent of half the difference between the domestic RSP and the ruling import parity price) and domestic LPG effective 5th November, 2004. The RSP of Motor Spirit (Petrol) declined effective 16th November, 2004, on account of the decline in import parity prices, but has been held at the 16th November, 2004 level since.

MR. DEPUTY CHAIRMAN: Clarifications.

SHRI DIPANKAR MUKHERJEE: Mr. Deputy Chairman, Sir, at the beginning, let me be very fair to the new Minister who has taken charge only six months ago.

MR. DEPUTY CHAIRMAN: The entire Ministry has taken charge only six months ago.

SHRI DIPANKAR MUKHERJEE: I have to repeat it in the sense that he inherited a legacy of certain terms including the word 'import parity' also. From what I could understand from the statement, I am giving some figures that he has also inherited. But, so far as the consumers of the petroleum products in this country are concerned, I would try to explain how they have been affected by these vagaries. Figures from 2002 onwards have been given. I will try to go back to 1998, and, compare those figures with 2004.

During October 1998, the petrol was costing Rs. 23 per litre, HSD was Rs. 10 per litre, kerosene was Rs. 2.58 per litre, LPG was Rs. 135 per cylinder, and, ATF was Rs. 13.29 per litre. In January, 2004, before this Government came to power, MS petrol had gone up from Rs. 23 per litre to Rs. 33 per litre, the HSD had gone up from Rs. 10 per litre to Rs. 21 per

litre, the kerosene had gone up from Rs. 2.58 per litre to Rs. 9 per litre, and, fortunately, till now, it stands at Rs. 9 per litre. The price of LPG went up from Rs. 135 per cylinder to Rs. 241 per cylinder. Sir, that is the scenario where we are starting. The major point is the inherited legacy, and, it is the basic issue on which I will try to explain as to why the present pricing, present loading on the consumer is avoidable. It is because we have changed over from the earlier Administered Pricing Mechanism to import parity system.

What does the import parity mean? I am very happy that the Minister has, at least, pointed out here the under-recoveries of the public sector oil companies. Some of the big economic newspapers have been talking of losses; and many people ask about these losses that the public sector oil companies are suffering. It is not only the public sector oil companies which are involved in the oil industry. The biggest refinery in this country is not being run by the public sector company, and, that refinery does not have to go for marketing; so, it does not have to be even subsidised. The major point here is: what has happened, and, what does the import parity mean? Has the production cost, the refinery cost increased within the country? Whether the production cost of crude has increased. No. Sir, we are producing 30 per cent ourselves, and, we are importing 70 per cent. The global price fluctuations are there and that has been indicated. But, so far as refineries are concerned, Sir, we are hundred per cent self-reliant. We are refining our own oil. What is the refining cost? I am not talking of the crude cost, I am not talking of the production cost; I am talking about the average refining cost of the refineries. Starting from one million tonnes refining at Digboi refinery, and, coming to 33 million tonnes refining at Jamnagar refinery, what is the average refining cost? Sir, as far as my information is concerned, the average refining cost of IOC refineries -- the figure is not an official one, I would like the Minister to clarify, if I am wrong -- is roughly about 52 paise per litre. I am sure that in the biggest refinery of this country -- because it is the most technical and modernised refinery - this cost will be less than 30 paise per litre.

What is the refining margin? Refining margin is the margin on which a refinery earns its profit. As far as the refining margin of IOC is concerned, according to the data available on its website, it is US \$ 8 per barrel. I can imagine that if IOC's margin is US \$7 - 8 per barrel, then the biggest refinery is having a margin of around US \$10 - 12 per barrel. What will be the cost like? The conversion factors have been given, and,

according to my calculation, it comes to about Rs. 3 to 4 per litre. But does this international price rise that has been shown here give a right because of the import parity, which was decided in 1997. And, I am very happy the Minister has not said, "At that time, we were not in power. Who was in power? Who was supporting? I was not supporting". Whatever it is. But, unless I am a market fundamentalist, is it now that the market is the mantra? Someone has been deciding in 1997, so, I have to follow that. My question simply is, "Does the international crude price hike give the right to the refiners in this country to hike to get the refining bonanza or the refining margin increased from 2.5 dollars per barrel to 8 dollars per barrel?" I can show you this. It has been written in some press reports even. I will not take the company's name. Here is a company where it is specifically told, "In this quarter, that means, from April to June 2004, the refining margin of this company has gone up to 7 dollars per barrel compared to 5 dollars per barrel". It is not a public sector refinery; it is a private sector refinery. In this quarter, Sir, it has gone up from 5 dollars per barrel last year to 7 dollars per barrel. Tell me, within one year or within three months, what is the magic mantra by which the refining margin has increased by 3 dollars? The only parameter is 'because the crude price is higher', and this is in the first para of the statement which you have given, Sir. This is the basic reason why the refining margin has gone up. The system of calculating import parity price of products is wrong. I would like to know, what type of decisions, which committee, which experts had decided the basic concept of fixing the price of import parity for the products, whether any Committee was appointed by the earlier Government when they dismantled this pricing system. Sir, if you go through the earlier history of the petroleum industry in this country, import parity pricing is not a new thing. It was there earlier also. It was there upto 1976 when there was a change in the administered pricing system. There was a committee; there were two-three committees which had gone into the parity of pricing. Unfortunately, in this case, whether the change was there, how the system works, so far as the product is concerned, many people do not know. The basic point is, Sir, pricing itself is so opaque that a common man cannot understand it. Mr. Shourie is not here. A brilliant student like Mr. Aiyar can understand it, or, a World Bank specialist like Mr. Shourie can understand it. But, how will a common man like me understand how the pricing is being done, how it is increased? In this import parity system, here you will see your own figures. From November itself, so far as diesel is concerned, it is 50 dollars per barrel, which is the global price. The crude price is 38

dollars. That means, for conversion of 38 dollars crude outside, there is a conversion cost of 12 dollars. When I again calculate the price for a consumer, it will thus be 50 dollars plus the transportation cost plus 10 per cent import duty plus insurance plus the ocean loss. All this will be computed. This is theoretical. This is computation. This cannot be told as a loss to any company. We are not processing in production. You call it under-recovery. People are calling it a loss. Some of those knowledgeable industry people in media say that it is a loss. What is the loss? Is it a production loss? Is it a refining margin loss? This is a computed cost. When you are calculating the conversion cost from 50 dollars upto this, are you putting 10 per cent import duty? Even in diesel, it is 10 per cent or 15 per cent. What is the basis? What is the basis of putting those duties while you are importing it? And these are computed.

MR. DEPUTY CHAIRMAN: Mr. Dipankar Mukherjee, there are about 13 speakers to seek clarification.

SHRI DIPANKAR MUKHERJEE: I will take another 5-10 minutes.
...(Interruptions)...

MR. DEPUTY CHAIRMAN: I am just reminding all the hon. Members that we should confine ourselves to the time limit because 13 speakers have to seek clarifications.

SHRI C. RAMACHANDRAIAH (Andhra Pradesh) : Sir, the time is no constraint for this.

MR. DEPUTY CHAIRMAN: No, it is just a reminder.

SHRI NILOTPAL BASU (West Bengal) : Sir, for the last few days, we have not been able to utilise the time at our disposal. So, today at least...

SHRI DIPANKAR MUKHERJEE: Sir, I will try to restrict myself. So, the first major point is that this basis of fixing the prices of petroleum products, based on import parity, has not been done scientifically. Mr. Shourie has come. Secondly, it has not been done through any system of Committee. This has been *ad hoc*. My party and I have an apprehension that this has all been done to specifically benefit the biggest refiner of this country. Why? Some people are now shedding tears for Public Sector Oil Companies. Those who are so keen on privatising, some of those people I find now shedding crocodile tears. What will happen to the Public Sector Oil Companies? Public Sector Oil Companies are, at least, involved in

marketing and marketing margins are coming down. But what about the refiner? So, my first question will be: What is the basis of fixing this Import Parity Price for the products as a whole? Secondly, is it a fact that some export duty drawback incentive is given to some exporters? Those who export petroleum products; those who are not involved in marketing within the country. They export refined petroleum products. If so, what was the quantity last year? And what is the quantity this year? How much loss is involved? Why that figure is not coming out? My third question is this. And these things I am asking on behalf of my party or from my side. Right now, why don't I feel that the price whatever is being increased is justified? I will not use the word 'rollback'. Going back to that, why are you telling that whatever recommendations have been given are from the Left? This is not the Left. This whole wrong campaign is being launched that these are the demands of the Left. No, Sir. These are the demands of the Standing Committee. The Standing Committee had given certain recommendations. Not only this Standing Committee but the Standing Committee of 1992 had also given certain recommendations. If the same thing is being followed ...*(Interruptions)*... I will give those recommendations. The Minister is very much aware. I will give it briefly. One is the withdrawal of cess. Now, this is an issue where irrespective of parties, recommendations of the Standing Committees from 1991 onwards -when Shri Ballabh Panigrahi was the Chairman, then Mr. Antulay was the Chairman and then Shri Mulayam Singh Yadav was the Chairman- told in uncertain terms that the cess of Rs.900 per tonne, which was increased to Rs.1800 per tonne by the Finance Minister in 2002, would be charged under the Oil Industrial Development Act, 1974. And through OI DB, this money was supposed to go for petroleum development. Can the Minister clarify whether the Petroleum Ministry has got any money out of that cess for the development of oil since 1992 onwards, till now?

SHRI C. RAMACHANDRAIAH: It is still with the companies.

SHRI DIPANKAR MUKHERJEE: No. It has gone into the Consolidated Fund of India. According to my estimates, this figure is Rs.5,400 crores. I do not know, but the Minister may kindly check it up. How much money was collected through cess on Public Sector --ONGC and Oil India Limited- for those blocks which was given prior to the new exploration branches? What is the justification of that cess? The recommendation of the present Standing Committee, has been given ...*(Interruptions)*...

SHRI V. NARAYANASAMY (Pondicherry) : For road development.

SHRI DIPANKAR MUKHERJEE: No, this is not for road development. I think Mr. Minister will explain about that cess. About Rs. 12,000 crores have been collected this year, but not a single penny has gone to the Petroleum Sector. This has gone into the Consolidated Fund of India. This cess was meant for the development of Petroleum Sector when only Public Sector Companies are there. Now, you are getting so much of investment, and you talk about new blocks, foreign investors, and so on and so forth. Why a cess has to be charged on oil produced by ONGC and Oil India? There are demands for withdrawal by all the Standing Committees, by all the parties on this issue. Rs.5,400 crore is one relief for the under recoveries of these companies ...*(Interruptions)*... Which infrastructure? No, no. I am again referring to that. The Minister will explain to you the Oil Industry Development Act, 1974. This is not for infrastructure. ...*(Interruptions)*... if you want to recommend "You implement Fifth Pay Commission recommendations through the money collected through oil", I don't mind. That should be told by the Government. I will come to that also. How do you..... *interruptions*... No, no I am not losing time. You will give me time, Mr. Deputy Chairman.

MR. DEPUTY CHAIRMAN: No, no..... *interruptions*... You can seek clarification. ...*(Interruptions)*...

SHRI JAIRAM RAMESH (Andhra Pradesh): The transition from administered pricing to import parity pricing was not done in a fit of absent-mindedness. ...*(Interruptions)*...

SHRI DIPANKAR MUKHERJEE: I am talking about this OID Act now. You are unnecessarily ...*(Interruptions)*... I am talking about this cess. ...*(Interruptions)*...

SHRI JAIRAM RAMESH: It was not done in a fit of absent-mindedness, it was not done in order to enrich a few private sector companies; it was done on the basis of recommendations of a Committee which took two years from 1994 to 1996. The decision to dismantle APM and retain subsidies for kerosene and LPG was taken by the United Front Government in November, 1997, when Mr. Gujral was the Prime Minister. That decision was implemented by the NDA Government and continued by the next Government. So, there is a continuity in this policy and the policy has been -- petrol and diesel on import parity, kerosene and LPG subsidised by the Central Government Budget. I think, on facts let us not

go wrong. The fact is we have gone into import parity on the basis of a Committee's recommendations which took two-and-a-half years, implemented by three successive Governments, one Government of which you were a part. So, I don't think it is right to say that import parity was done in a fit of market fundamentalism. It's not true. The Government has retained the right to subsidise kerosene and LPG from the Budget.

SHRI DIPANKAR MUKHERJEE: Now, you are repeating.

SHRI JAIRAM RAMESH: No, I am not. I have just made a point.

SHRI DIPANKAR MUKHERJEE: I am sorry. I can again clear it.
...(Interruptions)...

MR. DEPUTY CHAIRMAN: You yielded at that time....
...(Interruptions)...

SHRI DIPANKAR MUKHERJEE: Let it be cleared first. Firstly, I did not say that import parity price was fixed in 1997 in all of a sudden, in a hurry, without any Committee. I did not say that. I said it was fixed in 1997 but in this implementation, when you come to 2002-03 and right now also, this Ministry or the earlier Ministry, they could not go to the market, they could not dismantle in totality because they found that they cannot do it. Some economist can sit and take a decision, but those who go for the votes there, those who go to the people, they cannot go there and say that, "Today, I will sell kerosene because some Committee has told". What I said was, the fixing norm of pricing of petroleum products on import parity was done in a hurry. How the price of diesel will be fixed on import parity? How have you fixed it? Which Committee has done it? And this is what requires a revisit. This is where I said market fundamentalism is involved because if I am a consumer, why should I give the conversion cost twice? Imported, yes. You have the crude. You have already converted the cost, that conversion cost of twelve dollars plus you add something where you put a duty component also and then you fix up this price. What is the refining bonanza, what is the refining cost? You tell me, what is the refining cost in the private company and what is the refining bonanza?

MR. DEPUTY CHAIRMAN: No, no that is what I have said.

SHRI DIPANKAR MUKHERJEE: Okay, I was coming to the cess, Sir. I would like to enquire whether the cess is supposed to be reviewed, whether the cess can be withdrawn or not. This was the recommendation of the Standing Committee. That is the first thing. Second, the subsidy,

Sir. Who is doing all this campaigning of 'subsidy'? When you are taking tax from some people, and also giving some relief, you should not call it a subsidy. If you are giving-taking tax, then this Committee said it, not the Left. For Mr. Jairam Ramesh, he should know that in 1997, we were not a part of the Government and at that time also, the CPM had opposed. He cannot say that. Shri Mulayam Singh Yadav had told openly, "Yes, I was the Minister"...*(Interruptions)*... Shri Mulayam Singh Yadav had the courage to say, "Yes we imposed it but they opposed it that time also".

श्री संजय निरुपम (महाराष्ट्र): सपोर्ट वापस ले लो ।

श्री दीपांकर मुखर्जी: वह नहीं होगा । यह विविध भारती का फरमाइशी प्रोग्राम नहीं हैं कि आपकी फरमाइश है कि आज सपोर्ट हटा दो और हम सपोर्ट हटा लें । । We are talking about petroleum products. *(Interruptions)* My second point is, Rs. 4,000 crores straightway becomes Rs. 5,400 crores, which can be withdrawn.

The second recommendation of the Standing Committee... *(Interruptions)*...

MR. DEPUTY CHAIRMAN: I again remind the hon. Member that this is not a debate. Please seek clarifications only.

SHRI DIPANKAR MUKHERJEE: Okay. I am sorting it out. Now, three months' period has gone. What are the comments and observations of the Ministry on the recommendation of the Standing Committee on withdrawal of customs duty on kerosene and LPG? What is the view of the Government on the recommendation--again not of the Left but of the Standing Committee-- that the excise duty on so-called subsidized products of kerosene and LPG should be withdrawn? What is their decision on the recommendation of the Standing Committee that with regard to *ad valorem* duty structure on* different taxes, you should have a specific component of duty on such products? That means, based on the duty on price, the tax also increases. Instead of that, you should have a specific component of duty on such products so that all of a sudden, there is no bonanza. That can make a lot of change in the pricing, and you can roll back. What is the response of the Government to the specific recommendation of changing the *ad valorem* duty structure to fix specific duty structure in respect of both, the sales tax as well as all excise duties?

The third point is, whether the Government is now thinking of a cap on the refining margins because, in the power sector also, there is a cap, 16 per cent return on investment. I would like to know whether the

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Government can give us the figures of the refining margins of all refining companies in the refining sector, and whether there can be some cap, at least, when the global price goes so high.

Lastly, before making any further price revision, whether a Committee would be specifically constituted right now, with a two months' time period, to see that the pricing structure is streamlined. Forget about duties. Everyone knows about that part. It should not be some sort of a feudal benevolence that someone says that I have reduced 2 per cent, the State will reduce 3 per cent. No. I am speaking about the duty structure as a whole, as you have told, time and again, that 30 per cent duty is in excess. What is the fuel component and non-fuel component in the retail selling? The figures which I had given to the Prime Minister giving Rs. 5,400 crores, the sale cess, reduction in these duties as well as the export duty which are coming back, duty drawbacks which has been given, I am sure, would take care of the under recoveries and the price rise is not necessary. Even if it is still necessary-- this is my last point- I would address the point raised by Shri Jairam Ramesh. Wherefrom will the finance come? Wherefrom will the money come? Who will pay for the Fifth Pay Commission expenditure? This is the last point.

MR. DEPUTY CHAIRMAN: Mr. Jairam Ramesh has made that point. You need not answer that point.

SHRI DIPANKAR MUKHERJEE: I am asking the Minister to clarify that if resource mobilization is the only problem which hinders this Government to roll back the prices- oil is the best source for resource mobilization through cess and duties- would they kindly go through the figures? This can be passed on to the Finance Minister. This was also our demand as to what was the total amount recoverable on account of the duties on corporate tax, customs duties, income tax and then central excise duty. The former Finance Minister is also sitting in the House. Sir, on 31.3.1998, the outstanding arrears were Rs. 47,000 crores. In 1999, it became Rs.52,000 crores; in 2000-01, Rs.62,000 crores. In 2002, it was Rs.87,000 crores. Rs.87,000 crores corporate duty, customs duty, excise duty! And for 2003-04, I could not collect the figures because the information was being collected. That was the information received from the Government. If it is one lakh crores of rupees, who stops you from getting Rs. 10,000 crores or Rs. 15,000 crores from these taxes? Let us have a poor friendly-Government. This Government wants to become poor-friendly! If you want to go with a corporate-friendly Government (*Time-Bell*) And if

the arrears go on increasing like this, then there will not be much of a change...*(Interruptions)*... He is changing the sides! The sides may change again. So, I again insist that let us have our resource mobilisation by collecting the outstanding arrears of taxes. Instead of burdening the people with more taxes, let us remove the crisis right now.

MR. DEPUTY CHAIRMAN: I would like to remind the hon. Members that we have to finish the Call Attention before 1 o' clock, including the Minister's reply! ...*(Interruptions)*...

श्री संजय निरूपम: जिनको सात मिनट बोलना था वे चालीस मिनट बोले हैं।

MR. DEPUTY CHAIRMAN: I want to remind all of you to only seek clarifications. ...*(Interruptions)*... Shri V. Narayanasamy, please seek clarifications. You have two minutes!

