

[Shri D. B. Desai.]

the Ministry of Community Development for the year 1961-62. This is the space actually taken up by the Co-operative Development Board which has been working for five years and on which Government has spent something like eighteen crores of rupees. The activities of the Board are enumerated there:

"The Board continued to provide financial assistance to the State Governments for the following purposes."

The purposes are enumerated in the Act also. However, the Board has done one thing. It appointed two or three sub-committees to study the marketing of certain products like cotton, wheat and jute. During the last five years, the Board has done only one thing and that is the advancing of loans. The Board was intended to plan, promote and co-ordinate the various activities in the co-operative sector but actually the Board has done nothing. Last year it has been transferred to the Co-operative Department. At this juncture, the Co-operative Department itself wants to bifurcate it. What is the reason for this? Is not warehousing or marketing purported to be under the co-operative sector? The policy of the Government of India is that marketing should be on the co-operative basis, processing factories should be on the co-operative basis, storing should be on the co-operative basis, warehousing should be on the co-operative basis. Why then are the warehousing, storing and marketing activities contemplated to be bifurcated from the co-operative credit system? In fact, no special board is required for the credit system only because there is the Reserve Bank which deals with short-term credits. There is only the question of long-term credits but seeing the volume of the long-term credit advanced by the Government which is only of the order of eighteen crores of rupees in the last five years as

against the eighty crores of rupees per annum given by the Reserve Bank with its Agricultural Price Stabilisation Fund and similar other funds, I do not think there is any necessity for a special board. We are now having a situation where we will have two separate establishments, two separate corporations to be managed by big I.C.S. officers. There will be some expenditure on administration, maybe a few lakhs. I am not bothered about the actual expenditure but I want to know whether it is necessary to have two separate boards. I would here like to refer to another part of the Rural Credit Survey Committee's Report.

THE DEPUTY CHAIRMAN: Mr. Desai, I think you better stop at this moment. We have time allotted for another motion. You will continue on the 16th when the debate will be continued.

3 P.M.

MOTION RE REPORT OF THE OIL AND NATURAL GAS COMMISSION

SHRI A. D. MANI (Madhya Pradesh): Madam, I move:

"That the Annual Report of the Oil and Natural Gas Commission for the year 1960-61, laid on the Table of the Rajya Sabha on the 19th June, 1962, be taken into consideration."

Madam, in initiating this debate I should like to say that the House is glad to have this opportunity of discussing this Report because so far we have not had any opportunity of discussing the oil policy of the Government. This matter was discussed some weeks ago in the other House and I hope that as a result of the discussion that we are going to have today the Ministry will throw some light on the possibility of getting more oil in the country during the Third Plan. I may have to offer. Madam, many critical remarks about the working of the Oil and Natural Gas Commission but I should like to

say at the outset that despite the criticism that I am going to offer I would like to pay my tribute to the hon. Minister in charge of this portfolio for his courageous attempts to discover oil in the country.

SHRI M. S. GURUPADA SWAMY (Mysore): Pay the tribute in the end.

SHRI A. D. MANI: The House is aware that whatever might be the shortcomings of our oil discoveries we have at least the Ankleshwar oil which has been regarded by the Burmah-Shell Refinery at Bombay as extremely good. At least for the discovery of the Ankleshwar oil we should be thankful to the Oil and Natural Gas Commission.

Madam, there is one aspect of the working of the Oil and Natural Gas Commission which is causing serious concern and that is the prospects and possibilities of our obtaining oil in Cambay. The hon. Minister stated in the other House that he had at no time made a declaration that there was oil in Cambay. I do not think that the statement made by the Minister is factually correct. Addressing the Consultative Committee of this Ministry on the 21st December, 1959 he made a positive declaration that there was oil in Cambay and there was so much of enthusiasm that they agreed to go in procession with the Russian engineers in the Cambay oilfield. I quite agree that any discovery of oil or any possibility of discovery of oil is a matter of enthusiasm and jubilation but on the subject of discovering oil in Cambay I am afraid that the Minister's enthusiasm has outrun the possibilities of getting oil. The Minister said in the other House when this matter was discussed that he was not even sure whether there was going to be natural gas in the Cambay oilfield. There is no oil at all in the Cambay oilfield according to experts who have had an opportunity of studying the subject. Out of the 24 or 25 wells working, well No. 1 is giving some oil

as also well No. 8 and well No. 24. All the other wells are dry and the Minister therefore said in the other House that he never made any statement about discovery of oil in Cambay. All that he said was that there was a possibility of discovering an oilfield and he made a very fine distinction between an oilfield and discovery of oil. We are not satisfied with this explanation. It looks from the reports that we are having on the working of the Cambay oilfield that the Cambay oilfield may have to be written off. I believe the Oil and Natural Gas Commission is continuing its drilling operations in the Cambay field. We do not know how many lakhs and crores of rupees have been spent in drilling for oil in Cambay. I am told by knowledgeable people that to dig a well it costs about Rs. 20 lakhs—as much as that—and they have got to go down to 50,000 feet to discover oil. If the Ministry is satisfied that there is no oil in Cambay or there are no possibilities of oil, I would like to ask him whether the Oil and Natural Gas Commission should not give up the Cambay oilfield at least to cut down our losses because there is no point in exploring there if the possibilities are very few. Now, as the time is limited I do not want to quote the opinions of experts and how they have differed from Mr. Kalinin who said that we could get 30 million tons, Mr. Ghosh who said that we could get 20 million tons and the Minister who said that we could get 10 million tons but the result today is that there is no oil coming out of Cambay.

Madam, I would like to pass on to the Ankleshwar oilfield about which very optimistic reports are available and the Minister himself has stated—and this is borne out by the people who know the technical side of this matter—that the Ankleshwar oil is of very good quality. I should like to ask the Minister how much of the country's demand for petroleum and kerosene products is going to be met by this Ankleshwar oil. In 1958 the

[Shri A. D. Mani.]

Minister said in the other House that by the middle of the Third Plan 50 per cent. of the country's requirements of petrol and oil will be met. We are almost in the middle of the Plan and I should like to ask him . . .

SHRI ARJUN ARORA (Uttar Pradesh): This is only the first year of the Plan.

SHRI A. D. MANI: We will be in the middle two years hence. I should like to ask him what the present imports of petroleum and kerosene products are and whether there is any possibility of fulfilling his hope that by the middle of the Third Plan 50 per cent. of the country's requirements would be met by the country's production itself.

Madam, I would like to go on to the Nahorkatiya oilfield. I understand that the oil from the Nahorkatiya oilfield is not of even quality, that there are a number of pools and that these pools give oil of varying quality and the Minister said in the other House that some oil has got to be imported from abroad to make this oil come up to specifications. If that is the state of affairs in regard to the Nahorkatiya oilfield, I would like to know how we are going to cut down our foreign exchange demand for oil in the Third Plan period. It has been estimated that if we did not discover oil in sufficient quantity we will have to foot a bill of Rs. 200 crores at the end of the Third Plan period for meeting the country's requirements in respect of oil. If in regard to Nahorkatiya oil we have got to import oil from abroad to make it saleable, then where is the saving involved and how does the Nahorkatiya oilfield help the country?

Madam, this morning a number of questions were asked about the Assam Government's attitude in respect of the Nahorkatiya oilfield. I am afraid the Ministry is not taking up a strong stand and telling the

Assam Government that in respect of oil development in the country the Central Government has got the supreme position and that they cannot allow to the Assam Government a position of equality with the Central Government in regard to this matter. We have already weakened the line in respect of the Bengal Government's action in regard to its own coalfields.

SHRI AKBAR ALI KHAN (Andhra Pradesh): That is a bad precedent.

SHRI A. D. MANI: Yes; it is a very bad precedent. The matter is before the Supreme Court. If we allow on the question of Assam oil that the Assam Government have a very big voice in determining what the royalty should be or in demanding arbitration which means that the Assam Government is equal with the Central Government, then we would have really done something to cause dents in our conception of national unity of the country. I would like to ask the Minister whether he would agree to reimburse the Assam Government for the loss he is going to sustain by allowing the present crude oil to be sold at the posted price. This morning he said that the price structure has changed.

I would like to touch upon one other aspect of the working of the Oil and Natural Gas Commission. The Minister himself is the Chairman of the Commission. I have got great respect for the Minister but you will agree that he is not a geologist, that he is not a technical expert. The Estimates Committee which went into this matter had suggested that he should not be the Chairman of this Commission and that a technical person should be the Chairman of the Oil and Natural Gas Commission. The Government has not accepted the recommendation of the Estimates Committee. It is a very bad precedent for Ministers to be the heads of organisations subordinate to their Ministry and on that very ground I may say parenthetically that I am not in

favour of the Prime Minister also being the Chairman of the Planning Commission. If the Minister is himself going to head a technical body, the technical body will have to submit its report to the Minister and he has to give a political decision. I think the Oil and Natural Gas Commission will be able to function better and discharge its responsibilities on a wider field, if the Minister leaves this office. I would like to put a hypothetical question. If he were the Minister of Health, would it not look funny if he were to head the board of surgeons in the Safdarjang Hospital? It is an identical case. It is a technical matter and I think the Minister himself should voluntarily agree to give up his position as Chairman of the Oil and Natural Gas Commission.

The Estimates Committee has also made a recommendation which has not been so far accepted by the Government. Oil business is a very complicated business. We do not have all the know-how with us and I am told that when something happens in the Nunmati refinery, instead of consulting the Rumanian experts, who are assisting us in setting up the refinery, you are going to the Western foreign companies for technical advice. That is the position with regard to the Oil and Natural Gas Commission.

THE MINISTER OF MINES AND FUEL (SHRI K D MALAVIYA) In knowledgeable circles

SHRI A D MANI I would like to have knowledge from you when you reply. I would like to ask what difficulty is there in getting businessmen associated with the Oil and Natural Gas Commission.

SHRI K D MALAVIYA They are not knowledgeable.

SHRI A D MANI The Estimates Committee has said that it will help the Oil and Natural Gas Commission if businessmen are associated with it.

There are patriotic businessmen in this country, who would only be willing to serve on the Oil and Natural Gas Commission, and if it is possible for the Government to take the advice of businessmen in this field, it will help the work of the Commission and not hamper it.

Then, I would like to ask whether the Government has given thought to the recommendation made by the Estimates Committee that the possibilities of raising capital in the private sector for the refinery should be explored. I know that capital is not forthcoming easily for key ventures such as oil and I know also that when the petroleum concessional rules were amended by the Government, the Minister said that he would welcome private participation. I would like to ask whether any possibilities are there for private industrialists coming and helping the Government in the private sector for setting up refineries.

I would like to go on to one final aspect of this matter and that is there are a number of complaints—I do not know whether they are well-founded—that while the Russians have given a very good account of themselves in the running of the Bhilai Steel Plant, they are not very enthusiastic in helping our men to know the technical know-how.

SHRI DAHYABHAI V PATEL (Gujarat) They are only knowledgeable.

SHRI A D MANI Whatever it is, I am sure the Minister is not going to say that the Russians are not co-operating. If there are complaints of this character, I would like to ask the Minister whether it would not be worth while to seek technical help on a wider field.

SHRI ARJUN ARORA The very people who are responsible for Rourkela.

SHRI A D MANI Not only Rourkela. I know the foreign oil companies are extremely close in regard

[Shri A. D. Mani.]

to the imparting of technical secrets and it is said that seven oil companies are having an annual turnover which exceeds our Government's outlay in the Second Plan. They are not going to give us their secrets.

