

Gas Commission

SHRI LOKANATH MISRA: Thank you.

**THE OIL AND NATURAL GAS
COMMISSION (AMENDMENT)
BILL, 1964**

THE MINISTER OF STATE IN THE
MINISTRY OF PETROLEUM AND
CHEMICALS (SHRI O. V. ALAGESAN): Sir, I
beg to move:

"That the Bill further to amend the Oil
and Natural Gas Commission Act, 1959, as
passed by the Lok Sabha, be taken into
consideration."

Sir, this is a very simple Bill. As hon.
Members are aware, the Oil and Natural Gas
Commission has a big responsibility in
meeting the country's requirements of
petroleum, and during the Third Five Year
Plan it has a programme to drill 512 wells in
different parts of India and it expects to
achieve a production rate of 3J million tons of
crude oil by ¹⁹⁶⁶.

[THE DEPUTY CHAIRMAN in the Chair]

SHRI RAJENDRA PRATAP SINHA
(Bihar): The hon. Minister is not audible.

THE DEPUTY CHAIRMAN: You are not
audible, he says. Either speak louder or come
to the front bench.

SHRI O. V. ALAGESAN: I shall do so,
Madam.

SHRI DAHYABHAI V. PATEL (Gujarat):
It will not be a sacrilege if you come to the
front bench. Come along.

SHRI O. V. ALAGESAN: Thank you very
much for the encouragement.

Madam, this is a very simple Bill. As
Members are aware, the Oil and Natural Gas
Commission has a

responsibility in meeting the country's
requirements of petroleum and also gas.
During the Third Five Year Plan period, it has
a programme to drill 512 wells in different
parts of India and expects to achieve a
production rate of 3* million tons of crude oil
by 1966. So far, it has completed the drilling
of 275 wells and a further 297 wells remain to
be drilled within the next two years. The task
is not an easy one and vast problems of
organisation and technical complexity have to
be tackled and solved. One of the most
important points in this connection is the
availability of land for drilling purposes. In
order to adhere to the programme of drilling,
drill sites and sites for approach roads to the
drilling sites have to be acquired speedily and
in time. Under section 24 of the Oil and
Natural Gas Commission Act, any land
required by the Commission for carrying out
its functions shall be deemed to be needed for
a public purpose and such land shall be
acquired for the Commission according to the
provisions of part VII of the Land Acquisition
Act of 1894 as if the Commission was a
company within the meaning of the Land
Acquisition Act. Until 1962 this provision did
not create much difficulty for the
Commission. However, after the amendment
of the Land Acquisition Act, in 1962, and the
promulgation of the Land Acquisition
Companies Rules, 1963, the procedure for
acquisition of lands has become time-
consuming. Since the land acquired for the
Commission for the purpose of carrying out
the oil production programme of the Govern-
ment is without doubt for a public purpose, it
is proposed to amend section 24 of the Oil and
Natural Gas Commission Act so as to enable
the Oil and Natural Gas Commission to
acquire land under a procedure different from
that meant for companies. This does not in any
way affect the quantum of compensation that
will be paid by the Oil and Natural Gas
Commission for land so acquired. The
intention is simply to remove the causes of
delay in land

acquisition and speed up the oil exploration and production programme.

Madam, I move.

The question was proposed.

SHRI DAHYABHAI V. PATEL: Madam, I entirely sympathise with the objects of the Government as stated in the Statement of Objects and Reasons. They say that the process of acquisition of land is a time-consuming process and difficulties are being experienced in the matter of acquisition of land. I am as anxious as Government is, as would be seen from the questions that I had been putting, particularly with regard to the development of oil and natural gas in Gujarat. My own feeling is that the Government has been too slow but on the question of acquisition of land I have certain doubts, for example, the mess that was made by Government in the acquisition of land at Koyali which I still hold was a great mistake. Government took up the best little piece of garden land in Gujarat and they wanted to build there a colony for the Oil and Natural Gas Commission simply because the officers of the Oil and Natural Gas Commission wanted to live in a beautiful place like Baroda where they could enjoy the clubs in Baroda, the society in Baroda and, of course, the Maharaja, whatever is left of him in this Congress regime after the Congress election funds have depleted considerably all his private property, and also they wanted their children to get the advantage of the best education in the Baroda University. Madam, I am not opposed to the children of the officers or the employees of the Oil and Natural Gas Commission getting proper education but it was very unfair to have acquired the best piece of land, the garden land, in that area when other land was available also. The selection of the site that was ultimately

selected was an atrocity on Gujarat. You have oil in abundance of the superior quality in Ankleshwar which is south of the Narbada. Baroda is north of the Narbada and the Narbada river poses a great transport problem, both Railways and road transport. The Government of India have not been able to solve this transport problem even today. For a couple of years all trucks passing over the road bridge have to be detained and the goods have to be loaded on to smaller transport vehicles. You can understand how difficult it would be to transport the oil in these conditions. The proper course for the Government of India would have been to acquire land which is cheaper, which is not so fertile and which is really not very far from a big place or a built-up area like Ankleshwar instead of adding to the overcrowding at Baroda, which is feeling this overcrowding because of the growth of industries, because of the need of the University and the other developments that are taking place. Madam, Government, and particularly the Oil and Natural Gas Commission, have not taken a proper and reasonable view of things. They have gone about it in the most high-handed manner. They have not even paid heed to what the Government of Gujarat said. Ultimately, it was the Chief Minister of Gujarat who found a sort of workable solution which to my mind is not a proper solution. They have now decided to build multi-storeyed houses for their employees instead of single-storeyed bungalows well laid out as they had planned. This might mean a little saving but what is going to happen to the petro-chemical industry that will grow round about? You will naturally not be able to transport all the surplus to the refineries situated far away by pipelines. It is not a practical proposition. The approach of the Oil and Natural Gas Commission has been self-righteous, obstinate and unreasonable. Therefore I thought I would take this opportunity to mention this and to request Government to see that this Bill is not used in that manner again.

Natural Gas Commission

SHRI AKJUN ARORA (Uttar Pradesh): Madam Deputy Chairman, I give my whole-hearted support to the Bill. The Oil and Natural Gas Commission is one of our finest institutions. It has done commendable work in a field which was unknown to us before the Oil and Natural Gas Commission came into being. As a matter of fact, our British rulers left us such a legacy that India had no oil and it was very heroic of the Government to have set up the Oil and Natural Gas Commission and it was also very brave of the Oil and Natural Gas Commission to continue oil exploration, to continue in its efforts at finding the national wealth in spite of early setbacks. We are glad that the efforts of the Oil and Natural Gas Commission have been rewarded and the country has struck oil at more than one centre. I congratulate the Oil and Natural Gas Commission for the work that it has done. It is only proper that for such a useful institution land should be acquired. Even garden land should be acquired ...

SHRI DAHYABHAI V. PATEL: Yes, you must cut your nose to spite your face.

SHRI ARJUN ARORA: . . . where other suitable piece of land is not available. If there is any public purpose for land acquisition, the acquisition of land for the Oil and Natural Gas Commission is one because what the Oil and Natural Gas Commission has done is to find for the country hidden wealth. Crude oil was and is imported at huge expense. The fact that the efforts of the Oil and Natural Gas Commission have been successful means that we have discovered our hidden wealth. There may be minor mistakes in the work of the Oil and Natural Gas Commission but that should not give anybody an opportunity to find fault with this institution.

I am however sorry that the efforts of the Oil and Natural Gas Commission are being diverted to other fields

The sphere of exploration in which, as I submitted earlier...

SHRI DAHYABHAI V. PATEL: And the sphere of patronage.

SHRI ARJUN ARORA: .. the Oil and Natural Gas Commission has done useful work has not been exhausted. There is still a great deal for the Oil and Natural Gas Commission to do in the matter of exploration of oil in the country but I find that the Oil and Natural Gas Commission is also being made in charge of refineries. We have in the public sector a separate company for refineries which has successfully built one refinery at Gauhati and is equally successfully building another at Barauni. It has never been explained—it is beyond comprehension—why the company which has built refineries and which has the experience of building refineries is not being entrusted with the job of building the third refinery in the hon. Mr. Dahyabhai Patel's State, Gujarat. There the work of building the refinery is being entrusted to the Oil and Natural Gas Commission and I am afraid that this may lead to a situation in which the Oil and Natural Gas Commission may divert its energies to the work of the refineries and the work of exploration of oil may suffer. I also find that in the matter of the Cochin refinery the Government has unfortunately encouraged foreign private capital. The Finance Ministry has this year publicly come out in favour of foreign participation in the equity capital of our companies but in the matter of the proposed refinery at Cochin the Ministry of Oil had already allowed such a thing. That is very unfortunate.

With these observations I support the Bill.

SHRI P. K. KUMARAN (Andhra Pradesh): Madam Deputy Chairman, the Oil and Natural Gas Commission has certainly done a good job and is doing pioneer work in the field of exploring oil but I am afraid it is not going as quickly and as speedily as it

Natural Gas Commission

is necessary in the conditions of our country. There are several measures required to be taken to expedite the process of discovering oil in more and more areas of the country and this Bill which deals with the problem of removing certain difficulties or rather simplifying the process of acquiring land for exploring oil is only one of the several measures that are required to be taken for expediting this work.

Regarding acquisition of land, when it is a question of drilling oil I certainly agree that we cannot select the land. Wherever oil is struck that land will have to be taken over. Even there I do not think that the entire area has to be acquired by the Government. Once the drilling is over only a small enclosure is required at the mouth of the well and the remaining land can be given back to the owner of the land. In the small enclosure oil can continue to be pumped out. I do not think the entire area will have to be acquired completely "by the Government.

As far as the buildings for new factories, staff, etc. are concerned, as Mr. Patel has pointed out, it is possible for the Government to select sites which are more economical and also which do not retard the production of foodgrains or fruits. A convenient piece of land can be selected taking into consideration the nature of the land. I think this aspect will be examined by the Minister and instructions issued that valuable fertile lands are not acquired for the purpose of construction of buildings, staff quarters, etc. Of course, I do say that the children of the officers should get the best education. That should not be grudged. They should have all the amenities.

Another thing that I would suggest is that the Oil and Natural Gas Commission should be reorganised into one or two Divisions. One Division can be located in the South, perhaps at Hyderabad, Bangalore or Madras, whichever place is found convenient. We have been hearing that there are

oil deposits in the Cauvery basin, in the Godavari basin and also in the sea beds in certain parts of Kerala. Of course, explorations are going on in the Gulf of Cambay. To explore the possibility of discovering oil in the South I would suggest that a Divisional Office of the Commission should be set up in the South. An early decision should be taken in the matter because for the last two or three years this exploration has been going on and reports have appeared that oil has been found here and there, in the Godavari District, in some places in the Cauvery basin and so on but no progress has been made in this respect.

Another matter I would like to touch upon is that we have struck a large quantity of gas in Gujarat. This gas is now practically not put to any use and the wells have been sealed and closed. Now for the factories in Gujarat they get coal from the other end of the country. The coal has to come all the way after covering a distance of about thousand miles or so. If the gas available in Gujarat is made available at an economical price to the industries in the area this transportation of coal to this area from the eastern parts of the country could be avoided and so much of the burden on our transport capacity could be eased. I think some dispute is going on but I hope that the Minister will see to it that an early solution is found and gas is made available at a rate which is more economical than the coal that is brought from the eastern parts of India. Even if any loss is sustained by giving gas to the industries at a cheaper rate it will be made good in the long run because if a factory is to be reconditioned for the use of gas the industrialists will have to incur some expenditure. We are already facing such problems. Some two years back the Government was shouting that coal is not available and certain factories in the Maharashtra area reconditioned their factories so that they can use diesel oil. Now they say that coal is available and the coal is

[Shri P. K. Kumaran.] not moving from the pitheads because these factories have been reconditioned for the use of diesel oil and they cannot again be converted for using coal. So keeping this hi view this dispute should be ended early and gas should be made available; otherwise the large quantity of gas that has been struck will go waste. I find that in certain wells the gas is being simply burnt out. All the gas should be utilised for industrial purposes. It is quite possible that we may not require coal at all in that area because the gas can be converted into electricity and supplied to all the factories.

Now, of late there has been a shift in the policy of the Ministry in the matter of refineries. They seem to be encouraging foreign participation which is clearly seen in the case of the Cochin Refinery. If this policy is to continue I think we will be reverting to the old policy because once you give a sort of control to the foreign companies in our refineries and other things, it will be very difficult to get out of it. The Oil and Natural Gas Commission was started completely on the basis of Indianisation. The Britisher was saying that there was no oil in the country. We have found out that there is oil. We are continuing our efforts and we should continue them. Oil is a very important commodity. If it is in the hands of foreign interests, if the whole oil business is in the hands of foreign countries, in times of crisis they can prevent the movement of every truck, every motor, every factory in the country. Work can be brought to a stop. So, the policy should be re-considered and it should be completely in the public sector, in Indian hands.

with these few words, I support the Bill.

THE DEPUTY CHAIRMAN: Shri Sen Gupta.