SHRI V. NARAYANASAMY : Sir, I went through the hon. Minister's Statement because I will be speaking on a particular question. Because it is really a painful decision taken by the Government, they cannot escape. It is also because the previous NDA Government could not touch it at the time of elections, when the international price of crude was increasing, for political reasons; maybe, they were thinking that it was their vote bank; they wanted to encash that. Therefore, for four months, they could not administer the price mechanism, and the burden has been passed on to the present UPA Government. There was some force in the argument made by Dipankar Mukherjeeji. Our hon. Minister has also been making various statements in which one thing he repeatedly says is that if the duties are removed, the petroleum price will not be more than Rs.17/-, and the diesel price also will not go beyond Rs.18/-. Then the Government has to strike a balance. On one side, the social welfare measures have to be implemented. For that, the Government has to impose a tax. On the other side, the common people who are enjoying the benefits, the middle class people and the lower middle class people who have been enjoying it, and the poorer sections of society who have been getting kerosene in rural areas, should also be protected. The price of kerosene had been kept by the previous Government on a par with the price of LPG, without making the people feel the burden of increasing crude oil prices. Even our own UPA Government, I can very well say, at the intervention of the Left Party leaders, did not increase the price by five rupees per month, which they say is an automatic increase. That has been stopped by the hon. Prime Minister. The hon. Minister of Petroleum has also agreed.

Sir, I want to put three or four specific questions. The Petroleum Minister and the hon. Finance Minister have also written to the State Governments and asked them why they cannot reduce the sales tax to a certain extent. He has asked the State Governments to reduce the sales tax imposed by them to a certain extent. In Andhra Pradesh, the sales tax is more than Rs.30/-; in Tamil Nadu also, it is- more than Rs.30/. The burden will not be felt by the people. ...*(Interruptions)*... I do not know. But it is merely Rs.16/- we are imposing. You can go through the record. ...*(Interruptions)*...

DR. ALLADI P. RAJKUMAR (Andhra Pradesh) : What about Pondicherry?

MR. DEPUTY CHAIRMAN: Pondicherry is a small State! ...*(Interruptions)*...

SHRI V. NARAYANASAMY: I am not saying that you should remove it. I want that you should also share the burden. That is what I am telling the State Governments. When the Central Government has reduced it to a certain extent, ...*(Interruptions)*...

SHRI C. RAMACHANDRAIAH: You take a lead in the States where you are ruling.

SHRI V. NARAYANASAMY: You go through the figures.

SHRI MANI SHANKAR AIYAR: Sir, may I just clarify that Pondicherry has the lowest sales tax?

SHRI V. NARAYANASAMY: That is what I am saying. The hon. Minister has been mentioning a good idea. Yesterday, I saw on the TV a news item about the merging of oil companies. The hon. Minister had mentioned about the output efficiency and the increasing standard, quality and competition at the international level. The hon. Minister had also mentioned about the regulatory mechanism and the merging of oil companies. I don't know how far the hon. Minister is going to achieve that goal. But that is one area where the Government has to concentrate because now, as far as crude is concerned, about 71 per cent is imported component. By 2020, it is expected to be 82-85 per cent. Therefore, the Government has to shell out a lot of money by way of foreign exchange for importing crude. I would request the hon. Minister to consider investment on exploration of oil and gas within the country. Now, in Andhra Pradesh, large reserves of gas have been found. But, unfortunately, though the hon.

Minister comes from Southern India, he is taking the gas to Mumbai, Maharashtra and Gujarat. The southern States should also be taken care of. ...(*Interruptions*)... That is what I am saying. The southern States also need power.

MR. DEPUTY CHAIRMAN: Now, you come to prices. Don't interpret like southern States, northern States, etc.

SHRI V. NARAYANASAMY: Sir, I would like to say one point. Why don't you allow, by way of competition, public sector and private sector investments in oil and gas exploration? Why doesn't the Government consider this issue? The investment in that direction is coming down year after year. Therefore, I want the hon. Minister to consider this point.

Finally, I would like to submit that the Government should not, at any cost, touch kerosene as also the LPG. I want an assurance from the hon. Minister in this regard because the interest of a large number of people who are using it should be protected. This Government is committed to protect those who are living at the subsistence level, the middle class, the lower middle class and the poorer sections of the society. So, I want the hon. Minister to give an assurance on this issue in this House. Thank you.

SHRI YASHWANT SINHA (Jharkhand): Mr. Deputy Chairman, Sir, the problem that we are facing is a problem of the whole nation because India, as the Minister has said, is dependent on imported oil and more than 71 per cent of it is imported. Therefore, if there are fluctuations in the international oil market, clearly that has an impact on us, both in terms of outgo of foreign exchange, which is, fortunately, not so much an issue now, and also in terms of prices. I don't know whether in this House or in the polity, in general, there could be a consensus on how we should tackle the problem. If there is a political consensus, then it is easier every time for the Government of the day to deal with the- problem because it gets involved in the politics of the day. Therefore, it becomes that much more difficult and also contentious. When we were in office or somebody else was in office, if we raised the prices, it was as painful a decision as it is today. Then many political parties, which are represented in this House, hit the streets and criticised the decision without understanding the economic implications, and the same thing is happening even today. I don't know whether it is possible for us to arrive at a national consensus. But pending that consensus, there are still some issues which need to be highlighted.

Mr. Dipankar Mukherjee talked about "inherited from" as if, in our six years, we created all the problems and left these behind for them. I am glad that the hon. Member, Mr. Jairam Ramesh, got up and explained why and how the decision was taken in 1997. I would only like to plead with the Members in this House that if we go into the paternity of decisions, then, we would have to do a lot of introspection ourselves because Government is a continuous business. It does not stop and begin again when a new Government takes office. There is so much continuity in Government that when one Government goes and another Government comes, many of the policies are continued. A decision was taken in 1997 that petroleum prices should be deregulated. I am not a market fundamentalist; but I will hasten to add that I am not an anti-market person as well. So, I am not going hammer and tongs at all even if it is good from the point of view of the market. The other countries have faced the same problem. It is because when international crude prices went up, the other importing countries have also had to raise the consumer prices. But I don't think it has become a political issue in many of those countries like it has become in our country. And, why does it become a political issue? Because friends like Mr. Dipankar Mukherjee make it sound as if there is a lot of *gol maal*. He was hiding some photograph - I do not know of whom - and quoting from a newspaper report certain figures. I would like the hon. Minister to clarify as to what has been the history of that private sector refinery, who has done what. And, have they indulged in over-profiteering? If they have indulged in over-profiteering outside the policy framework which has been laid down by various Governments including the Government which the Left Parties supported at that point of time and the Government which has been in existence for the last six months, which also they are supporting, then, they will have to share the guilt of permitting that company to indulge in over-profiteering. And, if they are guilty - I am saying it with a sense of responsibility in this House - hang them by the nearest pole, without trial if you want. But then making insinuations in this House, as if we were hand-in-glove with somebody, that they were hand-in-glove with somebody, I think, is irresponsible political behaviour.

There is a question of import parity price, and Mr. Jairam Ramesh is quite right in pointing out that there was a Committee, an Expert Committee, which went into this, and that Committee suggested a method by which the import parity price could be determined. And, this concept was created. The import parity price has been determined ever since, and the oil companies have benefited from this. We are all aware of the fact

that our oil companies are the best profit-making companies of this country. What do we want to do with it? Run them to the ground, make them like every other PSU in this country which is loss-making! This is a policy decision which will have to be taken. But, be that as it may, Mr. Deputy Chairman, I would like to point out that there are four stakeholders in this whole business. The most important stakeholder is the consumer. We are all concerned about the consumer. Nobody would want the consumer to be burdened beyond a point. And even the Minister, what does he say in his statement? He says, "The Government has thus taken appropriate measures to protect consumers from the increase in international prices to the extent possible." Now, every Government tries to protect the consumers to the extent possible. Sir, I was talking about stakeholders. The consumers are the most important stakeholders. We are all concerned about their welfare. And I don't think anybody else is more concerned than any one of us. All of us are concerned about them.

The second stakeholder in this whole business are the oil companies, which also have to balance their books, which also have to give a return to their shareholders. So, the oil companies are the second stakeholders. The third stakeholder is the Government of India, because it lays down the policy. And the fourth stakeholder are the State Governments because they also impose taxes and levies. So, these are the four stakeholders, or, the four players in this field, and whenever there is, therefore, a burden like the one because of increased international prices of crude -- and the Minister .has given the figures of how they have gone up -then, we have to determine how that burden should be distributed. We can take the most populist view that nothing at all should be passed on to the consumer, and let us not, Mr. Narayanasamy, indulge in the politics of 'we did not raise it; we raised it a number of times, you are aware; and we did not raise it at that point of time, so the burden has come now' and so on. The point is: How do we distribute this burden? There is a burden on the whole country. Nobody can deny this. How do we distribute this? Is the Government in a position to take the entire burden? The Government has already reduced some of the duties and taxes. I don't know; the Minister has not mentioned that because, probably, it is not in his charge; it is the Finance Minister who will be able to tell us what has been the - if you do not want to use the term "loss" - reduced collection of taxes of the Government of India as a result of these changes in taxes. I believe, the figure is something like four to five thousand crores of rupees, which is

going to have an impact on the fisc of this country. The second is to pass the burden completely to the oil companies. Let them take the burden. The third is, the Government of India completely abolishes all taxation on petroleum products, as perhaps the Petroleum Minister has demanded in internal meetings, which have become public knowledge. And the fourth is that the State Governments also pitch in and do their bit. If their heart is bleeding, and bleeding more than, let us say, my heart for the people of this country, will the Government of West Bengal completely abolish the Sales Tax on all oil and petroleum products?

AN HON. MEMBER: Tamil Nadu also.

SHRI YASHWANT SINHA: Whichever State Government. But because Mr. Dipankar Mukherjee was speaking with such sentimentality and such emotion and such passion, will he recommend this to his Government and will the Government of West Bengal listen to him and abolish all taxes and set an example for the rest of the Governments in this country, including the Government of India?

Sir, there is certainly a question of profitability of the oil companies. And this is a point on which I would like to have clarification from the Minister of Petroleum. The two figures that he has quoted would show that since April, that means, during the current financial year, the oil companies have had -- the term he has used is -- 'under-recovery' of almost Rs. 11000 crores. How has that impacted on their balance sheet? How is the 'under-recovery' going to impact on the balance sheet, as far as the whole year is concerned? And these are serious issues; these are not issues of partisan debate here. The public sector oil companies also have private stakeholders and private equity has been made available to the people in India and abroad on the basis of Certain assurances, la, what is happening to the oil companies today, in line with those assurances? Are we taking the shareholders or the stakeholders in these companies for a ride? Are we violating any of the assurances that *me* had given to them at the time when we invited them to buy their shares? This is a serious issue: The second point is, what is the effort...

1.00 P.M.

MR. DEPUTY CHAIRMAN: Now, it is 1 o'clock.

SHRI YASHWANT SINHA: Sir, I will finish in a few minutes.

SHRI DINESH TRIVEDI (West Bengal) : Let him finish.
...(interruptions)...

MR. DEPUTY CHAIRMAN: So, we will complete the clarifications.
Then, we will break for lunch. ...(Interruptions)...

SHRIMATI SUSHMA SWARAJ (Uttaranchal) : Let him complete first.

SHRI YASHWANT SINHA: Sir, I am asking the hon. Minister what action, if at all, has been initiated by the Government of India to tackle this problem at the international level, at the global level. I am saying this because again Mr. Dipankar Mukherjee referred to petroleum product prices in 1998. I am putting pressure on my memory, and I can recall that in 1998, perhaps, I will stand corrected by the Minister, he might have the figures, the crude, prices for the Indian basket were around 10-12 dollars. In fact, charity for the oil producing countries because of the impact on their economies of this reduced oil prices was an international concern in those days. Then, crude prices had started increasing. In 2000, we faced a major problem because crude prices went up, may be 35 dollars to a barrel or something. Again, in 2002, international crude prices went up, almost crossed 40 dollars. They crossed 50 dollars this time. Now, on both occasions, and there will be a record in the Government, both in the Ministry of Finance as well as in the Petroleum Ministry, we had tried to take up this matter at the international level in the OPEC and other forums to find out whether the oil producing countries could give developing countries, and especially a large oil importing developing country like India any relief. Could there be a differential pricing policy for developing countries, and, as I said,,,* large oil importing developing countries like India? I would like to know whether any effort has been made and what progress has been made in this direction. But, I will make the point that we need to put our act together with other developing oil importing countries so that we are able to put pressure on the oil producing countries. They cannot take us for a ride like it has happened in the recent past.

Sir, the third point on which I would like to have clarification from the Minister is that the whole core of this deregulation of petroleum prices was competition. Competition not merely among the public sector

companies, but competition among the public sector companies as well as private sector companies. That was the core. We cannot implement just one part, and not implement the other part. I don't know what the hon. Minister or the Government of the day is doing with that whole scheme of things that had been attempted in our time. But the clarification I am seeking is, we are seeing 1,2,3,4, 5, a few private sector petrol stations. We had laid out a policy which private sector company and on what term can enter into marketing. What is the policy of the Government with regard to private sector companies entering marketing, taking up retail distribution of petroleum products and what has been the progress? If the same policy is being followed by the present Government, what has been the progress? If the same policy is not being followed, then, what is their policy now? Because I would like to say that if you are not going to permit the private sector to come into marketing, then, let us forget about dismantling of the prices. Let us go back to the OI DB days; let us have the same system. As far as fertilizer is concerned, we can also go back to the regulatory days of the old.

But this has become very important. So, what is happening here? I am asking this because I recently read in one of the newspapers that Shell is back in the country after, I don't know, 36 years and they have opened a petrol station somewhere in the South, Karnataka or somewhere. So, what is happening to this? I am saying this because our experience has been what, Sir? Our experience in the telecom sector has been that competition creates its own discipline as far as the market is concerned, and that is a market of prices. We are aware of the fact that in the telecom sector, prices have progressively come down and become far more consumer-friendly than they were during the days of monopoly. ...*(Interruptions)*... Yes, absolutely, I have no problem in leaving it to the market forces: Let me make it clear.

SHRI N.K. PREMACHANDRAN (Kerala) : If BJP...*(Interruptions)*... I have gone through your speech. You are fully supporting the Government, no? Fully justifying. ...*(Interruptions)*...

SHRI YASHWANT SINHA: I am coming to that. Don't jump to conclusions. ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: Please sit down. ...*(Interruptions)*... Let him complete. Please sit down.

DR. T. SUBBARAMI REDDY : He is only telling the facts. There should be no objection. ...*(Interruptions)*...

SHRI YASHWANT SINHA: The fourth clarification I would like to seek from the hon. Minister is - and this is something which was pointed out, I think, by Shri Narayanasamy - that the Finance Minister and the Petroleum Minister have, both, approached the State Governments for them to, also, adjust their taxes. Have they actually done so? If they have done so, what has been the response of the State Government?

Then, yesterday, in Question Hour, the Minister had given a reply to two questions, I remember, where he said, among other things, that the Government were doing two things, to ensure security on the oil front. One was acquiring acreage abroad. It is a policy which we have followed vigorously. You are aware of the investments we had made in Sakhlain, in Sudan. The Sudan investment was very, very profitable because we entered a producing oil field, the oil field which was already in production. This clearly is the policy both for oil security as well as in order to be able to get our own supplies that we increase our acreage abroad. What progress has been achieved in this, in the last six months? Also, supplementing the petroleum resources with non-conventional additives like ethanol, bio-diesel. Here, I have a specific clarification to seek from the Minister. If I am wrong, he can correct me. But, I believe, we had made 5% addition to petrol with ethanol mandatory. That was compulsory. I believe that that has been changed now. It has again been made an optional, as a result of which nothing much is happening. Is that true? Is that correct? Is that happening?

Then, bio-diesel. What exactly is being done to supplement the petroleum resources that we have with this so that the dependence on international prices is reduced?

Finally, Sir, in response to the question which was raised by our dear colleague, we don't believe in the policy of running with the hare and hunting with the hound. This is the hypocrisy of the Left. You support the Government inside and oppose it in the streets outside. The people of this country, let me tell you, have seen through your strategy. ...*(Interruptions)*... The people of the country have seen through it. The people of this country have found out that you are nothing but hypocrites. Every time you support the Government, you go inside and touch their feet for loaves and fishes. You will go inside, touch their feet so that you will get loaves and fishes and you go outside and become *sher-e-babbar*, white flag inside and red flag outside. ...*(Interruptions)*... This is the hypocrisy and the people of this country have seen through it. So don't challenge me. We are opposed to the price rise. We will obdurately continue to oppose price rise.

...(Interruptions)... Unless you stand up...(Interruptions)... Unless Mr. Mani Shankar Aiyar stands up in the House and says on behalf of the Congress Party that their opposition to our price rise was a mistake that they had committed...(Interruptions)... Say this, if you have the courage. ...(Interruptions)... Thank you.

MR. DEPUTY CHAIRMAN: Mr. Dinesh Trivedi. I think we should adhere to the time. Just seek clarifications.

SHRI DINESH TRIVEDI: I thank you very much, Mr. Chairman Sir. I promise you, after what Mr. Yashwant Sinha had to say in terms of clarifications and in terms of suggestions and even my friend Mr. Dipankar Mukherjee made some very valid points, I do not think I have too much to add. So, in any case I am not going to take much time for the sake of speaking alone. However, I am going to take a couple of minutes. Some serious debate was going on and some serious issues were raised. I think, we went into politics of it. I think it could have been avoided. So I would start with what my friend Shri Dipankarji mentioned. He said, that they inherited the inherent. Sir, I just, want to read one line. Giving you statistics, Sir, that during April to September 2004, the inflation, which comes under the group of petroleum products, was 8.8 per cent as compared to 6.4 per cent in 2003. This is what we gave it to Mr. Dipankar and Sir, we were very happy, I personally was very happy that the problem of the *aam janata ke saath* would be resolved. I have no doubt about it that my friend Shri Mani Shankar Aiyar is a very capable person and as the situation would have it, he is also involved with the Panchayati Raj which deals with the rural people of this country and that is where I am little saddened. Sir, if you see the Consumer Price Index, the increase in the fuel price is much more higher in the rural India than in the urban India. Sir, we thought that there would be some checks and balances when the Left decided to support the UPA. Yes, there have been checks in terms of the actions of the Left. Lot of checks, there is no action there and there has been a lot of balancing of the poor because of them. I would remind my friend, Shri Dipankarji that the subject is so bitter. ...(Interruptions)...

SHRI V. NARAYANASAMY: Let us come to the subject.

MR. DEPUTY CHAIRMAN: Let us not waste the time in crosstalk. Let us not waste the time. You please seek clarifications.

SHRI DINESH TRIVEDI: If you will prevent me, then, I will carry on and have my say. All that we are trying to say is that the rupee is

becoming so strong and the crude price is falling to such a level - it has fallen from 55 - it has fallen to almost 20 per cent. So, I would first of all like to seek this clarification: what has taken this Government such a long time to announce the reduction in the price of petroleum products, especially, diesel and LPG which are being used. Sir, I will give you some statistics in two minutes. In 1975 - again, if we talk about what we had inherited - the price of petrol in Mumbai was Rs. 3.26.

