

[Shri Bhupesh Gupta.]  
 he should not withdraw his Resolution. We would like it to go on record. He has made a very good case; we are convinced by him. We will not allow him to withdraw the Resolution.

MR. DEPUTY CHAIRMAN: What do you want to do with your Resolution?

DR. RAGHUBIR SINH: I have already sought leave of the House to withdraw my Resolution.

*\*The Resolution was, by leave, withdrawn.*

MR. DEPUTY CHAIRMAN: Resolutions Nos 2 to 5—Hon. Members are absent.

Now Resolution No. 6. Shri Harihar Patel.

# RESOLUTION RE APPOINTMENT OF A PARLIAMENTARY COM- MITTEE TO ENQUIRE INTO OIL EXPLORATION IN GUJARAT.

SHRI DAHYABHAI V. PATEL  
 (Gujarat): I am authorised to move  
 this, Sir. I move the following  
 Resolution:

"This House is of opinion that Government should appoint a Committee consisting of 30 Members of Parliament representing both Houses to enquire into the working of oil exploration in the State of Gujarat and to make recommendations for accelerating the progress thereof."

Sir, I consider it fortunate that this Resolution comes up for discussion at this time since the President must be speaking practically at this moment in Ahmedabad, and I am sure one of the subjects that he will refer to is the exploration of oil and how it is progressing.

\*For text of the Resolution, vide col. 2281 *supra*.

Sir, Gujarat, though industry-minded, has suffered considerably because of certain lack of power, the means of power, or perhaps because the power is expensive—Gujarat has no coal at all, and all the coal that is required for the industry of Ahmedabad has to be hauled from nearly a thousand miles away—that makes it expensive. Besides, there is the difficulty of getting more railway lines and railway wagons. According to a recent answer given to me in this House, Sir, over 1,600 wagons a month are required to be used to haul coal from the coal-fields of North India to Gujarat, to the Ahmedabad industry and other industries and to the railways. On the other 4 P.M. hand, with the coming up of steel mills, the country is experiencing a shortage of coal. That is an additional reason why exploration of oil and refining of oil should be intensive and accelerated.

Sir, yesterday perhaps I was a little impatient with the hon. Minister. My impatience is only to express what Gujarat feels. I have nothing personal against the Minister or against the Ministry. I am only trying to express what I notice everywhere, what I notice in the Gujarat newspapers. In the last few days I have received heaps of newspaper cuttings expressing the impatience of Gujarat at the slow pace at which the exploration of oil and the setting up of a refinery is going on. Sir, I have been trying in my own humble way to goad the Government into the matter on which, perhaps, they have many other things to consider, of which I may not be aware. But I am trying to voice the feelings of the people, particularly the people of Gujarat.

Sir, during the last two years I have asked numerous questions. Sometimes I have got answers which I felt were all right and sometimes I felt that the answers were evasive and non-committal. Perhaps the hon.

Minister has got sufficient reason to give such answers. But that, unfortunately, does not satisfy the people even if I may be prepared to accept them, and that is why there is such a fervour in Gujarat at the moment.

Sir, a few months ago there was some talk of laying a pipe-line from the oilfields in Gujarat to Bombay. This is a matter on which Gujarat feels rather strongly. The hon. Minister has experience of laying a pipe-line and taking it from one province to another, an attempt that was made some years back in North India. I hope he will not attempt anything like that as far as the Gujarat oil is concerned.

Persistent rumours have been coming on particularly when the Government of India have a proposal with them for setting up an oil refinery in Gujarat. The proposal was sponsored by some Gujarati businessman and had the support of the erstwhile Saurashtra Government. Unfortunately for that proposal, and perhaps in a way for Gujarat, the Saurashtra Government was merged with the bigger bilingual State and the enthusiasm with which the Saurashtra Government pursued the matter evaporated. Since then the matter has been just hanging. Sir, the person who sponsored the proposal, which the Saurashtra Government approved, had the technical know-how and all the money that was required to set up the refinery and was willing to go ahead. The proposal, if I mistake not, was made to the Government of India in January 1956. Sir, apart from their dogmatic approach to this subject, if they had accepted this proposal, they would not have been in the awkward situation that they found themselves in when the American oil companies refused the suggestion to refine the imported Russian oil.