SHRI DAHYABHAI V. PATEL: Madam, before you call the next speaker, may I suggest that in res-

pect of the announcement that was made that we would sit through lunch, we should have lunch? There is not so much pressure of work today.

THE DEPUTY CHAIRMAN: If the House so desires we could rise for lunch at one o'clock.

SOME HON. MEMBERS: Yes.

SHEI AKBAR ALI KHAN (An-dhra Pradesh): We can rise at 1.30 P.M. and take one hour for lunch.

SHRI D. L. SEN GUPTA (West Bengal): Madam, there is no dispute so far as this House is concerned as to the efficacy and usefulness of the Oil and Natural Gas Commission, nor has there been any dispute that for the performance of some of their activities, acquisition of land may be necessary. So, I am not contesting this Bill on either of these two grounds. As a matter of fact provision is there already under section 24 of the Oil and Natural Gas Commission Act, 1959 for such acquisition. When already there is a provision, it was incumbent on the part of the hon. Minister concerned, piloting this Bill, to state what were the specific difficulties or reasons for him to assume additional and extraordinary powers for acquisition of land in an urgent manner. The word 'urgently' is used. In the Statement of Objects and Reasons given in the Bill as introduced in the Lok Sabha the reason they say is this:—

"It is, therefore, considered necessary to amend section 24 of the Oil and Natural Gas Commission Act, 1959, so that land may be acquired, in cases where it is urgently required by the Commission, also under Part II, of the Land Acquisition Act,"

Under section 24 there is a provision for acquisition. Now, they want an additional provision, i.e., the provision for acquisition also under Part II, of the Land Acquisition Act. Now, in cases where it is urgently required

by the Commission, as stated in the Statement of Objects and Reasons, it is found that the word 'urgently' has often been misused. If the Commission do not apply their mind at the proper time and proper hour, every morning they will find it too urgent. Everything can go on smoothly and in a routine manner. The exploration of oil or gas is done not all at a time, not simultaneously in many places. Today we are working in Gujarat. Five years later we shall work in Assam. Three years after we shall work in Bengal. They know it well in advance. After the exploration work is done, they can proceed in a routine manner. They do not require anything to be done urgently.

SHRI LOKANATH MISRA (Orissa): For the Government anything easy is urgent.

SHRI D. L. SEN GUPTA: Yes, anything easy is urgent for them. Under the urgency clause, they have often misused their powers. They have often abused their powers and this power has been abused against the interests of the people. We are here just to indicate two points. The points are these. If a thing can be done in the normal and natural way, we should strengthen the hands of the Government. But the Government machinery or Government institution is such that overzealous officers or selfish officers, who may consider it necessary for them just to have a big bungalow, which otherwise may not be allowed to them, would resort to gross abuse of it for acquiring land. From the cultivators, their land might be seized and acquired in this manner. In the ordinary course the public at large might have been offered better opportunities of defence, of contesting that it is not necessary, this portion of the land is not necessary, etc. But now under the extraordinary clause, that portion of land will have to be given to them under the special provisions. These are the provisions which are often found to be misused and, in fact, they have tried to abuse it because on their own admission in

the Statement of Objects and Reasons, in the first four lines they say:—

"Under section 24 of the Oil and Natural Gas Commission Act, 1959, acquisition of land for the Commission has to be made only in accordance with the procedure laid down in Part VII of the Land Acquisition Act, 1894 as if the Commission were a company within the meaning of clause (e) of section 3 of the said Act."

Now, the provisions of the Land Acquisition Act, 1894 were considered sufficient in 1959. Now, in 1964, five years after, if you want to amend it, the House is entitled to know and the Minister concerned is under an obligation to state where difficulty is experienced and in what specific circumstances they require special powers. Merely on imagination, merely in anticipation of a contingency that might happen, such a law should not be passed. That is my submission.

श्री विमलकुमार मन्नालालजी खौरड़िया
(मध्य प्रदेश) : उपाध्यक्ष महोदया, यह आयल एंड नेचुरल गैस कमिशन का कार्य बहुत महत्वपूर्ण है और इसने यहां पर कुछ काम किया है, मगर उसे मैं संतोषजनक नहीं मानता क्योंकि जितना जरूरी यह है और जितना अव्यावश्यक यह है उतनी ही अधिक सुस्ती से इस विभाग का काम चल रहा है। उसके परिणामस्वरूप हमारा लक्ष्य तो पूरा हो नहीं पाता और हमारे देश की जो आवश्यकताएं हैं उनसे तो इसका बिलकुल ही तालमेल नहीं बैठता है। हमारी आवश्यकताएं बहुत ज्यादा हैं और हमारा उत्पादन बहुत कम होता रहा है।

आश्चर्य तो इस बात का है कि हमारे यहां तेल प्राप्त हुये छः साल हो गये सौराष्ट्र में और अभी तक वहां पर रिफाइनरी पूरी तरह नहीं बन पाई। तेल निकलता है

[श्री विमलकुमार मन्नालालजी चौरडिया] अंकलेश्वर में और रिफाइन होने जाता है बम्बई में। इस तरह से द्राविड़ प्राणायाम चलता रहता है। जो चीज उपभोक्ताओं को मस्ती मिलनी चाहिये और राष्ट्र की दृष्टि से उस पर खर्च कम होना चाहिये, वह हम नहीं पाता और परिणामस्वरूप खर्च तो बढ़ता जाता है और आमदनी कम होती जा रही है।

दूसरी बात यह है कि कुछ अधिकारियों का अपना प्रभाव होने की वजह से किसी व्यापारिक दृष्टि से लाभदायक स्थान को बे ठीक तरह से निश्चिन्त करने नहीं देते। अपने लोगों को कहां पर फावदा हो सकता है, इस दृष्टि से जो काम होता है उसमें बड़ी गड़बड़ होती है। जैसा कि अभी माननीय डा. ह्यामार्श पटेल ने बतलाया कि तेल निकला अंकलेश्वर में और रिफाइनरी वनी बड़ोदा में। क्या अंकलेश्वर के पास कहीं जमीन नहीं मिलती थी, इस वजह से वहां नहीं कर पाये या अगर वहीं पर कूड़ आयल निकाल करके उसको वहीं पर रिफाइन करते तो उसमें कोई कठिनाई आने वाली थी या बड़ोदा के ऐंटमासफोयर में वह रिफाइन ज्यादा अच्छा हो सकेगा या क्या बात थी, ऐसा कौन सा कारण था इस पर अगर विचार करते हैं तो लगता है कि व्यवसाय के लिये जो आवश्यक कारण थे, वे तो थे नहीं। मगर ये जो अधिकारी थे या योजना बनाने वाले लोग थे, इनके व्यक्तिगत कारण ऐसे थे कि उन्होंने यह आवश्यक समझा कि वह वहां पर नहीं रखना चाहिये और वह चाहते हैं कि बड़ोदा में रहे तो अच्छा है।

श्री लोकनाथ मिश्र : अंकलेश्वर में क्लब नहीं मिलेगा।

श्री विमलकुमार मन्नालालजी चौरडिया : मेरे मित्र कहते हैं कि क्लब नहीं मिलेगा। मिनेमा भी नहीं मिलेगा और सम्भवतः यह सोचते हैं कि बच्चों को पढ़ाने के लिये

मदरसा नहीं मिलेगा, कालेज नहीं मिलेगा और सांस्कृतिक कार्यक्रमों के आयोजन भी नहीं मिल सकेंगे, कई बातें ऐसी हैं। तो मेरा निवेदन है कि यह जो व्यक्तिगत कंसीडरेंस है या एक ग्रुप के कंसीडरेंस हैं और उनके आधार पर जो अपने व्यक्तिगत अथवा ग्रुप के लाभ को देख कर के सारे राष्ट्र के लाभ को एक तरफ रख कर काम किया जाता है वह राष्ट्र हित की दृष्टि से उपयुक्त नहीं कहा जा सकता और इस दृष्टि से यह अत्यंत आवश्यक है कि अपने शासन को यह दृष्टिकोण अपनाना चाहिये कि उत्पादन के हर एक क्षेत्र में काम से काम खर्च लगे और अधिक से अधिक उत्पादन कर सकें। आज जैसे पब्लिक सेक्टर के अन्य क्षेत्रों के लिये शिकायत है उसी तरह से आयल एंड नैचुरल गैस कमिशन का जो कार्य है उसके लिये भी जनता की खुले रूप से यही शिकायत है। यहां पर भी चोरी की शिकायतें मिलती हैं, काम करने और अधिक वेतन प्राप्त करने की मनोवृत्ति पूरी तरह से यहां भी पाई जाती है, उस पर किसी तरह का नियंत्रण नहीं है, इतना ही नहीं, नियुक्तियों में रिलेशन प्लस रिक्मेंडेशन का फार्मूला है, योग्यता के लिये रिलेशन प्लस रिक्मेंडेशन इक्वल टु क्वालिफिकेशन है और उस हिसाब से नियुक्तियां होती हैं, सब कुछ होता है। तो मैं निवेदन करूंगा कि हमारे सारे कामों के लिये सब से बड़ा कंसीटो जो है वह हमारे राष्ट्र-हित की कंसीटो होनी चाहिये, यह कंसीटो नहीं होनी चाहिये कि अगर मिश्रा साहब का इंप्लुएंस अपना मिनिस्ट्री पर पड़ता है तो मिश्रा साहब के लड़के को अच्छे वेतन पर नियुक्त कर दिया जाय या अमुक अफसर का इंप्लुएंस उस मिनिस्ट्री पर पड़ता है तो उसके लड़के को अच्छी नियुक्ति दे दी जाय, चाहे वह २०० रु० महीना ड्रा करता रहा हो उसका वेतन ७०० रु०, ८०० रु० या १५०० रु० कर दिया जाय। तो यह जो फारेन कंसीडरेंस हैं, इनके आधार पर जो आज ओ० एंड एन० जी० सी० में काम चल रहा है उसके लिये बड़ी शिकायतें हैं इन

शिकायतों के ऊपर विचार करें और एफिशिएंसी का जो सवाल है यह जब इंडियन आयल कम्पनी के बारे में जो रिपोर्ट थी उस पर जो डिस्कशन हुआ था तब आपने देख लिया कि आयल निकाला गया तो वह जम गया, वह तेल का काम नहीं दे सकता था उसे तो पिघला कर हो काम में ला सकते थे, तो यह इस तरह का जो है वह एफिशिएंसी की दृष्टि से कुछ ठीक नहीं बैठता।

हमने कालोबोरेशन किया रशियन से— मुझे किसी से भी कालोबोरेशन करने पर ऐतराज नहीं है। हमारे अरोड़ा साहब खुश हो जाते हैं कि रशियन कालोबोरेशन है तो बहुत अच्छा है। हमारे मिश्रा साहब खुश हो जाते हैं कि अमेरिका से कालोबोरेशन है तो बहुत अच्छा है....

एक माननीय सदस्य : और आप ? श्री बिमलकुमार मन्नालालजी चौरङ्गिया : मैं इससे खुश होता हूँ कि इससे हिन्दुस्तान में अच्छा उत्पादन हो, इसमें मेरा कोई स्वार्थ नहीं है कि वह अमेरिका के माध्यम से हो या रशियन के माध्यम से हो, यहाँ उत्पादन बढ़ता है या कम होता है यह मेरा लक्ष्य है। मेरा एकमात्र लक्ष्य यह है कि अपने देश की आवश्यकतायें पूरी हों, चाहे वह किसी के सहयोग से हों, चाहे अमेरिका हो चाहे रशियन हों, कोई हो, उसके सहयोग से हमारे देश की आवश्यकतायें पूरी हो जायं यही लक्ष्य है। लेकिन ये जो राइटिस्ट्स हैं, लेफ्टिस्ट्स हैं या मित्र मित्र नये नये ग्रुप्स जो चले हैं उसके परिणामस्वरूप हम क्या देखते हैं, हमें उसका असर ५०० एण्ड एन० जी० सी० में भी देखने में आता है, केवल एक तरफ को खींचते हैं, जो हमारा मूल लक्ष्य है कि हमारे उत्पादन में वृद्धि हो उसको तो दूर रखते हैं और एकमात्र, लक्ष्य यह रखते हैं कि चूँकि इस ग्रुप का इन्फ्लुएंस है इसलिये रशियन कालोबोरेशन हो ठीक रहेगा और जब दूसरा ग्रुप आता है

तब वह ठीक समझते हैं कि अमेरिकन कालोबोरेशन ठीक रहेगा। तो इस झगड़े में, इस विवाद में पड़ने की अपेक्षा मैं माननीय मंत्री जी से प्रार्थना करूँगा कि हम आपसे चाहते हैं कि आप इस एक ग्रुप में रहिये और वह ग्रुप यही है कि हमारे देश में सबसे अधिक उत्पादन किस तरह से हो सकता है, इसके लिये प्रयत्न करें। आज यह मनोवृत्ति आपकी मिनिस्ट्री में नहीं है, यह मनोवृत्ति आज आपके आफिसर्स में पाई नहीं जाती इसलिये इस मनोवृत्ति को बनाने के लिये अत्यंत आवश्यक है कि हम ऐसी योजना करें कि एक कालोबोरेशन एक क्षेत्र में काम करता है तो दूसरा कालोबोरेशन दूसरे क्षेत्र में काम करता है, इस तरह से प्रयत्न करें।