SHRI V. NARAYANASAMY: Why don't you go back to thirty more years?

SHRI DINESH TRIVEDI: What is the price of it today? Today, it is Rs. 43.23. The price of crude oil was US \$ 39 per barrel in 1990. And, today, it has come down, almost, to below US \$ 45 per barrel. It was US \$ 39 per barrel in 1990 when petrol was priced at Rs. 33 per litre. And from Rs. 3, it has gone up to Rs. 45. What I am trying to say is this. Being an economist Mr. Jairam, you will appreciate this much more than anybody else. All I am trying to ask the Government is why is it taking such a long time in reducing the prices. I would like to know from the hon. Minister as to when he is going to reduce the prices,

Then, I must compliment our oil companies. All our oil companies are world-class, led by IOC and ONGC. The ONGC is doing so much of exploration work worldwide. This is where I will elaborate the point which my friend, Mr. Dipankar, made on the OI DB. Sir, under the 1974 Act they have been collecting the Cess. Mr. Dipankar has given a figure. I think it is not correct. I would like to correct that. According to me, it is more than Rs. 20,000 crores till 1994. Out of which, only Rs. 902 crores were given till 1994. I don't know what the figure of today is. It is quite possible that it would have gone up to Rs. 50,000 crores.

MR. DEPUTY CHAIRMAN: Please conclude.

SHRI DINESH TRIVEDI: I would like to know from the Minister when will the Government let this Parliament know as to what exactly they have in mind as far as this OI DB is concerned. I am sure we cannot take this country for granted because now you are levying cess on education as well. I am afraid, if cess, which has been levied for a particular purpose and is not utilised for that, then it amounts to -- I don't want to use words like fraud or anything -- misleading the people of this country.

Lastly, I would say what Shri Yashwant Sinha has said that we not only need food security in this country but also we need energy security. So, would the Government like to come out with some kind of a policy on energy for India? Thank you.

MR. DEPUTY CHAIRMAN: Mr. Sanjay Nirupam. Mr. Nirupam, you seek only pointed clarifications. No speech.

SHRI P.G. NARAYANAN (Tamil Nadu) : Sir, it is an important subject. So, we can continue this after lunch.

MR. DEPUTY CHAIRMAN: There are two or three Members left. So, I request the hon. Members to seek pointed clarifications because sufficient light has been thrown on the subject. There is no point in repeating what the earlier speakers have said...*(Interruptions)*...

SHRI RAVULA CHANDRA SEKAR REDDY (Andhra Pradesh): Sir, we can continue the discussion after lunch...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: We will adjourn at 1.30 p.m. ...*(Interruptions)*... By that time, we can finish it..*(Interruptions)*...

SHRI C. RAMACHANDRAIAH: Do you mean to say that we will have to finish it by 1.30 p.m.?

SHRI P.G. NARAYANAN: Sir, this is an important subject and more time should be given for this..*(Interruptions)*...

MR. DEPUTY CHAIRMAN: If you cooperate with me, we can complete it by 1.30 p.m..*(Interruptions)*...

SHRI JAIRAM RAMESH: Sir, let us forego the lunch hour...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: I leave it to the House to decide...*(Interruptions)*...

SHRI SANTOSH BAGRODIA (Rajasthan) : Sir, it will take one more hour for hon. Members to seek their clarifications..*(Interruptions)*... We cannot finish it before 1.30 p.m. It is a very serious matter. Hence, we can adjourn for lunch and then continue with the discussion...*(Interruptions)*... It does not make much difference...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: What I am suggesting is this. We will sit up to 1.30 p.m., adjourn for lunch and meet again at 2.30 p.m.

SHRI MANISHANKAR AIYAR: As a gesture to the poor consumers, who have been suffering the burden of increased price of petroleum products, can we sacrifice our lunch today? ...*(Interruptions)*...

SHRI SANTOSH BAGRODIA: If he says that the consumer will not suffer, I am willing to forego my lunch for one month...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: We will strike a balance..*(Interruptions)*...

SHRI C. RAMACHANDRAIAH: If our sacrifices are going to achieve the objective, we will forego our lunch today.

श्री संजय निरूपम: उपसभापति जी, यह विषय बहुत गंभीर है, लेकिन एक लंच के लिए हम इसे जितना लाइटली ले रहे हैं, यह निश्चित तौर पर दुर्भाग्यपूर्ण बात है।

उपसभापति जी, मुझे इस साल के शुरू में अप्रैल और मई महीने का चुनाव वातावरण याद आ रहा है। उस समय एन.डी.ए. की सरकार थी और हम सरकार में थे। तब कांग्रेस और उस तरफ के अपोजीशन के जो सारे लीडर्स थे, उन लोगों ने चुनाव में एक पूरा मुद्दा बनाया था कि एन.डी.ए. ने पेट्रोल और डीजल की कीमत बढ़ायी है, इसलिए इस सरकार को गिराओ। उस समय मतदाताओं ने इनकी बात सुनी और शायद इन पर भरोसा भी किया होगा। इसलिए मैं पूरे दुख के साथ अपनी बात शुरू कर रहा हूँ कि नई सरकार आने के बाद चुनाव के समय आम उपभोक्ताओं से जो वायदा किया गया था, उस वायदे को तोड़ा गया क्योंकि यह इनकी मजबूरी थी जैसे कि पिछली सरकार की मजबूरी थी।**(व्यवधान)**.... मैं वही बोल रहा हूँ। आप सिर्फ बोलते रहते हो, आप को सुनने की आदत नहीं है। मेरे कहने का आशय यही है कि पूरी दुनिया में अंतर्राष्ट्रीय बाजार में कूड ऑइल का जो प्राइस बढ़ा, उसका असर हमारे देश में पेट्रोल, डीजल, एल.पी.जी. और कैरोसिन के भाव पर पड़ा जिसके लिए पिछली सरकार भी मजबूर थी और यह सरकार भी है। इसलिए मुझे सबसे ज्यादा दुख के साथ कहना पड़ रहा है कि चुनाव प्रचार के दौरान इसे बिना वजह चुनावी मुद्दा बनाया गया, आम उपभोक्ताओं को बरगलाया गया, धोखा दिया गया और उनके वोट वसूले गए। महोदय, आज भी मतदाताओं को धोखा दिया जा रहा है। यह मेरा पहला चार्ज है।

उपसभापति : चार्ज नहीं, क्लैरीफिकेशन पूछो। संजय जी, आप क्लैरीफिकेशन पूछिए।

श्री संजय निरूपम: उपसभापति जी, मैं दो मिनट में अपनी बात खत्म कर रहा हूँ। अब एक रास्ता ढूँढना चाहिए कि जब अंतर्राष्ट्रीय बाजार में कूड ऑइल का भाव बढ़ रहा है तब क्या हम इतने मोहताज हैं कि जितना उनका भाव बढ़ेगा उतना हमारे यहां भी बढ़ेगा और आम उपभोक्ता इसके दबाव में आएगा। इसलिए इसका रास्ता ढूँढना चाहिए।

उपसभापति जी, इस संबंध में सबसे महत्वपूर्ण बात दीपांकर मुखर्जी जी ने शुरू की और सही नोट, रिफायनरी चार्ज पर शुरू की। महोदय, हमारे देश में पब्लिक सेक्टर यूनिट की रिफायनरीज क्रमशः बंद होती चली जा रही है। आज 70 परसेंट से ज्यादा रिफायनरीज का काम प्राइवेट सेक्टर में हो रहा है। अब एक में हो रहा है या दो में हो रहा है यह बात की बात है, लेकिन पूरी तरह से प्राइवेट सेक्टर रिफायनरी यूनिट्स पर हमें डिपेंड करना पड़ रहा है।

महोदय, मुझे लगता है कि यह सबसे बड़ी गलती हुई है अगर पी.एस.यू. सेक्टर में रिफायनरीज बढ़ायी जाएं तो कहीं-न-कहीं प्राइसेस नियंत्रण में आ सकती है। उस पर एक नियंत्रण स्थापित किया जा सकता है। महोदय, अगर 1.30 बजे मुझे अपनी बात खत्म करनी है तो मैं पहले ही बैठ जाता हूँ।

उपसभापति: नहीं, आप जितना जल्दी क्लैरीफिकेशन नंबर 1, नंबर 2 और नंबर 3 पर आ जाएंगे उतनी जल्दी आपकी बात पूरी हो जाएगी।

श्री संजय निरूपम: उपसभापति जी, मेरा यह कहना है कि आज हम लोग प्राइवेट सेक्टर रिफायनरीज पर निर्भर करते जा रहे हैं, उसी कारण आज यह स्थिति हो रही है। महोदय, इसका दबाव दो वर्गों पर पड़ रहा है—एक उपभोक्ता और दूसरी गवर्नमेंट सेक्टर की हमारी ऑइल कंपनीज। आज 5 हजार करोड़, 7 हजार करोड़ या 11 हजार करोड़ का भार हमारा उपभोक्ता भोग रहा है और वह स्थिति हमारे सामने है।**(व्यवधान)**....मंत्री जी से मेरा कहना है कि अगर इस विषय को इतना लाइटली लेना है तो let us not discuss it. ...*(Interruptions)*...

लगभग 7 परसेंट के आसपास रिफाइनरी चार्ज प्राइवेट सेक्टर चार्ज करते हैं। अब डालर में कितना आ रहा है, मुझे इसकी जानकारी नहीं है। इस फिगर में मैं नहीं जा रहा हूँ। पिछले 5-7-10 वर्षों से लगातार आप देखें तो रिफाइनरी चार्ज वही के वही है। कूड ऑयल की प्राइस बढ़ती जा रही है, कन्ज्यूमर के ऊपर जो उसकी कीमत का दबाव है वह बढ़ जा रहा है। जो ऑयल पी.एस.यू. हैं, उनके ऊपर प्रेशर बढ़ता जा रहा है, लेकिन प्राइवेट सेक्टर रिफाइनरीज का जो रिफाइनरी चार्ज है वह नहीं घट रहा है। तो निश्चित तौर पर आम उपभोक्ताओं के ऊपर यह यह दबाव डिस्ट्रिब्यूट करने से पहले, जिन प्राइवेट सेक्टर रिफायनरीज को रिफाइनरी का काम दिया जा रहा है, उनके रिफाइनरी चार्ज भी रिवाइज किए जाने चाहिए, उस रेट को भी रिवाइज किया जाना चाहिए। तभी कहीं-न — कहीं पेट्रोल, डीजल और तमाम पेट्रोलियम प्रोडक्ट्स के जो फाइनल मार्केट भाव है, उनके ऊपर थोड़ा-सा नियंत्रण स्थापित किया जा सकता है, जिससे हमारे आम उपभोक्ताओं को राहत मिल सकती है।

मंत्री जी, मैं एक बात कह रहा था, आप शायद सुन नहीं पाए, हमारे पास रिफाइनरीज के लिए कितने पी.एस.यू. हैं, क्या उनको बढ़ाने का कोई प्रस्ताव है? बहुत सारी यूनिट्स में या मेरे ख्याल से, हमारी पिछली गवर्नमेंट ने, एक-दो यूनिट्स में डाइवेस्ट किया था। उन यूनिट्स की अभी क्या कैपिसिटी है और नई कैपिसिटी के कितने यूनिट्स बनाये जा सकते हैं? यह बुनियादी तौर पर मेरा एक विचार है। कूड ऑयल पर इम्पोर्ट ड्यूटी पूरी तरह से खत्म की जाये, मंत्री जी, मुझे लगता है कि यह एक बहुत अच्छा रास्ता है, बहुत अच्छी मांग है। मैं माननीय मंत्री महोदय, की इस डिमांड का समर्थन करता हूँ लेकिन फाइनांस मिनिस्टर साहब ने क्या बोला है, जरा यह भी हम पढ़ने की कोशिश करें जानने की कोशिश करें। एफ.एम.साहब ने कहा है, वे कहीं सेमिनार में गये थे, वहां उन्होंने कहा Stating that the Finance Ministry had already cut duties on petro products twice over the last five months, the Finance Minister said that it would be difficult to cut duties any more as programmes like the Food for Work Programme and the Rural Development work जो अभी की जरूरत है। मेरा कहना यह है कि फूड फॉर वर्क या रूरल

डेवलपमेंट की जो स्कीम्स हैं, उनके लिए जो भी फंडिंग चाहिए, वह कूड ऑयल की ड्यूटी के ऊपर ही डिपेंड क्यों रखा जाये ? उसके ऊपर क्यों उसको निर्भर किया जाये ? फंड अरेंजमेंट के कई दूसरे रास्ते हो सकते हैं । इसलिए अगर कूड ऑयल के ऊपर इम्पोर्ट कम की जाये तो आम उपभोक्ताओं की जेब से जो पैसे हम काटते जा रहे हैं, उससे उनको एक राहत मिल सकती है । एक तरफ वहां इम्पोर्ट ड्यूटी पर पैसे वसूल रहे हैं, दूसरी तरफ यहां पर हम अपने उपभोक्ताओं से पैसे वसूल रहे हैं । इसलिए मेरा निवेदन यह है कि मंत्री महोदय इस पूरे विषय को लेकर आगे बढ़ें और फाइनांस मिनिस्ट्री के साथ, पूरे आग्रह के साथ हम सब आपके साथ हैं । इम्पोर्ट ड्यूटी 100 परसेंट एबोलिश हो जाए, खत्म हो जाए, ऐसी व्यवस्था होनी चाहिए । ऑयल इम्पोर्ट बिल इस समय कितना है, यह विशेषकर मुझे मंत्री महोदय से जानना है । जहां तक मेरी जानकारी है कि लगभग 90 हजार करोड़ के आसपास है । यह बढ़ने वाला है, ऐसी आशंका बीच में व्यक्त की गयी थी । इस समय ताजा स्थिति क्या है, जरा बताने की कृपा करें तो बड़ी मेहरबानी होगी ?

जहां तक ऑयल प्रोडक्शन का प्रश्न है, हमारे देश में ऑयल प्रोडक्शन की ओर ध्यान दिया ही नहीं जा रहा है । यशवंत बाबू ने कहा सूडान के बारे में, साथ-साथ उन्होंने सखालीन की भी चर्चा की । सखालीन में ओ.एन.जी.सी.विदेश की तरफ से, आठ हजार करोड़ रुपये हमने इन्वेस्ट किया और वह सखालीन प्रोजेक्ट सचमुच ऑयल प्रोड्यूस करके देगा या नहीं देगा, अभी तक इस बात की कोई गारंटी नहीं है । मंत्री महोदय, अगर हो सके तो बतायें कि ओ.एन.जी.सी.ने पिछले कई वर्षों से एक प्रोपोजल मंत्रालय में दे रखा है कि बॉम्बे हाई में, जिसको अभी हमने मुम्बई हाई कहा, मुम्बई हाई में ऑयल एक्सप्लोरेशन के जो प्रोजेक्ट्स हैं, उनको आगे बढ़ाया जाये, उनके लिए फंड दिया जाये और मंत्रालय उस प्रोजेक्ट को सैक्शन नहीं कर रहा है । एक तरफ हमारे देश में ऑयल प्रोडक्शन बढ़ाने के लिए ओ.एन.जी.सी. तड़प रहा है, ऑयल वहां पड़ा हुआ है, एक्सप्लोर करना है, प्रोड्यूस करना है, उसके लिए मंत्रालय तैयार नहीं हो रहा है । दूसरी तरफ हम विदेशों में रशियन एरिया जाकर, जहां पर अभी पता भी नहीं कि कितना ऑयल है, नहीं है, वहां पर हम अपना लगभग आठ हजार करोड़ रुपया उसमें इन्वेस्ट कर रहे हैं और वह एक गलत निर्णय है । उस निर्णय के ऊपर अगर मंत्री महोदय, कुछ प्रकाश डालें तो बहुत मेहरबानी हो सकती है ।

मैं मुम्बई से आया हूं, मुम्बई की एक चिन्ता आपके सामने रख देता हूं । मुम्बई में सारे ऑयल पी.एस.यूज. के हेडक्वार्टर है । कह सकते हैं कि प्राइवेट सेक्टर की जो ऑयल कम्पनीज़ हैं उनके भी वहां पर हेडक्वार्टर हैं । दोनों कम्पनियों के हेडक्वार्टर वहीं है । सबसे ज्यादा ऑयल प्रोडक्शन वहां पर हैं । एक्सप्लोरेशन का सबसे बड़ा काम वहां पर होता है । लेकिन फिर क्या मजबूर है कि मुम्बई के उपभोक्ताओं के ऊपर सबसे ज्यादा कीमत लगाई जा रही है ? पेट्रोल और डीजल का सबसे ज्यादा भाव हमें देना पड़ता है । इसमें स्टेट गवर्नमेंट का भी एक दोष है । मंत्री जी, वहां स्टेट गवर्नमेंट भी आपकी है । मेरा आपसे यही निवेदन होगा कि आप महाराष्ट्र की सरकार से जो उनका सेल्स-टैक्स वगैरह है उसको उनसे रिड्यूस कराएं ताकि पूरे देश में पेट्रोल और डीजल का भाव एक प्रकार का हो, मुम्बई के उपभोक्ताओं से ज्यादा भाव न लिया जाए । इस प्रकार की व्यवस्था आप करें, क्योंकि कहीं-न-कहीं मुम्बई के आम उपभोक्ताओं के अंदर एक प्रकार का असंतोष पैदा हो रहा है कि हमने ऐसा क्या बिगाड़ा है कि हमसे पेट्रोल और डीजल का सबसे ज्यादा भाव वसूला जा रहा है ।

प्रो. रामबख्श सिंह वर्मा (उत्तर प्रदेश): कोलकाता में भी बहुत हैं।

श्री सजंय निरूपम: कोलकाता की मुझे इतनी जानकारी नहीं है। तो मेरा आपसे निवेदन होगा कि आप मुम्बई के उपभोक्ताओं को थोड़ी सी राहत दें, जहां तक पेट्रोल और डीजल के भाव का लेना-देना है। धन्यवाद।

MR. DEPUTY CHAIRMAN: The House stands adjourned to meet at 2.30 p.m.

The House then adjourned for lunch at thirty minutes past one of the clock.

The House re-assembled after lunch at thirty one minutes past two of the clock, MR. DEPUTY CHAIRMAN in the Chair.

