

SHRI MAHAVIR TYAGI: I am sorry my hon. friend has made a mistake in putting a question regarding discretionary grant. If he had asked about total grant, I would have replied.

SHRI SITARAM JAIPURIA: May I know the total number of new refugees from West Pakistan and whether even now some refugees are coming?

MR. CHAIRMAN: You need not reply. This does not refer to that.

OIL REFINERIES AT MADRAS AND HALDIA

*534. **SHRI ARJUN ARORA:** Will the Minister of PETROLEUM AND CHEMICALS be pleased to state whether Government have finalised agreements with some foreign interests for collaboration in setting up oil refineries at Madras and Haldia?

THE MINISTER OF PETROLEUM AND CHEMICALS (SHRI HUMAYUN KABIR): Agreement has been reached in principle with National Iranian Oil Company and American International Oil Company for the establishment of a refinery at Madras. Proposals for the refinery at Haldia are under examination.

SHRI ARJUN ARORA: May I know if the Madras agreement envisages the use of Indian crude or will the refinery be based on 100 per cent. imported crude?

SHRI HUMAYUN KABIR: We will be buying crude from the American International and the National Iranian Oil companies, about 40 million tonnes spread over twenty-one years and there is a clause that if Indian crude is available, there will be provision for the use of that also?

SHRI ARJUN ARORA: May I know why the refinery was located at Madras when the O.N.G.C. and other agencies of the Government have not yet succeeded in locating any crude in Madras region and though there is a theoretical agreement about the use

of Indian crude, the refinery is so located that it will always have to rely on imported crude?

SHRI HUMAYUN KABIR: My friend should be aware that the vast majority of the refineries in the world are located in places where there is no crude.

SHRI BIREN ROY: How many foreign countries have submitted their collaboration agreements for oil refinery at Haldia and for the petroleum complex?

SHRI HUMAYUN KABIR: We have an offer from a combination of a German firm and an American firm. We have also an offer from Rumania and we have also a proposal but not yet in specific form from a French concern.

SHRI BHUPESH GUPTA: Sir, . . .

MR. CHAIRMAN: Yes, Mr. Gupta, there is reference to America.

SHRI BHUPESH GUPTA: What will be the ownership of this thing? What will be the position of the Government of India vis-a-vis the collaboration in this matter and whether the policy that such things should exclusively belong to the State sector will be adhered to firmly or whether they are going to get certain other terms which violate this policy?

SHRI HUMAYUN KABIR: I made a policy statement a few days ago in which I clearly stated that the Government of India's policy is that every new refinery will be in the public sector.

SHRI BHUPESH GUPTA: What are the terms?

(No reply.)

SHRI SURESH J. DESAI: What will be the arrangement about bringing crude to the two refineries, whether crude will be brought by foreign companies in foreign tankers or whe-

ther Indian companies chartering tankers will also be allowed to quote for the same at prevailing international rates?

SHRI HUMAYUN KABIR: This question, in a way, is really superfluous because the declared policy of the Government is, wherever Indian shipping is available and on terms which are at all comparable, we will be giving them the highest priority.

SHRI P. K. KUMARAN: May I know, when the refineries in Madras and Haldia are brought into commission, what will be the deficit in oil and oil products which we will still be importing from the foreign countries?

SHRI HUMAYUN KABIR: Sir, when these two refineries have come into production, I think we shall be surplus in almost every product excepting two, furnace oil and kerosene, but for kerosene the shortage will be small and for furnace oil there will still be some shortage, and for that we may have to think of other refineries afterwards.

SHRI ARJUN ARORA: The learned Minister had said something about the location of refineries in the world. I take this opportunity to contradict his statement that refineries in the world are based on imported crude. May I know if the Soviet expert who visited the country early this year, Mr. Sidorenko, advised that new refineries should be constructed only for indigenous oil and in the Haldia and Madras regions there is no oil available.