उपाध्यक्षा महोदया, आश्चर्य इस बात का होता है कि दक्षिण अमेरिका में जहाँ पर आयल निकला वहाँ पर तीन साल में उन्होंने अपनी रिफाइनरी कम्प्लीट करके तेल साफ करके तेल सप्लाई करना प्रारम्भ कर दिया और हम आज भी गज-गति से चल रहे हैं। छः वर्ष हो गये हैं और अभी तक हमारे यहाँ रिफाइनरी भी पूरी नहीं हो पाई है, आफिसरों की पसन्दगी की जगह रखी, बड़ीदा में, जो अच्छी जमीन थी, कीमती जमीन थी उसको लिया जब कि अंकलेश्वर में या उसके और पास में और जमीनें मिल सकती थीं, वैसे जगह इसकी व्यवस्था न करके यहाँ व्यवस्था की, फिर भी काम पूरा नहीं हुआ यह कुछ समझ में आने वाली बात नहीं है। इस दृष्टि से मेरा निवेदन है कि हमें अपने मूल लक्ष्य को ध्यान में रख कर, देश का हित किस में है इसको ध्यान में रख कर, चलना चाहिये।

जहाँ तक इस बिल का सवाल है हमारे मंत्री जी चाहते हैं कि हमारे इस कमिशन के द्वारा जो जमीनें एक्वायर की जायं वह पब्लिक परपज के लिये मानी जाय और हमारे मित्र बड़ी दुहाई देते हैं कि यह चूँकि पब्लिक परपज के लिये हैं इसलिये इसमें कोई दो

[श्री विमलकुमार मन्नालालजी चोरडिया]
मत नहीं हो सकते हैं। यह पब्लिक परपज नहीं है ऐसा तो नहीं कहा जा सकता मगर जब भारत स्वतन्त्र हो गया तो फिर कौन सी चीज है जो कि पब्लिक परपज की नहीं मानी जा सकती—आज हमारे माननीय मंत्री जी यहां पर जो सेवा कर रहे हैं, वह पब्लिक परपज के लिये कर रहे हैं, हमारे मिश्रा जी भी यहां संसद सदस्य हो कर बैठे हैं, या मैं भी बैठा हूं, तो पब्लिक परपज के लिये बैठे हैं, जनता के हित की दृष्टि से ही सब काम होता है और जनता के हित की दृष्टि से हमारे काश्तकार भी खेती करते हैं और जनता के हित की दृष्टि से हमारा ओ० एंड एन० जी० सी० भी काम करने वाला है। तो ऐसी स्थिति में पब्लिक परपज के नाम पर एक को अधिक महत्व देना और दूसरे को कम महत्व देना कुछ न्याय संगत नहीं प्रतीत होता है। आज हमारे काश्तकार का राष्ट्र के हित में, राष्ट्र के लिये उत्पादन में, उतना ही सहयोग है जितना कि ओ० एंड एन० जी० सी० का हो सकता है। अब चूंकि उस क्षेत्र से अधिक अच्छी सामग्री मिल सकती है और अनाज कम अच्छी सामग्री है, चूंकि तेल और मोबिलआयल वगैरह की जरूरत ज्यादा है, उसकी जगह उसका ज्यादा मूल्य है, उसका उत्पादन राष्ट्र के हित में अधिक आवश्यक है, ये सब तुलनात्मक बातें हो सकती हैं लेकिन हम जिस काश्तकार को एक तरफ हटाने वाले हैं वह भी भारत का नागरिक है। जिस काश्तकार से अपने अधिक अच्छे काम के लिये राष्ट्र के हित की दृष्टि से जमीन लेने वाले हैं वह भी भारत का नागरिक है यह हमें सोचना है। ऐसी स्थिति में उसको क्या मुआविजा दिया जाय इसके लिये यह जो प्रोसीजर को चेंज करने के लिये कहते हैं, अगर अन्य कम्पनी की तरह से रखा जायगा तो लैंड एक्विजिशन एक्ट के चैप्टर ७ के मातहत लम्बी चौड़ी कार्यवाही करनी पड़ेगी और अब जो चैप्टर २ के तहत ला करके सारी कार्यवाही थोड़े में करना चाहते हैं, यह कुछ

ठीक लगता नहीं है। उदाहरण महोदय, चैप्टर २ के अन्तर्गत कलेक्टर आबिट्रेरली जो भी चाहेगा तय करेगा—वह कोर्ट में जा सकता है और सब बातें हैं मगर इसमें जिन कठिनाइयों का सामना करना पड़ता है वह किसी से छिपा नहीं है। मैं इस दृष्टि से इसका भुक्तभोगी हूं। मेरी कांस्टीट्यूएन्सी में इतने लोगों की जमीनें चम्बल बांध योजना के लिये एक्वायर की गई, उसका भी पब्लिक परपज था, पब्लिक परपज के लिये सब कुछ हुआ, यह सब होने के बावजूद लोगों को जमीनों की कीमत चुकाई गई, उनको उससे चौगुना कीमत देने पर भी जमीन मिल नहीं पाई है, आज तक वे जमीन के लिये तरसते फिरते हैं, जो एक दिन धनी माने जाते थे, जिनके घर सैकड़ों मन अनाज भरा पड़ा रहता था वह आज भीख मांगना शुरू करें इस स्थिति में हैं, वे दूसरे के खेतों में काम करते हैं, उनका कुछ रहा नहीं है। तो पब्लिक परपज के लिये जिन लोगों की जमीन हम लेते हैं उनकी व्यवस्था का भार भी हमारी सरकार के ऊपर होना चाहिये। क्योंकि वहां तेल निकलेगा, वह राष्ट्र के हित में उपयोगी होगा इसलिये जो इतने दिनों से अपनी जमीन का उपयोग करते रहे हैं उनसे पब्लिक परपज का नाम ले कर जमीन ले लें और उसका मुआवजा देने के लिये एक शार्टकट निकाल कर अपने प्रोसीजर में, अपने मुआविजा देने के तरीकों में नये ढंग अपनायें यह कुछ न्यायसंगत नहीं लगता है। मुझे तो यह लगता है कि यह आवश्यक था कि हमारे मंत्री जी—जो कानून बनाने के मंत्री हैं वह—यह करते कि १८५४ का जो लैंड एक्विजिशन एक्ट है उसमें मूल रूप से परिवर्तन करते। यह उस समय बना था जब कि अंग्रेज सरकार थी, भारत स्वतंत्र नहीं था। अंग्रेज सरकार अपने स्वार्थ की दृष्टि से देखती थी कि जब कभी अपने लिये जमीन एक्वायर करनी हो तो कम से कम पैसा देना हो और अधिक से अधिक प्राप्त हो, उनकी तिजोरी पर अधिक नुकसान नहीं

हो, वह जनता के हित को महत्व नहीं देती थी, उन्होंने अपने व्यक्तिगत स्वार्थ की दृष्टि से यह कानून बनाया था, लेकिन आज भी उस दिशा में कोई परिवर्तन नहीं हुआ है, आज भी वह ज्यों का त्यों है। तो यह अत्यंत आवश्यक है कि उसमें परिवर्तन किया जाय। आखिर जो काश्तकार हैं वह भी हमारे हैं, उनका भी हित हमारा हित है, उनको भी न्यायोचित लाभ मिलना चाहिये और उनको बसाने की जिम्मेदारी हमारे ऊपर होनी चाहिये लेकिन यह हम कुछ करते नहीं हैं इसलिये यह जो संशोधन किया है यह कुछ ठीक लगता नहीं। शार्टकट निकालने के बहाने जो विशेष अधिकार हमारा शासन प्राप्त कर रहा है यह हमारे काश्तकारों के हित में होगा, ऐसा मैं नहीं मानता।

तो हमको यह चाहिये कि हम इन सब बातों के ऊपर ध्यान रख कर यहां के उत्पादन को बढ़ाएँ, जो चोरियां हो रही हैं उनको कम करवाएँ और हमारे आफिसर्स में जो यह खराब मनोवृत्ति भर करती जा रही है कि अधिक से अधिक वेतन प्राप्त करें और उसके बदले में कम से कम लाभ दें इस मनोवृत्ति को समाप्त करना चाहिये।

एक बात और निवेदन कर दूं। मध्य भारत की दृष्टि से, मध्य प्रदेश की दृष्टि से जो जरा उपेक्षा की बात है वह नहीं होनी चाहिये, यह मैं प्रार्थना करूंगा। यह किसी के हाथ की बात नहीं है कि तेल कहां निकल सकेगा या कहां नहीं निकल सकेगा। मगर यह जरूर है कि हमारे जो जांच करने वाले अधिकारी हैं वह इस बात के लिये कोशिश कर सकते हैं। अगर उनको टॉपोग्राफी के हिसाब से, उनके और कोई नक्शों के हिसाब से मध्य प्रदेश में भी कोई तेल, कोई ग्रायल, निकल सके तो ज्यादा अच्छा हो।

अब यही निवेदन है कि उन्होंने जैसा बाह्य बड़ीदा की रिफाइनरी उनकी पसन्द की जगह हुई तो यह जल्दी चालू की जाय

जिससे कि गुजरात में, राजस्थान में और मध्य प्रदेश के कुछ हिस्सों में—जहां कि बहुत दूर से कोयला मंगाना पड़ता है वहां ग्रायल की व्यवस्था हो जाय तो बहुत कुछ लाभ होगा। इन शब्दों के साथ मेरी यही प्रार्थना है कि जो मुझसे मिले दिये हैं उन पर माननीय मंत्री जी विचार करें और उचित कार्यवाही करें।

SHRI RAJENDRA PRATAP SINHA:
Madam, I welcome this measure for more than one reason. But it has been stated by the Minister that the programme of implementation as set out in the Third Five Year Plan has not been adhered to because they have not had the powers to acquire lands under Part 2 of the Land Acquisition Act, He is not giving a true picture. Delays have occurred not only because they have not had these powers but they have occurred also because of other reasons to which I would like to make a little reference. If, however, it was thought that the delay was taking place only because the Government had not had the powers to acquire land speedily, this measure ought to have come before us long before the damage was done in the implementation of the target set out for the Third Five Year Plan for oil exploration and for refining. Let us not take excuses for not doing things which ought to have been done in the normal course, as set out in the Third Five Year Plan.

Now, when I was looking through the Third Plan Mid-term Appraisal, it is stated in paragraph 7 on page 136:

"After the finalisation of the Third Plan, it was decided to adopt an enlarged programme of oil exploration and production estimated to cost Rs. 202 crores, against Rs. 115 crores mentioned in the Plan. The expenditure during the first two years of the Plan was Rs. 36-28 crores and the total expenditure in the Third Plan is currently estimated to be Rs. 147 crores. A sub-

Natural Gas Commission

Shri Rajendra Pratap Sinha: A substantial part of the enlarged physical programme will be left to be completed in the Fourth Plan."

This is a very dismal state of affairs so far as oil exploration is concerned. Of course, I commend the good work that has been done by the Oil and Natural Gas Commission. But I must say that the targets have not been kept up, and there cannot be only one explanation as to why the target has not been kept up, that it has no power under the Land Acquisition Act.

It has been stated by many hon. Members how the work has lagged behind and to my mind, it appears that up till some time back this Ministry was too much riddled with ideological considerations and therefore the progress could not be achieved as it ought to have been achieved. I am glad, Madam Deputy Chairman, that we have now a more neutral and a more non-aligned person in charge of this Ministry. To my information, the delay in setting up this refinery was largely due to the fact that the Government could not take decisions as to whether the refinery should be placed wholly in the private sector or in the public sector or in the mixed sector. I do not discount the assistance that we have received from many countries in this respect, particularly from Russia and Rumania. But we should not have adopted this attitude of dog in the manger policy. If we cannot do it ourselves, we should not let others also do it, this is not a correct approach to the solution of the problem. I for one feel that it is more important that we must have refineries with whatever help we can have, whether from the Communist countries or from the Western countries. I would welcome it. Now the Ministry has taken a good decision to go ahead with the expansion of refineries even in the private sector and the setting up of new refineries in collaboration with other foreign companies, as they have done in the case of Cochin. I do not

agree with this view that if we allow the foreigners to set up refineries, we shall be at a loss. We shall be at a loss if we have no oil. In any emergency, if the refinery is there and if we are producing oil, "we shall continue to produce that oil whoever may be the owners. Therefore, no ideological consideration should weigh with the Government with regard to the expansion of our refineries.

There is another point which has been made with regard to the location of the refineries. I am not very sure in my mind whether it is technically always correct to place a refinery nearabout the oil wells. It is probably safer from the security point of view to keep the refineries a little away from the oil wells, so as not to allow certain accidents to happen which will destroy both the refineries and the wells. We are dealing with very explosive substances and there is always the danger of fire and other things cropping up. If the refineries are kept a little away, it will be safer. What I feel is that the refineries should always be situated near the consuming centres or at places where the distribution will be easier. Refineries are never placed near the wells where the crude is produced; they are always placed where there is a large consumption of the refined products or where it will be more convenient to locate or place a petrochemical complex. We cannot look at things anywhere we like. We should locate industries where it will be more convenient to work these industries. Now, a petro-chemical complex will always be better located at port towns or near the centres of consumption or at places where we have got a good distributory system of railways, roads and other means of transport.