MR. DEPUTY CHAIRMAN: Yes; Mr. P.G. Narayanan;

SHRI P.G. NARAYANAN : Mr. Deputy Chairman, Sir, after a lapse of nearly two years, the inflation is steadily rising and the common people are put to untold sufferings because of the rise in the prices of essential commodities. The inflation, which was hovering around four per cent in the last three years, has virtually doubled since the present Government came to power. The inflationary pressures have been mainly due to periodic rise in the prices of petroleum products, especially, diesel and LPG. The revision of diesel prices has a cascading effect since the fuel is used in the transport of essential commodities. The Government justifies this periodic rise in the prices of petroleum, products on the ground that the prices of crude has gone up in the international market during the last few months. It is a fact that the prices of crude have gone up from 25 dollars to nearly 55 dollars per barrel. But, it is not as if that the oil companies buy the entire requirement of our country in the spot market. Nearly 60 per cent of the country's crude requirement are made through the term contracts with oil producing countries. This means, the prices of crude are pre-fixed and normally not affected by the volatile spot market. I would like to emphasise that it is not necessary that with every rise in the prices of crude in the international market, the Government should hurriedly revise the prices of petroleum and diesel in the domestic market. Such periodic revision of prices in the domestic market would only help to improve the bottom-line of the domestic oil companies. But this move poses a serious threat to the domestic budgeting of the common man. Sir, the price of crude in the international market has dropped substantially and the fuel is sold at 42 dollars per barrel in the spot market. The Government, which acted promptly in raising the prices of petroleum and diesel in the domestic

market, is reluctant to pass the benefit to the common man, following a drop in the crude prices in the international market. Sir, I want to emphasize that it is not that petrol as a fuel is used only by the affluent sections of the society; scooters and motorcycles, which are run on petrol, are used by the common man. Diesel is also used by millions of marginal farmers to irrigate their land and for other agricultural activities too. The latest spate of suicides committed by agriculturists can also be attributed to the rising cost of fuel, and the inability of the farmers to afford it.

SHRI V. NARAYANASAMY : It is due to drought, and not due to rise in fuel prices.

SHRI P. G. NARAYANAN : No, no.

SHRI V. NARAYANASAMY : It is due to drought, and not due to rise in fuel prices.

SHRI P. G. NARAYANAN : This is also one of the reasons. You have to admit that this is one of the reasons.

SHRI V. NARAYANASAMY : You have to ask Mr. Chandrababu Naidu.

SHRI P. G. NARAYANAN : Drought may also be one of the reasons, but this is a reason as well.

SHRI C. RAMACHANDRAIAH : Why do you always bring Mr. Chandrababu Naidu into the picture?

DR. ALLADI P. RAJKUMAR : Why are you so sure about Mr. Chandrababu Naidu?

SHRI C. RAMACHANDRAIAH : You have grown upset while talking about Mr. Chandrababu Naidu?

DR. ALLADI P. RAJKUMAR : He is scared even now.

SHRI C. RAMACHANDRAIAH : You are obsessed with the name of Mr. Chandrababu Naidu!

MR. DEPUTY CHAIRMAN : Mr. Narayanan, please seek clarification so that we could complete this discussion. There is another important subject coming up for short duration discussion.

SHRI P. G. NARAYANAN : Sir, I would do that, but before seeking clarification, I must talk of the sufferings and problems of the people.

MR. DEPUTY CHAIRMAN : We have another short duration discussion coming up on price rise. You can raise all these points then.

SHRI P. G. NARAYANAN : Sir, I know that, but this is an important subject as well. Mr. Deputy Chairman...

MR. DEPUTY CHAIRMAN : No. In 'Calling Attention', no speeches are permitted.

SHRI P. G. NARAYANAN : Sir, I don't wish to make a speech, but I need to narrate the problems and give some background. India is a low-cost economy; wages are low and margins are low. As such, such a low-cost economy cannot afford to take these shocks of periodic rises in prices of petroleum products. In such circumstances, will the Government come forward to roll back the prices of petroleum products that they recently announced, so that the common-man could live in peace? Sir, Mr. Narayanasamy had stated in his speech...

MR. DEPUTY CHAIRMAN : Please, don't react to what Mr. Narayanasamy had said..*(Interruptions)*...

SHRI V. NARAYANASAMY : The hon. Member can refer to the hon. Minister whatever he wishes to ask him; why does he ask me? ...*(Interruptions)*...

SHRI P. G. NARAYANAN : Sir, he stated that States also have to share the burden.

SHRI V. NARAYANASAMY : Sir, I had_ put across my point to the hon. Minister. Let the hon. Member refer to the hon. Minister.

SHRI P. G. NARAYANAN : Sir, he knows that most of the States are reeling under heavy financial crunch.

SHRI V. NARAYANASAMY : It was only because of that ...*(Interruptions)*... they are not identifying the priorities ...*(Interruptions)*... and they are not managing their accounts. ...*(Interruptions)*...

SHRI P. G. NARAYANAN : Sir, it is you who have increased the prices of petroleum products and you have to find a way to solve these problems.

SHRIMATI SUSHMA SWARAJ : Sir, how many more speakers do we have?

MR. DEPUTY CHAIRMAN : There are four more speakers yet to speak. Altogether, there are five speakers.

SHRIMATI SUSHMA SWARAJ : Sir, each speaker must be allowed to speak for only two minutes.

MR. DEPUTY CHAIRMAN : That is what I have been requesting them to do.

SHRI C. RAMACHANDRAIAH : Sir, my contention is that crude alone is not the factor in the rise of prices of petroleum products; there are other reasons too. The high rate of taxes that have been levied by consecutive Governments -- I am not talking of one particular Government...

SHRI MANI SHANKAR AIYAR : Sir, that is why, I have such high appreciation for Chartered Accountants like him and also Chartered Accountants like you. And I am proud to say that I am the son of a Chartered Accountant.. (*Interruptions*)...

SHRI C. RAMACHANDRAIAH : But, unfortunately, Sir, the Government sees petroleum products as a means of revenue generation. That is one of the most unfortunate things happening in this country. Sir, I shall quote some figures : For Mumbai, the prevailing price of petroleum is Rs. 43.23, out of which total taxes amount to Rs. 23.8, which is more than 50 per cent. It is more than 50 per cent, whereas in the case of Delhi, prevailing price is Rs.37.84 and Rs. 18.18 is tax element. Sir, I want to raise some specific points. Now, I come to the cess. Sir, it is a mystery as to when it has been collected, where 'it has been deposited and whether the purpose of the collection has been served or not. There are umpteen number of ways to reduce the fiscal deficit; without disclosing to the people, the amount has been collected from them. What for has it been used? Successive Governments have been doing this since 1992. Today, the collection of the Government towards cess is around Rs. 6,000 crores. Since 1992, if you add simple rate of interest, minimum Rs. 1 lakh crores should have been added to the Consolidated Fund of India. Has the purpose been served? Sir, you have promised to the Parliament, to the nation, that it will be used only for the development of the oil sector. That has not happened. So, I demand that either you repatriate those funds to the oil sector for the development of the oil sector or cess has to be abolished so that, at least, the interests of the vulnerable sections of the society in this country can be protected by reducing the tax. Sir, I don't think that the Administered Price Mechanism has been abolished till today.

Do you think that we have totally abolished this system? Yaw are still controlling the prices. You are fixing the prices. Under the guise of increase in the price of crude oil, you have levied the taxes. You are providing the subsidy and you are organising everything. So, how can you claim that the Administered Price Mechanism has been abolished and the Market Price Mechanism is in force? I don't think that it has been abolished. Now, I come to the refinery margins. Sir, I was told that the refinery gross margins in other countries, especially in Singapore, are around one dollar. How can it be seven or eight dollars in this country? Are our refineries so inefficient or corruption is there? They are collecting huge margins. What are the reasons? Why is there this variance? Sir, I understand gross margins, that is, the value of output minus value of input. The difference is seven to eight dollars. This has to be reduced. So, I request the hon. Minister to initiate appropriate measures to introduce an element of efficiency in the functioning of refineries and regarding incentives, that have been provided to the private operators in this way. I was told that not less than Rs. 800 crores have been lost by the Government. Sir, when there is such a huge deficit and we are importing 71 per cent of the petroleum consumption requirement, why should there be an export of petroleum products? We can as well regulate it and use it in this country itself. Why should we allow it to be exported providing incentives like duty drawbacks and why should there be a loss to the revenue? And, fourth aspect is, as I have studied the recommendations of the Parliamentary Committee, on the one hand, you are giving subsidy, and, on the other hand, you are levying taxes. It is an anomaly. For LPG and kerosene, you are providing subsidy to the tune of more than Rs. 3000 crores and, on the other side, you are levying taxes. This is in the case of food also. Sometimes, I feel whether the farmer is giving food subsidy to the Government or Government is giving subsidy to the farmer. Do you include transportation cost, storage cost, interest, and loss in godowns, everything put together? The cost will be added to the pricing and you say that you are providing subsidy in the case of foodgrains. Actually, it is inflated price and you are reducing it and calling it subsidy. This dichotomy has to be avoided in the pricing mechanism. What exactly is the kind of pricing mechanism that you want to have? Sir, in every sector which has got the regulation of the Government, there is a rate of return which will be fixed by the Government. In power sector, I think, it is sixteen per cent. So, keeping in view the sixteen per cent of the investment as the rate of return, the tariff and the price at which the power has to be purchased by the

Government will be fixed. Why can't that approach be adopted in this case? Why should there be a margin of US \$ 7 - 8 per barrel for the refineries. Sir, huge profits are being made. Recently, the Prime Minister visited Hyderabad. We made a representation, and, I said, "Sir, you be a benevolent ruler". A benevolent ruler will levy the taxes according to the ability to pay. I requested him to be a benevolent ruler, and, today, I read in the newspapers that the Chairperson of UPA said, "we cannot remain insulated from what is happening elsewhere in the world". It is correct that we cannot insulate ourselves. But, kindly try to insulate the vulnerable sections. That is our request...(Interruptions)...

SHRI JAIRAM RAMESH: She has said this also...(Interruptions)...

This is there also.

SHRI C. RAMACHANDRAIAH: No, no. She said, educate the people... (Interruptions)... What does she mean by education ... (Interruptions)... People are aware that because of the increase in the crude oil prices, prices are being increased. They don't need education. They need reduction in the prices and that is the only education you can confer. Kindly do it. Sir, in the last, I request the Minister...(Interruptions)...

SHRI V. NARAYANASAMY: She reduced the petrol price by Rs. 1.16. ... (Interruptions)...

SHRI C. RAMACHANDRAIAH: Sir, he is very much interested in joining the Cabinet. Let us pass a resolution, and, send him to the...(Interruptions)... Sir, he will be a very capable Minister if you ask him clarifications and I don't have any doubt because I had the privilege of working with him for so many years.

SHRI V. NARAYANASAMY: I can rather.... /interruptbns)...plead with you, at least..(interruptions)...

MR. DEPUTY CHAIRMAN: understand your anxiety... (Interruptions)...

SHRI C. RAMACHANDRAIAH: Sir, the Minister is so capable, so confident. Sir, great economists are there in our country. This country is ruled by eminent economists; the Prime Minister is a renowned economist. The Finance Minister, the Deputy Chairman of the Planning Commission, all are well-known economists. I respect this gentleman because he is concerned about the masses. Sir, when a person like him is at the helm of

the Ministry, the interests of the vulnerable sections are not cared for, and, that is my real agony. Thank you.

SHRI R.S. GAVAI (Maharashtra): Sir, the statement given by the hon. Minister is self-explanatory, and, I think I am here not to seek any clarification but to add a few suggestions in the form of clarifications and that too in a short time because I know the constraint of time that you have put up. Sir, there is no doubt that the matter is of great concern. The matter relates to the masses, the consumers and, it is a great concern for all of us, either this party, or, that party. The Minister himself has expressed in his statement that the Government has taken appropriate measures to protect the consumer from the increase in the international prices to the extent possible.

So, what is possible, he did. But, I would like to give a few suggestions to him. He expressed in his own statement the huge under-recoveries of the public sector oil companies, and, hereafter, the prompt action towards the recovery. Now, the question, Sir, is regarding the resource mobilisation. Of course, I do not want to enter into a controversy but it is the responsibility of the State also; they know the social obligations towards the common people, and, why did they not reduce the cess. Of course, this is required to develop the public opinion, cutting across political lines because one cannot shed one's responsibilities on others. Sir, as I have mentioned earlier, I am also from Mumbai, I had a good relation with the NGOs and Indian oil companies. And, to my knowledge, there is a large potential as far as oil recovery is concerned at the Mumbai offshore. It has been brought to my knowledge that no heed is being paid to explore oil. On the contrary, we are importing oil. Whatever potential of oil is in our country, particularly in Mumbai, why should we not explore and spend money on that? Thank you, Sir.

MR. DEPUTY CHAIRMAN: Mr. Santosh Bagrodia, you have got only two minutes.

SHRI SANTOSH BAGRODIA: Thank you, Mr. Deputy Chairman, Sir. I will stick to the statement what he has mentioned about exorbitant rise in the prices of petroleum products. Sir, to begin with, I would like to congratulate the hon. Minister that despite all the odds, he is trying to maintain the prices. I am not going into the political merits of the fact that in 1997 we decided to change the system of pricing with no more control over prices. Or, I do not want to politicise this. The fact remains that if

any price goes up, it hurts. Even if the juice price goes up in the Central Hall, it hurts us. So, we do not want the prices to increase. Dipankarda has gone.

AN HON. MEMBER: He is there.

SHRI SANTHOSH BAGRODIA: He is there. I did not see him. Sir, if the prices of sugar go up, he will shout. But, he also wants that the prices of sugarcane should go up. If the tea prices go up, he will feel unhappy, but the wages should go up. I have nothing against it. Wages should go up; sugarcane prices should go up. But simultaneously, the prices of affected commodities should also go up. This is happening all over the world, in a developing economy or in a developed economy, wherever the prices are going up. It is a question of whether they are going at the right parity or they are going much higher than what they should. In case of petroleum products, I think, Governments after Governments always thought that petrol is a commodity for rich people. It is used by the airlines; it is used by the car owners. We had a very small number of cars in this country about five or three years ago. But, with this mindset of the Government, which include all kinds of Governments, we decided that petrol prices could go to any level. We will put all kinds of taxes on that. We will put all kinds of taxes either at the Central level or at the State level, and this will be the basis of our Budget. With this mindset, today, we decided to discuss in this House about exorbitant prices. Then, we changed the system that we will go by the prices prevailing in the international market. We are in a confused state of mind. We are neither depending on the prices coming down and going up internationally nor are we monitoring it the way it should be monitored. Let us decide if it is really an item for the rich people only. Why are we worried? Let it go up. Now, the country has realised, the Governments have realised, Dipankarda has realised that this going up of prices affects the poor people also directly and indirectly. As my friend has mentioned, this is being used in the generators, this is being used in the mopeds and in the two wheelers. Petrol is being used for many other purposes, other than the car owners. That is why, we are all concerned as to how we can bring down the prices. What is the factor behind price increase in any economy? One factor is demand and supply. If you import enough oil, the prices will go down in the country. But then our Minister will have to monitor it. He will not let it go down. How can it go down? I want to explain or discuss this that we have to change our mindset first. I would not like to really say much about what Dipankarda

has mentioned about some public and private sector refineries. I request him to understand that because of this competition, the prices of air travel has gone down; because of this competition, prices of many products have come down. So, please, bring competition. If you just think that there are no two different prices for refining, I am sure the Minister will reply it. I request the Minister to tell us whether there are different norms for Public Sector and Private Sector. If there are same norms, then what is the problem? You cannot have different norms just because the ownership is different. Of course, if he says, he does not know what are the norms, then the Minister should explain the norms. I also do not know. But if he explains the norms, it will be good for all. He also mentioned something about marketing, but I do not want to go into the marketing side of it. I will go straight to questions now. There are four factors that have altogether increased the crude prices by almost 15 dollars per barrel. First factor is speculation. Speculators have added six Dollar per barrels. This is international speculation. This has nothing to do with Indian speculators. On international speculation, Dipankarda has no control. They will increase. What will you do? ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: Why are you referring to him?
...*(Interruptbns)*...

SHRI DIPANKAR MUKHERJEE: Sir, Yashwant Sinhaji was asking me, and now he is also asking me. The Minister is sitting here. I do not know what has happened. ...*(Interruptbns)*...

MR. DEPUTY CHAIRMAN: You are the centre of attraction.
...*(Interruptions)*...

SHRI MANI SHANKAR AIYAR: Sir, that is because we had requested them to join our Government. We would like ...*(Interruptbns)*... So, it is an expression of our wish. ...*(Interruptbns)*... That we can answer ...*(Interruptbns)*...

SHRI SANTOSH BAGRODIA: The second factor in the international market prices going up is the spurt in demand from the U.S., China and India. It includes India as well. At least, four dollars per barrel has been increased because of more demand and inadequate supply.

The political uncertainty in Venezuela, Nigeria and litigation against Russian oil giant, YUKOS are some of the factors responsible for an increase in the price. The price increase is there. Iraqi oil also is not available in the international market. The net impact is 3-4 dollars per

3.00 P.M.

barrel. Uncertainty in the Gulf affects crude prices by one dollar per barrel. I would like to know from the hon. Minister whether current global oil production is 78 million barrels per day against a demand of 80 million barrel per day. Prices are going up. What will you do with this? These people who are producing oil, start producing more than 80 million barrels per day, then obviously prices will go down. But we are monitoring the prices, and they are monitoring the production. They will not let the production go up. What will you do? You have to pressurise, you have to find out a political system by which oil-producing countries are told to produce more. You have to put international pressure on it. Sir, what is the way out for India? Forex situation is much better. We can import more. This is also being suggested. *...(Interruptions)...* I request you, please, don't interrupt, because I am not an expert speaker. *...(Interruptions)...* *(Time-bell)* It only delays the process. *(Time-bell rings)*

MR. DEPUTY CHAIRMAN: Mr. Bagrodia, please, address the Chair. *...(Interruptions)...*

SHRI SANTOSH BAGRODIA: Sir, he is a good friend of mine. So, I am requesting him, so that I can make my point more effectively.

In July this year, the Government had announced limited autonomy to oil marketing companies and it is good. By this limited oil autonomy, I am sure, the efficiency of marketing companies will improve, which, I can see, is improving. I will not mention the name. But private parties are also now allowed to have their retail shops. So, I am sure, with this, efficiency will increase. The strengthening of rupee against dollar will also reduce the cost. Is the Government considering that factor while fixing up the price or only the international market price? That also has to be seen by the Government. Rationalising petro-subsidies is a major element in fiscal reforms. So, we have to rationalise it, which I have mentioned. Sir, Parliament must educate the public about the compulsion of global price rise and the need for long-term rationalisation of oil sector.

The next thing, Sir, that I would like to know is on business decisions that Government has taken to go to Sudan and Russia to have their own petroleum production and petroleum refinery, as I understand. I would like to know from the Government if such business decisions by State-owned companies would ease the domestic petroleum prices in future. How such ventures financed by the revenue earned from domestic

customers are going to benefit the country? And then, will it be only for State-owned companies? Or, can private-owned companies also go to these countries?