DR. A. SUBBA RAO (Kerala): Do you want the expansion of the refinery?

SHRI A. D. MANI: We want them only to explore the possibilities of getting technical knowledge from any source. I am not saying that we believe in this charge that the Russians are not giving the technical know-how, but I would like a statement from the Minister on the subject.

Finally, I would like to raise one point about the discovery of oil. Here, while we have discovered Ankleshwar oil and find it satisfactory and while the possibilities are improving of Nahorkatiya crude being saleable in the market, what would be the final picture as far as the consumer is concerned? There is going to be a kerosene shortage in 1966 of 1.9 million tons. The poor man is connected with kerosene. He has got to deal with kerosene every day. I would like to know from the Minister whether, as a result of the very extensive pipelines which have been laid in eastern India to connect our refineries, while these pipe-lines have cost much more than what was estimated before, will all this lead to the raising of the petroleum prices above the world posted prices? After all, the only justification for an extensive exploration of oilfields is that we try to bring down the prices within a reasonable margin to the consumer. I do not know what the position is going to be, because the Oil and Natural Gas Commission's Report—I may say with due respect to the Minister—is not very informative. Even as a Report it is a very poorly produced document. You see the paper on which it is printed and so on. It is a very poorly produced document. There is more of information about drilling, but no

information about oil and all these matters. I do hope that the Minister will throw some light on the price structure which will emerge as a result of our attempts to discover oil.

With these words, I commend the motion to the House.

The question was proposed.

THE DEPUTY CHAIRMAN: Two hours have been allotted for this motion.

SHRI DAHYABHAI V. PATEL: *Madam Deputy Chairman, I am grateful to the mover of the motion for taking the trouble, to you and to the Government, for giving some time for the discussion of this motion. I am very much in agreement with some of the remarks of my friend, Mr. Mani, who just spoke before me. In the first place, the Report published in the form in which it is, leaves much to be desired. Even the printing is poor and shabby. It is full of pictures, but there is little information about what real progress is taking place in the work of oil exploration in this country. I know that one of the answers that our friend, the hon. Minister, will give is that this is the Report of the Oil and Natural Gas Commission and they have built up Oil India or something else, so that that part of it should go in there. Perhaps, he will give that answer. Well, this is a funny way of escaping criticism or even questions in Parliament by forming these different commissions and companies, just as they have done in the case of the Life Insurance Corporation. It is a completely Government-owned and managed thing, but when you ask a question, they say it is an autonomous body and you cannot ask any question about its management. I suppose something similar will be said of this very soon. But I hope that even with whatever information is available, the hon. Minister will enlighten us on some points which are engaging the minds of the people and about which there has been so much criticism, very justifiable, in the Press, to show that something*

great is being done by the Oil and Natural Gas Commission. Of course, in this country for everything which is great, there is nobody else, the Prime Minister must be taken. So, the Prime Minister was taken to Gujarat and oil was pumped from one well and put into another. That was shown to the Prime Minister as oil coming out of a certain well.

SHRI M. S. GURUPADA SWAMY:
Technical advancement.

SHRI A. D. MANI: On what basis do you make these statements?

SHRI DAHYABHAI V. PATEL: From a Press report. I think everybody has seen it. It has appeared in more than one paper. I am sure the hon. Minister has seen it. It has appeared in more than one newspaper and there has been no contradiction.

SHRI ARJUN ARORA: You probably read the "Current" only.

SHRI DAHYABHAI V. PATEL: I will not be smothered by the roaring of Mr. Arora, as he practises during question hour. I will have my say and he can have his say. He need not come here as the defender or the pleader of the hon. Minister. I am sure that the hon. Minister is quite capable of looking after himself. The fact is that this is hardly a business-like way or efficient way of doing business. The office of the Oil and Natural Gas Commission is in Dehra Dun. Oil is in Gujarat or perhaps in Nahorkatiya. The Minister is in Delhi.

AN HON. MEMBER: What a tragedy?

SHRI DAHYABHAI V. PATEL: The Minister should not be the Chairman. The Chairman should be the person who sits on the spot and sees that work is done. I have said in this House and I will repeat it that what is going on in Gujarat in oil drilling, the manner in which things are going on will convince a person if he cares

to have a talk with any of the officers that things are done most inefficiently. The amount of goods that are being stolen from the stores, the number of people who resign every day, the number of hands which are changing every day, what do these indicate? Is that the way in which efficient work is being done? I am talking of Gujarat because I know the conditions there. I do not know much about Nahorkatiya, but I am sure that under the same management and under the same hon. Minister the conditions would not be very much different.

I would also like to inform this House since Mr. Mani raised the point about the refining of oil in the private sector, that more than one proposal had been lying with the Ministry for setting up a refinery in the private sector. I know it. One person was made to run up and down between Delhi and the foreign countries for more than two years.

SHRI K. D. MALAVIYA: How does he know that too many proposals are lying with the Ministry?

SHRI DAHYABHAI V. PATEL: Because I have got copies of them. One is Mr. Nanavati's proposal which was transferred by the Saurashtra Government to the Bombay Government. I may remind the hon. Minister that the Saurashtra Government sponsored the proposal, and Saurashtra Government was merged with the greater bilingual State of Bombay, and the proposal remained in the files. When I asked a question about it, the hon. Minister himself answered that Government had decided that they would not allow refineries in the private sector, and that that would only be done in the public sector. I have referred to this only because my friend, Mr. Mani, who came to the House after my question was answered, referred to it. But for the satisfaction of the hon. Minister, the person who brought the proposal not only satisfied the Minister that he had all the resources and the technical know-how but he had established a letter of credit for more than two years with a foreign

[Shri Dahyabhai V. Patel.]
bank. That cost money. To be told at the end of so many years that Government have decided that there will be no refineries in the private sector is what I call a dog in the manger policy of the Government. They cannot do it. They will not allow any one who can do it to do it, who can do it quickly and efficiently. Oil exploration is perhaps a thing about which the know-how is limited to a few people. Perhaps, the American know-how is superior to the Russian, I do not know, or the Russians may have caught up with the Americans. I am not well informed about it. But about refining the position is very clear. So many countries do not have oil, for instance France and Italy, but they have got their own refineries. Why do not we get the know-how from them? If Government is so slow-going, why not allow them to do it? What is happening in Gujarat? You see that so much of crude oil is being produced. It is being sent by train loads to Bombay, one or two trains or tankers go every day to the refinery at Bombay. And you see your Railways are too overcrowded. You have not got the wagons. Why do not you get along with the proposed refinery, and why do you quarrel with the local people that you want the best agricultural site for the refinery? The people offer a site which is not rich in agriculture, a land which is easily available. Simply your officers want to stay in a built-up area where there is a club and where their children will find it convenient to go to a college. Why should your refinery be in such a place? To the north of Baroda there is a place, there is plenty of space and the superior oil that you have found is at Ankleshwar, near that site. Now more oil is coming in North Gujarat. The Minister will say: Take a pipe-line. So, it will take another five or ten years—instead of allowing the people to go ahead with it. I am sure that if the private party who asked to set up the refinery had been given the licence, his refinery would have been working today and

the oil that has been found in Gujarat would have been refined. What we are doing is something that is most wasteful. We are burning good crude oil into furnaces, crude oil from which petroleum which is very valuable could be extracted. Only the residue of the crude oil is given to the furnaces, but we are burning everything. The very valuable petroleum as well as the residue, the whole crude oil we are burning. That is proposed to be given to the industries in Gujarat. I do not know when the power station is coming, but I understand that it is also going to be run on that, and some of the industries in Gujarat, if they can take this oil, will be allowed to take it, and the rest will go to the foreign refineries that are there in Bombay. I do not consider this a very happy way of dealing with this question.

Along with the question of oil there is the question of gas. Now they say that in Baroda it is all gas and there is no oil.

AN. HON. MEMBER: Not even gas.

SHRI DAHYABHAI V. PATEL: I do not know. I will wait to hear the Minister's speech, but I want to point out that our neighbour, Pakistan, found gas. They took the know-how of persons who could do it, and they entrusted it to them. Today they are using the sui gas not only for their industries but they offered it to the Government of India. Why do not we take a lesson from them and allow people who know how to do things do it? If the Oil and Natural Gas Commission is not able to utilise this gas, why not call the people who are doing it for Pakistan to Baroda and ask them whether they will be able to set it up? There is such a shortage of power all over the country. It is not Delhi or it is not Bombay or it is not Ahmedabad, but I say that Gujarat is particularly neglected because today generation of power depends upon coal and coal has to be brought to Gujarat from a thousand

miles away from the north of India. It is a great strain on the Railways. To relieve this strain some other source of generating power must be found, and if it is readily available, why not investigate the possibilities of utilising this gas which is there? If it is not there, let the Minister categorically state that it is not there. But since so many wells that have been drilled have produced only gas, the indication is, and as a layman I feel, that there is a certain amount of gas there which might well be utilised for this area.

Now, we have heard that a superior type of oil is coming out from North Gujarat, from Kalol area. Surat and Ankleshwar are in South Gujarat. Kalol area is in North Gujarat, north of Ahmedabad. What are the Minister's plans about this? We should like to know that. The reading of the Report which is very scrappy does not give any information except that in the Second Plan this was proposed to be done and so far this has been done. How far it has taken us after so much of expense and what the country has benefited out of all these it is very difficult to judge. I for one feel that so much money and so much time have been wasted instead of entrusting the work to people who know how to do it. We have got people who think that they know everything on earth and that they are going to do everything on earth. They prevent everybody who knows it from doing it. It is a very wrong attitude. Let me remind the hon. Minister, Mr. Malaviya—he is a Brahmin and he will understand it—that the Brahmins of India said that nobody except the Brahmins should recite the Vedas. They said that because he was a Sudra, he could not recite the Vedas. That is the attitude which the Planning Commission and the Minister have taken. If there is anything to be done in this country, the Prime Minister must come and do the opening ceremony. We are going to do it in the public sector; whether we know how to do it or not, whether we can manage the little thing or not, we are

going to do it in the public sector—that is the attitude of the Government. That is wrong. That is the attitude which this Oil and Natural Gas Commission is pursuing, and therefore they are in this mess. Madam, I would request you and this House to persuade the Government to change this attitude of theirs. It is not taking the country forward. We are losing time. We are losing money.

SHRI ARJUN ARORA: Madam, Deputy Chairman, this Report of the Oil and Natural Gas Commission is a modest Report and I am not surprised that an hon. Member has just now said that this Report only mentions what was proposed to be done during the Second Plan period and what was actually done.

[THE VICE-CHAIRMAN (SHRI M. GOVINDA REDDY) in the Chair]

I should think that this is what a Report should do and the people who prepare a report of their own work should not praise themselves. I take this opportunity to congratulate the Oil and Natural Gas Commission not only for its achievements but also for the modest manner in which they have reported their achievements.

The Oil and Natural Gas Commission, it may be remembered, was set up only during the first year of the Second Five Year Plan, and in spite of the rapid strides which my hon. friend, Mr. Mani, seems to take, we are still in the first year of the Third Plan. The achievements of the Oil and Natural Gas Commission have to be judged in the light of the fact that their achievements mentioned in this Report were secured during a brief period of five years. Till about five years back, the country was told by foreign experts and many people who were so fond of Western foreign experts that there was no possibility of any oil being found in this country. It was courageous and bold of the Oil and Natural Gas Commission to go ahead with large-scale exploration in spite of the so-called expert opinions and the Western denials of any

[Shri Arjun Arora.]
possibility of oil being found in this country.