1 P.M.

Therefore, from the point of view of location it was always a wise decision to place the refinery at Barauni instead of placing it in Assam. Similarly, other refineries will also be

Natural Gas Commission

placed near the consumption centres or near the heads of the distributive system, I mean the transport distributive system.

AN HON. MEMBER: It is one o'clock.

THE DEPUTY CHAIRMAN: We are sitting till 130.

SHRI RAJENDRA PRATAP SINGH A: There is another point which was made by my hon. friend, Mr. Arora, for whose opinion I have great regard. But I do not like to agree with him on this question that the refinery work should not be entrusted to the Oil and Natural Gas Commission. What I feel, Madam, is that there should be a more integrated approach to this problem and all the work, starting from oil exploration taking out of the oil, distribution of the crude to the various refinery heads and, finally, the refineries, should all be undertaken by the Oil and Natural Gas Commission. There could be different departments and wings. But it will be far easier to manage and co-ordinate the activities of the different departments if they are placed under one body like the O. N. G. C.

Then we must always remember that we are short of good, trained persons and if we have different organisations the problems of the management will be immense. In other countries also I have found that all these different aspects of the work in connection with oil are managed by one organisation. In other countries we have the private sector companies who do all the work. There may be different companies, but the overall management is one and the same. If we go to the Communist countries we find—this is my information—that final decision in connection with all the work is taken by one supreme body, and there is no diversification of work in different bodies.

Now I would like to ask the Minister about the progress of our refinery work. The refineries have been there so long. We

have been getting news that a huge petrochemical complex will come up. But nothing concrete appears to have been done. The future is with the petro-chemical industries. We have now started very many industries for which we have to import raw materials. We must have the basic raw materials produced in our own country so that the whole superstructure of the petrochemical industries may be built in India. I would like to know from the hon. Minister in what stage the development of these industries is and when we should expect concrete steps to be taken for the establishment of petro-chemical industries.

Coming to the provisions of the Bill, Madam, I find that all that we are doing now is to permit the Oil and Natural Gas Commission to acquire the land that they require either under part II or under part VII of the Land Acquisition Act of 1894. So far they were permitted to acquire land only under part VII under which lands are acquired for the use of companies. Now if a land is to be acquired for public purposes, the acquisition proceedings can be started under part II. We are not making a mandatory provision that all the lands required by the Oil and Natural Gas Commission will be acquired under part II only. This amendment will only enable the Commission to acquire the land either under part II or under part VII.

Now what is the difference between public purpose and the ordinary acquisition for the companies? In part VII where the acquisition proceedings have to be taken for companies there are more dilatory methods to be used. The parties concerned whose lands are to be acquired have to be given more time. They can take more time by taking proceedings under the Act to settle their terms of compensation. The Government cannot take possession of those lands readily. All that happens under part II is this, particularly if we take recourse to clause 17 of the Act, that within 15 days the Government can take possession of

Natural Gas Commission

the land. I think that there can be occasions when the Government or the Oil and Natural Gas Commission would like to take possession of the lands more expeditiously. It is common knowledge how much time it takes to acquire land under the Land Acquisition proceeding. The procedure is so dilatory that it not only takes months but it often takes years in order to settle the proceedings under the Land Acquisition Act under part VII. Now we cannot permit this building activity to remain suspended for months and years in order to settle the acquisition proceedings and take possession of the land. And there is no difference so far as the payment of the compensation is concerned whether you acquire it under part II or under part VII.

Some hon. Members probably have felt that if the land is acquired under part II, the compensation payable may be smaller or there may be more arbitrary determination of the compensation. From the reading of the Act it is quite clear to me that there is no difference so far as the determination of the compensation is concerned, whether the proceedings are taken under part II or part VII. The only difference is that the time is shortened and you can take decisions more easily, more quickly, more speedily if you start the proceedings under part II than under part VII. It is only the time factor which has to be taken into consideration while considering this measure and not the quantum of compensation but at this stage I would like to make one submission. We know, under sections 23 and 24 what consideration the Collector or the Court must have given in order to determine the quantum of compensation. It has also provided under section 23(1) that after determining the compensation, the value of the land, the Collector or the Authority computing the compensation will add fifteen per cent, of the next market value to the compensation amount payable to the person because this land is being acquired very speedily

PANDIT S. S. N. TANKHA (Uttar Pradesh): Compulsorily.

SHRI RAJENDRA PRATAP SINHA: Yes, compulsorily. Under Part VII this element of compulsion is not there. Now I would like to consider whether this amount of 15 per cent, is fair and equitable to-day. This might have been fair and equitable in the year 1894 when the Act was passed but to my mind it appears that it is not fair and equitable today.

There is one other point. The compensation is determined on the basis of the market value of the land on the date of the publication of the notification under sub-section (i) of section 4. Now the actual possession may be taken very much after, maybe after a year or even longer, after the publication of the notification. Now let us take for example a land near Ankleshwar as Mr. Dahyabhai Patel states a barren land, it was not good for the purpose of cultivation. The notification may have been issued a year or two earlier and if the value is computed on the basis of the market value on that date and if the land is taken today after 3 or 4 years, the land-owner is definitely a great loser. There is the other aspect of this question. Supposing you notify that a particular area will be acquired and a notification is issued about 10 acres, or 15 acres or even 100 acres or even 100 acres or whatever it might be, and this whole area is in a village and there is no developmental work going on and then naturally you will compute the value or determine the compensation on the basis of the value that the owner could fetch on the day the publication of the notice was made. Now we give these 20 acres or 50 acres on that value. What happens after that? A township is built, industries are put up and the value of the land all round goes up. Now my friend may have had the land which is acquired. He will get the value of the period when there was no demand for that land.

My land is just adjoining that. The value goes up the moment industries are put up. The moment the O.N.G.C. operation starts the value goes up. The Government may not acquire but I can get a far higher value for that land which is adjoining the land which is acquired. If I do not want to sell, I can erect buildings on that land and I can earn good rent out of that. Now if you want to acquire again, that land, you will have to pay according to the market value to-day. I would like the Minister to appreciate the fine point I am making. As regards the land which is acquired, unfortunately for that man, you pick that lot of land to be acquired and you pay him a nominal price because it was a barren land, the moment the notification is issued, the value of the land all-round on the periphery of that acquired land goes up. The Government may not acquire but that man stands to gain very much from the very fact that certain industries are being up on the acquired land. Now I would submit that there is an element of discrimination. In 1894 no such industries were being put up. All these proceedings were probably meant for putting up Railways or towns but the value did not soar up as high as it is soaring up to-day. It may have been quite fair in 1894 but the method of computing the compensation is not fair at all to-day. It is very important. Of course the hon. friend may say that it is beyond his Ministry's competence to tackle this point but when he is acquiring the land for the Oil and Natural Gas Commission, there is nothing wrong for him to pay a higher value than that which may be determined under the Land Acquisition Act. It is most unfair to the persons whose land you acquire.

SHRI AKBAR ALI KHAN: How can they do it? They will have to do according to the Statute.

SHRI RAJENDRA PRATAP SINHA: They could frame their own rules

They can frame their rules for computing compensation. There is nothing that forbids them from doing that. Any organisation could frame their own rules on the basis of which the compensation should be determined.

PANDIT S. S. N. TANKHA: Will the Constitution allow it?

SHRI RAJENDRA PRATAP SINHA: What is the constitutional bar?

PANDIT S. S. N. TANKHA: Will article 31 allow it? Article 31 says that no land could be acquired even for public purposes unless particular procedures are followed:—Either you name the compensation therein, i.e. you mention in the Act itself the rate of compensation to be paid—then of course you can do it—but you cannot say that by the rule-making powers any Corporation or anybody can acquire any land for public purposes . .

SHRI RAJENDRA PRATAP SINHA: I would like you to say this. First my point is that this Land Acquisition Act has to be looked into and revised drastically and the whole method of computing compensation in the present context has to be revised. Therefore whichever be the Ministry in charge of this Act it should bring forward a proper amending Act or another Bill altogether for the acquisition of land. But pending that, there is no constitutional bar for the O. and N.G. Commission to pay this price for a land. The Commission can acquire land by negotiations. Can they do it or not?

PANDIT S. S. N. TANKHA: They can be questioned?

SHRI RAJENDRA PRATAP SINHA: How can they be questioned? Every day the Government is acquiring property by negotiations. (*Interruptions*). Yes, I know it for certain that the Governments do acquire property by negotiation of prices.

PANDIT S. S. N. TANKHA: To that I will only say that if the Oil and Natural Gas Commission begins to do this, the next day you will say that the company people have been profiteering in making all sorts of deals and so on. You may say so even if they do it after the framing of rules.

SHRI RAJENDRA PRATAP SINHA: No, no, if they say that this is the rule that they are making for payment of compensation, and if they work within the rules there will be no question of their having a discriminatory approach or their showing any favours to anybody. An then, if the persons whose lands are being acquired do not agree with that, they can go to the court and land acquisition proceedings could be started.

SHRI O. V. ALAGESAN: Under what provisions am I to make rules for granting more compensation than what the courts would give?

SHRI RAJENDRA PRATAP SINHA: The question is, you fix up the purchase rates for so many things, and the question of provision does not arise here. When you make purchase of any property you fix up your own price by your own method. Suppose you want to purchase any machinery, you have got your own methods of fixing the price, as to how you will purchase a machinery. So for the purchase of land also you can determine it. Now here is the specific provision. If we go through . . .

SHRI O. V. ALAGESAN: Am I to call for tenders for purchase of land just as we do for machinery?

SHRI RAJENDRA PRATAP SINHA: I cannot give you any specific at the moment, that this is the method that you should adopt.

PANDIT S. S. N. TANKHA: It can be only in the cases of acquiring or buying small pieces of land, not land stretching over large areas.

SHRI RAJENDRA PRATAP SINHA:
No, no, do you ...

PANDIT S. S. N. TANKHA: A building as it is can be purchased by private negotiations, but when we want miles and miles of land for exploratory work, or for mining, or for drilling, etc., then this method cannot be adopted.

SHRI RAJENDRA PRATAP SINHA: For exploratory purposes the lands are not purchased.

PANDIT S. S. N. TANKHA: But that is what you are saying.

SHRI RAJENDRA PRATAP SINHA: I am talking of the lands that have to be acquired and purchased. They will not be a hundred miles or two hundred miles or three hundred miles. As was said by Mr. Dahyabhai Patel, these are all small lands that have to be acquired for putting up the refineries, for putting up oil wells, and all that kind of thing. Let us leave aside for the moment whether there is discrimination or not. Now my land is being acquired at the market value and another land, barren land, just at the periphery acquires value after this land is acquired. Now that man stands to gain whether he sells that land or does not sell it. The Government has got to look to the justice side of it, the fairness side of it. Our approach should not be wooden; this is what I am submitting. We must find out ways and means to bring justice to the whole thing, how to bring fairplay into this organisation. I am not a lawyer to be competent to find out the legal or constitutional problems, but all I can say is that here injustice is being done, which is quite apparent. We have got to find out a solution to undo the wrong that is being done in the matter of payment of compensation to the person whose land is acquired. We must take into consideration to what disadvantage he is being put as compared to the man whose land is not being acquired and whose land is on the periphery of the land that is being acquired.

Natural Gas Commission

THE DEPUTY CHAIRMAN: You have taken nearly thirty-five minutes. How much more time will you take?

SHRI RAJENDRA PRATAP SINHA: I would like to conclude now. These are the only observations I had wanted to make. Generally I support this Bill, but I hope the hon. Minister will take into account the points that I have made.

PANDIT S. S. N. TANKHA: Madam Deputy Chairman, I rise to support the measure before the House and I am very glad to say that the Oil and Natural Gas Commission is doing and has done excellent work, in all areas, wherever it has gone, either to explore for oil or to erect oil wells, and to bring out oil from beneath the earth.

The first point proposed in the Bill is that acquisition of land is needed by the Oil and Natural Gas Commission. There can be no doubt about it that it must have the power to acquire land according to a prescribed method, and the best method known up till now in the country is to institute proceedings under the Land Acquisition Act. Nobody except Mr. Sinha has said that if any land is needed today, its rate should be what that land after development would be worth twenty years hence. But that is what Mr. Sinha wants. Let us take this position, that the Oil and Natural Gas Commission acquires a land today, develops it and it is fortunate enough in getting the oil in that area; subsequently in that area other wells are drilled near about and because of that the value of the land goes up, then, would my friend be justified in saying that the Government should pay the rate at what the price would be after the developments have taken place? Now supposing the oil wells are not struck, what would be the position? The land would be the same useless land, the same barren land as it was before. How do you say that it is very wrong of the Government of India to pay at the land

acquisition rates? What a town is today and what the same town will be twenty years hence, nobody knows. How can you say that the price of land . . .