SHRI HUMAYUN KABIR: Sir, I think my hon. friend has mixed up different statements, taken one bit of Mr. Sidorenko's statement from one place, and another bit of Mr. Sidorenko's statement from some other place. The position is this. Mr. Sidorenko expressed a hope that India may have a very large supply of crude oil. But it is one thing to express a hope and

another thing to produce the oil, and actually the Soviet experts have, to some extent, curbed the enthusiasm of some of our own experts saying that you should go a little slower and you should be more realistic, and added that in the Soviet Union they under-took thirty or forty years' exploration before they were able to prove the very large reserves that they have proved now, and they have asked us also to follow a long-term programme regarding the location of refineries. The general policy everywhere in the world is that a refinery should be as near the consuming centre as possible, and we have chosen Madras and Haldia precisely for that reason, because Madras in the south and Calcutta in the east are two of the largest consuming centres in the country.

SHRI MULKA GOVINDA REDDY: When are these two refineries going into production and what will be the capacity of each one of them?

SHRI HUMAYUN KABIR: The Madras refinery, according to the Agreement with NIOC, should be on trial production by about December, 1967, and perhaps full production will be reached by the end of 1968. In the case of Haldia we are planning on the basis that trial production will start towards the end of 1968 and full production in 1969. The capacity of each will be about 2.5 million tonnes.

SHRI A. D. MANI: The Minister stated that there is a clause in the refinery agreement which will enable Indian crude to be used also by the refineries. May I ask him: Does this clause mean that any crude that the Government of India imports from any source, for example, from the Soviet Union, will also be processed by these refineries?

SHRI HUMAYUN KABIR: Sir, we have entered into a contract to buy a certain quantity from them, and that is governed by certain conditions. Now all these conditions can-

not be stipulated beforehand, because the situation changes from time to time, but one thing is certain, that the consumption of this country is proceeding at a pace, which is much more rapid than the production we have been able to achieve till now or envisaged for the next ten years.

SHRI BHUPESH GUPTA: May I ask from the professor of humanities a very simple question of elementary scientific knowledge? Now when the Soviet Union started forty-five years ago, there was no technological know-how and scientific development. But today everything is available. Therefore why should we take so much time? We cannot understand it.

SHRI C. D. PANDE: It is their advice; not the Hon'ble Minister's.

SHRI BHUPESH GUPTA: Now having regard to that, is it not a fact that the experts, who have gone into this question, have pointed out that, in view of the very large reserves that India possesses—whatever the estimate is—there is great possibility of developing the refineries provided we set about the task in a proper way, and that emphasis has been laid by all?

SHRI HUMAYUN KABIR: Sir, my hon. friend has given some advice. The question was whether one can forecast the existence of oil anywhere. I have to inform my hon. friend that though I am not a scientist or technologist in that sense, there is no scientist in the world today, no geologist nor geophysicist nor any expert in seismic studies, who can say without drilling that oil is here, no Soviet or American or any other scientist. My hon. friend may have that knowledge, but nobody else has.

SHRI SANTOKH SINGH: Because of the location of the availability of the raw crude, may I know, Sir, if there is going to be any relation (ratio proportion)—in the case of the Madras and Haldia refineries—in terms of the total lay-out expenses

and the annual turnover in respect of oil refining?

SHRI HUMAYUN KABIR: Sir, I gave the capacity, and the approximate cost of the refinery, including a lube plant, will be roughly about Rs. 22 crores. But what exactly the question is, I could not follow.

TEKCHAND COMMITTEE REPORT

*335. **SHRI A. D. MANI:** Will the Minister of HOME AFFAIRS be pleased to state:

(a) the time when Government are likely to take a decision on the report of the Tekchand Committee on Prohibition; and

(b) what are the reasons for delay in not taking a decision on the subject?

THE MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS (SHRI JAISUKHLAL HATHI): (a) and (b) The report of the Study Team on Prohibition is under active consideration in consultation with the State Governments. This process takes time and involves delay. Ten States have formulated their views on the report while replies are awaited from the others. It is expected that decisions will be reached in the near future but it is not possible to give a definite date.

SHRI A. D. MANI: Sir, is it a fact that the Government of Maharashtra is not satisfied with the policy of prohibition, and that it has made constructive proposals regarding modification of that policy, and is it a fact that the Government of India has been discouraging the Government of Maharashtra from pursuing their formulation of the policy?

SHRI JAISUKHLAL HATHI: So long as the whole Report is not considered, so long as the proposals made in the Report are not discussed, the Government of India thinks that any deviation which relaxes the