The hon. Mr. Mani has mentioned something about Cambay. I do not know. But the fact remains that during the last five years, at more than one spot oil has been found in this country.

SHRI A. D. MANI: Not at Cambay.

SHRI ARJUN ARORA: I say that at more than one spot in Assam and at more than one spot in Gujarat oil has been found, that one refinery has been set up at Nunmati, another is being set up at Barauni and a third is being set up at Baroda, though the hon. Mr. Dahyabhai Patel is worried about the fact whether this is going to be set up in one piece of land or another.

SHRI DAHYABHAI V. PATEL: I am not worried about the piece of land.

SHRI ARJUN ARORA: It is really surprising that an hon. Member of this House as intelligent and as experienced as the hon. Mr. Dahyabhai Patel belittles the fact that a refinery of some magnitude is going to be set up in Baroda in Gujarat. He does not praise the Ministry for its determination to do so but . . .

SHRI DAHYABHAI V. PATEL: Why is this dog in the manger policy?

THE VICE-CHAIRMAN (SHRI M. GOVINDA REDDY): Let the hon. Member continue.

SHRI ARJUN ARORA: He is only worried about one piece of land being acquired and not at all . . .

SHRI DAHYABHAI V. PATEL: I am not worried about that at all.

SHRI ARJUN ARORA: I am sure that it is not the business of this House, it is not the business of Members of Parliament to decide whether a particular piece of land should be acquired or not or about technicians being the Chairman of the Commis-

sion. People are very loud in their praise of the technicians. These are details which should be left in the hands of the technicians, and Members of Parliament should not decide that good agricultural lands should not be taken or that only agricultural lands should be taken. That is something which this House should not decide, and I was amazed at such a patriotic gentleman as Mr. Dahyabhai Patel belittling the fact of establishment of a refinery at Baroda.

The Oil and Natural Gas Commission's Report mentions the results of the explorations and of its discoveries. The task of exploration of oil is naturally an immense one and it is extremely good that exploration began not in one area but in a number of areas in the country, and the endeavour was rewarded. Oil was discovered. On page 5 of the Report, they say:

"The implementation of the Commission's exploration, drilling and training programmes resulted in the discovery of three oilfields—Cambay, Ankleshwar (Gujarat) and Rudrasagar (Assam)—and build-up of well-trained teams of geologists, geophysicists, drillers, laboratory specialists, precision instruments technicians and technicians of various categories, who operated the drilling rigs and manned the survey parties, laboratories and the workshops."

Whether the oil at Cambay is wholesome or not is not as important as, I should say, the fact that the country today has an indigenous team of technicians who are capable of exploration work, who are capable of drilling and who are capable of running our efforts to make the country self-sufficient in oil. Even if not a drop of oil was found in the country during the last five years, I would expect every patriot to congratulate the Oil and Natural Gas Commission for building up this team of technicians which is going to make the country self-sufficient in oil one day

or the other. That in itself is an achievement of which the Commission should be proud.

The work of exploration is also important. And I am happy to find that almost no area in the country has been left out of the field of exploration. Exploration work has been begun in the foothills of Jammu and Kashmir, in Punjab, in Himachal Pradesh, in Nepal, in Bihar, in Bombay, in parts of Kerala and in the west coast and even in the Andaman and Nicobar Islands. So, the work of exploration has been done on a large scale. That is something of which we should take notice and be thankful to the Commission.

It is a great pity that the wrangle with the Assam Government has led to a slowing down of the exploratory work in that very rich area. It is a great pity that the Assam Government and the Central Government are unable to decide this issue. One season of exploration has been lost and there is the risk of another being lost. That is something about which I should expect the hon. Minister to do something promptly. I should expect the whole Government of India to do something to settle this dispute with the Assam Government. On the 25th July, we are told, the Chief Minister of Assam had a long meeting with the hon. Minister for Mines and Fuel. We do not know what the result of those talks was. The fact remains that Oil India and ONGC have not yet been granted a licence for exploration by the Assam Government. I would urge upon the Minister to do something in the matter and settle the dispute with the Assam Government as quickly as possible.

I was amazed to hear so learned a Member of this House as Mr. A. D. Mani say that the purpose of oil policy is to make oil cheap. I do not want to go into the cost structure of oil in this country; the report mentions not a word about it, but even if our indigenous oil, produced and

refined in this country, is a little costlier than foreign oil, it is still an achievement. After all the money will remain in India; it will not go outside. So cost structure should be the least part of our concern when we are faced with foreign competition or with.

THE VICE-CHAIRMAN (SHRI M. GOVINDA REDDY): You have to wind up now.

SHRI ARJUN ARORA: I will wind up in a couple of minutes.

THE VICE-CHAIRMAN (SHRI M. GOVINDA REDDY): You have only two minutes.

SHRI ARJUN ARORA: We are thankful to the Soviet Government and the Rumanian Government for the help that they gave in exploration, and in setting up refineries, and that help came when the Western Powers were refusing to help us in building up any basic industry, and oil is a basic industry and the Western Governments dared not allow us to touch oil. It was magnanimous of the Russians and the Rumanians to help us in exploration. It was magnanimous of them to grant us credit for the drilling equipment. It was good of them to help us set up refineries in this country. It is strange that people who should know better say that at Bhilai we are not learning the technique. Bhilai and Rourkela are two examples in the same sector of our economy in which the Russians have excelled all foreign competitors who are supposed to be our friends.

SHRI A. D. MANI: Rourkela is German, not Russian—do not forget it.

SHRI ARJUN ARORA: Rourkela is German. You are proud of it; we are ashamed of it.

THE VICE-CHAIRMAN (SHRI M. GOVINDA REDDY): Your time is up, Mr. Arora. There are five more speakers yet.

SHRI ARJUN ARORA: But I was told that I was getting fifteen minutes. I also gave notice of this motion . . .

THE VICE-CHAIRMAN (SHRI M. GOVINDA REDDY): You are cutting into some others' time.

SHRI ARJUN ARORA: I also gave notice of this motion and I was told that I would get fifteen minutes.

THE VICE-CHAIRMAN (SHRI M. GOVINDA REDDY): Please wind up.

SHRI ARJUN ARORA: I will wind up quickly.

Now, there was a plea for association of businessmen, for private participation in this industry. That is something against the basic Industrial Policy which the country has adopted. Oil and steel are amongst the six industries reserved for the public sector. As a matter of fact it was wrong of the Government to allow the Western oil establishments of the private sector to regularise their hidden capacity. No private businessman in this country has the resources or knows the know-how to undertake exploration or refining of oil. No Indian businessman has so far done it. We have so far been depending upon a few monopolists of the Western countries for all our oil requirements, and all that our people have been allowed to do is to work as retailers of kerosene oil and petrol. If that, according to Mr. Dahyabhai Patel, is the know-how of which we should be proud, I am not going to agree with him. There is of course something which should be done by the Ministry to improve matters. At present we have the Oil and Natural Gas Commission; we have the Indian Refineries Limited and we have the Indian Oil Company Limited. I feel that if these three organisations were merged into one there will be greater consolidation of resources, there will be greater results of the efforts made . . .

SHRI DAHYABHAI V. PATEL: Then how can we see Congressmen become Chairmen?

SHRI ARJUN ARORA: No Swatantraite will become Chairman even of a municipal board—of that you may rest assured

If this sort of merger of these three high-powered bodies is brought about, there will be greater efficiency at lesser cost. I hope the Ministry will take note of this suggestion. All the same I congratulate the Oil and Natural Gas Commission for putting India on the oil map of the world.

Thank you.

SHRI P. K. KUMARAN (Andhra Pradesh): Mr. Vice-Chairman, Sir, there was a time a few years ago when the entire oil business of our country was in the hands of three foreign firms and their subsidiaries. The Directors of Burmah-Shell, Standard Vacuum Oil Company and Caltex, sitting in their offices in London and New York, could, if they wanted, take a decision to stop supplying oil and oil products to the consumers in India and the entire road traffic—trucks, buses, cars, etc.—would have come to a sudden stop. The power these oil companies were having over our traffic was unimaginable. That was why, with the purpose of safeguarding this power in future, the imperialist rulers have seen to it that even in the text-books taught to our children it was stated that oil was not available in India.

The decision to explore and locate indigenous sources of oil was the first decisive step to break the power of the oil monopolies. But the advice and help we were receiving from foreign countries were not sincere. Experience has made us turn to socialist countries for help. The generous help we received from the U.S.S.R. and Rumania enabled us to make a good start. Experts from the socialist countries, equipments supplied by them and the facilities afforded by

them for training our technicians enabled us to make quick progress. Starting with a small nucleus of technicians, I think, we have reached a stage when the Oil and Natural Gas Commission can go ahead with more confidence. We must increase the scope and area of exploration, quicken the pace of locating, drilling and testing so that more and more oil wells are put into use. Our capacity for refining crude oils, transporting and marketing the finished products have got to be expanded. It was after securing substantial concessions that *the foreign companies agreed to set up their refineries in India*. Even then their behaviour afterwards has been scandalous.

When the prices of oil products the world over was lowered due to excess stock and supply, the benefit of this world-wide reduction in price was denied to India. The three oil companies were maintaining an artificially high price for their products in India. It was in these circumstances that the Soviet Union made the offer to supply India with crude oil at a lower rate and on rupee account. When the Government asked the refineries run by the three companies to refine Russian crude oil, what was their reaction? The companies refused to refine Russian oil. On the other hand they announced a 11 per cent. reduction in the prices of their crude oil in a futile effort to prevent our trade with Russia. This experience should teach us on whom to rely for sincere help and on whom not to rely. We must increase our own capacity to produce, refine and distribute our own oil products. The whole process can be accelerated if we go in for help from those countries who are willing to help rather than from those countries who are forced to help because of certain international developments.

The formation of Oil India Ltd. is a classic example of what an agreement with a foreign firm should not be. Having agreed to pay, if I

remember aright, 14 per cent. returns on their investments to the Burmah Oil Co., it is but natural that Oil India finds it difficult to meet the demands of royalty which the Assam Government is claiming. The return guaranteed to the Burmah Oil Co. should not have exceeded five or six per cent. The quicker the agreement with the Burmah Oil Co. is repealed and Oil India put on a complete national basis, the better it is for the country and our progress. Otherwise a situation may soon arise when the profits of Oil India are not sufficient to meet the obligation to the foreign partner, Assam State, etc. without obtaining substantial subsidy from the Central Government funds or, as the Minister stated in the morning, without disturbing the price structure of oil in India. The remedy is to nationalise all foreign oil companies and their refineries. In this we must boldly follow the example of our small neighbour, Ceylon. But our Government is unnecessarily hesitating. At any rate, I do hope that no permission will be granted to the foreign concerns for further expansion.

The Oil and Natural Gas Commission should take up the work of exploring new areas at a faster rate. I would appeal to the Minister to give priority to the work in the South, in the Godavari and Cauvery basins as well as the Kerala coast. New refineries must also be started forthwith and the Southern States should be given their due share. The oil industry should be distributed, as far as possible, on a uniform basis among the States of India.

Sir, along with oil wells, we have struck some gas wells also. The question of utilising this gas for industrial purposes should engage the attention of the O.N.G.C. In the context of the power shortage, which one part of the country or other is experiencing nowadays, the necessity for devising schemes for using natural gas for industrial purposes needs to be stressed again and again.

[Shri P. K. Kumaran.]