SHRI RAJENDRA PRATAP SINHA: No, what I would like the hon. Member to consider is this. Then there is no sanctity about the fifteen per cent additional payment that is being made according to the provisions of the Land Acquisition Act, 1894. I am merely urging that we should go into this question, and this fifteen per cent additional amount that is being paid should be enhanced.

PANDIT S. S. N. TANKHA: My friend fails to understand that according to the Land Acquisition Act it is the value of the land at the time of acquisition that has to be paid, plus fifteen per cent. Whenever a land is acquired, then the value of all adjoining plots or near about would be the criterion for fixing the value of the land acquired and that will be the determining factor in fixing the value of this land. Now what the land in the adjoining area will be valued at after five years, nobody can say.

SHRI RAJENDRA PRATAP SINHA: Now to compensate for that we increased it by fifteen per cent. Why should it be increased even by fifteen per cent? Even the additional fifteen per cent should not be there.

PANDIT S. S. N. TANKHA: Where a national purpose is served . . .

SHRI RAJENDRA PRATAP SINHA: Let us agree to disagree

PANDIT S. S. N. TANKHA: My submission is that land should not be acquired for any so-called public purpose, but only for a public purpose which is in other words a national purpose. It will be national wealth which we will get out of that area. In fact a special law fixing special rates should be framed for acquiring such land. Under the Land Acquisition Act

[Pandit S. S. N. Tankha.] we are already giving the market value of the land acquired plus fifteen per cent. Now you will remember that there are some Bills of this character before the Parliament even now, for instance one on slum clearance. Now slum clearance is considered a necessity in national interests and therefore land has to be acquired and the rate for it may not be even at the land acquisition rates, that is to say market value plus fifteen per cent, but special lower rates, in order to improve that area and to benefit society as a whole. The present case is also one of those purposes, where land is being acquired in the interests of the nation, and that land should be made available to the nation at the lowest rates at which it could be had. You cannot expect that land to be acquired at the rates which may be prevailing in Calcutta or Bombay, or Baroda proper. It must be special reduced rates because, whatever improvements you make on that land, after paying whatever price you pay for it, or if oil is struck it is the nation which will benefit by the improvements which you carry out on that land.

THE DEPUTY CHAIRMAN: I think you may continue later. The House stands adjourned till 2.30 P.M.

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

The House reassembled after lunch at half-past two of the clock, the VICE-CHAIRMAN (SHRIMATI TARA RAMACHANDRA SATHE) in the Chair.

PANDIT S. S. N. TANKHA: Madam Vice-Chairman, before the House rose for the Lunch Hour, I was submitting that property can be acquired under the Constitution, under article 31 which mentions the limitations under which property can be acquired for any public purpose.

Clause 2 of article 31 reads as under:

"No property shall be compulsorily acquired or requisitioned save for a public purpose and save by authority of a law which provides for compensation for the property so acquired or requisitioned and either fixes the amount of the compensation or specifies title principles on which, and the manner in which, the compensation is to be determined and given; and no such law shall be called in question in any court on the ground that the compensation provided by that law is not adequate."

The contention of the hon. Member, Shri Rajendra Pratap Sinha, is that land is being acquired under the Land Acquisition Act but this Act provides a rate for the land which he considers unreasonable and therefore, he thinks that some other method should be adopted whereby the value of the land could be paid at an enhanced rate, a method which would take into consideration the increase in the value of the land because of the improvements carried out in that area and the purpose for which that land was being acquired. I was submitting that it was wrong to argue in that manner in the case of that land which was being acquired today for a public purpose. That land has very little value today. After improvements, because of some industry or because of the setting up of any mills or anything of that type, or by the finding of oil there, the value of that land may increase. But it cannot be said that since that land will become more valuable at a later date, the rate of compensation should be anything other than what is paid under the Land Acquisition Act.

I submit, Madam, that the Land Acquisition Act itself provides that the rate of compensation to be paid for will be the value of the land on the date of acquisition, plus 15 per

Natural Gas Commission

cent of the value of the land, ascertained in relation to land lying near about that area.

SHRI AKBAR ALI KHAN; YOU mean the market value?

PANDIT S. S. N. TANKHA: Yes, the market value, on the date of the acquisition, compared to and in relation to land lying near about that same area. Therefore, the method of computation as provided for in the Land Acquisition Act is perfectly good and right and it is wrong to argue that since that land after development may become more valuable, therefore, what is provided for in the Land Acquisition Act is too low a price for it. On the other hand, what I was saying was that since the need of the O.N.G.C. was not only a public purpose, but also was a national purpose, the rate of compensation should be lower than what is provided in the Land Acquisition Act, that is to say, the market value of the land plus 15 per cent. And I would like to say that it is possible for the Government to bring forward a Bill for the Oil and Natural Gas Commission under the provisions of article 31 of the Constitution by providing a specific rate for the acquisition in that Bill, so that if the land to be acquired is undeveloped, then it will be acquired at such and such a rate, and if the land is good or developed, then the rate will be such and such.

SHRI AKBAR ALI KHAN: That is to say, it will be different in different States?

PANDIT S. S. N. TANKHA: Article 31 of the Constitution authorises you to fix "the amount of the compensation or" specify "the principles on which the compensation is to be determined." Therefore, it is possible for the Government to bring forward such a Bill whereby the price to be paid for the land need not be 15 per cent more than the market value.

The question *may* arise, Madam, as to whether the Oil and Natural Gas Commission will fall within the category of bodies for which the Government can do this and for this I will read out sub-paragraph (2A) of article 31 wherein it is said:

"Where a law does not provide for the transfer of the ownership or right to possession of any property to the State or to a corporation owned or controlled by the State, it shall not be deemed to provide for the compulsory acquisition or requisitioning of property, notwithstanding that it deprives any person of his property."

Therefore, since the O.N.G.C. is a corporation owned and controlled by the State, any land acquired for it can be acquired under article 31, sub-clause (2) and it will be perfectly valid and good acquisition of land by it. Madam, I have tried to satisfy Shri Rajendra Pratap Sinha on the point raised by him.

Madam, there was another point raised and it was raised by the hon. Member Shri Dahyabhai Patel, who said that the land in question was wrongly acquired by the Corporation. Madam, I had the privilege of visiting this area last year along with about 20 Members of Parliament from this House, composed of almost all the Parties in the House. We visited Ankleshwar as well as Cambay area and we were very pleased to see the working of the O.N.G.C. there. They were doing very good work. In the Ankleshwar area most of the wells which had been dug were found to contain oil; but in Cambay most of the wells drilled were found to contain only gas. Now, the O.N.G.C. is in charge of both these areas and the place where the refinery is being put up—Koyali—is I believe, to the north of Baroda. I do not have the map with me to ascertain the exact location of it, but speaking from recollection, I think it is at almost equal distance both from Ankleshwar and from Cambay area.

Natural Gas Commission

[Pandit S. S. N. Tankha.] Therefore, since the Oil and Natural Gas Commission had expected to find oil also in the wells being drilled in Cambay area, the selection of the site at Koyali for the refinery was, I think, very suitable and no objection can be taken to it. As far as I recollect, subject to the information from the hon. Minister, I think this refinery is now being set up with Italian collaboration.

SHRI O. V. ALAGESAN: Russian.

PANDIT S. S. N. TANKHA: Before deciding to set up this refinery in collaboration with the Government, the Russians also must have selected this area also for the refinery and, therefore, it would be wrong to question the selection of the site by the Oil and Natural Gas Commission. Another criticism which was advanced by my hon. friend was that they selected this area particularly because they wanted facilities for their social life as well as for the education of their children. My submission is that even if this was the motive of the Oil and Natural Gas Commission in putting up buildings for the housing of its staff, it was not wrong of them to have made use of such a site where other facilities were, available, for example, schools for the children, market facilities as well as facilities for social life. There is nothing wrong in it and I see no reason why the selection of the site should have been questioned on this ground. The Ankleshwar area was more or less uninhabited and if the O.N.G.C. had put up their housing projects in Ankleshwar itself they would have experienced various difficulties and they would have had to provide schooling arrangements, establish markets, build roads and so on. Therefore, if they have selected an area in Baroda proper it was, I think, a very right step taken by them.

My hon. friend, Mr. Chordia, raised some point about the employment which is being given by the Oil and

Natural Gas Commission and he thinks that this is being done on grounds of their relationship with the [influential people, or on *gipharish* and so on. As far as I recollect, Madam, all the officers and young men whom we met on our visit were fully qualified people. They were qualified for the jobs they were put on to and so there can be no question of favouritism or corruption in that. The Oil and Natural Gas Commission must have advertised for the posts, applications must have been received and

•people must have been chosen on merit. No complaint of the sort alleged by Shri Dahyabhai was made

to us although we were there for two days in Baroda. No complaint of this nature was made to us. One complaint was, however, made to us by some of the lower staff of the Oil and Natural Gas Commission regarding their * emoluments and some privileges, a copy of which was forwarded to the hon. Minister and to the officer-in-charge of the Oil and Natural Gas Commission in that area for being looked into by us and for doing everything for bettering their prospects.

The hon. Minister who was in charge of this department, earlier than now had requested us to give him a report on our visit and so a report signed by all the Members was sent to the hon. Minister.

SHRI AKBAR ALI KHAN: Did¹ you include Mr. Dahyabhai's party also?

PANDIT S. S. N. TANKHA: Yes, every party. We had mentioned one thing in that report in particular, namely that it was the desire of the industrialists in Baroda that the gas available in the Cambay area should be made available to them so that industries may be expanded for the benefit of the country and we had recommended to the Minister that special arrangements should be made for it and early negotiations should take place with the industrialists to see what facilities they wanted and at

what rate they were prepared to make use of the gas which is at present going waste. It is true that it is not to go waste for long since half the quantity of the gas which is likely to be produced is to go for the use of the thermal power house that would be set up in that area and another quantity of it is to be utilised in the Koyali refinery so that only about twenty-five per cent, of the total gas can be made available to the industrialists of Baroda and I think it is a very good idea that this gas should be made available to the industrialists at the earliest possible opportunity since there is considerable scope for development in that area, both of small-scale and large-scale industries. I was, however, very sorry to read in the press some time ago that the O.N.G.C. could not come to an agreement with the industrialists and that the negotiations that were going on between them had broken down. This is rather surprising. If the gas is not made available to the industry there, the twenty-five per cent quantity of the gas left over after its utilisation by the Government, will go waste unnecessarily and therefore I am of the view that it should be given to the industry there at the earliest. But if there is any dispute regarding the rate to be fixed then it should be reconciled by negotiations. It should, to my mind, certainly be a rate which will be lower than the rate of electricity because if electricity is being used at present by those industrialists then unless you give them gas at a rate lower than the one paid for their use of electricity you cannot expect them to profit by the use of gas and since it is of no use to the O.N.G.C. it is only reasonable that it should give it to them.

I think I have covered all the points and I thank you for giving me extra time.

SHRI O. V. ALAGESAN: Madam Vice-Chairman, I offer my thanks to all hon. Members who have participated in this debate and made very

valuable suggestions. As I said in the beginning, it is a very simple Bill. The purpose behind the Bill, the intention behind the Bill is simple; to make it easy to acquire land for purposes of the O.N.G.C. which is engaged in exploration and production of crude oil. I thought, Madam, that some of the speeches missed this very simple point and rather strayed away. The position was all right until the Land Acquisition Act was amended in 1962 and Rules thereunder were framed and promulgated in 1963. Before that the process of acquisition of land for public purposes and for companies was rather simple. After this amendment and the Rules came into effect the procedure became more time consuming and rather cumbersome. Under this procedure the State Government at the request of the Central Government cannot proceed to acquire lands straightway. The Collector will have to make a very detailed enquiry. He has to go into the following matters:

- (1) That the company has made its best endeavour to find out lands in the locality suitable for purposes of acquisition;
- (2) That the company has made all reasonable efforts to get such lands by negotiations with the persons interested therein on payment of a reasonable price and such efforts have failed;

Surely, this will not apply to a public sector corporation or a Government owned company like the O.N.G.C.—

- (3) That the land proposed to be acquired is suitable for the purpose;
- (4) That the area of the land proposed to be acquired is not excessive.
- (5) If the land proposed to be acquired is good agricultural land that no alternative site can be found so as to avoid acquisition of agricultural land.

[Shri O. V. Alagesaa] After going in great detail into all these various matters, if the land that is proposed to be acquired is agricultural land, the Collector has to consult the senior agricultural officer of the District also and then he will have to make a report to what is called the Land Acquisition Committee which will be set up by the State Government and on which will sit Secretaries of the various Departments like Revenue, Industries, Agriculture, etc. That Committee also should be satisfied that this land should be acquired and then they will make a report to the Government and thereafter the State Government will start initiating proceedings. Now if we have to go through this procedure it would take quite a long time and it may be that our production programme and the exploration programme may be hindered. It is in order to obviate this difficulty that the present measure has been brought before the House.

