

**SHRI B. C. GHOSE:** Has the hon. Minister any information about any action taken anywhere against any mill?

**SHRI D. P. KARMARKAR:** I have not got any information of that kind.

**SHRI B. K. P. SINHA:** May I know what has been the effect of this restriction on the labour situation and on the working of the mills?

**SHRI D. P. KARMARKAR:** I think, Sir, the labour situation has not been much affected.

#### SALE OF PRODUCTS OF REFINERIES IN INDIA

\*158. **SHRI B. V. KAKKILAYA:** Will the Minister for PRODUCTION be pleased to state:

(a) whether it is a fact that Government have agreed to the condition that the products of the oil refineries will be sold in the Indian market at prices equal to those of the imported supplies;

(b) whether it is a fact that Government will have no hand in the distribution of the refined products and the companies may as well export them;

(c) whether it is a fact that Government have exempted the refinery companies from certain provisions of the Industries (Development and Regulation) Act and have forfeited the Governmental right to intervene, when necessary, in the affairs of these private companies and take over control under special circumstances; and

(d) if the answers to parts (a), (b) and (c) be in the affirmative, what are the reasons for these concessions?

**THE MINISTER FOR PRODUCTION (SHRI K. C. REDDY):** (a) The companies will be permitted to establish prices at a level not higher than that at which equivalent imported products can be made available for sale. The prices of petroleum products are based on the dollar prices ruling in the Gulf of Mexico ports. To this price are added other elements like freight, insurance, customs duty

etc. The prices therefore are not related to the cost of production in any particular area but are fixed internationally.

(b) The refinery companies will be free to make their own arrangements for the distribution of the refined products in India. The companies who are to set up oil refineries have already been engaged in the distribution of imported petroleum products in India over a number of years. Instead of handling in the main imported petroleum products, these distributing companies will market the products refined in India, to the extent that they are available. As regards export, the companies will be allowed to export only such products as are not required by the Indian market.

(c) Yes, the refinery companies have been assured exemption from sections 15 to 18 of the Industries (Development and Regulation) Act, 1951.

(d) After the establishment of this vital industry in this country under these arrangements, the position will in no respect be disadvantageous to India as compared with the present position when India is dependent almost wholly on imported petroleum products. On the contrary there will be distinct advantages. It was not possible to establish this important industry without foreign capital and technical participation, and reasonable facilities and safeguards had therefore to be assured to the companies to make the venture a reasonably attractive and economic proposition.

**SHRI B. V. KAKKILAYA:** When the price in India is not based on the cost of production in India, and when the Government has no power to control the prices of petroleum products, what benefit will the consumers of petroleum products derive from these oil refineries?

**SHRI K. C. REDDY:** It is not merely the question of the consumers' interests in regard to price that we have

to take account of in a matter like this. We have to be as self-sufficient as possible in the matter of the supply of these refined products. Now what we are doing is that we are importing these refined products from abroad. This position will be replaced by a position whereby crude oil will be stocked in sufficient quantities for refinery operations in India. This is an advantage and there are benefits in some other ways also. So, Sir, I submit that the matter should not be looked at purely from the point of view of the price that is to be fixed for the consumers.

SHRI B. V. KAKKILAYA: Is it not a fact that the companies who operate these refineries are the same companies which hold a monopoly in oil?

SHRI K. C. REDDY: The whole business, if I may say so, is a monopolistic business. This petroleum oil business is a very complicated one. Three of these big firms, the names of which have already been mentioned more than once on the floor of this House, perform both the parts, the refining part of it and the distribution part of it. And so, we have got to take the situation as it is. And so long as we are not in an effective position to alter this rather sorry state of affairs, we have got to put up with it.

SHRI B. V. KAKKILAYA: Is it not a fact that a few months ago, the Iran Government reduced their prices of petrol and petroleum products by 50 per cent.?

SHRI K. C. REDDY: That is a matter which concerns my hon. colleague, the Minister for Works, Housing and Supply. And it will not be proper on my part to say anything on that subject.

SHRI KISHEN CHAND: Will the hon. Minister tell us if the increase in the price of petrol and petroleum products is due to the excise duty? Will the Government continue to get the same excise duty from the petrol and

petroleum products after the institution of these refineries?