One word before concluding regarding the relations between the workers and the managements. The workers required by the O.N.G.C. and allied undertakings are bound to be skilled and experienced. It is better to engage workers direct and pay them, according to their skill, the rates of pay which obtain for similar categories in other industries. There have been reports that several works are given on contract, with the result that they recruit inexperienced and unemployed workers at cheap rates. The result is that whatever work is done is being done inefficiently and unprofitably. There have been reports from Assam where some disputes are said to be as old as eight months. Labour conciliation machinery is reported to be taking sides. Police repression is also reported to have been resorted to. I do hope the Ministries concerned will intervene and settle the disputes amicably.

Lastly, to the extent the Oil and Natural Gas Commission has progressed in India I have no hesitation in congratulating them. But while locating oil wells, and gas wells, it is quite natural that we may also come across dry holes. But such failures need not discourage us, and I hope the Government will go forward with determination until our own oil business is completely set on a national basis.

SHRI R. N. KAKATI (Assam): Mr. Vice-Chairman, it is to be admitted by all that much has been achieved in a short period by the Oil and Natural Gas Commission. It is a grand success and our congratulation goes to the Ministry, the Oil and Natural Gas Commission and all the workers who are engaging themselves in this great national task. But at the same time the Ministry should also give much thought to the criticisms regarding the various shortcomings of the Ministry as stated by the various hon. Members. There is much truth in them. If we want success, we must

take proper notice and be careful about those shortcomings.

Sir, at this moment specially I want to say something about the oil exploration work in the State of Assam. It is said that the Assam Government, for some time past, are not helping in the work of oil exploration of the Oil and Natural Gas Commission; rather it has put obstacles. We hear of rumours that the Central Ministry has even threatened that it will stop the work of oil exploration in Assam if the Assam Government does not mend its way. For some time past there has been some controversy over this matter. The Central Minister goes so far as to remark that Assam is acting against the national interest. Some time ago there were statements from the Central Ministry and the Assam Government, as a result of which there arose some misgivings in the mind of the public in India. As I know, Sir, the Assam Government is not putting any obstacles in the work of the Oil and Natural Gas Commission. If there is any difficulty experienced by the Oil and Natural Gas Commission in their work, it is created only by the Central Ministry itself.

Surely, Sir, mines and minerals belong to the Centre under the Constitution, but land, at the same time, belongs to the State under the Constitution. Oil, coal, gas, etc. cannot be divorced from the land which bears it. But our Minister for Mines and Fuel does not want to recognise that right of the State on its land. He wants to curb that right of the State. Assam is fighting to preserve that right of the States on land guaranteed to them under the Constitution. The provision in the Constitution is to be respected by both the Centre and the State. But it seems that the Minister of Mines and Fuel wants that Assam alone should respect unconditionally the right of the Centre on minerals and oil even at the cost of her own legitimate right and interest. This is

Commission

the dispute and Assam is fighting for a constitutional right granted to the States under the Constitution.

SHRI AKBAR ALI KHAN: Assam should take a more patriotic view in the interest of the nation.

SHRI R. N. KAKATI: Yes, Sir. We are taking a more patriotic view. There is the question of a loss of Rs. 5-6 crores and I am sure no State can afford to lose that much.

Then, again, there is the dispute between the Centre and Assam in respect of royalty on crude oil produced in the oilfields of Assam. For some time past there has been some controversy over this matter. This is very unfortunate. What is there for all this controversy? Assam wants that she should have been taken into confidence at the time of fixing the royalty on crude oil of Assam with the Oil India Ltd. But suddenly, without giving any scope to the Assam Government to present their case, the Mines and Fuel Ministry cut it down to less than half of what the Assam Government used to get from the A.O.C. It means a loss of about Rs. 5 to 6 crores during a Five Year Plan. It is a great loss to a backward and financially poor State like Assam.

4 P.M. I do not want to go further but I want to state that by asking for just demands, Assam has not acted against the national interests. What Assam is praying for is to consider Assam as a part of India and help her to solve her problems by conceding her legitimate rights so that she may grow with the other parts of India to make one united and strong India. So, it is not the Assam Government that has put obstacles in oil exploration in Assam but it is the Minister of Mines and Fuel who is responsible for the unnecessary controversy. I would earnestly request him to revise his attitude for the broader interests of India as a whole.

With these observations I resume my seat.

1577 RSD— 8.

SHRI ROHIT M. DAVE (Gujarat):

Mr. Vice-Chairman, Sir, I congratulate Shri A. D. Mani for raising this discussion in this House because though it is true, as many Members have remarked, that the Report which is before us and which is under the consideration of the House at the present moment, does not admit of a very useful discussion because it consists largely of technical details with which at least I find myself unable to deal, it does give us an opportunity of discussing the oil situation in the country and the oil policy of the Government of India. There are all sorts of reports in the press, partly because of the fact that on the one side there is a powerful combine of various foreign oil refineries in India and on the other we have got a Minister equally competent and powerful and perhaps equally publicity-minded, with the result that we have got all sorts of reports appearing in the press and it becomes very difficult either to appreciate what is the situation regarding oil today in the country or what exactly is the policy of the Government of India in this matter.

Taking the question of refining first, I am sure the country is very anxious to know exactly what is the policy or programme of the Government of India. What exactly, according to the Government, are the requirements of the country and will be the requirements of the country at the end of the Third Five Year Plan and how is the Government trying to meet this particular demand? What the Government programme in the matter is a question answer to which is anxiously awaited by the country. Secondly, there is the question of the refining capacity of the foreign oil refineries in the country. We have now been told that it is the policy of the Government not to allow any further expansion of the refining of oil by these oil refineries and that the Government is determined to see that further oil refining capacity is located, as far as possible, in the public sector. This may be quite all right and I entirely agree with this policy. At

[Shri Rohit M. Dave.]

the same time we would like to know exactly what is the capacity today which has been approved and allowed and in what manner the Government proposes to establish other refining capacity in order to meet the requirements of the country.

In this connection I would like to mention two questions which were put on the Order Paper this very morning but which could not be reached and therefore the answers to which could be had only by referring to the records. From this I find that as far as question number 306 is concerned, the hon. Minister was asked as to whether the Government have taken a decision to reduce the import of oil products in order to save foreign exchange and, if so, how this cut would be effected and what the items that would be involved in that cut are. To that, according to the reports, the reply of the Minister is that the Government have decided to reduce to some extent the free foreign exchange required to meet the import requirements of POL items for the period April-September 1962. Then comes the revealing statement. The cut is being effected by reduction in the import of certain refined products. In order to ensure that adequate supplies of petroleum products are available, a larger quantity of crude oil is being imported for refining in India. It is this prospect and this part of the question on which I should like to have some elucidation. These cuts were imposed on what are known as POL items because we are at the present moment experiencing a foreign exchange crisis. Therefore these cuts were imposed. Now, we are told by the Minister that in order to counteract the effect of these cuts, more crude oil is being imported in the country for being refined over here. I do not understand or cannot reconcile these two aspects of the policy because the first aspect saves foreign exchange while the second aspect involves the expenditure of foreign exchange. I am further intrigued by

the fact that I further read in the newspapers that the Government has decided to sell the crude to the Electricity Generation Company in Gujarat and there are also talks that the crude might be given to the industrialists for burning. The question that naturally arises is, if there is crude in the country which is to be given according to the press reports—the press reports might be wrong, I do not know and as I said there are all sorts of reports appearing in the papers and I for one, find it very difficult to make head or tail out of them and that is why I am raising this question on the floor of this House . . .

SHRI K. D. MALAVIYA: The misfortune is mine.

SHRI ROHIT M. DAVE: Therefore, I am raising this question here because I wanted to know that if there is crude available at Ankleshwar and if that crude has been certified to be a very good crude—as Shri Mani pointed out—by the Burmah Shell Company and if there are already talks of selling this crude to be used as just fuel by the Electricity Generation Company and by other industrialists, why is it necessary that more crude should be brought from outside in order to meet the requirements of the petroleum products in the country and why is this crude which might be lying at Ankleshwar not being sent to Bombay in order to see that the needs of the country are fulfilled? Because these various reports are there and because the Ankleshwar oil question is there, that is why I have to raise this issue on the floor of this House.

It is also interesting to enquire what is happening to the various explorations that are going on in the country today. We are told that something is happening in North Gujarat but we have no clear picture before us as to where we stand at the present moment. We have got this Cambay project still in such dispute. One does not know exactly whether oil is available or not, whether there is gas or not, and whether the Government or

the Ministry wants to carry on exploration still further or they want to stop the exploration. If it is found that there is no oil and no gas there why should exploration still continue in the Cambay area? That is also a question that needs to be answered.

Finally, there is the question of the developing of the petro-chemical industry in our country. At one time we are told that the Government has taken the decision that the petro-chemical industry will be developed in the public sector. At another time there is another statement which says that the final decision has not yet been taken, that the private sector may also be associated with the development of this industry. So, we do not know where we stand. The fact remains that if industrial development is to take place on modern lines the petro-chemical industry should be developed as early as possible. So, I want to know from the Minister what steps have been taken or what programme has been formulated in order to see that the petro-chemical industry is developed in this country at the earliest possible opportunity. Sir, Japan developed this industry in less than two years. So also West Germany, Austria, England, France, Italy, not to speak of the Soviet Union, and the United States of America. All are fast developing their petro-chemical industry. I do not see what stands in the way of our Ministry taking measures whereby this industry may be developed as fast as possible in this country also.

Sir, as I said, these are some of the queries which I would like to be answered in order that the oil situation in the country and the oil policy of the Government of India might be a little clearer. Thank you.

KUMARI SHANTA VASISHT (Delhi): Mr. Vice-Chairman, I will try to answer some of the points made by Shri A. D. Mani and Shri Dahyabhai Patel. I am glad Shri Mani gave notice of this discussion on

this Report and we have this opportunity.

I think the hon. Member Mr. Mani said he would like the Minister not to be the Chairman of this Commission, that it should be somebody else who should be its Chairman. I do not agree with him and I would take a very serious view of this matter, because as the hon. Member himself says, this oil business is a very complicated business and that itself is the reason why somebody who is very objective, impartial and not pliable or manageable, should be the Chairman of this Commission. That is very necessary especially when we are trying to explore oil in our country which is one of the most important things for modern economic development. At such a time somebody who is very strong and impartial should be there, one who can see that no influence of any kind comes to work.

SHRI DAHYABHAI V. PATEL: Is every Congress Minister so strong and all that?

KUMARI SHANTA VASISHT: We are talking of one particular Ministry.

AN HON. MEMBER: Congress Ministers are stronger.

KUMARI SHANTA VASISHT: We are talking of a certain Ministry and a certain Commission. The thing is there is so much politics involved in this oil industry that it is very necessary that somebody who is very objective and one to whom the interests of the country are dearest should be in charge of this work as head of the Commission. This may not be universally so, but if the Minister is there as Chairman, it should not be taken as a point against him. The Prime Minister is Chairman of the Planning Commission and I think planning affects the entire country. It affects every sector and every sphere of the life of our people. So, it is but natural that a person like the Prime Minister should be the Chairman of the Planning Commission to

[Kumari Shanta Vasisht.]

guide the development programmes of the country. I think Mr. Mani would have preferred somebody who could be more pleasant and nice to the various interests and so on, who can be managed and so on. And I think many people are angry because of the fact that they cannot easily influence certain developments.

The very fact that foreign experts had said that there is no oil to be found here is significant. This oil industry is widespread and very influential all over the world and it is natural that it will not be to their interest that any country which has not developed the oil industry should discover oil in the country. Their interest lies in exporting their oil and therefore, they are interested in seeing that no other country should find any oil in its territory, for that would affect their exports. They would have to close down various foreign markets. This also brings us to the point concerning the various technicians working in this Commission. Here the Government has to keep a close watch to see that they do not in any way influence these surveys or these researches or other explorations in such a manner as not to lead to the possibility of oil being found. The Indian personnel and staff should keep a close scrutiny and see that wherever oil may be available it is explored further, full care taken, examined and so on.