Sir, time is passing, every second, and Government has been wavering, has been weak, has not been able to

make up its mind. To my mind, the crux of the question is whether it is in the interest of this country to have a refinery in the Gujarat area particularly when there has been so much finding of oil. If the hon. Minister would like to be too technical, the original proposal that was submitted through the Saurashtra Government, was not based on any oil finds in Gujarat. The sponsor did not want any oil from the Government of India. He did not want any money from the Government. He was going to import his own oil. He was going to give refined oil to the country and export it, if necessary, and earn all the money for this country. I am sure the Minister knows because he goes abroad quite often—I think he makes two or three trips every year—that with the oil refining industry there are hundreds of subsidiary industries, big and small, along with it. Therefore, Gujarat is anxious that with the refinery project, the subsidiary industries that follow in its wake should be there in Gujarat.

Sir, one of the simple subsidiary industries is tar and Gujarat feels very strongly about it because in Gujarat we lack in metalled roads. Since our earth there is very loose we require tar for making strong roads. Unless the roads are tarred, they are too dusty and they do not remain motorable for long. If we have the tar industry in Gujarat, the tar would be not only sufficient but surplus to the needs of Gujarat. I would not dilate upon further examples but I say that for this reason Gujarat feels a little impatient that the pace of exploration is not fast enough.

Sir, I do not know whether the Government has been advised properly in this matter. I understand, till recently the Adviser of the Government of India in the matter of oil was somebody who was a salesman of the Burmah Oil Co. I met him in Bombay several times. He was not a technical man. I do not know how

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the Government of India pays a small salary and so on to this ex-servant of the Burmah Oil Co. and is not in a position to offer him a very handsome sumptuous remuneration and benefits that these oil companies offer. I do not know how this gentleman is going to work and what type of work he is going to do for the Indian oil companies for this remuneration. I now understand that Mr. Naik is being taken in his place. I happen to know Mr. Naik from Bombay when he was the Municipal Commissioner there. He is a very able man and we look forward with hope that in his regime at least things will be set right.

Sir, I said certain harsh things yesterday about the working of the oil drilling department at Cambay. They are not allegations that I am making on my own. I have received reports from very reliable friends and, as I said yesterday, newspapers in Gujarat are full of reports that everything is not all right, officers are being transferred again and again, all that sort of thing. Maybe, some of the information is wrong, but I would like the Minister to assure the House that everything in connection with the oil drilling department of the Ministry will be set right now at least, if it has not been done already. With the change in the principal officer I expect to see some changes in the department too.

Sir, I would like to make one more point. Sir, we have been talking only of oil so far. But in Gujarat there is natural gas also, not the gas that we exploded in this House. In the palace of His Highness Maharaja Sayaji Rao of Baroda there has been a jet of gas for years together. Lest the English interest should come in conflict with the local interest, he kept the matter secret all this time. He did not want the oil companies to go meddling about that gas. He was a very enlightened man and wanted the country to go forward. If oil explo-

ration could be done as wisely in his time as is being done today, perhaps he would have invited one of the foreign experts to come and explore it. He was not afraid of inviting foreigners. He encouraged industrialists. Not only he sent his own subjects from Baroda but people from outside also abroad to study and to help the development of the State. His outlook was not restricted to Gujarat alone. We had one Mr. Mukerjee, as you must have known. He was one of the able administrators in Baroda. He retired and he had gone from there. Our ex-Vice-Chairman of the Planning Commission was his Chief Minister for a long time. Whether we agree with his politics or not, is a different question.

SHRI BHUPESH GUPTA (West Bengal): They were dealing with oil?