And when we start exploring we have to purchase and bring into position very costly machinery. A rig costs as much as Rs. 50 lakhs to Rs. 1 crore. You have to establish camp sites, get the technical personnel, make roads, put up residential buildings; all these preliminaries have to be gone through before actual drilling starts. So it has been found in practice that this will cause undue delay and therefore it has been felt that we should be enabled to acquire land under any of the provisions of the Land Acquisition Act. As some hon. Member pointed out this does not restrict it to Part II alone. Under any of the Parts we can proceed to acquire land and that initiative will vest in the hands of the O.N.G.C. So, Madam, this is the simple purpose of the Bill. But several other considerations have been imported into the discussion by some Members. Perhaps they imagined that we want to acquire very vast areas of land. It is not so. We have acquired now land for the O.N.G.C. in the various States in as many as eleven areas. All this land comes to

only about 2,000 acres or a little more than 2,000 acres. We may require a few hundreds of acres, perhaps 100 acres or 200 acres every year and this we desire should not be unduly delayed.

A question was raised about compensation, whether 15 per cent above market value is enough or not. One hon. Member said that it should be more than 15 per cent. Not only that; he went further and said—to me it was a very curious proposition—that over and above the award of the courts we should pay something more and he asked us to make rules in that regard. I do not know how we can make rules and what criteria we can follow in making extra payments to owners of land. He did not seem to imagine all these difficulties. Supposing for a moment that we even agree to pay more who is to decide it and will there not immediately be a suspicion aroused against those who exercise this discretion of giving more payments?

Now, it is much more easy to acquire land under the Land Acquisition Act because for one reason the title becomes pucca. There is no question about it. Even if you start negotiating privately and acquire land you are not sure of the title. You may pay the amount to a person who may have a doubtful right over the land and it is for that purpose acquisition is being resorted to so that the title is absolutely established and payment is made by courts or by the authorities concerned to the lawful owners of the land. So there is no question of our making extra payment for land acquired for the purpose of O.N.G.C.

Madam, there seems to be an impression that whenever land is acquired for a public purpose like the one before us almost invariably the landowner is underpaid that he does not get his land's worth. I should like to submit that facts are otherwise. I know of a case near Madras. There are

some lands which are irrigated by small tanks. Those who have gone to Madras know it; they are little tanks. They may irrigate anything from 10 acres to even one thousand acres. There was a small tank and a few acres of land under the tank. The owners of these lands made a representation to the Public Works Department or the Minister concerned that the bund of that tank should be repaired so that they get enough water for their lands, which they were not getting. The Public Works Department found that the bund itself did not exist. It is very near the roadside and we all used to see the bund. So they did *not* get the relief that they wanted from the Government and it was going on like that. After some time the Government decided to put up an Industrial Estate in that area. Then the cost of these lands which were not producing much—their value has to be determined according to the market value—went up so much that the owners were paid by the square yard, not by cents or areas, and they get thousands of rupees for their little plots of land. So it is not the case, as is sought to be made out, that landowners get much "below the market value of the land. I can cite many more instances. So to imagine that whenever we acquire land for a public purpose we deprive the landowner of course of his land we do not pay him enough is a wrong notion.

Madam, the question of organisation was also raised by some hon. Members. Some suggested that all these activities, exploration, production, refining and marketing should be done in one organisation. It is not a novel thing. Several countries have such organisations. It is one undertaking that looks to all these various kinds of activities but in our own country it so happens that the O.N.G.C. was set up very much earlier because we wanted to explore and find out whether there was oil in our own soil. And this was functioning as a Department to begin with from the

year 1956 onwards. Then this Act was passed and it became a statutory body after 1959. So this organisation has been engaged in exploration and Production. I should like to say that in

spite of handicaps, in spite of 3 P.M. various difficulties that arose as

a result of our inability to produce the rigs or to get the equipment or to get the know-how, in spite of all these difficulties, the O.N.G.C. has done good work and I was very happy that some hon. Members paid tributes to the good work done by the O.N.G.C. It has so far produced 1-1 million tons of crude oil which in terms of money comes to Rs. 9 crores. This amount we would have had to pay otherwise in foreign exchange, if we had not produced the oil. The programme is to produce up to 35 million tons per year by the end of the Third Plan and in the totality about five million tons. The sale proceeds of all this oil is expected to be Rs. 37 crores. The total amount that has been set apart for the work of the O.N.G.C. during the Third Plan is nearly Rs. 185 crores, of which Rs. 37 crores have to come out of the sale proceeds of crude oil produced by the O.N.G.C. So, it will be seen that from Ankleshwar, where we have drilled almost all the wells and started producing oil, we are sending nearly 2,250 tons of oil to the private refineries at Bombay. This may go up to nearly 5,000 tons by the end of the year. We are at present saving foreign exchange to the tune of Rs. 1-75 lakhs per day, which comes to Rs. 6 crores per year and this is bound to go on increasing.

As far as the refinery construction goes, the two refineries at Gauhati and Barauni are under the organisation known as the Indian Refineries, Limited. It is true that the O.N.G.C. is looking after the construction of the refinery at Koyali in Gujarat. This question has been gone into in some detail. It was discussed by the Estimates Committee in their Report when they considered these three

Natural Gas Commission

[Shri O. V. Alagesan.] organisations, namely the O.N.G.C., which is in charge of exploration and production of oil, the Indian Refineries, Limited, which is in charge of putting up refineries, and the Indian Oil Company, which is in charge of marketing. The Indian Oil Company, as hon. Members know, came into existence when we wanted to purchase oil products from Russia. So, the three organisations are now discharging different functions. The Estimates Committee went into the question and said that all these three organisations should be brought under one umbrella. They should be merged. There should be one organisation which should deal with all these activities. We examined the suggestion of the Estimates Committee. We thought that it would be more advisable and desirable, to begin with, to merge the Indian Refineries Limited and the Indian Oil Company, i.e., the activities of construction and putting up of refineries and refining oil and marketing the oil products produced by the refineries should be under one organisation. Towards that end we are taking steps. Now, we do not want to merge the O.N.G.C. also into this because we want to emphasise the programme of exploration and production. We have to go, in a much bigger way, into exploration and production if our dependence on foreign crude is to stop. It is something like 7 to 8 million tons per year. Today we are spending nearly Rs. 50 crores on that account. If this big drain has to be stopped, we have to find oil within the borders of our own country. So, in order to emphasise the importance of exploration and production of oil in the economy of the country, we have at present decided to keep this organisation apart from the other organisation. Eventually when we find and produce enough oil in the country, it will be time to think of merging even these two organisations. This is what I have got to say on this point.

Then, Madam, the first, speaker, Mr. Dahyabhai Patel, raised the question

of acquisition of land for the refinery at Koyali and said that it was very valuable agricultural land and it should not have been done. We should have gone elsewhere, etc. Of course, this was done some years ago. When I visited the place I found that it was very good agricultural land. There is no doubt about it. But then it was decided that that was the proper place and it was done in consultation with the local Government, who, as the House knows, have to acquire the land for us. So, I do not think it is very wise or very fruitful to reopen the question of acquisition of land in that part of the country. But I may assure the House that wherever possible we shall not acquire valuable agricultural land if it could be avoided. If other conditions could satisfy us, we are not anxious to go in for acquisition of valuable agricultural land. We are not interested in it. In fact, valuable agricultural land will cost us more. So, it pays us to go in for less valuable land, land which perhaps does not produce as much as other agricultural land like cane producing land, paddy, wheat, etc. We would like to avoid it ourselves. We do not fancy that we want to grab all the rich agricultural land in this country for the purpose of putting up refineries or for any other purpose. So, nobody need be troubled on that account, that we will always acquire only valuable agricultural land for our purposes.

Then, the question of divisional organisation was raised by Shri Kuma-ran, I think. We are now exploring and producing oil in the Ankleshwar area in Gujarat and also in Assam in the Sibsagar area. There are two separate organisations for the purpose, presided over. I think, by an Administrative Officer, who looks after the work in this area. We have just now started drilling or we are going to start drilling presently in the Oauvery basin. If fortunately we can strike oil in that region and if we have to expand our activities in that

region, certainly a separate organisation will be thought of for that region. It is purely a matter of convenience for achieving the best results possible.

Then both he, that is, Shri Kuma-ran and Shri Arora—I do not find him here—said that there appears to be a shift in the policy. This has been a very favourite theme with a section of the House. I am sorry to say that because the Minister has changed so the policy also has changed

SHRI P. K. KUMARAN: Not because of that.

SHRI O. V. ALAGESAN: I should like to say that the bone of contention, namely, invitation of foreign equity capital, this principle was put into practice in the case of the Cochin refinery first. Perhaps it is because of that Shri Arora qualified his remarks by saying that it is very unfortunate that this would have been done at Cochin. Now, the policy has been laid down in the Budget Speech. It has been debated in both the Houses and it has been accepted by both the Houses, the question of foreign equity capital participation, of course, on a minority basis. So, to put it forward as something different from the policy so far pursued is, I think, not fair. Madam, there is a saying in my language. If the mother-in-law breaks the pot, it becomes a mud pot and if the daughter-in-law breaks the pot, it becomes a golden pot.

SHRI BHUPESH GUPTA (West Bengal): And if the Minister breaks the pot, what happens to that?

SHRI O. V. ALAGESAN: You will find the answer yourself.

SHRI BHUPESH GUPTA: You give it. We are not concerned with mother-in-law and daughter-in-law.

SHRI O. V. ALAGESAN: When a particular thing is done by a particular person, it becomes acceptable.

SHRI P. K. KUMARAN: This is nothing personal at all.

• SHRI O. V. ALAGESAN: When a particular thing is done by a particular person, it is done all right. When the same thing is sought to be done by another person, it becomes wrong, I do not know how it is fair to view this question in that manner. I would say that this policy was inaugurated at the time of Shri Mala-viya when the Cochin agreement was signed, and if we follow in his footsteps, in the same path, you turn round and say that we have changed the policy; it is not fair, to say the least about it.

SHRI BHUPESH GUPTA: Some of the statements which have been made recently with regard to equity participation had not been made earlier at all. In fact Mr. Malaviya gave an assurance that nothing of the sort would be done, and that was accepted to be the policy of the Government at that time.

SHRI O. V. ALAGESAN: Anyhow, Madam, what Mr. Malaviya has done and what we have done is before the House, the whole country knows it and I am prepared to be answerable for what has been done in my time.

Then, Madam, though this has not much of a relevance here, the question of petro-chemical industries was raised. It has been dealt with at the time of the Budget debate. It has got a very big and fascinating future in this country, the petro-chemical industry. We may have to invest about Rs. 500 crores in the course of the Fourth Plan, and it has already been decided in principle that there should be these petro-chemical complexes or petro-chemical industries in Gujarat, in South India, in Haldia, in Barauni, in Assam and also in Bombay. Some licences have been issued in the

[Shri O. V. Alagesan.] Bombay area. The other schemes are under very active consideration. We shall be able to take a decision on this matter soon

Madam,, I think I have done with all the points raised by hon. Members. I hope the House will pass the Bill.

THE VICE-CHAIRMAN (SHRIMATI TARA RAMCHANDRA SATHE) : The question is:

"That the Bill further to amend the Oil and Natural Gas Commission Act, 1959, as passed by the Lok Sabha, be taken into consideration."

The motion was adopted.

THE VICE-CHAIRMAN (SHRIMATI TARA RAMCHANDRA SATHE) : We shall now take up the clause by clause consideration of the Bill.

Clause 2 *as added to the Bill*

Clause 1, the Enacting Formula and the Title were added to the Bill,

SHRI O. V. ALAGESAN; Madam, I move;

"That the Bill be passed."

The question was proposed.

SHRI BHUPESH GUPTA: Madam, I would like to say a few words. It was not my intention to speak on this Bill at all, but having listened to the speech of the hon. Minister towards the end of his reply I am rather provoked, shall I say frankly, to say a word or two about the policy of the Government in the matter.

It is pointless for the Government and the Minister here to tell us that there has not been any shift in the policy with regard to foreign participation and the role of foreign enterprise in the oil industry of our country. Now we do not have the time nor the opportunity just at the time

to recall the various utterances and statements given solemnly on the floor of the House and in the other House by the then hon. Minister, Mr. Malaviya, and others of the Government also enunciating certain basic approaches to questions of policy. What was it? In the first place it was decided after a lot of groping in the dark in the earlier stages that as far as the oil industry was concerned it should be from now on developed entirely in the public sector, and a beginning was made by exploration and the setting up of refineries with the co-operation of friendly countries like Rumania. That is how we began. You will remember, Madam Vice-Chairman, as other Members in this House will remember, that when the Burmah-Shell and the Standard Vacuum Oil Company demanded full expansion of their installed capacity, the demand was first sought to be entertained by certain elements in the Government, but ultimately the Government did not sanction even the expansion of the installed capacity by those concerns. The argument at that time, and a right argument at that, was that we should be given the opportunity and we should take the opportunity now of developing our own public sector and making the public sector much more pronounced than it would be in a matter of two or three years by stopping the expansion in the private sector as well. Therefore, we had a double policy at that time. I am not a spokesman of the Government, but I do know the policy of the Government because these are public policies.