And then, Mr. Mani said we should associate businessmen also with this work. I would suggest to the hon. Member that he should also ask businessmen to associate Government people with their private enterprises. Mr. Mani also said that he liked the idea of Government welcoming private participation in this. I think Mr. Mani should try to improve the functioning of the private sector. He urged that there should be wider resources. I do not know what he meant by that, and what wider resources he wanted. We are getting

assistance from all over, from various countries of both the blocs. Not only that, hundreds of our technicians have gone abroad for training and at least a hundred of them went in this year about which this Report speaks. They had gone to Canada, West Germany, France, America, the U.S.S.R. and Rumania. So, what wider resources he means I don't understand. If he means only one country, I can't say, because this has been spread over quite a few countries. Help is taken from so many of them and our technicians are getting training in 5 or 6 countries. So, he need not have any misgivings in his mind about this matter.

Mr. Patel was worried that this refinery was not in the private sector. He feels that a private party could have done it better, that a party had produced a letter of credit and other data to show that that particular party was able to start this refinery. Well, all these refineries and such other things should be taken up by the public sector and they should be under its own wings, for these are vitally important industries in the country. There may be some people who can do this work better, who could manage them better. Well, there are even foreigners who can do these things better.

THE VICE-CHAIRMAN (SHRI M. GOVINDA REDDY): The hon. Member has to be brief. She has only four minutes.

KUMARI SHANTA VASISHT: Yes. Mr. Patel's great and illustrious father and his sister all believed that things should be done by Indians themselves and even when they do things not so well as foreigners, it was better that they were done by the Indians themselves. That was the great plank in our freedom movement and freedom fight. That was their ideology, that Indians should do things themselves and not get them done better by foreigners. I do not know why Mr. Patel deviates from that thinking and

I think that it should be done by the Indian people and they should learn to do their job gradually and well and they should also become experts in doing these things. I have also heard many say that the Minister himself has become an expert in these matters and that I think is quite possible.

This argument that private enterprise should do this does not seem to impress many in this House or outside. My hon. friend probably believes in free enterprise but even in America which is the champion of private and free enterprise a large part of the research work is done by the Government itself. Various projects which are not taken up by private business have to be taken up by the Government, because they know that private business or private enterprise will not spend money on these surveys and various other types of work. This is really a work of research, survey, exploration and so on which is most expensive. So, it so happens that it has to be done by the Government. If private business is anxious to explore oil and is eager to help, I think its participation will be welcomed. But I am not at all sure that the private sector will want to sink money into these projects which they are not sure will bring forth so much profit. It is literally a question of sinking money and getting no return sometimes. Research is something which may go on and on and from year to year, and you cannot be sure of getting results. When you do get results, you would get like anything and if you do not get any results, you may not get anything; even a penny worth of result will not be available. I am not sure that the private business is interested in spending tons of money for research work. Probably, one day's working of an oil well comes to a lakh of rupees or something like that. I am not sure whether this is correct but anyway it is a very expensive proposition. I am not sure the private sector is interested in investing its money in such projects.

I should now like to say a word or two about what Mr. Patel said. He said that American know-how should have been used. I think our people are also doing all this work and they have got a few foreigners working under them and so it is not necessary that American know-how should be used when our own people know this job as is evident from the way the Commission has been carrying on.

I believe the equipment was bought in 1956, in the first year of the Second Plan and I am informed that quite a bit of this equipment is not functioning properly and it goes out of order. I suppose those people who are in charge of this equipment, who are charged with the task of keeping it in good shape are probably sometimes negligent or are not taking good care with the result that the life of this equipment which is imported and which is very costly goes down. I think it is very necessary that in a Government as elsewhere the servicing and maintenance of the equipment should be given top priority. This is very important. I think they should also give reports about the various types of machines, how they are kept, what is their capacity, whether they are being utilised to the maximum capacity and so on. That would give us a clear idea of the equipment, how much use it is put to, what is its capacity and how far it is working satisfactorily.

I am told by some very reliable authority that the field workers are not getting along very well with the headquarters in Dehra Dun. I think this research is a very frustrating experience for research workers. You may do lots and lots of work and not get any results at all, or sometimes you may have encouraging results. It is a very difficult work. I think they should be given all encouragement and co-operation and help. There should be good co-operation between the headquarters and the field workers. They should not be allowed to get frustrated. The wrangles, politics or bickerings should

[Kumari Shanta Vasisht.]

be stopped, otherwise the morale of the field workers will be affected. It is necessary to keep the morale of these research workers and explorers high and to give them all help and co-operation. Some of the foreign technicians also are finding some difficulties. Foreign technicians are sometimes very difficult to handle. You may come across all sorts of situations with them. Sometimes they try to boss over and sometimes they want to control the Indian staff and sometimes they try to dictate their views. That difficulty is there but each case has to be seen on its merit. I am told that sometimes the foreign technicians were not able to get interviews with the Indian bosses. They were not even able to meet the person and get four days casual leave. That I think is a very sad state of affairs whether it is in our Department or in the foreign firm but some of this personnel management has to be done more skilfully. The Indian people ought to be able to control and no foreigner should be in a position to overawe the Indians. The Indian staff should have definite control over the whole thing. Some of these difficulties like lack of co-operation between the field units and the head office in Dehra Dun should be taken care of. The field workers and the research people should be given full co-operation and help so that they can go on in their very difficult task.

I thank you, Sir.

THE VICE-CHAIRMAN (SHRI M. GOVINDA REDDY): Mr. Chordia, you will have to conclude at 4-30 P.M. The Minister will reply at 4-30 P.M.

**श्री विमलकुमार मल्लिकार्जुनी चौर-
ङ्गिया (मध्य प्रदेश) :** माननीय उपाध्यक्ष महोदय, जो प्रस्ताव माननीय मणि साहब ने रखा है उसके लिये मैं उनको धन्यवाद देता हूँ कि एक चर्चा का विषय उन्होंने दिया।

सबसे पहले तो मैं यह निवेदन कर दूँ कि भारत का कोई भी नागरिक ऐसा नहीं

होगा जो यह नहीं चाहे कि हम अपने तेल के मामले में स्वावलम्बी न हों। प्रत्येक आदमी यह चाहता है कि हमारे देश में तेल का उत्पादन इतना बढ़े कि बाहर से तेल न मंगाना पड़े इस काम में चाहे हमको रूस की मदद लेनी पड़े चाहे जर्मनी की मदद लेनी पड़े चाहे अमेरिका की मदद लेनी पड़े। लेकिन जो चर्चा चली उससे ऐसा लगा कि कोई कहता है कि रूस के टेक्नीशियन्स आ गए हैं तो बहुत अच्छा काम हुआ, कोई कहता है जर्मनी के आ गए तो बहुत अच्छा हुआ। हम तो भारतीय हैं और भारत की दृष्टि से विचार करते हैं। हम यह चाहते हैं कि कभी भी इस दृष्टि से हमारे माननीय स.स. न विचार करें कि रूस की मदद आ गई उससे लाभ हों गया हम अच्छे हो गए, जर्मनी की मदद आ गई तो मामला बिगड़ गया और इसलिये वे द्विकारत की दृष्टि से देखने योग्य हो गए हों। इस तरह की चर्चा मैं ठीक नहीं समझता। मैं निवेदन करूँगा कि हमें भारत की दृष्टि से इसके ऊपर विचार करना चाहिये।

दूसरा, हमारे लिये शासन का भी कुछ कर्त्तव्य है कि जहाँ खर्च हम कर रहे हैं, करोड़ों का हों, लाखों का हों, जितना भी हो, हम यह अपेक्षा करते हैं कि इस रिपोर्ट के साथ हमें उसकी आडिट रिपोर्ट भी दी जानी चाहिये कि इसमें क्या क्या खर्च हुआ, क्या रिपोर्ट हुई आडिट वालों की। मगर आडिट रिपोर्ट का पता नहीं, समरी तक का पता नहीं और इसका पता नहीं कि कितना गड़बड़ घोटाला होता है। अगर कोई भी इस गवर्नमेंट कंसर्न का काम होता है तो उसमें इतनी खाईगिरी होती है कि वह बहुत महंगा पड़ जाता है। एक दूसरे को विफल करने का ऐसा तरीका होता है चाहे वे उसका बुरा न मानें, मगर हम जनता की दृष्टि से यह मानते हैं कि वे जनता को विफल कर रहे हैं। "करेन्ट" अखबार में निकला था :
"How K. D. Malaviya fooled Nehru"
जिसमें दिखा ने के लिये एक कुएँ में तेल डाला था। जिसका प्रतिवाद हमारी कांग्रेस सरकार ने

आज तक नहीं छपाया। अगर हमारी सरकार इसका प्रतिवाद छाप देती तो इसका कोई प्रश्न नहीं होता। मुझे इससे भी कोई मतलब नहीं कि नेहरू जी को विफल किया या मालवीय साहब खुद विफल हो गये—मैं उनको भी विफल नहीं मानता—मगर मैं मानता हूँ हम विफल किये गए हैं। और अगर जनता विफल नहीं होती तो बड़ी शान से उनका स्वागत न करती क्योंकि उन्होंने हमारे यहां तेल की पासिविलिटी की घोषणा की। तेल तो निकला नहीं मगर एक कुएं से दूसरे में तेल डालना और बताना कि हमारे यहां बहुत तेल निकल गया, मैं कहता हूँ सत्य का आधार लेकर आप भी चलिये, हमें भी चलना चाहिये। भोपाल में हेवी इलेक्ट्रिकल्स में भी यही तमाशा है। वहां ट्रान्सफार्मर बना नहीं लेकिन नेहरू जी के कर कमलों से उद्घाटन पहले हो गया।

THE VICE-CHAIRMAN (SHRI M. GOVINDA REDDY): That has nothing to do with this.