SHRI DAHYABHAI V. PATEL: He was a statesman and he was not restricted in his outlook but he did not say about this because the science of oil was restricted to a small clique of foreigners and he did not want them to go on meddling in his State. That was the reason, therefore, why he kept it as secret but this Government has no reason to keep it a secret. I am surprised that we, who talk so big, not only in our country but even in the U.N., are going to little Pakistan to help us and we are going to beg for their gas. What about the gas in your own house? If Pakistan could get the help of a British firm—and I know that it is a British firm—to develop her natural gas, to lay a pipe-line of 100 miles and utilise it, what is the Government of India doing? I am perhaps harsh in my criticism against the Government of India on this score because I know that when the late Shri Dhirubhai Desai was sent as Ambassador to Switzerland, he was instructed to let this country have technicians of all kinds to develop all the industries, and I know that one of the persons he sent here was an expert in oil-drilling, in the technique of oil. He

came here, braved the vagaries of the Delhi weather, stayed in the Constitution House for months together, went to the Minister and then to the Secretary, went to the Minister and then to the Secretary many times, lost his patience and went back home. This is the sad state of affairs as regards the exploration of oil. I grant that at that time there was no evidence of oil in Gujarat, but since it has been known now, I am looking forward to the Government. Unfortunately I do not see a more vigorous progress in this direction. There is no evidence of it. Now we want to know what you are going to do about the refineries. I understand that the hon. Minister is preparing to go to Gujarat on the 27th to meet and tell them the position. I am sure that he would meet with a volley of questions because the people are everywhere concerned and agitated, as to what exactly he wants to do and I have been trying to reflect the feelings of the people by asking numerous questions. Unfortunately I have been rather unlucky. I have not been understood and I have not been able to get my question answered or sometimes I got very brief answers. I have tried the process of half-an-hour discussion. He may find out half a dozen of my motions in his files. Somehow, they have not been reached. It is very fortunate that today, somehow, the notice of the motion which my hon. friend, Shri Harihar Patel, has given has come up for discussion. I had given similar notices in the last Session but they were not reached and I was about to lose hope when I saw this long list. I said to myself 'How can this come?' This thing is the last. Fortunately, it has come up today and I am looking forward to the Minister to give us some hope. In the last few days, the newspapers in Delhi also have not failed to carry and reflect the feelings of the people. Everyday I see something in the 'Hindustan Times' pointing this out. I might add that about a year ago, in

Baroda, there was the visit of a Vice-Minister from Soviet Russia and there was a cultural programme arranged in his honour by some friends of the Soviet Union, in Baroda. They had very kindly, invited me. Unfortunately, Shri Maganbhai Shankarbhai, who was Secretary of the Gujarat Provincial Congress Committee, who will bear this out, is not here. He was present there. After tea and introductions, I asked the gentleman a straight question. I said "Gentleman, we want a refinery and we want oil. How about it? How is Russia going to help us and how far and how quickly?" He said "I will give you a refinery in a year from the day the Government of India signs the agreement." This was the statement made publicly by a high and responsible officer of the Government of the Soviet Union whose advice and help we take in this matter. It is more than a year since it happened and we are where we were.

As I explained earlier, the situation is aggravated because Gujarat suffers from lack of power for the industry. I must congratulate the Chief Minister of Maharashtra, Mr. Chavan, for the way in which he has been going about encouraging industries and inviting industrialists to come and start industries in Maharashtra. He says 'What do you want? Land, electricity, water?' Somebody was going to start an industry in Baroda—the Mahindras. Shri Chavan tempted them to go to Bombay. I am not unhappy at all but I would like the Government also to consider that the development of this country should not be lop-sided. We have already a very overcrowded Bombay. We have a large number of slums. Perhaps some of the industries could also be diversified and Gujarat which is industrially-minded, could also look after some of these industries if they could go there, and they could go there only if cheap power was available. I look upon the discovery of oil in Gujarat as one

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of the sources of cheap power, particularly when generated on the spot.