SHRI K. C. REDDY: I would refer the hon. Member to the statement that I placed on the Table of the House the other day. I have placed all the agreements which the Government have entered into with the three oil refinery companies, and I would like respectfully to invite his attention to those agreements.

SHRI C. G. K. REDDY: Sir, apart from the concessions which have been mentioned in part (c) of the question about intervention by the Government, is it not a fact that according to the Articles of Agreement, certain concessions in import duties will also be given to these companies?

SHRI K. C. REDDY: Yes, Sir. Here, again, I would like to invite the attention of the hon. Member to the agreements which I have placed on the Table of the House. I submit, Sir, that if supplementary questions have to be put and answered on the various clauses of that agreement, it might perhaps take a very long time to answer all those questions satisfactorily.

SHRI C. G. K. REDDY: If that is a fact, will it not result in the oil companies making much more profit than what they are making today?

SHRI K. C. REDDY: That is a matter of inference, Sir.

SHRIMATI SAVITRY NIGAM: May I know whether the hon. Minister is aware that the quality of petrol is deteriorating every day and the prices are going up every day?

SHRI K. C. REDDY: I do not know what is going up and what is going down. My hon. colleague, the Minister for Works, Housing and Supply is to answer that question.

SARDAR SWARAN SINGH: Nothing is going up and nothing is coming down.

SHRI M. VALIULLA: May I know whether we are going to get petrol at a cheaper rate, after these oil refineries have gone into production?

SHRI K. C. REDDY: Not necessarily, Sir.

SHRI M. VALIULLA: Is it not a fact that we are going to save a good deal of foreign exchange after these refineries go into production?

SHRI K. C. REDDY: That is quite so, Sir.

SHRI H. P. SAKSENA: How long are we going to be the victims of these ups and downs?

MR. CHAIRMAN: Mr. Sobhani.

SHRI O. SOBHANI: Are the Government contemplating to take any steps to make these refineries mix power alcohol in larger quantities with the petrol that they turn out?

SHRI K. C. REDDY: Sir, the production of power alcohol is an entirely different thing, and so far as I can remember, I do not think, the manufacture of power alcohol is one of the items included in the programme of these oil refinery companies.

#### ABOLITION OF THE SHELLAC EXCHANGE LTD.

\*159. SHRI S. N. MAZUMDAR: Will the Minister for COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government have received any representation from the Shellac Producers and Workers' Organisations requesting the abolition of the Shellac Exchange Limited of Calcutta; and

(b) if so, what action Government propose to take in the matter?

THE MINISTER FOR COMMERCE (SHRI D. P. KARMARKAR): (a) Yes, Sir.

(b) The matter is under consideration.

SHRI K. C. GEORGE: What are the industries in India which use shellac?  
67 CSD.

SHRI D. P. KARMARKAR: I would like to have notice. I cannot say it offhand.

#### IMPORT AND RE-EXPORT OF DIESEL ENGINES

\*160. MOULANA M. FARUQI: Will the Minister for COMMERCE AND INDUSTRY be pleased to state:

(a) what is India's annual requirement of diesel engines;

(b) how many diesel engines were imported into India during the last year;

(c) how many diesel engines were re-exported from India each year from the year 1950-51 and to which countries they were re-exported; and

(d) whether any factories manufacturing diesel engines were closed in Bombay during the year 1952-53?

THE MINISTER FOR COMMERCE (SHRI D. P. KARMARKAR): (a) The annual requirements of diesel engines have been varying so widely in the past that it has not been possible to assess the country's annual demand with any degree of accuracy.

(b) Information relating to imports of diesel engines alone is not available as it is not shown separately in the 'Accounts relating to the Foreign (Sea and Land) Trade and Navigation of India'. Diesel engines are included along with oil engines. The total imports under this head during the year 1952-53 were 17,999 Nos.

(c) A statement is laid on the Table of the Council. [See Appendix V, Annexure No. 41.]

(d) Yes, Sir. One factory was closed for a few months early this year. It has, however, resumed production from the 3rd August 1953.

مولانا ایم فاروقی : کیا گورنمنٹ کو یہ

جانکاری ہے کہ سن ۱۹۵۱ء میں دیش  
میں جتنے ڈیزل انجنوں کا پورڈکشن  
ہوا تھا اس کے مقابلے میں سن ۱۹۵۲ء  
میں کم ہوا ؟