श्री विमलकुमार मन्नालालजी चौर-डिया : तो मेरी यह प्रार्थना है कि गवर्नमेंट में इस तरह की जो गड़बड़ चलती है और हमारे धन का जो दुरुपयोग होता है उसके बारे में सत्य का आधार लेकर के गवर्नमेंट चलेगी तो हमको बड़ी प्रसन्नता होगी। अब रहा सवाल इसमें खर्च का, तो खर्च इतना अधिक कहीं कहीं किया गया है कि उसका कुछ हिसाब मालूम नहीं पड़ता। अमुक कुएं खोदें गये और तेल उनमें से निकलने का सम्भावना नहीं। मैं मानता हूँ कि कई काम किये गये, नए काम शुरू करने के लिये हमको कुछ न कुछ नुकसान होता है, उसमें दो मत नहीं। हम अगर एक कुआं खोदेंगे, सम्भव है, उसमें नहीं मिले, फिर दूसरा कुआं खोदेंगे। मगर उस कुआं खोदने में जो अपव्यय होता है उसको रोकने की अत्यन्त आवश्यकता है, अच्छी तरह से सारा काम किया जाय। कागजों में रिपोर्ट करें कि तेल निकलने की इतनी सम्भावना है और इतना विकास हम कर देंगे और उसके लिये

बड़ा भारी एन्मासफेयर तैयार करके रकम भी संसद् सदस्यों से दिलवाई जायेगी। ऐसे सही कामों के लिये कोई आपत्ति नहीं कर सकता। मगर जो रकम चली जायेगी वह कागजों के नक्शे के आधार पर विलास का साधन बन जायेगी, उसके लिये तो रकम नहीं दी जाती। उसके आधार पर जो रकम विकास में काम आनी चाहिये वह विकास में चली जाती है—अमुक साहब ट्रेनिंग में भेजे गये, अमुक कान्फरेन्स में ऐसा हुआ, इतना खर्च किया गया और बाजार भाव जिस चीज का दस रुपये था वह चीज २० रुपये में खरीदी गई, ऐसे कई उदाहरण हैं। कई ऐसे काम जो हमारे विकास के नाम पर हो रहे हैं वे कुछ लोगों का विलास करवा रहे हैं और जनता का विनाश करवा रहे हैं, उसको रोकने का कृपा करें। आपको उन्होंने इसलिये चुनकर भेजा है कि आप उनके ट्रस्टी की हैसियत से उनकी हिफाजत करें। मगर किस्सा यहा पर ऐसा हो गया कि आइल एण्ड नेचुरल गैस कमिशन के अध्यक्ष भी हमारे मन्त्री हैं। शिकायत करना है तो किससे करना है क्योंकि शिकायत मन्त्री जी के कमिशन की, जांच करेंगे मन्त्री जी, इलाज करेंगे मन्त्री जी। अब "सैयां भए कोतवाल तो डर काहे का।" लेकिन जब वे कमिशन के अध्यक्ष बन गए तो उनसे शिकायत करते हुए मैं मन्त्री जी से कहना चाहता हूँ कि जो पोल घुसी हुई है उसको निकालने का कष्ट कर, वहां तो कमिशन के मेम्बर कह देंगे सैयां भए कोतवाल अब डर काहे का। और मैं यह चाहता हूँ कि हमारे मन्त्री जो उससे ऊपर रहें, उसके ऊपर रह करके, अलग रह करके, दूसरे किसी को अध्यक्ष बना कर रखें और अगर जरूरत हो तो उससे एक्सप्लेनेशन लें और ठोक दिशा में सारा काम करवाएं। कई प्रकार की गड़बड़ियां होती हैं और आपको पार्टी बन जाना पड़ता है जिसकी वजह से बड़ी गड़बड़ी हो सकती है। इसके बारे में कई अखबारों में प्रकाशन निकले हैं, तो मैं प्रार्थना करूंगा कि इस दृष्टि से हमारे माननीय मन्त्री जी कुछ करेंगे तो ठीक है।

[श्री विमलकुमार मन्नालालजी चौरड़िया]

आसाम का झगडा स्टेट गवर्नमेंट और सेण्ट्रल गवर्नमेंट के बीच में चल रहा है। यह बात आपको चाहे बुरी नहीं लगती हो लेकिन हमें एक नागरिक की हैसियत से बहुत बुरी लगती है। विदेशी लोग देखते हैं कि स्टेट गवर्नमेंट और सेण्ट्रल गवर्नमेंट के बीच रायल्टी के सम्बन्ध में झगडा चल रहा है। माननीय मन्त्री जी आसाम के प्रतिनिधियों को बुलाते और एक टेबल पर बैठ कर इसका निर्णय ले सकते थे। इस चीज के सम्बन्ध में जितना प्रकाशन हो चुका है वह हमारी शान के खिलाफ है। हम लोग जो भी होगा धर में बैठकर बातें सुन सकते हैं लेकिन हम नहीं चाहते कि हमारे देश की चर्चा बाहर के देश वाले इस तरह से करें कि सेण्ट्रल गवर्नमेंट और स्टेट गवर्नमेंट के बीच झगडा चल रहा है और इस तरह की खीचातानी चल रही है। माननीय मन्त्री जी स्टेट गवर्नमेंट के प्रतिनिधियों के साथ मिल कर इस चीज के बारे में कोई निर्णय कर लें तो ज्यादा अच्छा होता।

इसी के साथ ही साथ मैं यह भी निवेदन करूंगा कि जब कभी माननीय मन्त्री जी रिपोर्ट प्रस्तुत करें तो उसी के साथ ही साथ इस काम में कितना रुपया खर्च हुआ, ऑडिटर की क्या रिपोर्ट आई, अगर वे इस तरह सब एकाउण्ट देंगे, तो हमें मालूम पड़ेगा कि हमारे माननीय मन्त्री ने ईमानदारी के साथ सारा हिसाब-किताब पेश किया है। अभी तो कुछ ऐसा लगता है कि इस मामले में कुछ ढाल म काटा है। उन्होंने जो रिपोर्ट प्रस्तुत की है उसमें केवल यह लिखा है कि इतने कुए खोदें गये और उसमें से कुछ नहीं निकला। अगर कोई काम अच्छी नियत से किया जावे तो उसमें कामयाबी भी होती है और नाकामयाबी भी होती है तो चिन्ता नहीं। अगर कुआ खोदा गया और तेल नहीं निकला तो इसमें श्री केशवदेव जी का कोई कसूर नहीं है क्योंकि वे कोई देवता नहीं हैं। तेल निकले या न निकले इसकी कोई चिन्ता नहीं क्योंकि

आलोचना तो सब तरह के कामों की होती है। आवश्यकता इस बात की है कि काम अच्छी नियत से किया जाय और उसका सारा हिसाब ईमानदारी के साथ पेश किया जाय तो ज्यादा लाभदायक होगा। नहीं तो कोरी रिपोर्ट दें कि ऐसा हुआ, ऐसा नहीं हुआ, उस पर इस तरह के डिसक्शन की भी आवश्यकता नहीं क्योंकि हम सब चीजें तो रिपोर्ट में देख सकते हैं। सबसे जरूरी चीज जो है वह हिसाब-किताब है काम का लेखा-जोखा है जो उन्हें पेश करना चाहिये था।

SHRI M RUTHNASWAMY (Madras) Before the Minister begins to reply, may I ask for some information? According to the Report a sum of Rs 15 crores has been spent by the Ministry and the Oil and Natural Gas Commission. May I know from the Minister the value in terms of money of the return that the country has received on this expenditure of Rs 15 crores? I quite grant that much of it must be spent on exploration and discovery but what is the value of the products as a result of the activities of the Commission? Some petrol, some petroleum and some kerosene oil has been produced. What is the total value of the products obtained during the past year?

SHRI K D MALAVIYA Mr. Vice-Chairman, Sir, the time at my disposal is only about 25 minutes and I will try to cover some of the points, the relevant points raised here which I have been able to follow. Regarding, my friend who spoke just now Mr Chordia, I have not been able to catch his points on which I could specifically try to satisfy him. He has indulged in all sorts of destructive—and allow me to say—indecent attacks which perhaps are not called for and therefore, with your permission, I would ignore him.

श्री विमलकुमार मन्नालालजी चौरड़िया
हम भी आप का। ।

SRI K. D. MALAVIYA: But two or three points have been relevantly made by my critics. I think I should try to meet those points.

I would refer first to my friend, Mr. Mani, who has obviously many friends to inform him about the progress in the activities of the Oil and Natural Gas Commission and his source of information obviously, I presume, must be very knowledgeable and therefore I must take notice of the points he made. Firstly, about know-how he said that we should try to get the know-how. Some other hon. friends also have referred to the question of non-availability of know-how in the country so far as oil exploration and oil industry is concerned. I think our hon. friends ought to be a little more careful in following the events in the oil industry. It is now accepted that the know-how of oil exploration has been very satisfactorily acquired by the young technicians who have been working in the Oil and Natural Gas Commission and that most of the work that has been done and the results achieved are mostly due to the adaptability and the ability of our young technicians in the Oil and Natural Gas Commission. If the first well in Kalol has resulted in the discovery of oil or the first well in Cambay resulted in the discovery of an oil-field or the first well in Ankleshwar resulted in the discovery of an oil well and also oil, surely there is something which should go to the credit of the Indian workers who went there, drilled the first well and found out oil.

You know, Sir, that dozens of wells are drilled in an oilfield without getting any positive result. I have not got those facts here with me but if my hon. friends are interested they can turn over the pages of the reports of oil exploration in the various advanced countries from where we are asked to get the know-how and they will know that dozens and dozens of wells are drilled with no result and yet they do not give up their efforts in suspected oilfields. If one company leaves that oilfield, others come in and they try; then a third party comes and they

try. Our friends forget that in our own country a very well-reputed oil firm came and explored for oil in West Bengal. They drilled ten wells and they did not find a drop of oil. Not that they were not able people; they were able people. They knew the know-how yet they did not find a drop of oil. Nobody seems to have criticised them. Surely, I who know something about oil exploration will not criticise them because I know the game. Those who do not know the game should not criticise our own boys. They should not criticise their own creation.

While much goes to the credit of the Oil and Natural Gas Commission, I am pained to hear that their knowledgeability of the work is talked of so lightly by some section of the House. Why did we not ask our young technicians to go and drill an oil well in the courtyard of my friend, Mr. Patel? Surely, they would not go and drill an oil well there. Why did they go and find oil in Kalol? Because they knew the technique of it and they know where to drill for oil. They have now acquired enough knowledge by which they would not like to waste money. We have not wasted money. We have discovered oil very cheap. And if our friends are interested in knowing it they can turn over the pages of the past reports and they will know that the cost of discovery of crude oil by the Oil and Natural Gas Commission is one of the cheapest in the world. The average cost of discovery of oil per ton—please note it is cost of discovery and not cost of production—ranges from Rs. 6 to Rs. 9. Our cost of discovery of crude oil in Gujarat areas including Ankleshwar is between Rs. 3 to Rs. 4 per ton. In five years we have created a cadre of about 6,000 technicians out of which there are some boys who are talked of so far as their reputation is concerned, internationally. They are respected in the gatherings of international geologists and geophysicists; their interpretations are respected all over the world. When they put forward their interpretations even the most eminent

[Shri K. D. Malaviya.]

people hear them with respect. Therefore, to talk about these boys lightly is, to say the least, is talking most callously about our own boys. I hope the House will give them a little more credit which they fully deserve and not talk about them so lightly. My friends here may not know anything about it and if they are ignorant of these activities, well, I would advise them to go to the oilfields, to go to our headquarters, talk to them and find out what they have done. If they want to know more about this they are most welcome to come to me. We shall request our experts so that we should all get educated about it. Instead of going here and there and trying to search for knowledgeable circles, it will be much better if our friends come to us to find out what we can tell them and if they are not satisfied after we have told them something, they are, of course, most welcome to go wherever they like. It is not a question of private sector or public sector. We respect the private sector, the Italians and their technique. We welcome their co-operation. We have been welcoming their co-operation. It is a fact that there are powerful interests and forces which are functioning against us. My friend, Mr. Dave, is correct when he says that the oil industry in India is functioning under great odds. Of course, if my name appears in newspapers and if there is controversy about it, the misfortune is mine. I am not publicity-minded, but unfortunately oil is so controversial a subject that even if my friend, Mr. Dave, had been here, he would also have been perhaps publicised. His name would also have appeared and whether right or wrong he would have received some good words from those who would have appreciated him on his activities and he would have received a very bad name from friends like Mr. Chordia and others. So, you have to pity my position here. But yet I shall try to explain that the know-how which has been attained by the Oil and Natural Gas Commission is something credit-worthy.