The other aspect that I would emphasise is the shortage of coal experienced by the steel mills. As I said, 1,600 wagons a month are required, according to the answer given to me last week in this House, for Gujarat industries and the Railways. That would be saved. The steel mills would be in a more comfortable position and Gujarat would be using the natural resources like power that is there. Therefore I have moved this Resolution. If the hon. Minister will be only so good as to accept the Resolution, I will presently submit the names for the Committee.

*The question was proposed.*

SHRI SURESH J. DESAI (Gujarat):  
Deputy Chairman, Sir, the question of oil exploration in Gujarat has assumed a new colour in recent weeks. When oil was struck in Cambay and later on in Ankleshwar and there was a possibility of large-scale commercial exploitation of the oil, the people of Gujarat, not only the people of Gujarat but the people in the country as a whole, felt happy. The people of Gujarat, naturally, thought that a large refinery would be established in Gujarat and consequent to the establishment of the refinery, the petrochemical industry and other ancillary industries would also come up in Gujarat. The recent statements of the hon. Minister, however, have created serious misgivings in the mind of the people of Gujarat. The statements relate to the transportation of oil from Gujarat to Bombay. Not only the mind of the people of Gujarat has been considerably agitated but even the industrialists, even the newspapers usually supporting the Congress and the Government and even the Chambers of Commerce, are all agitated about it and one hon. Member of Parliament from the other House has even threatened a large-scale satyagraha, if any such proposal is going to be implemented.

Now, naturally, this question has become a source of political controversy. The people of Gujarat believe that if a large framework of pipe-line is installed for carrying away oil from Gujarat to Bombay, then the question of the establishment of a large refinery in Gujarat will be indefinitely shelved. Unfortunately, Sir, neither the statements of the hon. Minister have been helpful in this matter, nor is the policy of the Government clear in this matter of Gujarat oil. I will just read out some portion of the statement which the hon. Minister made in the other House only a few days back. This is what he has said:

"Therefore, in principle, if we can export some oil from Gujarat to Bombay refineries in order to save foreign exchange, the Government is going to do it. The only question is whether we should do it today or tomorrow. Now we know that the Gujarat refinery will approximately be of a capacity of one million tons or 1.5 million tons or even two million tons. We know that we are likely to produce more oil. Therefore, a part of the oil produced in Gujarat has to be sent to Bombay. As to when it will be sent to Bombay I am not sure, I do not know. I do not know when the pipe-line will come."

Sir, this statement is rather ambiguous. I will read out another portion also. It is this:

"We must aim at supplying our own oil to the Bombay refineries. We cannot take a decision that if some quantity of oil is produced in Gujarat, it cannot be sent out from Gujarat or if some oil is produced in Rajasthan it must be refined in Rajasthan and it cannot be exported out of Rajasthan. Government cannot accept that position because it is most inconsistent with our economic interest and not consistent with our national interest"

Sir, both these statements are contradictory, but I will not dilate on that point now. I will only point out to the House that what are national interests and what are not national interests, perhaps the people of Gujarat who have been trained and educated by persons like Mahatma Gandhi and Sardar Vallabhbhai Patel do know and they do not need any further lessons on what are national interests. Nor do they need a new advocate of national interests. I will leave it at that.

I may point out however that there are many sins of commission and omission concealed under the guise of national interests. Take the question of the atomic reactor. At the beginning it was stated that the atomic reactor would be established in Gujarat. But later on one fine morning we found that this atomic reactor had gone out of Gujarat. There is no national laboratory established in Gujarat. There is no large public enterprise or large project established in Gujarat. When it was pointed out that there was no large-scale public enterprise in Gujarat, it was pointed out in return that in Gujarat there was no iron, there was no coal or manganese and so how could a public enterprise be established there? Now when oil has been found in Gujarat, even that oil is going to be transported to Bombay and Gujarat is to be deprived of even an oil refinery.