What was that policy? It was on the one hand to go apace with the creation of a public sector in the oil industry and on the other hand to restrict the operations to some extent at least in the sphere of expansion on the part of the private sector. That is how we proceeded even though it meant at that time certain difficulties in the matter of supply of oil requirements relative to the demand. You

will remember, Madam, and the House will remember that when we negotiated for certain oil to be imported from the Soviet Union these foreign concerns, American and British, had - the temerity to say that they would not be refining crude oil if it was imported from socialist countries and not from their own sources. After a lot of hesitation in the matter the Government ultimately, and rightly so, compelled these people to accept the crude oil imported from other sources than their own. This was the position. Now these are not forgotten stories and I may recall in this connection that the journal called "Commerce" wrote a series of editorial articles in which the hon. Minister of Oil at that time was criticised precisely for pursuing an exclusive policy of public sector development in the matter of oil, and these criticisms were repeated also in certain other foreign journals including the journals that emanate from the United States of America. It is also well known that at that time Mr. B. K. Nehru was approached by certain elements in the U.S.A. and following that a New York paper wrote a certain article saying that Mr. B. K. Nehru's visit to India—at that time he came to India—would be helpful in getting the oil policy of Mr. Malaviya reversed in the direction which the Americans would like it. The article appeared and I quoted this article on the floor of the House. If you would read also other economic journals, you would find that a great debate continued for months and months on end with regard to what should be the oil policy of the Government, and in that debate up to the time I am referring to the Government clearly asserted that oil should be developed exclusively in the public sector in all its stages, specially in refining and exploration. We took certain steps. That is how such developments have taken place. The mentality of foreign equity participation was not there. Had it been so, we would not have had the fine refining centres in our country. We would not have been

286 RS—6.

developing our industry in the way we have done in the course of the past few years. Now that vigorous policy was pursued although we would have liked it to be much more vigorous than actually it was. Then what happened? Systematic pressures were brought to bear upon the Government in order to compromise this policy, to make the Government resile from the position that it had taken. In that connection, you will remember that the Sahni Committee made a Report with regard to the operations of the foreign oil concerns in our country and it pointed out in that Report which it submitted to the Government, how in a matter of a few years the foreign oil concerns because of their manipulations and their monopolistic control over production, refining, distribution and so on had made enormous profits to the extent of Rs. 50 lakhs. The so-called Sahni Committee was appointed by the Government itself. On the basis of the Sahni Committee's Report and some of its salutary findings, the Government took the step of developing further in the direction of the public sector, looking forward to the day when even the distribution would come into the hands of the public sector.

As far as exploration is concerned, Madam Vice-Chairman, I should remind the House that when the Standard Vacuum Oil, Company was asked to carry out exploration in West Bengal, it did it for some time and it was found that Rs. 9 crores were spent but the result was zero and nothing was found, and after that the Government realised that something was wrong with the mechanism of exploration. Therefore they decided to negotiate with other countries, socialist countries like Rumania and so on, so that alternative means of exploration could be instituted in order to circumvent the difficulties and manipulations created by the foreign oil concerns. That was how the matter stood, that was the position. Now, If you look up to the debates in this

Natural Gas Commission

[Shri Bhupesh Gupta.] House on the oil question in which most of us directly participated, you would find that time and again, faced with the Opposition criticisms from a progressive angle, the Government gave—and reaffirmed—the assurance that it would all be in the public sector. The late Mr. Panikkar was sitting here in this House; he was a Member then. He pointed out while discussing this matter that either we control oil or oil controls us. This is the experience of all countries. Such were the sentiments at that time. Those sentiments were shared by Congressmen opposite, shared by Members here on this¹ side of the House, shared by everybody who meant the well-being of the country and its economic independence. Now we find that gradually in the course of the last few months the policy is being sabotaged from within in a manner which is nothing short of being criminal. And I wish to tell the House here very frankly, let us not be blind to the facts of life, let us not shut our eyes to the commission of crime in the Secretariat and other Departments because we shall be punished for it, if not today, by the generations that will follow us. What happened?

Taking advantage of India's defence difficulties when the border question came up and posed certain urgent problems, the Americans brought pressure to bear upon the Government in order to secure certain concessions in the matter of oil. At that time negotiations opened; surreptitiously, covertly and openly they were going on here and across the seas in the United States of America so that some kind of accommodation by departing from the old policy could be made in order to attract their participation and assistance. Now oil was made the crucial issue. Today oil is the biggest industry in the hands of foreign capitalists. Nearly Rs. 160 crores are invested in that industry and they earn enormous resources and profits out of oil. And you know, they issue secret letters. The Burmah Shell Company issues secret circulars among

certain individuals in which it points out how important it is to maintain their pre-eminence in the field of oil. At that time, taking advantage of our misfortune and difficulty, 'continuous pressure was put on the Government. Thus, the Government having an eye on some military assistance or financial assistance, started giving concessions to those people. The first came in the form of permission to these people for expansion of the foreign private oil concerns^ let them expand a little. The idea was that we needed in ore oil, therefore they should be allowed to expand. Their desire was fulfilled. Expansion which we prevented in the beginning was now sanctioned and naturally, they are already in an entrenched position. Why can't we take over the oil industry from the hands of the British and American people and run it in the public sector an^ expand it as much as we like? Why must we allow the expansion t<- them in order that they can exploit cheap labour and the resources of our country to mint millions and establish a stronger base in that sector of our economy?

The second point was that equity capital business came. Cochin was the beginning. Then what happened? Madras and others came. It became now an accepted policy that there should be foreign participation. Foreign participation by whom?' Foreign participation by the very same vested interests in oil, who hold the country's economy to ransom because of their control over our oil, who start war in some parts of the world, who organise counter-revolutions in some parts of the world, who organise assassinations, who organise *coup d'etat* in the Middle East because they want to protect their oil interests. Oil carries with it a knife all the time, oil carries with it internal counter-revolution. Oil in the hands of the imperialists, what is what I mean. Therefore, these people were given this opportunity and <hey were allowed to function in th's manner. Foreign participation is allowed, and we are told 'minority participation'. What a wonderful consolation. It is

Natural Gas Commission

something like giving a consolation prize to a young, kid who has not done well in the examination but, well, who should not be made to lose heart. What are you talking? What is meant by this so-called minority participation?

[THE DEPUTY CHAIRMAN in the Chair] Suppose the investment is of the order of Rs. 1 crore and Rs. 51 lakhs are on India's account and Rs. 49 lakhs are on the account of the foreigners. What does it mean? Suppose we earn some money, out of it, in the first place, in the division of the profit or the earnings, same proportion takes place. Suppose we earn Rs. 1 crore after expansion, Rs. 51 lakhs come to us, Rs. 49 lakhs go to them which will be pumped out of the country as remittances of profit. That is to say, capital accumulations in the country, resources within the country, which should bring investment for our industrial development and which should be in the hands of the nation are taken out of the reach of even this Government by way of remittances abroad. That is what is happening. Is it not impoverishing that sector of the economy relatively speaking, is it not losing resources, capital accumulations, placing them in the hands of alien people who have no interest in the development of our national economy but are interested in neo-colonialism and exploitation? And then they are strong in that sector of the economy, they will become stronger. The 51:49 ratio makes them stronger for the simple reason that they are already entrenched. Distribution is almost entirely in their hands. Burmah Shell appoints forty thousand people in the line of distribution. All these distribution centres and others are in their hands, as you know. Some efforts were made, none the less they are in their hands. Therefore, you are building them up here in this particular sector. Yes, you may say that simultaneously we are building up the public sector and also the private sector. But that private sector is predominant, is almost wholly controlled by the foreign plunderers

and exploiters. And that is what you are doing and you are strengthening them. So, this fictitious ratio of 49:51 per cent or the so-called minority-majority participation does not detract from the essential incorrectness of the policy involved in it. That is what I say.

Now this is what they are doing. We find that the doors are thrown wide open. The great Mr. Krishnamachari goes in Bombay and says the doors are thrown wider open for the foreign capitalist to come in. He is not satisfied with the opening of the doors as it is. He would like to have it thrown wider open so that the American plutocrats can come all together, plunder our country and get away with the loot. That is what he wants. Now this is the policy you are following. I would ask the hon. Members opposite—because I know that many of them do not like such things—would you like our ammunition industry to be built with foreign participation or left even partially in the hands of the foreigners? If that is so, why should you like our oil industry to be also in foreign hands and new foreign equity capital to be permitted? Oil is a strategic element¹ In Defence it is a very vital commodity. It is the lifeline of the nation, so, as to say. So that is what they are now doing. They do not have the courage to tell the country that we have changed our policy or we are changing our policy. Where they sit their motto is Satya-meva Jayate but what they do is exactly opposite. They conceal from the country what they are in a position to conceal. They disclose only such things as cannot be concealed possibly with all their cleverness. This is what is happening. Now, I say, Madam Deputy Chairman, that these things should be taken note of. We are now put on the path of a reversal of oil policy. Maybe, complete reversal¹ will not take place. But the direction in which things are moving is dangerous in the extreme. Madam, I am not interested in any particular Minister. I am interested in the Government and the Cabinet. They are playing

[Shri Bhupesh Gupta.]

again with the vital oil industry in our country, and I think it is the duty of all Members opposite to be wide awake to the dangers inherent in this kind of policy and ask the Government to retrace their steps and take to the original policy of promotion of oil in all stages in the public sector, ultimately leading to nationalisation of even the existing foreign concerns in the oil industry, in all stages—exploration, refining, production and distribution. This is what I want we should stand for.

Madam, in fact many hon. Members have expressed these sentiments time and again. They are now being sought to be brushed aside, brushed aside in a very covert manner. So there is need to come out with the whole story. I demand, Madam Deputy Chairman, that the oil question be discussed for a whole day in this House with proper notice so that we can come prepared on the basis of their own documents and other things. I tell you we shall be in a position to charge the Government for breach of faith, for violation of their own pledges, for concessions to the imperialists, to the foreign oil tycoons surreptitiously and behind the back of the nation, trying to influence the oil policy, to seek the interests of the multimillionaires. Well, if we do not, then blame us for what I say. I say time has come for a fresh debate in both the Houses of Parliament on the question of oil.

I think I have said enough for the hon. Minister and I hope he will also be concrete in his answer. I have given facts and figures out of memory. If I had known that I would have to speak on this subject today, I would have got all the material and come prepared with facts and figures and so on. I think by and large I do not have a particularly good memory. But those gentlemen on the Treasury Benches have not even that much memory, though I may have a failing one in certain respects, because they

are so obviously wrong, they are open to the charge of violating even their own pledges, pledges repeated time and again before the nation. That is why we cannot forget it. I say this present Ministry and the Government have taken a very, very harmful course. And you know, today American businessmen, 130 of them, or how many I do not know, a big team has come as if it is an American emporium, as if here an industrial fair is going on for the Americans. They are coming and discussing with everybody, tiny little officers coming here. Who is that Assistant Secretary who came here, Mr. Talbot or somebody to shake hands with whom all the Ministers line up as if before an Employment Exchange in order to get a job, to seek an interview with him, although the Prime Minister said that he is not a very important officer? But from the Finance Minister down to all other Ministers they compete with each other to shake hands with the American gentlemen.

SHRI AKBAR ALI KHAN: No, no.

SHRI BHUPESH GUPTA: That is What we practically saw the other day. Now these people, the American millionaires' delegation, their visit to this country should be taken note of. All I say is that American influence is revealed, pressure is revealed particularly in the sphere of oil. Therefore, vigilance is called for.

Once again before I sit down, I demand that oil industry in the hands of the foreigners should be nationalised here and now. Now comes the question of giving them any quota in equity capital participation in our industry. When the task is nationalisation of the foreign concerns, they are taking exactly the opposite course by getting them to infiltrate and participate in the oil industry and thus allowing them to take out large amounts. That is what they have done as yet. We want a change in that policy. I do not know if this Government will do that. But that is all we can ask for.

SHRI M. S. GURUPADA SWAMY (Mysore): May I have a word?

THE DEPUTY CHAIRMAN: You also have to say something?

SHRI M. S. GURUPADA SWAMY: Just two minutes.

THE DEPUTY CHAIRMAN: Something new?

SHRI M. S. GURUPADA SWAMY: Some points I would have to mention.

SHRI BHUPESH GUPTA: After twelve years nothing new is left.

Neither you are new, nor I am. new nor he is new.

THE DEPUTY CHAIRMAN: You are always new.

SHRI BHUPESH GUPTA: Thank you for the compliment.

SHRI M. S. GURUPADA SWAMY: I do not like to traverse the same ground as my friend has done but there are certain important things which we have got to consider on this occasion. Firstly, is there really a shift in the oil policy of the Government of India? I am told that when Mr. K. D. Malaviya was the Minister in charge, there was a rethinking and reassessment in regard to the 'oil policy. If that is so, this House has got to be told about it.'

Secondly, we should be told whether the Government of India has any policy at all in regard to the type of credit that we have to receive to develop the various industries in this country. I am always a partisan of public sector, but that does not mean that we can afford to be blind to the realities of the situation. I find today that India's credit obligations are mounting day by day. After five or ten years it will be difficult for the Government of India to meet all the mounting obligations. And in this context I would like to know whether the Government of India has really shifted its policy in regard to equity participation.