Sir, I understand, globally, 23 per cent, it is the gas which is the energy source. Indian percentage is only nine per cent. So, will the Government consider importing more gas instead of oil to reduce the impact of volatility in oil prices? Gas prices have been quite stable, Sir. There are layers and layers of taxes which I have already mentioned. Is the Government considering to bring the Petroleum and Natural Gas Regulatory Board Bill? If so, will these issues be covered in that Bill? Sir I would like to give an example of kerosene price. I mean, it is because of the Government efforts that the prices are definitely much lower in comparison to other countries nearby. Sir, the price of kerosene in Delhi in India is Rs.9.01, in Karachi it is Rs. 18.68, in Dhaka it is Rs. 15.44, in Colombo it is Rs.11.30, in Kathmandu it is Rs.15.30. So, I congratulate the Indian Government for maintaining the price at that level. Similarly, the price of LPG is Rs.281.60 in Delhi, Rs.411.99 in Karachi, Rs.283.05 in Dhaka, Rs.372.62 in Colombo, Rs.462.25 in Kathmandu. So, we are just talking about exorbitant prices. What is the exorbitant price when in a poorer country around India, it is much higher than in India? And we are talking about the exorbitant prices!

DR. MURLI MANOHAR JOSHI (Uttar Pradesh) : Is it your case that the Government of India should raise the price?

SHRI SANTOSH BAGRODIA: Sir, I have not said, "Raise the price". I have started with saying that even if the juice price goes up, it hurts. And I have also explained that why prices go up and down. I am only trying to say that the Government is making genuine efforts to maintain the price level. I have never said what he said. Please don't put words in my mouth. I have never said, "Increase the price". If you want it, you can suggest when your turn comes. Sir, with the hike of every ten dollars per barrel, the inflationary impact on WPI in India is 2.6 per cent as against 0.8 per cent in China. That is a problem of the entire economy. That affects the economic position in our country because our economy is much smaller than the Chinese economy. The moment more FDIs start coming in, more production starts coming in, if our economy also grows, this impact will also be reduced. We are too much vulnerable because of the oil prices. This will be much better. Sir, I won't take much time. Sir, you have given much

longer time to everybody. The Congress as a party has not taken so much time if you please calculate, Sir.

MR. DEPUTY CHAIRMAN: It is not on a party basis; I am following the rules.

SHRI SANTOSH BAGRODIA: I appreciate you, but, Sir, you also please appreciate my difficulty. The intensity in terms of oil consumption per million dollars of GDP, Sir, India is 189 tonnes million dollars of GDP whereas, China is 195, Korea is 175, U.S. is 84 only and U.K. is 43 only. So, this has to be understood. This is the total problem of the economy. Why this pricing of petroleum affects the entire country and why we should consider that this price has to be maintained at a much lower level? If you want, we are going to discuss price rise after this discussion. If you reduce this tax, the prices of other items will automatically be affected and that discussion will become futile. Sir, I am not going into the question that 70 per cent oil is being imported. If 70 per cent oil is being imported, the price rise will be there if there is an increase in the international market. The Government has to address these problems. If we have 140 per cent tax incidence on petrol and 65 per cent on diesel, what can you do? Somebody has said that it is about 50 per cent. It is not 50 per cent. It is 140 per cent. The State Governments too are charging sales tax because they have no source of income. So, they say: "All right, rich peoples' mindset; again, rich peoples' commodity. Put as much sales tax as you like." Even small districts have got octroi tax on petrol. They charge octroi tax because that also helps them to generate funds for their local municipalities. What will you do with this kind of a situation? The Government is constantly monitoring and keeping under careful review the prices of all sensitive products, and that is what the hon. Minister is doing. In fact, after seeking all these clarifications, I request him to keep it at the lower level, and I hope he will clarify how he is going to maintain it. In fact, before lunch, he mentioned that if we forego the lunch, he would maintain the prices. I have not taken the lunch today despite the lunch break. Lunch break is not important. I have not taken my lunch. I again commit that whenever he will reduce the price, that day I will not have my lunch. Thank you.

MR. DEPUTY CHAIRMAN: Shri Manoj Bhattacharya. How much time will you take, Mr. Bhattacharya?

SHRI MANOJ BHATTACHARYA (West Bengal): Sir, I will not take much time because the scope of the discussion has become limited.

MR. DEPUTY CHAIRMAN: Since, a number of Members have expressed their views by now, it is easy for you to formulate your questions and seek clarifications.

SHRI MANOJ BHATTACHARYA: No, Sir. I don't want to toe the line of any party because I have experienced today that in so far as economic policies are concerned, both the parties are hand-in-glove. That has been once again vindicated today in the House. I am not going to comment about that.

SHRI YASHWANT SINHA: Mr. Minister, do you accept that charge? I deny that charge.

SHRI MANI SHANKAR AIYAR: May I assure Shri Yashwant Sinha that my hand will never be in his glove.

SHRI MANOJ BHATTACHARYA: I am also convinced that he is going to make a confession of a secular fundamentalism. So, I cannot simply equate him in so far as his position, vis-a-vis the position of the BJP is concerned. Sir, I will be very brief. I am also thankful to my colleague, Shri Dipankar Mukherjee, for raising very cogent questions and seeking clarifications on the matter of rise in the prices of petrol, diesel and LPG. I am also convinced that my very esteemed friend, Shri Mani Shankar Aiyar, being at the helm of affairs of this Department, has not been able to satisfy the people because of some compulsions. Well, I understand that this is having a very adverse effect on the common people. Therefore, I feel that it must be re-oriented. Shri Mukherjee has raised a very serious point that it is a question of resource mobilization, and I am sure that my friends, who fundamentally believe in the market mechanism, will also agree with me that resources have to be mobilized. It is a question of developing economy. The vast majority of poor people are languishing even today, and over a period of time, we have not taken care of their interests in the right earnest or in the right perspective. So, therefore, I do not say that the term "profit" is a bad term. At the same time, subsidy is also not a bad term. Subsidy has to be arranged. How will it be arranged? Wherefrom will the resources be mobilized? These things have categorically been pointed out by Shri Dipankar Mukherjee. We have got to look into those because it is a question of 1,00,000 crore of rupees that the Government owes to the taxpayer, the people who have evaded the corporate tax, customs duties etc. etc. I need not go into the details. Now, we have got to gear up our voice that our erstwhile Government did not do. I am sure the UPA

government will do it. I am sure that the expansion of the tax-net will be more effectively undertaken by the Government so that the subsidies can be arranged and the losses, whatever they are, made by the public sector oil companies can be compensated. This is number one. I am sure, my esteemed friend, Mr. Mani Shankar Aiyar, will respond to that very seriously.

Number two; I am sure, Sir, that you will also agree with me that in this country I am trying to locate some sources wherefrom you can arrange the subsidy. What has happened to the NPAs, non-performing assets? What about the non-performing assets held by the big corporate houses in this country? Unfortunately, the big corporate houses profess free market economy; they profess market fundamentalism. What about the NPAs being held by them? I want to know why the Government is not taking a keen initiative to recover the non-performing assets held by them in lakhs and crores of rupees? After their recovery, the subsidy can be given. Sir, I am convinced that internationally, there is an anarchic situation insofar as the price of crude oil is concerned. I would like to know from my friend whether America's war on Iraq is also responsible for this sort of anarchic situation as far as the oil prices are concerned; whether it has got an interrelation; and whether we should take a very serious position in that regard. My predecessor was speaking about Venezuela. Venezuela is really bargaining with America. Venezuela under President Hugo Chavez is really bargaining with America because they have got energy resources. Are we taking any fresh initiative to locate our own resources? Sir, some fresh initiative has to be taken. It is not a question of five per cent ethanol being compiled or it is not a question of bio-diesel. Sir, I myself have experienced that the Indian Oil is not encouraging bio-diesel so far as its marketing is concerned. I would like to know whether the Ministry of Petroleum is trying to locate the possibilities of using bio-diesel, to a great extent, commercially; and whether the Indian Oil is going to take the initiative. Sir, I am sorry to say that in the Statement itself, made today, the hon. Minister has stated-perhaps, this did not reflect the right mentality, the right mindset- "The Retail Selling Price (RSP) of domestic LPG has been increased twice by only Rs.20/cylinder each time." Within a span of four months you have increased it by Rs.40/- It cannot be termed as 'by only Rs.40/-', Sir, because LPG is nowadays used not by the big hoteliers alone but even the people living in dingy hotels are also using it. So, this rise in prices really pinches the poor people. Sir, for a very long time, we have been trying to teach the people that it is eco-friendly, that it is environment-friendly. It is a matter of serious concern. You have taught the people to go in for the LPG. We have

discarded the use of coal; we have discarded the use of wood fuel, and we have gone for the LPG. Now, the poor has cannot afford it! What will be the effect when the mindset is being raftected, 'there is only Rs.40/cylinder', and that too within a span of four months? Once it was done on 16.6.2004, and, then, on 5.11.2004, within a period of four months. I must understand whether it has reflected the right mentality, the right mental attitude of the United Progressive Alliance. There is a threat in the Statement itself; which can be perceived as a threat or as a simple surrender as it is *fait accompli*, I am reading it out; "It may be mentioned that at the current- level of duties, taxes and Government subsidy, the Retail Sale Price of PDS Kerosene and Domestic LPG at Delhi would need to increase by the following amount based on November 2004 international prices..." Sir, I feel that by doing that, we are simply trying to surrender. Instead of correcting the mistake, we are trying to surrender, Sir! I am sure, ali this did not reflect the right attitude of the Government of India as on today.

Sir, I would like to know another thing from the hon. Minister, Diesel, as you know, Sir, is used by the very rich people, the big industries, the big landlords or by the big kulaks. At the same time, diesel is also being used by the very small plot holders and the landless labourers. In West Bengal, the land is being owned, after going in for the land reforms, even by the very, very poor persons. They have to also till the land for crops. He is also using the diesel for pump-sets. I would like to know whether it is possible to have some mechanism or whether some mechanism can be developed so that everybody is not charged equally. I know that the Minister is in a better position because he also holds the charge of Panchayati Raj Institutions Ministry. He is in a better position to deal with this matter. I would like to know whether he could make use of the PR institutions to advise a mechanism so that the poor people can be given some relief because, so far as diesel is concerned, I understand, a large quantinty of diesel is used by the rich people. But, at the same time a large number of poor people are also using diesel. I would like to know whether it is possible to have a mechanism or not.

Insofar as PDS kerosene is concerned, I would like to inform the hon. Minister, with all humility, that from my experience I learnt that the PDS kerosene is only on the record. The PDS kerosene is not available almost everywhere in the country. People do not get it, though they are green card holders and below poverty line. The supply of PDS kerosene at the rate of Rs.9.01 is only on the record for the satisfaction of the economists

or statisticians who confine themselves to the ivory towers of thinking. It is quite satisfying only for them. Otherwise, the PDS kerosene is not available. I would like to know from the Minister, Shri Mani Shankar Aiyar, whether the Ministry under his stewardship is going to take up this issue very seriously so that the PDS kerosene is available at this particular rate of Rs.9.01, though there was a steep increase. Some time back it was Rs.2.56. It has gone up from Rs.2.56 to Rs.9.01. Now, it should not be increased at all. You should not surrender to the market forces like this. In India, the market forces don't decide the prices for the common good of the people. There were some comparisons with Nepal. Then we shall have to confront the Maoists. We shall have to confront a situation as in Nepal. We shall have to confront a situation as in Colombo. We shall have to confront a situation as in the civil strife-torn island. I would not like to compare India with any neighbouring nations like this. Pakistan is not comparable with India. Nepal is not comparable with India. Bangladesh is not comparable with India. We are responsible to India. We are responsible to the poor Indian people. We are responsible to the majority of the people in this country where we have been born and where we have been groomed up. So, the reply of the hon. Minister should reflect on this. It can't be simply otherwise. I don't know how obdurate I have been in opposing the rise in prices of petroleum products. With these words, I conclude. Thank you.

SHRI LALITBHAI MEHTA (Gujarat): Thank you very much, Sir, for giving me this opportunity, though my name is not there and I requested at the last moment.

Sir, I am putting some direct questions to the hon. Minister. While deciding the import parity price of petroleum products, what are the components taken into consideration in arriving at the basic price of these petroleum products? What are the components taken into consideration in arriving at the gate price of refinery? Is it a fact that the profits of the oil companies are increasing every year in spite of the fact that there were occasions of under-recoveries in the past, as you have mentioned in your statement? What is the total yearly income of the Government of India from excise duty, customs duty and Central Cess. What is the total income of the States by way of sales tax? Is the 20 per cent import duty added in arriving at the import parity price, though 30 per cent production is in the domestic sector and not imported? Are the oil companies, whether PSUs or private, earning a profit of Rs.900 per barrel, that is, nearly Rs.5 per litre,

while the oil companies in other countries are earning a profit in the range of Rs.15 and Rs.70 per barrel, that is, 30 paise to 70 paise per litre? What is the original import price of these products Is it true that it is imported at a price between Rs.12 and Rs.13? Than: you.

SHRI MANI SHANKAR AIYAR : Mr. Deputy Chairman, Sir, I am very grateful to Shri Dipankar Mukherjee and his colleagues for having provided me this opportunity to clarify the position about the reasons for which we have been under pressure to increase our domestic price of petroleum products and the extent to which we have been able to insulate the domestic Indian market from these pressures emanating from outside. It is a matter of immense pride to me that nowhere in the world, absolutely nowhere in the world, have consumers been spared the consequences of the increase in international prices to the extent to which the domestic consumers in India have been spared. Therefore, while I do share the sorrow and the pain of my colleagues at any additional imposition of a burden on our consumers, I feel we need to put it in perspective that we have tried very hard to protect them. Now why have we had to even begin to protect them? It is because, as was very rightly pointed out by Shri Yashwant Sinha, there has been a process of reflection which goes back to Dr. Manmohan Singh's economic reforms period of the early 90s to determine what is the rational basis on which there should be a petroleum product pricing in this country. My answer to Shri Dipankar Mukherjee about why we have not got a Committee now is that we have a plethora of Committees earlier. This was looked into in very great detail first by the Government of Shri Narasimha Rao and then it was brought to a conclusion by the Government of Shri Gujaral. The date on which the policy was Gazetted is the 21st November, 1997; a few weeks before it became clear that that Government would not last. But that was the Government in office. It did contain a very distinguished Minister, the hon. Shri Inderjit Gupta as the Home Minister and it was that Government which notified pricing on the basis of import parity. What the NDA Government did was to implement a policy that had already been notified by its predecessor. There was no significant change with respect to the policy parameters of the decision that became effective on the 1st of April, 2002 which was misleadingly called the dismantling of the Administered Pricing Mechanism because there was, in effect, no dismantling of the Administered Pricing Mechanism. But, I think, it is necessary to stress that there was no new policy decision in this regard by the NDA Government. It was the implementation of a policy decision taken by the UF Government based

upon an initiative which goes back to the Congress Government of Shri Narasimha Rao. Therefore, if today, Shri Dipankar Mukherjee asks me from where have we imported these terms 'import parity pricing', I can assure him that as a socialist somewhat to the left of him, as I understand the Administered Pricing Mechanism, it is he who taught me what is import price parity. He asked, "What is the system?" He also said that the -system of calculating product prices was wrong. I do not know whether the system of calculating product prices is right or wrong, but what I do know is that the starting point of the system is the one that we inherited as a result of the policy decision of the UF Government and the administrative action taken by the NDA Government. What we have done is, taking into account this legacy, we have tried to protect the Indian consumers to the extent possible. Shri Dipankar Mukherjee asked, "On what parameters, did the NDA Government determine that they should announce, at any rate, the dismantling of the APM?" I do not know whether they knew it. But, certainly, the Government which made the policy decision must have known it. And those policy parameters were determined intellectually by a series of committees and by deep deliberations that seem to have lasted the better part of three or four years. That is the basis; that is my inheritance, and I don't need a committee to tell me what my inheritance is because I live it every day. What I have to do is while ensuring continuity in Governments, to try to see what is possible to adjust at the margin, and until and unless it becomes impossible to adjust it in the margin, to declare a new policy. But my policy essentially is the policy I have inherited from the past, tuned to contemporary conditions. And in this light, I give myself the liberty of saying that the mistake made by the United Front Government and subsequently, by the NDA Government was to assume that the prices that were prevailing at the time these policy decisions were taken, constituted the normal price trend in international affairs. The fact of the matter is that the prices way back in 1997 were so low that on that date, the 20th-21st November, when the United Front Government notified the import parity price regime, the crude oil prices reigned at 18 dollars and 79 cents. When the NDA Government decided to implement the policy decisions of the previous Government, the crude oil prices reigned at 23 dollars and 31 cents. I am talking about the Indian basket of crude. Today I face a situation where the Indian basket is close to 38 dollars. Had I been in any of the previous Governments, I would have said that we need three sets of policies; one set of policy when prices are abnormally low; another set of policy when prices are normal, and the third set of policies when

prices are aberrantly high. Sir, I am faced with prices that are aberrantly high, and I think, I can rest my case of aberrantly high prices on the fact that in the last 21 years, the world has simply not seen the scale on which international prices have risen as they have in the last six months. Indeed, Sir when I was appointed Minister of Petroleum, I did say to some journalist friends that I had not been elevated to the Cabinet, but I had been set up for target practice. It was an impossible situation and what we thought was a very, very difficult situation in May, 2004, has become a child's play compared to what we had to face at the end of October, 2004. Prices have gone through the roof. But prices have not gone through the roof under this Government. If the policy parameters laid by the U.F. Government, at a time of abnormally low international prices, had been faithfully followed by my Government like scriptures, the prices of LPG would have been Rs.492 a cylinder.

I don't fault them for that as I don't fault my Government for wanting to control the prices of petrol, diesel, kerosene and LPG in the present circumstances, which are that of an abnormal rise in prices. We need to explicitly recognise that we can allow market forces full play when the situation is normal, but if prices fall too sharply, then the kind of problems which Shri Yashwant Sinha was referring to, which the oil sector companies faced at that time, would arise, and if prices rise too much, then the kind of situation which I am facing will arise and there will have to be adjustments; in other words, fundamentalism of the market kind or of the socialist kind has no place in dealing with the practical problems of a country which does depend up to the extent of about 70 per cent on crude oil import. I do not particularly appreciate the attempt being made to somehow distinguish the economy of crude oil from the economy of refining because something of the order of 95 per cent of the cost of refined petroleum product is the crude price. The scope for actually insulating the consumer from the consequences of high crude prices for a refiner is extremely limited and, therefore, it is limited to the marketer as well. So, we cannot escape from the fact that when it comes to petroleum products derived from crude oil, then we just have to accept that if crude oil prices rise aberrantly, there are going to be aberrant impacts on petroleum products and if we do not allow the market to absorb that increase in prices, somebody somewhere will have to pay for it. I rest my case on a single figure, that in the first six months of the year 2003-04, our foreign exchange expenditure on imported crude was of the order of Rs. 38,665 crores. In the first six months of this year, our expenditure has increased to

Rs.60,942 crores. And this is up to the month of September; our worst month was October. So, it is not really in doubling of the 60942 figure that you can make an estimate of what is going to happen to us by the end of the current year; unless there is a corresponding softening over the next two or three months, we are going to see India importing crude oil worth something like Rs. 120 thousand crores. And the scope for insulating consumer from the impact of this rise through reducing refining margins is really so limited as to not be permitted to become the focal point of this debate.