Again, Sir, the misgivings in the minds of the people of Gujarat are strengthened because this question seems to be related to the expansion of the Burmah-Shell Refinery at Bombay. I may, with your permission, Sir, read out a statement of the hon Minister on that also. In the other House, my hon friend Shri Hem Barua asked the hon Minister this question

"The hon Minister has admitted that a part of the crude oil available in Cambay will be refined, because that concurs with our principle, in the Burmah-Shell Refinery. There is the Burmah-Shell Refinery in Bombay. I want to know whether because of this, the Burmah-Shell has approached the Government with the proposal to expand the capacity of its refinery."

And the reply of the hon. Minister to this is this.

"So far as the expansion proposal of the Burmah-Shell is concerned, it has nothing to do with the merits. That is what I am saying. If the Burmah-Shell Refinery has to be expanded, which I do not know, they can very well consume our oil; they have agreed to consume our own oil. I do not want to confuse the two issues. The expansion proposal of the Burmah-Shell can be considered quite separately on merits, when the occasion comes."

Now, on the one hand on the question of the expansion of the Burmah-Shell Refinery, the hon. Minister states this and earlier he had also stated:

"We are spending about Rs 40 crores in foreign exchange by purchasing crude oil which is refined in Bombay. The Bombay refineries are going to stay there, whether they are foreign or national refineries, and every drop of crude oil that will have to be refined in the Bombay refineries will have either to be purchased or produced."

The hon Minister thinks it is in the national interest to curtail import of crude oil from foreign countries on the one hand and on the other to consider the expansion of the refineries of Burmah-Shell. I do not want to object to the expansion of the refineries of Burmah-Shell. But when

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you do want to curtail the import of crude oil from foreign countries, these refineries and their expansion will have to be fed with Gujarat oil. When the people of Gujarat hear of this huge pipeline being installed, then naturally their misgivings are increased. They fear that the question of having the refinery in Gujarat will be shelved for ever.

Sir, it is not merely a question of having a refinery in Gujarat. The question of petro-chemical industries is also there. Recently the Mafatlal people have been thinking of starting a petro-chemical industry at a cost of Rs. 7.5 crores outside Bombay. I had a talk with them recently and I asked them, "Why don't you start it in Gujarat?" Immediately came the reply, "Where is your refinery? Your refinery will take some 3 or 4 or 5 years to come up. Who is going to wait so long, till you start your refinery there and then we start our petro-chemical industry in Gujarat?" I may also say, Sir, that quite recently, about a week back, some persons from East Africa came and asked me whether a petro-chemical industry could be started in Gujarat or not. I pointed out to them that it would require an investment of some Rs. 5 crores. They said they were prepared to invest ten times that sum, for they said they had enough foreign exchange in East Africa. "So can we start the industry here they asked. Now shall I tell them that because we have no oil refinery, no petro-chemical industry could be started in Gujarat. Then they would employ or invest their Rs. 50 crores in other industries in some other State". So in Gujarat we are deprived of industries after industries because of the ambiguous policy of the Government, because of the equivocations of the hon. Minister. The policy of the Government is not clear, in fact it is rather ambiguous, vague and equivocal. We want a clear statement from the hon. Minister. We want to know whether the refinery is going to

be established in Gujarat or not. If it is going to be established there, what will be the size of that refinery? In Cambay we have possibilities of getting 2 crore tons of oil and in Ankleshwar, we have three times as much oil as in Cambay and there is, therefore, ample scope for a big refinery in Gujarat. So what will be the size of that refinery, we would like to know and also when the work on this refinery will begin. We also want to know when the work of laying this huge pipe-line will be started, to carry oil from Gujarat to Bombay and what will be the cost of it and when this pipe-line will be completed. The hon. Minister's statements in the other House have been full of equivocations and contradictions, for he says this way and that way. We want a clear statement. There is lot of agitation in Gujarat and we want a clear enunciation of Government's policy from the hon. Minister.