Now, with regard to the Cambay oilfield, I want to correct some notion of my friend, Mr. Mani. He said that I said some time ago that an oilfield had been discovered. Yes, an oilfield was discovered when the first well gave oil. It was discovered when well number two also gave oil. So, Mr. Mani, also would have confirmed my enthusiasm or faith or discovery or knowledge when the two wells gave oil. Cent. per cent. result was achieved in a small oilfield, so that there was no harm in my saying that an oilfield had been discovered. Oil also was discovered. I never said that oil has not been discovered. What I said was, whether an economic quantity of oil had been discovered or not was not known. For me to say that an oilfield has been discovered and the first oil well has given oil and that oil has not been discovered, is something fantastically ridiculous.

Even if I had sometimes used some vague words, I would like to know where I have said that oil has not been discovered, although an oilfield has been discovered. So far as gas is concerned, I am most surprised when my friend, Mr. Mani, said that I said that "gasfield had been discovered, but no gas had been discovered." More wells are giving gas than oil in Cambay. We have contracted with the Gujarat Electricity Board to supply gas for their fuel. If we have contracted with them, where will this gas come from? Obviously, it will come from the Cambay gas field, not from Timbuctoo, not from Saharanpur or Madras or Hyderabad. It will come from the Cambay gasfield, which is going to produce some quantity of gas. Well, if in some small pockets oil was found and later on many wells gave gas, it is time alone which could establish whether it was a gasfield or an oilfield. It is three and a half years and we are now able to say that there is some gas in this field and that we will produce gas and earn some money for the Oil and Natural Gas Commission.

Some of my hon. friends are doubtful about the work that has been done so far. They want to know from me how much money has been spent. What is the amount of this money? What time has been taken and all that. This is a question which can be understood only in the background of some more knowledge about oil exploration throughout the world. The discovery of oil and the conduct of oil exploration work in India by the Oil and Natural Gas Commission—a public sector body of the Government of India—has been one of the most wonderful and fastest work undertaken by any group of technicians. In 5 to 5½ years' time we have discovered three or four oilfields. We know of about four or five more where oil exploration is going on. We are searching for oil frantically in about eight or nine places and we have succeeded in the first well at about four places, viz., Rudrasagar, Kalol, Cambay, Ankleshwar and now Olpad. There are two or three more oilfields which geophysically have been discovered and demarcated, but drilling has not yet been resorted to. Now, as against this, please note this, I do not want to play down the achievements of any other company. I am only trying to compare it inside the country. Here, for about six or seven years one of the international oil companies searched for oil in West Bengal. They did not find anything. They spent some of their own money and some our own, and went away. In Assam it took them nine years from 1952. Now, I am not talking of the Digboi oilfields. I am talking of Naorkatiya and Moran. They have taken nine years and now they are producing about .75 million tons of oil and are capable of producing another one million ton if the refinery is ready. I will come to that also. We have in five and a half years' time discovered six oilfields geophysically and by drilling and have produced oil from three. From one oilfield we despatch oil at the rate of 1,500 tons per day to Bombay. Our rate of production from the Ankleshwar oilfield can be stepped up to about .75 million tons, equal to that which is

being produced today by Oil India, Limited and which is being despatched to the Nunmati refinery. But we are not producing at that rate, because the Koyali refinery is to come up soon and we have contracted with the Bombay refineries to despatch only 1,500 tons of oil. We can produce more, but we are not producing more, because we are conserving that oil for our own refinery in Gujarat. We must know when to produce and how much to produce, because we should not waste oil. My friend, Mr. Dave, perhaps referred to some report mentioning that we are going to burn crude oil as fuel. Far from it. There was some demand by the industrialists in the background of shortage of coal that they would like to burn crude oil, if it is from Cambay. We said it was a very costly thing. We would not like to burn promissory notes to prepare a cup of tea. So, we have refused to supply any crude oil to them and we will not supply crude oil for the ordinary purpose of using it as a fuel. Wherever we get crude oil it will be stored and utilised for our refineries.

As regards the report in a certain section of the Press which is so admired by my friend, Mr. Chordia—he brought a copy of it also—I would not like to name those people . . .

THE VICE-CHAIRMAN (SHRI M. GOVINDA REDDY): I do not think he admired it.

SHRI K. D. MALAVIYA: If he had not admired it, then I withdraw that word. He, perhaps, produced it to draw my attention to it. But the fact is that it is so grossly unfair and lacking in decency that the Government of India did not think it proper to contradict such reports. To think that we would like to satisfy the Prime Minister of India by taking out oil from one well and putting it in another and showing him that oil was coming from the second one surpasses my imagination, and it should surpass the imagination of any man of commonsense and decency having any grain of honesty in him that oil will

[Shri K. D. Malaviya]

be removed from a well and put in another well in order to satisfy the Prime Minister, to cheat him, to fool him—as my friend said that I wanted to fool the Prime Minister and I did it. What shall I say to this? I know the informant of that Press, I know enough about him, I do not want to name him here, and I want to warn the House of such persons who pass on such information and make merry after having passed on such information. They are bad people, and they should be, in my personal opinion, not only not cared for but also not be respected in society.

What happens in an oil well? When an oil well is “sick”, as we call it, or does not produce oil in the proper way, then the technicians or the engineers activate the well, and they do so by various methods, either by sucking or by putting some pressure or by disturbing the formation in such a way that it cracks and oil starts coming. There are various methods of it and various chemicals are used. Diesel oil is sometimes used. Sometimes even ordinary oil is used in order to revitalise the well. So, all sorts of methods are adopted to activate the well. When we know that a certain formation at a depth contains oil and it drips and oil comes out, we adopt all sorts of methods to see how much oil can come out of it. If by all methods oil does not come, then we declare that well as rejected. We do not work it.

THE VICE-CHAIRMAN (SHRI M. GOVINDA REDDY): I am afraid you will have to conclude. The mover wants some time to reply to the debate. You have to conclude. You have yet to reply to Mr. Ruthnaswamy's point.

SHRI A. D. MANI: If the Minister wants to go on till 5, the House can sit for another ten minutes.

THE VICE-CHAIRMAN (SHRI M. GOVINDA REDDY): I have no objection. Is it the sense of the House to sit till ten minutes past 5?

HON. MEMBERS: Yes.

SHRI K. D. MALAVIYA: So, this report is absolutely baseless and I would like my hon. friends to remove wrong impressions from their minds.

PROF. M. B. LAL (Uttar Pradesh): You were saying something about what happened to the wells.

SHRI K. D. MALAVIYA: I was making a general statement, even about Rudrasagar, Cambay and everywhere. Whenever wells do not get activated, then it is done, and I have a record—I have not brought it here—showing on what date which well was activated by what chemical. We have a full record of everything that is being done in any well at any time by any process, by any technicians. It is always recorded.

PROF. M. B. LAL: I am sure it was not right for the Prime Minister to inaugurate a well which was not activated.

SHRI K. D. MALAVIYA: It is wrong to say that the Prime Minister went and inaugurated a well which was sick. I do not know whether he went there or not, perhaps he did not go, and it is all wrong. He had gone and saw oil production from wells, and to say that he had gone there to inaugurate a well which was sick is fantastic, it is nonsense.

My friend, Mr. Mani, talked about the quality of the Nahorkatiya oil also. What can we do if the quality of oil is not homogenous? Sometimes it so happens that the quality of oil varies from well to well or from small pockets to small pockets. Nobody knows what is there in the bowels of the earth. For instance, in Nahorkatiya it so happens that the entire geological structure is very much faulted, very much broken up. When oil was formed, perhaps the conditions of deposition differed and therefore the quality of oil also differed. Now for refining, a particular quality of oil was contracted at that time, but subsequently when

the oil wells were drilled, different qualities came; they were all mixed up and the pattern of quality which emerged from the mixture was "X" although under the contract it was "Y". So, something has to be done to make it "Y". There is nothing unusual about it. I mentioned somewhere, perhaps informally and privately, that a little oil could be imported to bring it to the pattern of quality which is needed for the refineries. These are all part of the game. I do not think it should scare my friend, Mr. Mani. Even if some quantity of oil has to be imported in order to bring it to the quality needed for the refineries, what is the harm in it? There is not much foreign exchange involved in it. Supposing ten tons of oil are thrown into the refinery and we have to put another half a ton of oil in order to bring it on a par with the quality needed, what is the harm? That oil could perhaps be taken from Ankleshwar, that oil could perhaps be taken from Kalol. Our own country could give that oil in order to bring up the quality of the Nunmati Refinery; but I do not know whether it is needed or it is being done now. The problem is being solved separately in order to improve the economy of the refinery. So, all these things are very normal technical matters which are usually adopted by a party here and a party there. If I have mentioned sometimes that some quantity of crude oil might be imported, I do not think I have committed a sin.

SHRI M. H. SAMUEL (Andhra Pradesh): Why do you have to put it into the well in order to bring it to the quality needed? Why do you not mix it on the surface?

SHRI K. D. MALAVIYA: My friend is perhaps not hearing what I am saying. I have now passed on from Cambay to Nahorkatiya.

The pipeline system was also referred to by my friend, Mr. Mani. The pipeline is a most modern method of transportation of oil. It will make transportation cheap and it will give

some more profit to the Indian Oil Company or the Indian Refineries Limited, whoever is owning it. I do not know why this is being opposed. Those who have briefed my friends here with regard to the pipeline know, we know and my friend, Mr. Mani, also knows that the pipeline scheme of transportation of petroleum products is a very attractive and most modern method of doing it. It is not being done in an expensive way. We hope to complete the pipeline in time to despatch our petroleum products up to Delhi from Nunmati if possible, and in a very cheap way, and we shall earn or save, lakhs of rupees per year, by this system. My friend and colleague the Deputy Minister reminds me of the relief that the Railways will get as a result of this pipeline. It is quite right, we shall be helping the Railways by transporting this oil by our own system. To that extent the track capacity and the wagons will be released.

My friend, Mr. Dahyabhai Patel, has referred to some refineries in the private sector. I do not want to refer to that subject too much as I have spoken very often about it. I wish that these friends of Mr. Patel had come to him or to us before oil was discovered in Gujarat. What were they doing when oil was not found out by the Oil and Natural Gas Commission? What were these gentlemen doing when we had not taken up this oil exploration work in all seriousness?

At that time these people 5 P.M. were saying that there was no oil in this country. The moment some effort was put in by this country and our own men started succeeding in their efforts then some people started making proposals for private sector refineries. Our policy is what it has come to be. I wish I had no private sector refineries in this country. But now that we have them we welcome them. We wish them success; but if we had started this work in 1950, perhaps we would not have had these private sector refineries, or these would have been set up under better conditions. Unfortunately, this work was started late, about

[Shri K. D. Malaviya.]
the year 1955, and since then the oil policy has stabilised. Whatever industry existed in the private sector, we welcome it. We want it to stay here well. We do not wish it bad. We will help it. We are co-operating with it so much so that today we are 50 per cent. partner in the Burmah Oil Company in the eastern part of our country. Oil India Limited is now a concern in which we are 50 per cent. partner with the Burmah Oil Company and my colleague and friend, Mr. Khandubhai Desai, is the Chairman of that Company. We are doing very well now.

Then according to my friend, Mr. Mani, I said that during the middle of the Third Plan period we shall be 50 per cent. self-sufficient, that we shall be producing 50 per cent. of our requirements of crude oil. This is a fact. By the middle of this Plan, which will be some time in 1963-64, our estimate of production will be ~~3.80~~ million tons, and at that time, well we shall be using about, say, 8 million tons of crude oil. So, perhaps by 1963-64, if all goes well, it will be like this, about half, slightly less or slightly more. But it all depends upon our ability to do it. We do not claim that we do not make mistakes.