Then, Sir, I am completely convinced that Mr. Mukherjee was absolutely right in saying that the root cause of what we are experiencing just now is the switch-over from APM to Import Parity Price. But had I been in office in the Narasimha Rao Government, maybe I would have fought for Administered Pricing Mechanism; if I had been a member of the Gujral Government, maybe I would have fought for it; if I had been a member of the Vajpayee Government, maybe I would have fought for it. But please do not forget, Shri Mukherjee, that we cannot run away from it that there was a CPI member of high distinction in the U.F. Government who said that there was no alternative to going over (*Interruptions*)...

AN HON. MEMBER: Are you making a political statement?
...(*Interruptions*)...

SHRI MANI SHANKAR AIYAR: I am only saying...
..(*Interruptions*)...

SHRI JIBON ROY (West Bengal): We were neither in the UF Government, nor we are in the UPA Government. ...(*Interruptions*)...

SHRI MANI SHANKAR AIYAR: I am only saying that...
...(*Interruptions*)...

SHRI JIBON ROY: Well, Dipankar could have raised it. So, let us not make political statements. ...(*Interruptions*)...

MR. DEPUTY CHAIRMAN: Let him make his point.

SHRI MANI SHANKAR AIYAR: I am not making it political.
...(*Interruptions*)...

SHRI JIBON ROY: Sir, we are not in the UPA Government. So, when it comes to that, we can..... (*Interruptions*)...

SHRI MANI SHANKAR AIYAR: I am not making a political statement. ...*(Interruptions)*... I am not making it political. I am making it simply historical. It is very important for me to explain that I can modify...

SHRI JIBON ROY: If the CPI was there, that does not mean the Left was there. ...*(interruptions)*...

SHRI DIPANKAR MUKHERJEE: There is no Member from the CPI Party here. It is better not to refer...*(Interruptions)*...

SHRI JIBON ROY: We were not in the U.F. Government..
(Interruptions)...

SHRI V. NARAYANASAMY: Sir, the point is...

MR. DEPUTY CHAIRMAN: Mr. Narayanasamy, the Minister is capable enough to reply...*(Interruptions)*...

SHRI MANI SHANKAR AIYAR: Sir, let me finish my reply. I am replying. Had I been inherited the APM regime, I could have modified the APM regime. Since I have inherited the Import Parity regime, the best I can do is to modify the Import Parity regime. Therefore, the root cause of the problem that we face is the changeover from APM to Import Pricing Mechanism. The root solution to this is to see, we maintain the general ethos of what has been inherited from the past, if we can make appropriate changes. Now, how this change...

SHRI DINESH TRIVEDI: Would you like to change the regime now?

MR. DEPUTY CHAIRMAN: Mr. Trivedi, I will not allow this. Let him complete his reply ...*(Interruptions)*...

SHRI DINESH TRIVEDI: Sir, this is an important intervention ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN : No, no. No intervention- ... *(Interruptions)*... I am not allowing you ...*(Interruptions)*... I am not allowing you...*(Interruptions)*... It is not fair ...*(Interruptions)*...

SHRI DINESH TRIVEDI: Will the Minister like to change the regime? ... *(Interruptions)*... Would you like to change the regime now?...*(Interruptions)*... It is up to him to change the regime.

MR. DEPUTY CHAIRMAN: If you have got any question, I will allow you after his reply. You can put your question then..*(Interruptions)*...That you can ask him later...*(Interruptions)*...

SHRI JIBON ROY: The point is..*(Interruptions)*...

उपसभापति: उनको कन्क्लूड करने दो।

SHRI MANI SHANKAR AIYAR: Sir, I was asked by Mr. Mukherjee whether this changeover from APM to Import Parity Pricing regime had been effected in the interest of a single major refiner in the private sector. My reply to that is, I don't know. And, I don't think so. Because the consequence of this change has not been such as to have particularly profited this big refiner and not benefited other people. There was a logic to the changeover. That logic still exists. But, as I said, that logic can only operate- when the international price situation for oil is normal. If there is an aberrant situation, either in terms of a very sharp drop in oil prices, that took place in 1997-98, or, an aberrant increase in price as has taken place in 2004, we will have to make an appropriate adjustments in practice to the regime which we, almost all of us, agreed should be brought about, which we have contributed towards making and which we have inherited. We have inherited in such a way that there is no provision in that policy to deal with the aberrant situations such as the one I am faced with...*(Interruptions)*...I cannot continue, if I am interrupted like this.

MR. DEPUTY CHAIRMAN: Mr. Jibon Roy, you don't take cognisance of what he is saying.

SHRI MANI SHANKAR AIYAR: Sir, then, I was asked by Mr. Mukherjee to let him know what is the average refining cost of our public sector units.

SHRI DIPANKAR MUKHERJEE: As well as private sector units.

SHRI MANI SHANKAR AIYAR: I will come to it in a minute.

What I am able to say is that the average gross refinery margin for all public sector units put together has increased by, approximately, Rs. 1,000 per MT by through put between July-September, 2003, and July-September, 2004. He is well aware that this will vary, considerably, from place to place. It will be really imposing on the time of the House, if I were to give you each one of these figures. But, I would be very happy to make that information available in detail to Shri Mukherjee. In the meanwhile, the

baseline is that the through put gross refinery margins of our refineries have increased by, approximately, Rs. 1,000 per MT. When you consider what has happened to the prices of products in the crude market per MT, you will see that this increase -- while there is an increase -- does not so dramatically alter the petroleum product situation...

SHRI DIPANKAR MUKHERJEE: Sir, I have given the figures that I have. I can say that the refining margin for our public sector units is between US \$ 2.5 and US \$ 3 per barrel. Today, it is going from 7 to 8 dollars per barrel. I have charged that the private refineries' refining margin is to the tune of 10 dollars per barrel. If you say, Mr. Minister, "I have nothing to say", that means you are having your own theory that refining margin has nothing to do with the crude oil prices, there is a sharp difference that cannot be reconciled. I do not agree to that.

SHRI MANI SHANKAR AIYAR: I am not, in the least even, attempting to deny that as between a situation where the international crude oil prices were extremely low and a situation in which the international crude oil prices are exceptionally high, there has been an increase in absolute terms in the refining margin. (Interruption) Just a minute. There has been a significant increase in absolute terms in the gross refining margin. But, in relative terms, it is significantly less. And, in any case, rhetoric cannot replace the numerical truth of the fact that the refining margin over the last one year has increased by thousand rupees per metric ton. That's okay. Now, this does not mean that there is no scope for reducing the refining margin. This does not mean that there is no scope for reducing.

SHRI DIPANKAR MUKHERJEE: Now, you are provoking me. I have not used any words which can be termed as 'rhetoric'. I have used only figures. I am afraid the rhetoric is being used from the other side. I am using only figures. Please do not use words like this. ... (*Interruptions*)...

श्री संजय निरूपम: ज्यादा रेटोरिक मत करो, वरना ये सपोर्ट वापस ले लेंगे।

श्री जीवन राय: यह तो हम तय करते हैं कि कब सपोर्ट करना है।

श्री संजय निरूपम: ज्यादा रेटोरिक मत करो, नहीं तो ये समर्थन वापस ले लेंगे।

SHRI MANI SHANKAR AIYAR: Hon. Shri Mukherjee has also made a very significant point when he thanked me for having clarified, through the press, that under-recoveries are not losses, and making the point that sections of the media, by portraying under-recoveries as losses, are doing a

disservice to the truth. The fact of the matter is that under-recoveries do not constitute losses. What under-recoveries do constitute is the loss of income. They are foregoing the income that they might otherwise have got. They are foregoing the gross profits that they might otherwise have made. Therefore, we should not lightly dismiss the factor 'under-recoveries'. We should recognise that if there are under-recoveries, and if they are of the order which I have indicated in my initial statement, that is, over eleven thousand crores of rupees in just half-a-year, it is going to affect the capacity of our oil sector to invest in our future. Therefore, merely looking at under-recoveries in themselves, without recognising the importance of oil sector revenues in exploration and production upstream, as also in the overall development of the economy, is to do a grave disservice to our children. Sir, I was asked -- I think, by the last speaker -- what was the kind of revenue which the State and the Central Governments are getting from the oil sector? It is of the order of hundred thousand crores of rupees per annum. It is almost equal to the Central Plan outlay. Of these hundred thousand crores of rupees, approximately rupees sixty thousand crores go to the Central Government and about rupees forty thousand crores go to the State Governments. I don't think we, as a nation, can afford to deny sixty thousand crores of rupees per year to the Central Government and forty thousand crores of rupees per year to the State Governments. We need this money because this is the money that goes to the development of our future. This is the money that can attain and sustain a growth rate of 7-8 per cent. So, while we should be concerned with what are the returns that our oil marketing companies and our oil sector PSUs, generally, are getting; at the same time, I think, we need to recognize that without energy there is no security for this country. And, most of our energy will have to come from fossil fuels. And that much of this fossil fuel is recoverable only with enhanced investment and, at the same time, the rest of the general economic development of the country depends very, very heavily on ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: Let him complete.
...*(Interruptions)*...Please listen to him.

SHRI MANI SHANKAR AIYAR: Sir, I was asked what was the basis of fixing import parity prices. Sir, there are the following elements that go into that. Basic price at refinery level on an import parity basis, freight up to depots, marketing cost and margin, State specific irrecoverable levies, excise duty, delivery charges from depot to retail pump outlets, sales tax

and other local levies, and dealers commission. There is no mystery about how- an import parity price is determined. These are the elements that go into it. I was asked what was the 'impact of the export duty drawback to exporters of petroleum products. The value figures will have to be supplied by the hon. Minister of Finance when you ask him, but in terms of quantities, under the two Schemes which are DEEC and DEPP respectively, duty free imports, according to our information, by Reliance in the period April to September 2004, have been of the order of 7.54 million tonnes. This is a provisional figure. Duty free imports have been of the order of 7.54 million tonnes in first half of the year out of a total import of crude oil into this country of around a hundred million tonnes. So, this is a significant element. But, it is not as if our pricing policy is being determined by the duty drawback being given to exports. Moreover, Sir, we in the Ministry of Petroleum are trying to encourage the export of petroleum products because given the very, very heavy import bill that we have, unless we do some offsetting with petroleum products exports, I am afraid, it will only be a burden and not any relief from the burden. Indeed, in trying to push for increased refining capacity in this country, I think, we need to learn from the private sector experience that any Refiner in India should not confine his vision to the domestic market; there is world outside that is waiting. The Indian Oil Corporation has just been asked by the Pakistan State Oil to give an offer for a very large quantity of diesel. Would we want to deny ourselves this because Mr. Chidambaram will have to give a duty drawback on whatever it is that we may eventually be able to sell to Pakistan? I don't think we should make a monster of the export duty drawback system. I think we need to ...*(Interruptions)*...

SHRI DIPANKAR MUKHERJEE: Was the offer given to the public sector also?

SHRI MANI SHANKAR AIYAR: Why not? Offer can be given to any exporter, public or private sector. We have already succeeded in tying up some arrangements for exports to Sri Lanka. We are on the very verge of completing this with regard to Myanmar, and I hope the initiative that has been taken by the Pakistani authorities will lead to a sea change in our trade relationship with that country. And, I would like to encourage our public sector oil refining companies to set up capacities not merely with the domestic market in view, but also with the huge potential export market that, I think, we are capable of serving.

I was asked then, Sir, about cess. Now, with regard to cess, as the Petroleum Minister, I cannot help but be thankful to you for having raised this issue. However, as a Member of the Government, I also have to take a collective view on this issue. But you wanted the facts, Mr. Dipankar Mukherjee wanted the facts, Shri C. Ramachandraiah wanted the facts and Shri Dinesh Trivedi wanted the facts. And the facts of the matter are that in the period, since about 1992-93, Government have collected something over Rs. 50,000/- crores by way of cess on crude and what has been given to the petroleum sector is in the region of, approximately, Rs. 900 crores directly. But there has been a great deal of infrastructure development brought about by these 50,000 crores which has benefited the petroleum sector indirectly. However, this is an issue which has also been referred to the Lahiri Committee, and, so we can afford to wait till then. I was asked about the subsidy. The subsidy given by the Ministry of Finance through the Budget in the year 2002-03 was of the order of Rs.4,495.80 crores. It rose in the year 2003-04 to Rs.6,292.44 crores and while we are not in a position to make an exact estimate just now, we believe that perhaps in the current year, the subsidy would be approximately of the order of Rs.5,000 crores. To this, I have already given you the under recovery figure of approximately Rs.11,000 crores already, and, possibly, it will be double that, around Rs. 20,000 crores by the end of the current financial year. It would mean that by combining the Government's subsidy with the OMCs' under recoveries, we are subsidising petroleum product consumption in this country to the level of around Rs.25,000 crores. If you tell me that I don't have a human face, when we are putting up Rs. 25,000 crores for subsidising petroleum products, then I need another definition ...interruptions)...

SHRI JIBON ROY: Sir...(/ntenvptbns)...

MB. DEPUTY CHAIRMAN: Let him complete. Then you can ask.

SHRI JIBON ROY: He has finished.

MR. DEPUTY CHAIRMAN: Let him complete. He will take time.

श्रीमती सुषमा स्वराज: उपसभाध्यक्ष जी, पहले मुझे ।

उपसभापति: मैंने नोट कर लिया है ।

SHRI MANI SHANKAR AIYAR: Sir, with regard to profit after tax of our oil marketing companies, which is an object of some envy here, I find profit after tax of the oil sector, as a whole, has, actually, gone up in the

first six months of this year compared to the first six months of the last year by about Rs.1000 crores. It has gone up from 10,842.56 crores in April-September, 2003 to 11,973.50 crores in the first six months of the current financial year, but almost all this increase is accounted for by ONGC, because they are able to sell their output at import parity price. With regard to almost everybody else, they have received a lower level of profit after tax this year than they did last year. GAIL is down from --I am rounding off--Rs. 852 crores to 795 crores. IOC is down from Rs.2751 to 2711 crores, HPCL, from Rs.601 to 541 crores; BPCL, very sharply, from Rs. 796 Crores to Rs.468 crores and IBP has, actually, gone into a loss. The fate that has overtaken IBP will overtake all our profit-making companies if we don't recognise the problem in its entirety and find holistic solutions for it. It is not enough to merely look at absolute figures of returns and say that these are cash-rich cows. They deserve to be milked. These are not *kamadhenus*. They are there in order to provide investment in the most crucial sector of national security which is energy sector, and we must compel them to remain in their areas of competence to the extent necessary because this general view that they are cash-rich means not only that my colleagues ask me for advertisements from these companies and sponsorships but are also suggesting outrageous diversification schemes from them which unless we keep some kind of a control on, we might find ourselves doing all sorts of interesting things but not producing more oil and more gas.

[MR. VICE-CHAIRMAN (DR. ALLADI P. RAJKUMAR) in the Chair.]

Sir, Mr, Manoj Bhattacharya as well as Mr. Mukherjee had pointed to a very large number of outstanding dues with respect to tax dues from the corporate sector and rich individuals. Figures were given of how this has been steadily rising over the years. It was suggested that there is perhaps a hundred thousand crore rupees waiting out there, to be collected by the hon. Minister of Finance. He has already announced schemes in the Budget. He has been making policy statements subsequently. And he is in our midst just now, I think on this one point there could be no difference between Shri Mukherjee and Shri Chidambaram. We would like to recover everything that is due to us. But what is due to us is a matter that is sometimes fought in the courts, and they sometimes take time over deciding these things. Yes, we will recover all that we can from those who have not paid up, but if, in that process, the oil Factor is impoverished, then, I am afraid, there is no degree of recovery of dues outstanding, which could

compensate for what the oil sector can provide to this country. I was going to say that I would pass on your suggestions to the hon. Finance Minister, but happily, he is here himself.

Both Shri Sanjay Nirupam and Shri Manoj Bhattacharya drew attention to the fact that kerosene and LPG are not necessarily available at all the time and in the quantities required to those for whom it is meant. I agree with that. That is why, my earnest plea to the Standing Committee on Petroleum & Natural Gas, of which Shri Dipankar Mukherjee is a very distinguished member, is to please concentrate, like the Government is doing, like my Ministry is doing, on what we can do on the distribution front, to ensure that the products which are given huge subsidies, reach the targeted audiences. For this there are a number of suggestions, which we, in the Ministry of Petroleum & Natural Gas, are looking at and the assistance of the Standing Committee would be invaluable in this regard.

SHRI DIPANKAR MUKHERHEE: Sir, first you accept our recommendation on pricing and then you could look at the others.

SHRI MANI SHANKAR AIYAR : Well, we have passed all those interesting suggestions on; we would see where they go. All those suggestions that you have made have been referred to the Lahiri Committee. The Lahiri Committee is expected to give its report before the year is out. They will be considered by the Ministry of Finance, I dare say, some of which would find a reflection in the Budget for the next year. I cannot say, they will, 'because then you will accuse me of leaking Budget secrets! But the fact is that the Committee is a very, very serious attempt to see how we should structure the duty and excise regime in this country in accordance with the current realities. That is the exercise which is being undertaken. Unfortunately, the State Governments are not- rising to their responsibilities.

I have no doubt at all that State Governments need revenue. There is no denial that they do and that much of this revenue for the States must come from the Oil sector, as it comes to the Central Government. But at a time when the Central Government has taken such significant steps in reducing its own revenue -- it is of the order of Rs. 4500 crores on an annualised basis; Shri P. Chidambaram has taken a 'hit', as he likes to call it in a somewhat Mafia-like language, of nearly Rs. 4500 crores, why are the State Governments, not willing to take a small pellet into the body politic of their fiscal policies? I have written to several States, not several, but to every single State. I have written once and sent a reminder.

4.00 P.M.

Fifteen of the States have, sent me an acknowledgement. Orissa has indicated that perhaps they have done something in this regard. I am sorry, Shri P. G. Narayanan is not here; he was making quite a song and dance about it. But there is no response at all from the Chief Minister of Tamil Nadu. Now, why do I mention her? It is because whereas all the other Chief Ministers have exercised the discretion to not comment extensively on what is happening with regard to the pricing of Central oil products, there

have been a series of rather 'statements that have emerged from Fort St. George. But no action whatsoever, has been taken on reducing the Sales Tax in Tamil Nadu which is just about the highest in the country. It is not the highest; that glory goes to Shri Sanjay Nirupam's State of Maharashtra, the city of Mumbai, which has the highest Sales Tax. But the Sales Tax in Tamil Nadu is not very much low. And unless States also cooperate with us, I don't think the fiscal regime can ever become genuinely rational and genuinely sensible when it comes to this. Sir, there were stakeholders numbering four mentioned by the hon. Member, Shri Yashwant Sinha. I would like to add the fifth, because he, the fifth stakeholder, is the key to this exercise. It is the citizen who is not the consumer in the textbook economic sense of the term. The consumer in the economics is defined as a person with effective demand, with money in his pocket to be able to meet his wishes. The citizen is the one who does not have enough money in his pocket to be able to fulfil his own demands through his own means. What we are doing with respect to putting some of the burden on Government, the first stakeholder, some of the burden on the State Government, the second stakeholder, some of the burden on the oil marketing companies, the third stakeholder, and, a little bit of that burden on the consumer who is the fourth stakeholder, is all in the interest of the citizen, who is the fifth stakeholder.