Only one more point I would like to touch and that is about the employment of foreign technicians in the work of oil exploration in Gujarat. There are, it seems, some 80 or more foreign technicians in Gujarat. A drilling engineer is paid Rs. 2,850 per month. The corresponding pay for an Indian is only Rs. 800. He starts on Rs. 800 only. The foreign engineer is paid Rs. 2,850 per month and if daily paid he will get Rs. 178 per day; i.e., more than Rs. 5,000 per month. Then there are drillers. Even drillers we can't find in our country. Foreign drillers are paid Rs. 2,400 per month while the corresponding Indian driller will be started on Rs. 350 only. Even fitters we cannot get in our country. So we have to import fitters also. A foreign fitter is being paid Rs. 1,800 per month and the corresponding pay of the Indian fitter is only Rs. 100. Even electricians we do not get in our country. A foreign electrician is paid Rs. 1,800 a month while the corresponding Indian electrician will be paid only Rs. 100 or maximum Rs. 185.

Then these foreigners require interpreters. Practically for every big foreign officer there is an interpreter. The interpreter will be paid Rs. 1,950 per month. Then there is the mud-chemist. The pay of the foreign mud-chemist is Rs. 114 per day; the pay of the corresponding Indian mud-chemist is only Rs. 600 per month. Then there are core drillers. The foreigners get Rs. 2,000 while the Indian will be paid only Rs. 350. Sir, on the whole this exploration of oil business in Gujarat is fast assuming the character of a scandal and the sooner the House looks into the matter through a Committee of Parliament, the better it would be. Thank you, Sir.

THE MINISTER OF MINES AND OIL (SHRI K. D. MALAVIYA): Sir, this Resolution which has been moved by my friend, Mr. Dahyabhai Patel, on behalf of Mr. Harihar Patel is not acceptable to the Government on account of the fact that I do not consider that any new light can be thrown by a Committee consisting of Members of this House. Otherwise, ordinarily it would have been a welcome move on the part of my hon. friends to appoint a committee and examine the working of any Department of the Government, much more so, the working of any Department of my Ministry. Unfortunately for all of us, the technique and the work involved in oil exploration are so highly developed and they require so intimate a knowledge of certain sciences that I feel that even this august body if it were to search for a group of 30 persons may not get even one-tenth of that number who could do justice to the question of examining all aspects of the work involved in oil exploration. That is one of my main difficulties; otherwise I would have accepted the challenge of the hon. Members who have stood up and made unfortunately and tragically such allegations which have absolutely no justification. I would have proved to the Committee that never in the history of this House

tions been made but I am sorry that the problems involved in this work perhaps could not be justifiably examined by this Committee.

Now, before I take up one or two important questions that have been raised by my hon. friends, in a very general way I would like to make an attempt at least to convey what this oil exploration programme involves and how wrong and uninformed most of our hon. Members opposite appear to be under some wrong impression when they talk of a few months or even of a couple of years to finish the work of exploration or when they put a demand to expedite the work of oil exploration in Gujarat because Gujarat is suffering on this account or on that account. It is wrong to say that the Government is ignoring the economic interest of that State.

I would like to point out that the first well which struck oil in Naharkatiya was drilled in 1953 and another oil well which struck oil in Moran, a neighbouring place, was drilled in 1955. Not a drop of oil has so far been transported to the refinery which is to process the oil of Naharkatiya and Moran. The refinery is still to come after a year or so. It did not happen because the Government of India deliberately stayed on for seven or eight years or some oil companies which came to help us in discovering this oil just sat on that oil and went on spending and paying interest on huge sums involved, and wanted to give an opportunity to the hon. Members to say, 'Look here, seven years have elapsed and oil is not being produced'. The fact is that it could not be done earlier. Nowhere in the world, I say with a full sense of responsibility, has oil been discovered in such a quick time and arrangements made to produce oil as has been done in the State of Gujarat and it is only through sheer absence of knowledge, through unwillingness on the part of any hon. Members to know what is happening that such fantastically



[Shri K. D. Malaviya]

uninformed criticisms are being made. I am not sorry for myself but I feel sorry that instead of credit having gone to those young technicians who are working there today, criticism should have been devastatingly levelled against those workers who deserve nothing but praise from this House. I am sorry for such criticism; more than that I cannot say.