Lastly, Sir—I will take only two minutes—I should like to refer to the dispute, to the so-called dispute between the Assam Government and the Government of India. It is very unfortunate that such an impression has been created, I think because of my mistake, or because of the mistake of other Ministers from Assam. Anyway, if there is anything, I plead guilty—the mistake may be mine. It is far from my desire to let the impression go, that there is any dispute between the Assam Government and the Government of India. We want to settle this matter. The Government of India do not wish to come in the way of revenue increases of Assam Government. Unfortunately, if we accept the contention of the Assam Government that the right to fix the quantum

of royalty is theirs, the entire question, the basis of fixation of royalty for mineral ore gets disturbed, and the Government of India cannot surrender that right to fix the quantum of royalty either for oil or for iron ore or for manganese ore or for anything of that sort to the State Governments, because there are so many considerations, and we have to take all those factors into account before fixing it.

SHRI AKBAR ALI KHAN: But then you have relaxed your right in the case of coal.

SHRI K. D. MALAVIYA: No, no, we have done nothing like that in coal. Bengal stands completely on a different footing. It is nothing like that; it is a question of the Assam Government challenging our right to fix the rate of royalty without their possessing any vetoing power. They said: "We shall fix the rate of royalty for oil." Unfortunately, some misunderstanding has arisen, and I am quite sure that it will be settled, and I want to state here again, Sir, that we are all for the increase of revenue of the Assam Government. If we can somehow enhance their revenue or their income on account of oil, most gladly I would like to do it. It is not a question of keeping all the profit to ourselves and not sharing it with Assam. We are prepared to share our profits with them, but with regard to fixation of the rate of royalty, that is a question where perhaps a little more discretion is needed, and I am quite sure that it will be forthcoming. There will be no difficulty about it. Unfortunately, much time has been lost and our oil exploration has suffered but sometimes it does happen, and without further complicating the issue, I hope this matter will be settled very soon, within the next few weeks, and all will be well and everyone will be satisfied. This is all that I wanted to say.

THE VICE-CHAIRMAN (SHRI M GOVINDA REDDY): Mr. Ruthnaswamy wanted to know the value of total production. Have you got any figures?

SHRI K. D. MALAVIYA: Of total production up to date in India?

SHRI M. RUTHNASWAMY: In 1960-61; what is the return in terms of rupees annas pies for the Rs. 15 crores that has been spent in 1960-61?

SHRI K. D. MALAVIYA: Well, it is a long-term investment which in return will produce oil. We have so far spent about Rs. 25 crores, no, perhaps more, out of which about Rs. 13-14 crores are with us in capital goods, drills, buildings and all that. We must have spent about Rs. 14-15 crores as operational expenses. We have in return discovered some 3 or 4 oilfields which will produce about 1.5 million tons—in the Oil and Natural Gas section—per year, and will produce more by the end of the Third Plan period. Therefore, it is continuous . . .

SHRI M. RUTHNASWAMY: What is the money value?

SHRI K. D. MALAVIYA: I have not got it here and so I cannot say it accurately. But here is a point. We have so far produced about 1,48,292 tons of crude oil from Ankleshwar and the price of this is at the rate of about Rs. 80. per ton so that it can be calculated. It is about Rs. 123,00,000. About a lakh of rupees we earn daily in foreign exchange. But this is only a small part. What we have invested today is a long-term investment which is going to produce oil in the next 3, 4, 5, 10 or 15 years' time. That is why I was saying that our cost of discovery of crude oil per ton is about Rs. 3-4. That means we have discovered reserves today which will be producing in the next 15-20 years, and on that we have spent about Rs. 15 crores. So, if you want to calculate it, it will come to about Rs. 3-4 per ton, and it will be producing for another 15-20 years' time. But this is not all. We will go on. This is a spiral. More money will be thrown in and more crude will be produced, more technicians will be produced, more equipment will be there and

more industries will come up, the petro-chemical industry and all that. It is a complex, which has just started, and you cannot catch it at one point and say Rs. 15 crores will give you this result; and nowhere in the world, no oil company can ever make such adjustments. Prices are notional, expenditures are real but linked notionally with prices and they are all just put on account. Somewhere the cost of production of oil is Rs. 4 per ton; somewhere it is Rs. 40 per ton. They are all put together and then a combined sort of costing is made up. It is, therefore, still premature for us to give you any exact idea of the return for the expenditure incurred at a particular point. Let us spend 3, 4, years more and then you will know, and I assure the House that the way in which we are going on at present is very bright for the oil industry.

SHRI A. D. MANI: Mr. Vice-Chairman, I should like to take about 10-12 minutes because a number of points have been raised by the hon. Minister to which a reply has to be given.

THE VICE-CHAIRMAN (SHRI M. GOVINDA REDDY): I take it that you mean concluding as early as possible.

SHRI A. D. MANI: Mr. Vice-Chairman, I am grateful to the hon. Members who took part in this debate for their contributions, and I am in particular thankful to the Minister for making a clear statement about the target which we are going to reach by the middle of the Third Plan. I wish him all success and we do hope that the Government will be able to realize the target which he has indicated.

SHRI K. D. MALAVIYA: We will try.

SHRI A. D. MANI: Mr. Vice-Chairman, the hon. Minister did not answer a specific point that was raised about the Cambay oilfield. He referred to my knowledgeable source. I am not a member of the Oil and Natural Gas Commission. So, I do not have

[Shri A. D. Mani.]
any expert knowledge on either natural gas or oil. The knowledgeable source, I must say, is the hon. Minister himself and the numerous statements that he has been making on oil over the past four or five years. Regarding Cambay I would like to quote what the hon. Minister said.

SHRI K. D. MALAVIYA: Where?

SHRI A. D. MANI: In the Lok Sabha and elsewhere. On the 16th May, 1962, this is what he said:

"So in Cambay also some gas was discovered in a number of wells and very poor quantity of oil was discovered in other wells. So latterly an assessment was again made and it was found, perhaps it was likely to prove a gasfield and not an oil-field."

This is very important. He goes on to say:

"Now, we are not sure of anything.... So far as our present assessment is concerned, it seems that these commercially will give us more gas than oil. Even much more gas should not be misconstrued to mean that there is going to be a great quantity of gas."

Sir, the hon. Minister said that there were negotiations going on for supplying gas to power houses. Again I would draw your attention to what he said:

"If we start contracting with private people to supply gas from eight or ten wells, and if after a couple of years the gas dries from those wells what shall we do?"

Sir, it is on the basis of this statement that he has himself made....

SHRI K. D. MALAVIYA: May I clarify, Sir? When I said this at that time, it was believed that a very big gas field had been discovered. In that background I said that there was more gas than oil and it should not have

been believed that there was big quantity of gas. Now, we have already contracted with some party to supply gas. Over and above that there is demand on us to supply gas to some stray parties. We said that we cannot do it because this if we contract for supply, we should be expected to do that for ten or fifteen years. If supposing within this period the gas is exhausted, what shall we do?

SHRI A. D. MANI: I am grateful to the Minister for the clarification. I begin with the sentence:

"Now we are not sure of anything."

This was the position on 16th May, 1962 and now this is August. Two months ago he said it. Even then I would like to ask him: What are the commercial possibilities of the Cambay oilfield? If the commercial possibilities are not there, shall we cut our losses and clear out of the Cambay oilfield?

SHRI K. D. MALAVIYA: We shall not clear out. I repeat the same thing, viz. if you want me today to give you an economic assessment of the gas quantity of Cambay, I cannot do it. It might take another couple of years' time when we may be able to give a very bright picture of the gas quantity there. What we have already done is known. You see, it takes time. At least twenty to thirty wells more have to be drilled there before it will give us the idea of exact quantity of gas. In that background, an economic, geologist, who knows something about it, can never prematurely commit himself to any particular quantity of gas. Therefore, I said we cannot say about the quantity of gas, but whatever is in our control is already contracted. My friend should be happy to learn when more comes.

SHRI A. D. MANI: I do not want to pursue this because he will naturally want to be enlightened on so many points....

THE VICE-CHAIRMAN (SHRI M. GOVINDA REDDY): And there is no time also.

SHRI A. D. MANI: But I am glad that he has made a statement on the Cambay oilfield.

On the question of know-how I should like to say from this side of the House that we are grateful to those six thousand technicians who have been recruited by the Oil and Natural Gas Commission and who are working at the wells. I do not want to quote from confidential documents because that has not been my practice. But, Sir, a circular has been issued by his own Commission to the people who are drilling wells in Cambay and Ankleshwar saying that the rate of progress is slow. . . .

SHRI K. D. MALAVIYA: What is the harm?

SHRI A. D. MANI: That it takes 730 days to improve their efficiency. I only wanted to suggest that there was a let down in efficiency.

SHRI K. D. MALAVIYA: There is a let down in efficiency. We are not as efficient as we ought to be after even two or three years' time. We are trying to be as efficient as he likes us to be.

SHRI A. D. MANI: I would like to make a reference to the Nahorkatiya oil. I need not say that imported oil should not be mixed with this. I only want to ask him how much the import would cost. . . .

SHRI K. D. MALAVIYA: I do not know.

SHRI A. D. MANI: And how far it will go to save the foreign exchange under petrol in the Third Plan. That is the question that I ask him.

SHRI K. D. MALAVIYA: The Oil India Ltd., says it may not be necessary.

SHRI A. D. MANI: I will have to answer the point because most of the questions have been addressed to me.

THE VICE-CHAIRMAN (SHRI M. GOVINDA REDDY): Let us not try to make use of the time of the House to clear doubts. If you have any important points to make, you may do so.

SHRI A. D. MANI: Sir, no reply came from the Minister in regard to the suggestion made by the Estimates Committee that he should not be the Chairman of the O.N.G.C. One hon. lady Member from Delhi referred to this matter. I should like to tell her that I am in the very respectable company of thirty Members of Parliament who sat on the Estimates Committee. On that Committee the Members of the Praja Socialist Party, the Communist Party were also represented. All of them came to that unanimous conclusion.

AN. HON. MEMBER: And Congressmen were in majority.

THE VICE-CHAIRMAN (SHRI M. GOVINDA REDDY): You have already made that point, Mr. Mani.

SHRI A. D. MANI: I would like to say that that point has not been answered by him.

Sir, I would like to put one other question to him. What would be the price of petroleum products in India as a result of our drilling? I quite agree with Shri Arjun Arora that we will have to pay some price for oil exploration. On that question I wanted to get some picture because on the price of petroleum products depends our transport industry.

SHRI K. D. MALAVIYA: Wait for five years.

SHRI A. D. MANI: It is all a question of groping in the dark and I am sorry that on these points information was not forthcoming from the hon. Minister

[Shri A. D. Mani.]

I would like to make a last reference to the point made by my hon. friend, Mr. Arjun Arora, the co-mover of the motion. He said that it was against the Industrial Policy Resolution for the Government to invite participation of private or foreign interests. I have as a very good authority the hon. Minister himself who has stated in the past in 1959-60 and later on that the Industrial Policy Resolution does not preclude the Government from taking help from whatever sources he thinks fit. . . .

SHRI K. D. MALAVIYA: Where the control remains with us.

SHRI A. D. MANI: Provided the oil wells are with us. That was the point and there is no question of any contradiction between the suggestions made by me and my hon. friend, Shri Dahyabhai Patel, and the stand taken by the Government.

THE VICE-CHAIRMAN (SHRI M. GOVINDA REDDY): The House stands adjourned till 11 A.M. on the 16th August, 1962.

The House then adjourned at sixteen minutes past five of the clock till eleven of the clock on Thursday, the 16th August 1962.