The citizen of India, to the extent of about six hundred million of our people, perhaps seven hundred million of our people, needs kerosene at an affordable price. A smaller number but still significant need the domestic LPG for cooking purposes at a reduced price. I think we have to recognise that if we increase the diesel price, it is going to have a cascading inflationary impact on the economy. We also have to recognise, as Shri Bagrodiaji said, that the consumers of petrol are no longer the rich, and, all

* Expunged as ordered by the Chair.

those who are driving two-wheelers are the people who are not to be described as particularly privileged citizens in our society, but still they use petrol.

So, we have to keep all these elements in mind, and, we are trying to do that in determining what is that we should be doing. I have been asked how have the under-recoveries impacted on the balance sheets. Well, Sir, if we exclude subsidy given by up stream companies, IOC, in the first six months, has a profit after tax to the tune of Rs. 1,703.29 crores less in the first six months than last year; BPC is Rs. 843.90 crore down, and, HPC is Rs. 620.30 crore down. The total comes to Rs. 3,167.49 down. So, these are significant figures, but I am glad to say that apart from IBP, everyone is still a profit-making company. Therefore, we can go ahead with confidence in their ability to provide us with energy security but only if we have a rational pricing policy combined with a rational investment policy, and, with all our friends assisting us in having a holistic oil sector policy so that any one element of it is not over emphasized to the cost of the other elements of the system.

Shri Yashwant Sinha asked a very important key question. He asked: what action are we taking at the global level. Sir, the action at the global level with regard to pricing is where many initiatives have been taken by his Government, and previous Governments but without any great success. What we are doing most unusually - because it is the first time it is happening - is that on the 6th January, 2005, we have invited the eight principal West-Asian and South-East Asian oil-exporting countries to come over here to New Delhi to meet with four principal Asian buyers of oil.

They all accepted it in principal. Some of them are still to name as to who exactly will be representing them but the major six oil-exporting countries of West-Asia are going to be represented at the level of their Minister of Oil. That is the extent to which this meeting is taken seriously. Sir, I think that its logic needs to be explained to the House. It is not merely a question of trading. The so-called Asian premium, the higher price that the Asian buyers pay for West-Asian oil is not actually charged to us. It is the consequence of the marketing system. The West-Asian suppliers take their crude out to North America; they see as to what is the price in terms of the Western Texas Intermediate Index, and, they give a discount on that to North American buyers. And, they take their oil out to the Mediterranean or into the Atlantic Ocean, check on what is the Brent index and give a discount in terms of that. But, because we, in Asia, do not have a well-

prepared oil products market, what happens to us is the price at which they sell to us, there is no discount against an existing Asian index. And, since, as I pointed out at OPEC in September this year, the output of Western Texas Intermediary Index is today 74 per cent less than it was two decades ago, and since the output of Brent is today 59 per cent less than it was just a decade ago, these two indices, the WTI and the Brent, are both completely outdated. The new market reality is that about two-thirds of West-Asian production is being bought by South Asia and East Asia. The Asian oil economy is emerging as far and away the single most important component of the global economy. The rate of growth of demand for oil in India and in China is well over double the projected rate of growth of demand in the globe as a whole. We have become the significant players. And, once it is possible to bring East Siberian oil to the Pacific Coast, something that we discussed with President Putin when he was here, and where we are moving forward as collaborator in bringing that oil to the Pacific Coast and potentially even to the Mediterranean and through the Mediterranean in a project which I am discussing with my Egyptian counterpart for an Oil Suez Canal, if you like, connecting the Mediterranean with the Red Sea, then, North and Central Asian oil will also become available to the Asian oil buyers. We are talking of nothing less than an Asian oil community potentially. And when one remembers that the European Union of today had its humble origins in the European coal and steel community, the possibility of beginning with an Asian oil community is what augurs for the Asian Economic Community which the hon. Prime Minister referred to recently. So, we are taking very significant steps in this regard and I assure the hon. former Minister of both Foreign Affairs and Finance that the initiatives that he took had not been in vain and that we are building upon those and I hope that we will do better.

When it comes to the impact of competition on our oil marketing, perhaps because we have not really fully dismantled APM to have the full effects of competition, as of now, our efficiency indices in the public sector are only marginally higher than they were before 2002. But, Shri Yashwant Sinha's confidence and faith in the disciplinary effects of the market are those of an ex-socialist. My relative lack of faith in that is because I, unlike him, am a continuing socialist. So, on the market cap on which some concern was expressed, I don't think Shri Yashwant Sinha has a cause to worry. As of now, ONGC has a market cap of Rs. one lakh 19 thousand crore which is about Rs. 4,000 crore more than it was a month ago; IOC is up by about a thousand crore rupees, GAIL is up by about Rs. 1300 crore,

HPCL is up by Rs. 1500 crore, even BPCL is up by about Rs. two thousand crore. So, there is no decline in our market here. In fact, compared to 6-7 months ago, if you look at December'04, the IOC share price and market cap is close to 22 per cent higher and that of ONGC is close to 28 per cent higher. So, we are doing really quite well.

Similarly, I was asked by Shri Sanjay Nirupam whether we are intending to add to our refineries. Yes, indeed we are, Sir. The existing refinery capacity is 125.97 million tonnes. We hope to reach 140.30 million tonnes by 2007, which is an increase of about 15 million tonnes. This is going to come about partly through an increase in the existing refinery capacity, and partly through additional refineries. The new refineries which you specifically asked about and also asked whether in the Tenth Plan or in the Eleventh Plan and so forth.. In these two periods -the remaining years of the Tenth Plan and into the Eleventh Plan- in the private sector, Essar is proposing to set up a refining capacity of 10.50 million metric tonnes; IOC Paradeep, 9 MMT; HPCL at Bhatinda, 9 MMT, BPCL at Bina, 6 MMT; BPCL at Allahabad, 7 MMT, thereby making a total of new refining capacity of 41.50 MMT, which by the end of the Eleventh Five-Year Plan should take us up to 181.80 MMT, which is a very considerable increase over the existing capacity of 125.97 MMT. In this context, I would like to allay Shri Dipankar Mukherjee's fears of the 'biggest refinery' in India by pointing out that their capacity is 33 million ...*(Interruptbns)*... Let me just finish. It is 33 million. It is certainly the biggest refinery that we have, not only in India but also in Asia. But in terms of the total refining capacity available to Reliance, their capacity is 33 and 39.95 is that of IOCL. If you take the total refining capacity, the total refining capacity in this country is about four times higher than that of the 'biggest refinery' in Asia. So, matters are in hand. We are not discouraging either expansion of private sector capacity or additional private sector capacity. But because we are pledged to a strong and efficient public sector, we will do everything to ensure that not only this capacity in the public sector increases but their profitability also goes up very considerably.

Sir, I now come -because, I think, I have taken really far too much time- to the conclusion. We were told by Shri Yashwant Sinha, that unlike the CPM, the BJP does not run with the hare and hunt with the hounds. But I found that Shri Sinha himself began by being utterly reasonable, in fact, by being a superior Petroleum Minister to myself, but suddenly, at the end, when it came to politics, he also said that he would be rare at the

barricades. Now, if having explained why we need a rational oil economy, he is going to put himself once again under the horses near Jantar Mantar, there is a certain inconsistency there. What we have to recognise is that between the performances of regimes, particularly between the NDA regime and the UPA regime, the significant difference is that when the international price of petrol rose from May, 1996 to December, 2003 -when they put a freeze on it by 63 per cent in that period- they increased the domestic RSP of petrol in Delhi by 93 per cent. We, on the other hand, faced with an increase of 15 per cent in international prices, between December, 2003 and June, 2004 raised the domestic RSP by only 6 per cent. They increased it by 93 per cent on the face of 63 per cent; while we increased it by a mere 6 per cent. ...*(Interruptions)*...

SHRI YASHWANT SINHA: You are comparing six months with six years. Is that a fair comparison? ...*interruptions*)... What is the comparison? ...*interruptions*)... He quoted 96 to 2004. ...*(Interruptions)*...

SHRI MANI SHANKAR AIYAR : There is a very good reason why I picked May, 1996. It was the day I went into the opposition, and you came into the office. That was why we picked on May, 1996. ...*(Inter/vptbns)*...

SHRI YASHWANT SINHA: We did not come in office in 1996... ...*(Interruptions)*... except for 13 days ...*(Interruptions)*...

SHRI MANI SHANKAR AIYAR: I know you wish to forget your 13 days. I referred to those 13 days. ...*(Interruptions)*...

SHRI YASHWANT SINHA: If you are criticising, then you are criticising your colleague, Mr. Chidambaram, because he was the Finance Minister at that time.

SHRI MANI SHANKAR AIYAR: The only thing I am pointing out is when we had an increase of 63 per cent in international prices... *(Interruptions)*...

SHRI YASHWANT SINHA: Let me tell you that you have betrayed the people, because you promised something and have acted totally against that. ...*(interruptions)*... That is why we are against that. ...*(Interruptions)*...

SHRI MANI SHANKAR AIYAR: So, you promised them higher prices. I want to go further. I want to go further. Between June, 2004 and October, 2004, petrol prices in the world have increased by 22 per cent. We have increased those prices only by nine per cent. The record in diesel

of the * Government that preceded ours is even worse. In diesel, faced with a 31 per cent increase in international prices between May, 1996 and December, 2003, the NDA Government increased the price of diesel by 197 per cent! That is why we were at the. ...(*Interruptions*)...

SHRI YASHWANT SINHA: You are absolutely wrong. You are misleading the House. You cannot compare 1996 and 2004. How can you compare? Sir, how is he comparing...(*Interruptions*)...How can he include two years of United Front. ...(*Interruptions*)...How can he do it? And these people like Rajeev Shukla who were sitting with us on this side are saying,

SHRI MANI SHANKAR AIYAR: I am sorry, Sir, I have been ...(*Interruptions*)... Mr. Chairman, Sir, I had actually spared the gentle feelings of the 13-day Government of 1996 because then they actually came into office for a somewhat longer 13 months, until they were completely finished on the 13th of May, 2004. I won't go back to that day in 1998. When they took office, the international price of oil in May 1998 was much lower than it was in...(*Interruptions*)... The increase they have made is even greater than that I have indicated...(*Interruptions*)...

THE VICE-CHAIRMAN (DR. ALLADI P. RAJKUMAR): Let him complete. ...(*Interruptions*)...

श्री सजंय निरूपमः उपसभाध्यक्ष महोदय, यह पोलिटिकल इश्यू नहीं है। इसके बाद जो इकनॉमिक्स का सबसे गलत सिद्धांत है, उसको एक इंस्टांस करके रखा जा रहा है। आठ साल में जो प्राइस राइज़ हुआ है। that cannot be compared with the price rise in six months. This is basically he is talking wrong.

SHRI MANI SHANKAR AIYAR: Sir, I am, therefore, concluding not on a point of contention between the Opposition Benches and ourselves, but on the constructive point as to what are the principles, the basic principles that inform our approach to the oil sector, including pricing. I will suggest, Sir, that our policies are informed by five very important principles which need to be stated on the floor of the House. First, the need for economic reforms but with a human face, not 197 per cent, but a few percentage points. Second, that we must build a strong and efficient public sector in a domes'tically and globally competitive environment. Third, that we must meet the massive social obligations of oil sector PSUs through

* Expunged as ordered by the Chair

sound and substantial commercial return, which means that you squeeze 20,000 crores of rupees out of public sector marketing companies by giving them a refining margin of seven to eight points, you reduce that refining margin and you won't have the money to give the kind of subsidies which are currently being given. Fourth, and this I regard as utterly crucial, and I really plead with the Standing Committee to assist us in this regard, reaching subsidised petroleum products to the target beneficiaries by using the Panchayati Raj system by enabling some logic to be brought for having a Minister who is twice over PM -- Petroleum Minister and Panchayat Minister -- we can work this system out and I wish we do so, so as to forestall diversion for adulteration of black-marketing and actually estimate how much do we need to get to the poorest of the poor and finally to take action on energy security. We have already, it was because Shri Sanjay Nirupam asked me that from Sakhalin one, we are now about to get Sakhalin three, but from Sakhalin one alone we expect to get 2,50,000 barrels of oil per day, when it goes into operation and 1050 million standard cubic feet per day of gas. At the Greater Nile Oil Project, which is already under production, we are currently getting about 3 million tonnes of oil produced. These are not numbers to be sniffed at. We will continue to search for our energy security, first and foremost, here in India, and that means... (*Interruptions*)...

SHRI DIPANKAR MUKHERJEE: Please include demand management also.

SHRI MANI SHANKAR AIYAR: In that, I will address myself to the point made by Shri V. Narayanasamy, that is, much enhanced investment in exploration and production of both oil which he wanted and gas which Shri Sanjay Nirupam wanted. Secondly, in recognition of the fact that we will not in any realistic sense, sort of a miracle, be able to meet our energy requirements from domestic production to start looking outside not for the relatively small amounts of oil that we have so far been looking for, but massive amounts of gas, and to that end, I am very, very happy to inform the House that yesterday, I have had a conversation with the Minister of Finance of Bangladesh, which makes me fairly hopeful that we may be able to find a transit corridor through Bangladesh for gas that comes from Myanmar. I have held a conversation, without commitment, with His Excellency, the Prime Minister of Pakistan, last week, and then, with the Minister of Oil, my counterpart in Teheran, over the previous weekend, which indicates that it might be possible for us to find formulae to which we

will be able to take advantage of the fact that India is an island lying in a lake of natural gas. It is surrounded by natural gas in Myanmar, in Turkmenistan, along the Caspian basin, in Iran, possibly, in Bangladesh, although Bangladesh have still not totally evaluated what they have got. We can access gas, we can access it as LNG, and we can access it as piped gas. I think, Shri P. Chidambaram, can go forward in total confidence that he will be able to attain his growth target of 7 to 8 per cent on a sustained basis over the next 20 years because I assure him that, we, by our effort, domestically and internationally, will provide him with the energy to attain his ambition. Thank you.

श्रीमती सुषमा स्वराज: उपसभाध्यक्ष जी(व्यवधान)....

श्री जीवन राय: मैडम, आपको सुनाना है, लेकिन आप बाद में वाक आउट करेंगी(व्यवधान)....मेरी बात सुनिए(व्यवधान)....

श्री मती सुषमा स्वराज: मुझे चेयर ने आइडेंटिफाई किया है(व्यवधान)....

श्री जीवन राय: आप तो बाद में वाक आउट करेंगी(व्यवधान)....

SHRIMATI SUSHMA SWARAJ: He has identified me.

THE VICE-CHAIRMAN (DR. ALLADI P. RAJKUMAR): Mr. Jibon Roy, I will give you a chance after Smt. Sushma Swaraj. I will call you.

श्री मती सुषमा स्वराज: मुझे बात कहने दीजिए(व्यवधान)....आप कहिए न(व्यवधान)....

SHRI JIBON ROY; Then, Madam, you promise that you will not walk out.

श्री मती सुषमा स्वराज: आप बैठिए(व्यवधान)....मैं आपकी ही बात कर रही हूँ(व्यवधान)....आप बैठिए(व्यवधान)....मैं आपकी बात कर रही हूँ(व्यवधान)....

SHRI JIBON ROY: I thought the Chair has identified me.

SHRIMATI SUSHMA SWARAJ: It is not done. He has identified me. You let me speak. You speak after me. उपसभाध्यक्ष जी, धन्यवाद। मंत्री महोदय, आपने बहुत दृढ़ता से अपने इस विस्तृत उत्तर में दो बातें कहीं हैं। आपने कहा कि यदि आप नरसिंह राव जी की सरकार में होते तो ए.पी.एम. (एडमिनिस्ट्रेटिव प्राइस मेकेनिज्म) को बनाए रखने के लिए लड़ते, अगर गुजराल साहब की सरकार में होते तो भी आप ए.पी.एम. के लिए लड़ते, अगर वाजपेयी जी की सरकार में होते तो भी ए.पी.एम. के लिए लड़ते। इसका मतलब साफ है कि आप एडमिनिस्ट्रेटिव प्राइस मेकेनिज्म डिसमेंटल करके आई.पी.पी.रीजीम (इम्पोर्ट पैरिटी प्राइस रिजीम) को लाने के पक्षधर नहीं हैं। आपको यह काम मजबूरी में करना पड़ रहा है। हालांकि आपने अपने कहे अनुसार इस नीति को नरसिंह राव जी की सरकार ने शुरू

किया था, जो आपकी पार्टी की सरकार थी। इस नीति को यूनाइटेड फ्रंट की सरकार ने नोटिफाई किया था, जो आपकी समर्थित सरकार थी। मैं आपसे जानना चाहती हूँ कि यदि आपकी अपनी सरकार की नीतियों का विरोध करने का अधिकार आपको मंत्री के नाते भी हासिल है तो केवल एक सी.पी.आई. के मैम्बर इंद्रजीत गुप्ता के सरकार में चले जाने के बाद क्या दीपांकर मुखर्जी को यह अधिकार हासिल नहीं है कि वे इस सदन में खड़े हो कर ए.पी.एम.का विरोध कर सकें ? आप बार-बार इंद्रजीत गुप्ता का नाम लेकर वामपंथियों को शर्मसार क्यों कर रहे हैं ? दूसरी बात मैं आपसे यह जानना चाहती हूँ कि(व्यवधान)....एक मिनट....(व्यवधान)....इसी संदर्भ में मेरा दूसरा सवाल यह है कि एक मंत्री के नाते सदन में खड़े होकर, अपनी इस सरकार की नीति का विरोध करके, आपने व्यक्तिगत बात कही है, आपने अपने आपको सोशलिस्ट कहा है और उस हिसाब से अपने व्यूज रखे हैं(व्यवधान)....मैं आपसे नहीं, इनसे जवाब मांग रही हूँ(व्यवधान)....क्या यहां पर अपनी व्यक्तिगत बात कहकर, जब कि आप एक अधिकृत मंत्री के नाते जवाब दे रहे हैं, आपने सामूहिक उत्तरदायित्व यानी कलेक्टिव रिसांसिबिलिटी के सिद्धांत की अवहेलना नहीं की है ?(व्यवधान)....

SHRI MANI SHANKAR AIYAR: Let me reply. ...*(Interruptbns)*...

SHRI JIBON ROY: Mr. Minister, it is good that the matter is being discussed in detail and the things have come out. I do appreciate that you have derived some good points, but we cannot wish away the fact that because of the rise in petroleum prices, the common people are suffering. We cannot wish away the fact that we are importing petroleum products worth Rs.90,000 crores or Rs. 1,00,000 crores, and out of that some people are making money. ...*(Interruptions)*... Besides, the petroleum component.. *(Interruptbns)*...

(MR. DEPUTY CHAIRMAN in the Chair.)

MR. DEPUTY CHAIRMAN: 'Mr. Jibon Roy, we are not opening another debate.