I will now state as to what is happening in the case of Gujarat oil. The Oil and Natural Gas Commission started drilling on the 25th July 1958 in Lunej, few miles from Cambay town. Within three months, on the 20th September 1958 oil was struck in the first well, i.e., the first well attempted by the Oil and Natural Gas Commission produced oil in the Lunej area after 100 days of drilling. As against this in our own country the first well in Naharkatiya took 14 months to drill, and perhaps no oil was found. After that wells after wells were drilled in Naharkatiya and Assam when oil was discovered. Seven years have elapsed and oil has not yet started flowing through the pipelines.

Then in Ankleswar the structure was seismically delineated sometime in the last month of 1959. Immediately we started drilling. The first well at Ankleswar was drilled in January 1960 and oil was struck six months after, that is, in May 1960. Since then we drilled four or five wells. Now, naturally there could be some doubt raised by people who do not know much about the difficulties of oil drilling as to why since 1960 we have not drilled 100 wells. Sir, oil well drilling is not like simple water well drilling. We require costly machines and we require drillers who must have an experience of 10 to 15 years to be put in charge of a drill. Unfortunately in India this work had not started. So we had to import technicians from abroad and it is very difficult to get technicians from out-

side when all over the world exploration for oil is going on so intensely. There are two groups of helpers available to us. One is a set of people who want to come and invest money and either take the proprietorship of the oil that is produced as a result of their investment or would offer us partnership and stay here as proprietors and owners or *maliks* of that oil for decades and decades to come. Now, they are well versed in oil technique and it is very easy for us to call them and ask them to bring their money, produce oil and then produce their own conditions, which we have to accept. It is very easy for us to say that in 1956 some people offered to have a refinery in Gujarat and wanted to spend their money and even then the Government of India did not accept the offer of those industrialists of Gujarat. Now, Sir, it is not the policy of the Government of India, since 1956, to let oil develop in the private sector. I would not like to go into that lengthy controversy, because there is not much time available to us. But here it is, the Government have accepted it and Parliament has accepted the policy of the Government of India and the Minister has to implement that policy. I cannot but implement that policy, even though I am likely to be criticised by a Member here and a Member there. The policy of oil under the public sector has come to stay, so long as this Government stays. Therefore, I should like to say this that the statement that a particular party is willing to invest money, import crude oil and not ask for a single penny from us, is not relevant to us and not even correct. Any party which will import crude oil will have to pay for it and the Government of India will have to provide the foreign exchange. If my friend, Mr. Dahyabhai Patel, on behalf of some private sector, imports crude oil and sets up a refinery, we will have to provide foreign exchange. Mr. Dahyabhai Patel cannot provide foreign exchange for a single rupee. It is the Government of India which has to arrange

the foreign exchange for Mr. Dahyabhai Patel. Therefore, why should I give a refinery to Mr. Dahyabhai Patel or to the private sector? The whole point is that the refinery has to be set up by the Government and once this policy was decided upon we had to make all arrangements accordingly. That is the reason why in 1956 the offer of a certain private party to set up a refinery based on imported crude oil was not accepted. I would not like to say more about it.

The allegation that has been made or the criticism that has been levelled against the Government for going slow in Gujarat is not fair. It is unfair, because in two years' time we have discovered oil. We have drilled about 15 or 16 wells. Of the total footage that we have done in the country, 70 per cent. of the footage of drilling has been done in Gujarat by the Oil and Natural Gas Commission. Only 30 per cent. has been done outside. My friend, Mr. Patel, talks of some Baroda gas trickling from a narrow tubing, which has been mentioned by some Maharaja, who discovered this gas a few decades ago and he is finding fault that this gas is not being exploited by the Oil and Natural Gas Commission or the Government of India. Well, I think Mr. Patel should make a little more effort to know what it is. Baroda gas is a mere nothing. If you just open the tap and keep it open for about ten or fifteen days, the gas will practically disappear. This is for his information.