Madam, you are aware that we have been heavily dependent, for some time, on the aid and assistance we

receive from various Governments, from the East and the West. But in certain basic industries we are not dependent at all on the private capital imported from abroad. If that is so, I should like to know whether now the situation warrants a shift or a change or a deviation from this policy, whether the Government, I ask, has reconciled to the position that hereafter in the various major sectors of industry there should be interplay of both private and public capital, that there should be more and more inter-penetration of sectors where the public sector ultimately should have greater control, greater ownership of shares or equity whatever it is? Is it accepted? I would ask the Minister whether this philosophy of co-existence of sectors, interplay of sectors, where the Government will increasingly play its part more and more in control and ownership is accepted as a philosophy, as a programme and as a policy? Thirdly I would like to ask him whether he has cared to see all the collaboration agreements entered into between the Government of India and other countries and other parties outside India in regard to oil, in regard to other industries. Particularly it attracts me" because in the case of Barauni, as you know, the Russian Government is giving us all help and we are very grateful to the Russian Government in this regard but what do we find in the agreement? One fact which attracts me or disturbs me most is in that agreement for Barauni nearly Rs. 40 crores has been approved for investment and for which capacity? The capacity is, I am told—the Minister should correct me here if I am wrong—to produce oil of about 1.5 million tons. Now the Government has decided to set up a refinery at Cochin and what is the capacity of this refinery? I am told it is about 2 million tons and for the production of two million tons of oil, I am told, they are investing about Rs. 12 crores. If that is so, what is the reason for this great disparity between the investment made for Barauni and the investment that is going to be made

[Shri M. S. Gurupada Swamy:]

at Cochin? I would like the Minister to clear the doubts of the House and about these collaboration arrangements and why such a huge investment at Barauni producing less oil and how more oil can be produced in Cochin refinery with considerably less investment? What is the reason for this huge difference? Are we paying heavily to the Russian Government or is there any mistake committed or if the prices of plant and machinery have gone down? I am told that instead of going down, the prices are going up. Therefore these are vital matters that we have got to go into. Mr. Bhupesh Gupta is waxing eloquent about the expansion of the public sector in the oil industry. He says that the oil industry should not control us. We should not allow any foreign interest—either the interests of the Government of a foreign country or of private capital—to control us. Therefore I would like to know whether we have been conscious of our responsibilities, whether we are taking care to see that we are getting the best terms possible and at the same time whether we are wielding control over the new projects that are coming up from time to time. I agree with my friend that oil is a very crucial industry. It is a crisis point if I may say so. It is a crisis point because those people or bodies which control oil and the oil industry can control the economy of the country itself at crucial times. Therefore it is a crisis point. When we are dealing with a crisis point, we must be able to understand the implications, the logic, the compulsions, of the policy that we pursue. So finally may I ask the Minister concerned whether these have been considered and does it not warrant a fresh enquiry, a fresh probe into the whole situation in regard to oil? If the Government of India some time in the future will be able to nationalise the oil industry, I would be very happy indeed; but at this particular hour, it will be indeed suicidal to nationalise the oil industry because we will be creating a new situation, we will be creating

a disturbance and we will be creating some sort of dislocation. Therefore I would like all these factors to be taken into consideration. A very cogent, a rational, logical and progressively radical policy should be evolved in regard to the development of oil resources in this country.

SHRI O. V. ALAGESAN: Madam Deputy Chairman, Shri Bhupesh Gupta gave a historical survey of the oil industry in this country but it did not concern very much the scope of the measure before the House. So I would not normally like to go into the various points that he raised.

SHRI AKBAR ALI KHAN: But we are very much interested to know whether there has been a shift in the general policy as was emphasised by Mr. Bhupesh Gupta.

SHRI O. V. ALAGESAN: I am coming to that. I would content myself with answering a few points that he raised. In fact he tried to put forward a distorted picture before the House which in a measure was corrected by the hon. friend who followed him. I would like to tell my friend Shri Bhupesh Gupta that mere assertion can never be a substitute for argument nor flow of words can be a substitute for facts. Mere eloquence which in his case is always torrential can never be a substitute for facts. He admitted almost that he was not in possession of facts, he did not bring them in when he came into the House because he did not intend to participate in this debate but as he said, perhaps he was provoked. I do not know why he was provoked. It is easy for him to be provoked but I do not think I am responsible for provoking him.

SHRI BHUPESH GUPTA: Think over what I said.

SHRI O. V. ALAGESAN: This is one of the statements—not a very responsible statement—that he made that in the course of the last few

months there has been a shift in the policy and he talked in the same breath of expansion the private refineries. Now I would like to tell the hon. House that these private refineries started with a very small capacity. The ESSO*, I think, started with 2 million tons, the Burmah-Shell* with 1·2 million tons and Caltex with half a million tons. Between the years 1959 and the end of 1962, the ESSO* refinery was allowed to expand from a capacity of 2·2 million tons to 3·75 million tons.

SHRI AKBAR ALI KHAN: In 1962?

SHRI O. V. ALAGESAN: From 1959 till the end of the year 1962. I think we are now in May 1964. The Burmah-Shell* Refinery was allowed to expand from a capacity of 1·2 million tons to 2·5 million tons in the same period.

SHRI BHUPESH GUPTA: From which year?

SHRI O. V. ALAGESAN: I think I told you that it was from 1959 to the end of 1962.

SHRI BHUPESH GUPTA: When?

SHRI O. V. ALAGESAN: Please do not interrupt me. I did not interrupt you. The Caltex from 0·675 million tons to 1·05 million tons. No expansion was allowed after that.

SHRI BHUPESH GUPTA: What was the demand?

SHRI O. V. ALAGESAN: This disposes of the assertion that as a result of a shift in the policy of the Government, the expansion in the private refineries was allowed.

SHRI AKBAR ALI KHAN: He was on very very slippery grounds.

SHRI O. V. ALAGESAN: It is not a fact. It is a misrepresentation of the position.

*See corrective statement, col. 178 *infra*.

SHRI BHUPESH GUPTA: No, because you are taking a longer period of time. You did not say when it was . . .

SHRI O. V. ALAGESAN: However loud the 'no' may be, it cannot alter the facts. But I would like to tell the hon. House that we stand by the public sector in the oil industry. It may be, as in the case of the Gauhati and Barauni and Koyali refineries, where friendly foreign Governments come forward and assist us, that it will be entirely in the public sector though we will have to pay for all the machinery we have 'bought and all the services, technical and other, that have been provided. In the case of Cochin—the date is known; it was some time in April, 1963—I think a year or so ago that this agreement was signed, not a few months ago. There foreign equity participation was permitted, and now . . .

SHRI BHUPESH GUPTA: Twelve months ago; all right.

SHRI O. V. ALAGESAN: And you should add also that I was not there at the time. Now we are in the midst of negotiations for putting up refineries in Madras and Haldia. It is true we are negotiating with foreign private parties. They come from all over the world almost—Japanese, French, Italian—and the Italian E.N.I. is as much a State concern as any of our State concerns is—British, American, all these parties are there. We are in a much better bargaining position now and we propose to take the utmost advantage out of it. If at any time it looks to us that aligning ourselves with the oil interests abroad will harm our national interests, certainly we would stop it. It is very wrong to say that our policy is an open door policy and that 51 and 49 make no meaning, which is very wrong to say. We propose to expand in the field of refining oils. The requirements have been recalculated and they work out to 16 million tons

[Shri O. V. Alagesan.] ' by the end of the Third Plan, and 28 to 30 million tons by the end of the Fourth Plan, and all this oil, if possible, should come and perhaps is going to come from out of the public sector refineries. There is no question of putting up a single more private refinery in this country. So the policy is quite safe. And where is the question of a shift in the policy? I should like to know, unless he smells something where there is nothing.

SHRI AKBAR ALI KHAN: It is more subjective than objective.

SHRI O. V. ALAGESAN: The hon. Member can draw his own conclusion, from the facts I am presenting before the House.

SHRI RAJENDRA PRATAP SINHA: You are not a fellow traveller.

SHRI O. V. ALAGESAN: Now, both in the case of Madras and Haldia and in the case of further refineries that may be put up, it is all going to be in the public sector, as I said. But one important thing I should like to mention. Shri Malaviya, my predecessor, did a lot to put India on the oil map of the world, and this House and the country should be ever grateful to him on that account. And it is our purpose now to build further on the foundations that he has laid, and this is what we propose to do. Many things may have to be done circumscribed by the conditions obtaining at a particular moment. If I am able to obtain better conditions for Madras and Calcutta than what Mr. Malaviya was able to obtain in the case of Cochin, that does not surely arise from any special merit in me. It is because the conditions have changed. If the Cochin one is somewhat cheaper than the refineries at Gauhati or Barauni, again it has to be judged in the context of the time when the Barauni and Gauhati refineries were set up, and you cannot judge the cost of the Cochin refinery in the context of the Madras refinery; it is bound to be cheaper.

SHRI AKBAR ALI KHAN: In the case of Cochin, with which country is the collaboration?

SHRI O. V. ALAGESAN: It is with Philips Company of America. It is not a foreign Government; it is not a friendly Government; it is one of the private parties" coming from the country of U.S.A.

SHRI BHUPESH GUPTA: Little Shirley Temple coming here.

SHRI O. V. ALAGESAN: I do not know; he knows more about America; I do not know, but it is for me to look after the interests of my country and it is enough for me. I am not to look after the interests of foreign Governments or foreign parties, private or other.

Now the most crucial question in this oil business is the question of supply of crude oil. It is there that all the gains and all the profits are hidden, and I am sorry to say that up till this moment we have not been able to make a dent in that very closely guarded fort; we are now trying it and I hope the House will wish us success in the effort that we are trying to make.

PROP. B. N. PRASAD (Nominated): What is the total amount of crude oil that you get in the country?

SHRI O. V. ALAGESAN: We are now importing 7 to 8 million tons per year which costs about Rs. 50 crores. We produce some oil here and we are feeding our Gauhati refinery and the old Digboi refinery, it comes to about a million and a quarter tons, and we are supplying from the Ank-leshwar oil fields oil to the private refineries in Bombay, which comes to about 0·8 million tons. So now our own indigenous oil may be taken roughly at two million tons. Now, if we have to break this crude front, either we have to produce all the oil in this country ourselves and supply our refineries with indigenous oil, or

' we should also look to sources outside this country, which can give us the oil. We are also making attempts in that direction; we are trying to get India the off-shore concessions that have been offered by the Government of Iran in their country. There the oil wells are very highly prolific in production; one well produces enormous quantities; one well there is equal to many, perhaps tons of wells in this country. So, if luck would favour us, and if we are able to get a foothold there, we will be able to establish our own source of crude supply; though it may be outside this country. We will have part control over it. So that also we are trying to do and make this country free from all extraneous and harmful influences in the field of oil production, oil refining and also oil distribution.

Madam, I do not think I should add anything more to this.

THE DEPUTY CHAIRMAN: The question is:

"That the Bill be passed."

The motion *was* adopted.

[THE VICE-CHAIRMAN (SHRIMATI TAR A RAMACHANDRA SATHE) in the Chan.]

THE INDUSTRIAL DEVELOPMENT BANK OF INDIA BILL, 1964

THE MINISTER OF PLANNING (SHRI B. R. BHAGAT): Madam. I rise to move;

"That the Bill to establish the Industrial Development Bank of India for providing credit and other facilities for the development of industry and for matters connected therewith and further to amend certain enactments, as passed by the Lok Sabha, be taken into consideration."

It is now more than two months, Madam, since this Bill was introduced in the other House. It is a simple non-controversial measure and we

have tried to explain its provisions as clearly as possible in the notes on clauses. The House will not, therefore, expect me to make a very long speech.

SHRI BHUPESH GUPTA (West Bengal): How non-controversial?

SHRI B. R. BHAGAT: I hope the hon. Member has read through the Bill. (*Interruptions*).

RE CORRECTION IN THE SPEECH EARLIER MADE BY SHRI O. V. ALAGESAN

SHRI O. V. ALAGESAN: Madam Vice-Chairman, I should like to make a correction in the speech I made on the earlier Bill, the Oil and Natural Gas Commission (Amendment) Bill, 1964, where it related to the figures I gave in reference to expansion of the capacities of refineries. Where I said ESSO, it should be BURMAH-SHELL, and where I said BURMAH-SHELL, it should be ESSO. I am sorry that the mistake has occurred.

THE INDUSTRIAL DEVELOPMENT BANK OF INDIA BILL, 1964—*conid.*

SHRI B. R. BHAGAT: As I said, the House will not therefore expect me to make a very long speech on this occasion.

The reasons why a development bank of this kind is necessary are not very difficult to understand. The size of the allocation for industrialisation in the first two Five Year Plans was not, on the whole, so great as to strain the resources of the existing financial institutions including banks. But latterly, the gaps in the present institutional framework for the provision of industrial credit, especially for medium and long-term periods, have come to light. This, I think, was inevitable.