SHRI JIBON ROY: No, no; I am not making a speech. ...*(Interruptions)*... I am not making a speech. ...*(Interruptions)*... I am not making a speech. ...*(Interruptbns)*... The point I want to make is that you cannot suppress us. ...*(Interruptions)*... The fact is that ...*(Interruptbns)*...

MR. DEPUTY CHAIRMAN: Mr. Jibon Roy, you have to please cooperate with me.

SHRI JIBON ROY: Sir, the fact is that the common people are suffering. ...*(Interruptbns)*... The common people are suffering; they are getting nothing out of it. ...*(Interruptbns)*...

MR. DEPUTY CHAIRMAN: The Minister has given an extensive reply. ...*(Interruptions)*... The Minister has given an extensive reply. In a Call Attention, there is no provision for this type of debate.

SHRI DIPANKAR MUKHERJEE: No, no; there is a specific point. He has said this, and I am telling it on your *face*...*(Interruptions)*... I am telling it on your face that he has some confusion over the CPI Party and the CPI(M) Party, and all that. In 1997 also*(Interruptions)*... I am telling you that in 1997 also, the CPI(M) had opposed the import parity price and had asked for the APM. And right now, this year also, I am asking the Government to switch over to the Administered Pricing Mechanism, if this is your import parity price system and if 'the import parity price' means no finance for the poor, no relief to the poor, and a financial bonanza to the private refinery! This is our demand. ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: Mr. Dipankar Mukherjee, is it so relevant now? ...*(Interruptions)*...

SHRI JIBON ROY: You are doing bad things. You allow us to speak. If you suppress them, it is not good for the Government.

MR. DEPUTY CHAIRMAN: Mr. Jibon Roy, please sit down.

SHRI JIBON ROY: I am not speaking. I am sitting now.

MR. DEPUTY CHAIRMAN: You are speaking. ...*(Interruptions)*...

SHRI JIBON ROY: If you suppress them, it is not good for you, I am telling you.

MR. DEPUTY CHAIRMAN: Okay. Okay. ...*(Interruptions)*... Mr. Jibon Roy, please sit down.

SHRI JIBON ROY: I am not speaking.

श्री संजय निरूपम: महोदय, मेरा एक प्रश्न था, उसका जवाब नहीं आया है*(व्यवधान)*....

उपसभापति: क्या सवाल है ?

श्री संजय निरूपम: डिप्टी चेयरमैन साहब, माननीय मंत्री महोदय ने बहुत ही विस्तृत जवाब दिया, सारे सवालों का जवाब दिया। मेरा एक सवाल था, मैंने मुंबई के नागरिकों का दुःख प्रकट किया था कि जब भी डीजल और पेट्रोल के प्राइस बढ़ते हैं*(व्यवधान)*....

MR. DEPUTY CHAIRMAN: He has taken note of it. ...*(Interruptions)*... Now, we will take up the Short Duration Discussion on

the situation arising out of price rise. Dr. Murli Manohar Joshi.
...(Interruptions)...

श्री संजय निरूपम: उपसभापति महोदय, जब भी डीजल और पेट्रोल का भाव बढ़ता है तो सबसे ज्यादा बर्दन मुंबई के उपभोक्ताओं पर आता है, उसका जवाब नहीं आया(व्यवधान)....

उपसभापति: आपने कह दिया है(व्यवधान)....

श्री संजय निरूपम: मैं मंत्री महोदय से निवेदन करता हूँ कि मुंबई में भी आपकी सरकार है और यहां भी आपकी सरकार है, आप कोई ऐसा इंतजाम करिए कि पेट्रोल की जो कीमत यहां है, बिल्कुल वही कीमत मुंबई में भी होनी चाहिए, ताकि मुंबई के आम नागरिकों को राहत मिल सके। मेरा इतना ही निवेदन है, ये अगर सुन लें तो बड़ी मेहरबानी होगी। मंत्री जी इसके लिए कोई इंतजाम कर सकें, तो बहुत मेहरबानी होगी।

मौलाना अबेदुल्लाह खान आजमी (मध्य प्रदेश): कोलकाता वालों ने क्या बिगाड़ा है ?

उपसभापति: शॉर्ट डयूरेशन डिस्कशन....(व्यवधान)....।

श्री मती सुषमा स्वराज: जवाब आ जाए।

उपसभापति: नहीं, जवाब नहीं है अभी, जवाब क्या है ?

श्री मती सुषमा स्वराज: खड़े हुए थे जवाब देने को, सब ने कहा सबका आ जाए।

श्री मणि शंकर अय्यर : उपसभापति महोदय, ख्वाबों की तुलना हकीकत से करने की कोई जरूरत नहीं है। मैंने कहा था कि यदि मैं मंत्री होता, मैं तो था नहीं, मैंने दो बार कहा कि यदि मैं इनकी सरकार में होता, लेकिन था नहीं, और मैंने कहा कि यदि आपकी सरकार में मैं मंत्री होता, शुक्र है कि मैं नहीं हूँ।(व्यवधान).... हम यहां कोई अनुशासनहीनता नहीं कर रहे हैं। हम कलेक्टिव रिसपांसिबिलिटी को मुकम्मल तौर पर मानते हैं और यदि आप काफी गौर से मेरी बात को सुनती तो आपको पता होता कि मैंने कहा कि क्योंकि यह एक विरासत है, जिसका मैं वारिस हूँ। उस विरासत को मुझे अपनाना चाहिए और बजाय यह कि यदि मैं होता और एडमिनिस्टर्ड प्राइस मेकेनिज्म होता तो उसका मोडिफिकेशन मैं करता। मैंने कहा कि क्योंकि मुझको मिला है एक इम्पोर्ट पैरिटी प्राइसिंग रिजीम, इसको लेते हुए हम इसमें थोड़ा बहुत कुछ संशोधन लाएंगे, ताकि हमारे उपभोक्ता और हमारे नागरिकों का पूरा ध्यान रख जा सके।

SHRI C. RAMACHANDRAIAH: Sir, I want to put one question.

MR. DEPUTY CHAIRMAN: Not now.

SHRI C. RAMACHANDRAIAH: The Minister was very eloquent. In fact, he has covered all the points. But he has not replied to my question. I wanted to know whether he would consider decreasing the prices of diesel and LPG or not.(Interruptions)...

उपसभापति: आप प्राइस राइज पर शार्ट ड्यूरेशन शुरू कीजिए ।
....(व्यवधान)....नहीं-नहीं, शुरू कीजिए ।

श्रीमती सुषमा स्वराज: सर, पांच बजने वाले हैं । यह महंगाई का इतना बड़ा मुद्दा है(व्यवधान)....। सर, महंगाई वाला इतना बड़ा मुद्दा है(व्यवधान)....

उपसभापति: इसे शुरू करेंगे

श्रीमती सुषमा स्वराज: ऐसे थोड़े ही शुरू करेंगे(व्यवधान)....ऐसे तो हम शुरू ही करते रहेगे(व्यवधान)....

एक माननीय सदस्य: कल शुरू करे ।

श्रीमती सुषमा स्वराज: कल शुरू करवाइए(व्यवधान)....

उपसभापति: कल नहीं होगा, कल फिर दूसरा मुद्दा आएगा ।

श्रीमती सुषमा स्वराज: दूसरा मुद्दा आगे चला जाएगा ।

उपसभापति: नहीं — नहीं ।

श्री एस.एस.अहलुवालिया (झारखंड): कल बृहस्पतिवार है और शुक्रवार को प्राइवेट मेंबर्स का काम है । ऐसा है कि यह काम हमने पहले बोला था । कॉलिंग अटेंशन का मतलब ही होता है कि लंच के पहले खत्म करना है, लेकिन आपने खत्म नहीं किया ।

उपसभापति : हम खत्म करना चाहते थे, लेकिन मैम्बर्स(व्यवधान)....

श्री एस.एस. अहलुवालिया: कॉलिंग अटेंशन को खत्म नहीं किया । अभी 4.30 बजे हम शॉर्ट ड्यूरेशन नहीं लेंगे ।....(व्यवधान)....

SHRI C. RAMACHANDRAIAH: I would like to know whether the Government would reduce the prices of LPG and diesel or not. ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: That subject is over. Now we have taken up the Short Duration Discussion. ...*(Interruptions)*...*The Calling Attention Motion is over now.*

SHRI RAVULA CHANDRA SEKAR REDDY: Sir, ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: Your views have been expressed by Shri Ramachandraiah. ...*(Interruptions)*... Your party's views have already gone on record.

DR. ALLADI P. RAJKUMAR: Sir, the Minister has not replied to this point. Let the Minister reply to this point.

MR. DEPUTY CHAIRMAN: I cannot force the Minister to be specific that you give this reply or. you give that reply. The Minister has concluded his reply.

SHRI RAVULA CHANDRA SEKAR REDDY: Sir, in spite of our repeated requests, the Minister has not come forward to say that they would reduce the prices of petrol, diesel and LPG. In protest, we stage a walk out.

(At this stage some hon. Members left the Chamber)

उपसभापति: देखिए , कल 3.30 बजे हाउस एडजर्न हुआ ।

श्री मती सुषमा स्वराज: सर, हमारे तो वक्ता तैयारी से बैठे हैं । लेकिन आप स्वयं सोचिए, उस दिन हमने यह कहा था(व्यवधान)....

उपसभापति: क्या आप शार्ट ड्यूरेशन डिस्कशन नहीं लेना चाहते ?
....(व्यवधान)...

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): What is your proposal? Sushmaji, what is your proposal?

DR. MURLI MANOHAR JOSHI: It should be taken up tomorrow.

SHRI P. CHIDAMBARAM: Tomorrow, I am in the Lok Sabha on the same subject. Just like this "discussion, tomorrow there is another discussion on the price rise in Lok Sabha. ...{Interruptions}... I am available. But tomorrow I am in Lok Sabha.

DR. MURLI MANOHAR JOSHI: It will not be over today.
...(Interruptions)...

श्री मती सुषमा स्वराज: उससे फर्क थोड़े ही पड़ता है ।

SHRI P.CHIDAMBARAM: I am in your hands. I am willing to come whenever you want to start. But tomorrow, I want to point out, I will be in the Lok Sabha. ...{Interruptions}...

MR. DEPUTY CHAIRMAN: We can start the debate.
...(Interruptions)... Now, we have to complete all the matters, all the subjects, listed today. ...{Interruptions}... We should sit a little late. We should discuss all the matters today. ...{Interruptions}... Yesterday also the debate on internal security could not be completed. ...{Interruptions}... Tomorrow we have to continue the debate on internal security and complete it. It is also there.
...(Interruptions)...

SHRI S.S. AHLUWALIA: Then this can be taken up only next week.
...(Interruptions)...

SHRI V. NARAYANASAMY: The POTA (Repeal) Bill is listed for tomorrow. ...(Interruptions)...

SHRI S.S. AHLUWALIA: I am told that it is going to be taken up on next Monday. ...(Interruptions)... My point is that it is 4.35 P.M. now. In 25 minutes we can't finish the debate. ...(Interruptions)... We will take it up tomorrow. ...(Interruptions)... Mr. Chidambaram can come here and hear the leaders. ...(Interruptions)...

SHRI P. CHIDAMBARAM: I have no objection, as long as the hon. Members agree that while the debate in the Lok Sabha is going on I will not be present here. ...(Interruptions)...

SHRI S.S. AHLUWALIA: First you have to come here when it will be initiated. ...(Interruptions)...

SHRI P. CHIDAMBARAM: Where will it start first? ...(Interruptions)...

MR. DEPUTY CHAIRMAN: Tomorrow he has to attend the Lok Sabha. ...(Interruptions)...

SHRI S.S. AHLUWALIA: We will start at 12 o'clock.
...(Interruptions)...

SHRI P. CHIDAMBARAM: Mr. Surinder, please understand.
...(Interruptions)... Wherever the debate starts first, I will have to be there.... (Interruptions)...

SHRI S.S. AHLUWALIA: Yes, wherever the debate starts first, you will be present there. ...(Interruptions)...

SHRI V. NARAYANASAMY: Sir, I would like to make a point.
...(Interruptions)... We have the legislative business for tomorrow.
...(Interruptions)... Therefore, it can't be taken up tomorrow.
...(Interruptions)...

श्री मती सुषमा स्वराज: सर, कल 12 बजे ले लें(व्यवधान)....

MR. DEPUTY CHAIRMAN: I can't guarantee that the subject-matter will come up for discussion tomorrow because tomorrow's business has to be decided. ...(Interruptions)...

श्रीमती सुषमा स्वराज: सर, कल 12 बजे ले लें और मंत्री जी आ जाए.....

उपसभापति: कल का बिजनेस तो डिसाइडेड है।(व्यवधान)....कल 12 बजे स्पेशल मेंशंस आएंगे, फिर 12 बजे नहीं कर सकेंगे।

SHRI P. CHIDAMBARAM: What is this, Madam? You can start the debate. ...(Interruptions)...

श्रीमती सुषमा स्वराज: कल 12 बजे ले लेते हैं।

उपसभापति: 12 बजे नहीं ले सकेंगे क्योंकि कल उस समय स्पेशल मेंशंस हैं(व्यवधान)....

श्रीमती सुषमा स्वराज: सर, स्पेशल मेंशंस बाद में आ जाएंगे।(व्यवधान)....सर जिस दिन इस पर चर्चा रखी गयी थी, मैंने उसी दिन कहा था कि कॉलिंग अटेंशन मत रखो अगर कॉलिंग अटेंशन रखोगे तो वह शाम तक जाएगा। ...(Interruptions)... We can start the discussion tomorrow at 12 o'clock and then he can go to the Lok Sabha at 2.30 P.M. or 3 P.M.

SHRI P. CHIDAMBARAM: Sir, let them start whenever the Chair allow them to start. ...{Interruptions}... If I am in the Lok Sabha and the discussion starts there, I will not be present here. ...{Interruptions}... I will come back and reply. ...(Interruptions)...

SHRIMATI SUSHMA SWARAJ: You will be called in the Lok Sabha at 2 o'clock only. ...{Interruptions}...

SHRI P. CHIDAMBARAM: I don't know, Madam. How can I say that? ...(Interruptions)...

SHRIMATI SUSHMA SWARAJ: All the discussions start in the Lok Sabha in the afternoon. ...{Interruptions}...

SHRI P. CHIDAMBARAM: If I am free, I will be here. ...{Interruptions}... Why do you assume I will not be here? ...{Interruptions}...

DR. MURLI MANOHAR JOSHI: It can start at 12 o'clock. ...{Interruptions}...

SHRI V. NARAYANASAMY: Sir, the POTA (Repeal) Bill and the Unlawful Activities (Prevention) Amendment Bill are listed for tomorrow. ...{Interruptions}...

श्रीमती सुषमा स्वराज: वह तो रिवाइज्ड लिस्ट में आ जाएगा।(व्यवधान)...."पोटा" मंडे को आ जाएगा।

SHRI S.S. AHLUWALIA: Then why didn't you list it on Tuesday?
...(Interruptions)...

MR. DEPUTY CHAIRMAN: If we are not be able to take it up tomorrow, we will take it up on some other day. ...(Interruptions)... The problem is that the hon. Finance Minister will be busy in the Lok Sabha tomorrow. ...(Interruptions)... Then, the discussion will not be completed tomorrow also. ...(Interruptions)...

SHRI P. CHIDAMBARAM: I Will finish the discussion there and come back here. ...(Interruptions)...

SHRIMATI SUSHMA SWARAJ: Tomorrow at 12 o'clock the Minister can come here. ...(Interruptions)...

SHRI P. CHIDAMBARAM: Sir, you decide this. The BAC is there.
^...(Interruptions)...

MR. DEPUTY CHAIRMAN: We have to facilitate the discussion.
...(Interruptions)...

SHRIMATI SUSHMA SWARAJ: I am only a facilitator.
...(Interruptions)...

MR. DEPUTY CHAIRMAN: Then we have to stick to the agenda.
...(Interruptions)...

SHRI DIPANKAR MUKHERJEE: Sir, there is an agenda for the House. ...(Interruptions)... Let us not have a BAC here. ...(Interruptions)... If he can't initiate the discussion, someone else can initiate. ...(Interruptions)...

श्री मती सुषमा स्वराज: बी.ए.सी.का सब्जेक्ट बदल जाता है।

SHRI S.S. AHLUWALIA: Sir, as per the BAC's decision, tomorrow is not the Legislative Business day. It is a Private Members' day.
...(Interruptions)...

MR. DEPUTY CHAIRMAN: I have no objection. If you are not initiating it today, tomorrow the Short Duration Discussion will not come up.
...(Interruptions)...

SHRIMATI SUSHMA SWARAJ: Sir, it will come up.
...(Interruptions)...

DR. MURLI MANOHAR JOSHI: It will come up. ...(Interruptions)...

MR. DEPUTY CHAIRMAN: We have already circulated the agenda for tomorrow. ... *(Interruptions)*...

SHRIMATI SUSHMA SWARAJ: The list is revised every day. ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: I am not saying that it can't be revised. ...*(Interruptions)*... Once we have listed the business and when you are tied up because of certain things ...*(Interruptions)*...

SHRIMATI SUSHMA SWARAJ: We were told that on Tuesday there would be Legislative Business. ...*(Interruptions)*... But there was no Legislative Business on that day and we were forced to take up the Short Duration Discussion. What is this? ...*(Interruptions)*... Today also the Calling Attention Motion was supposed to be over by 1 o' clock...

MR. DEPUTY CHAIRMAN: Members insisted that it should be extended. I was very keen that it should be completed by 1 o' clock.

DR. (SHRIMATI) NAJMA A. HEPTULLA: Sir, I agree with you that we should follow the agenda and whatever had been decided. It was decided to have the Calling Attention Motion in the morning. And, it lasted till now, that is, 4.30 p.m. It means we have changed the agenda already. And, you said just now that the agenda was changed because the House wanted it. I would like to put it again that the same House wants that this important discussion on price rise should not be taken at the fag end of the day.

MR. DEPUTY CHAIRMAN: Not the House. Still I have not taken the sense of the House...

DR. (SHRIMATI) NAJMA A. HEPTULLA: I am sorry; you did not take the consensus of the House in extending the Calling Attention Motion.

MR. DEPUTY CHAIRMAN: I did take. At 1 o' clock I said that we have to complete the discussion. But Members were of the unanimouys opinion that this, being a very important subject, the time should be extended.

SHRI MANOJ BHATTACHARYA: It is an usual practice to extend the Calling Attention Motion like this.

SHRI P. CHIDAMBARAM : Sir, there is no point "debating across the floor of the House. As I understand the sentiment of the principal

Opposition party, they don't want to commence the debate today. They want to commence it tomorrow or on some other suitable occasion. I defer to their wishes. If they do not wish to commence the debate today, I am not going to ask them to do it within 15 minutes. Please call the BAC. if necessary, and resolve the matter. Whenever it is listed, I will be break it. But if I am called in the Lok Sabha, my colleague will be present here. I will come back as soon as possible.

MR. DEPUTY CHAIRMAN: The House is adjourned to meet tomorrow at 11 o' clock.

The House then adjourned at forty-two minutes past four of the clock, till eleven of the clock on Thursday, the 9th December, 2004.