**SHRI BHUPESH GUPTA:** You might say that what Mr. Patel says about gas is gas.

**SHRI K. D. MALAVIYA:** It is such a tiny quantity. It is well that he should know about it, and this is just by way of information. Tiny outlets of gases are found in Baroda. Now, these gas seepages are a very common feature of a suspected oil-field. All over the world there are thousands

and thousands of small seepages of gas and oil. They only indicate that somewhere near about there is a possibility of finding gas or oil. Nothing more and nothing else. As a result of the Baroda gas indication, we started drilling about a couple of years ago. We started drilling near about Baroda and we drilled perhaps about a dozen holes round about in an attempt to catch that vein somewhere. They got a little spurt of oil and it disappeared after a couple of days. Somewhere we got a spurt of gas, so much so that it threw up the small derrick like a toy. We know that it is nothing more than a mere indication on which we have to continuously search for that big reservoir which may be somewhere, maybe around ten miles or twenty miles, maybe on the land or in the sea. We are at it and we are sure that we shall catch it. But it takes years and years and crores of rupees to locate a commercial oil-field.

I must again say to those of my friends, who are very eager to impress upon the world that great injustice is being done to the people of Gujarat that we are not sitting idle. We are most interested in discovering oil quickly and going away to some other State. We are most interested in spending less money there and sending our equipment to some other place where we want to go. The fact is that most of our drills are occupied there. The majority of our geophysicists and geologists are working there and they are working on some more structures. We know what the situation is. Our team of young workers are busy discovering more oil-fields in Gujarat, not outside Gujarat let it be known very clearly. Soon we may be able to find a number of oil-fields in that State and perhaps the first oil in good quantities in the public sector will start flowing from Gujarat. Mr. Patel and my friend, Mr. Desai, more prominently read out certain quotations from my speech in the other

[SHRI K. D. MALAVIYA.]

House. I stand by every word of what I said. I am sorry I cannot modify to oblige him, even one sentence of that statement which I made. Yes; there might be a difference in regard to the size of the refinery. It may have a capacity of one million tons or 1.5 million tons or even two million tons, but there shall be a refinery in Gujarat. I challenge, Mr. Desai to show anything in my statement which can be interpreted as having been said by me that there would be no refinery in Gujarat. It is propaganda and agitation just carried on by interested parties and I would like to warn the House against such things from interested sections of newspapers and personalities; they should accept our word and trust what the Government have said. After all, the Government gives some consideration to a statement made by it, when I said that a refinery is going to be installed in Gujarat.

SHRI BHUPESH GUPTA: Have you any idea as to who the interested party is?

SHRI K. D. MALAVIYA: You might have some better idea of it.

SHRI BHUPESH GUPTA: No.

SHRI K. D. MALAVIYA: I say generally.

SHRI DAHYABHAI V. PATEL: I missed the last part of what the Minister was saying.

SHRI K. D. MALAVIYA: There is going to be a refinery, which I have said a number of times. I do not know from where my friend, Mr. Desai, could understand from that easy, simple English, that there would be no refinery and why it was a doubtful proposition. It was not a doubtful proposition. There is some doubt in his own mind. And I charge him that he wants to create such suspicions in the minds of others. This would do more damage to the interests of Gujarat.

(Interruptions).

MR. DEPUTY CHAIRMAN: Order, order.

SHRI SURESH J. DESAI: Even people who are supporting the Congress are all agitated, newspapers, Chambers of Commerce, big industrialists. Perhaps it is in Gujarati language, which the hon. Minister might be aware.

SHRI K. D. MALAVIYA: I will take care of those people. He need not worry about those people. I am going to Gujarat on the 27th and I am going to see that they are satisfied. They are simple people and they will take my word, as I have said. They will not misinterpret my word and the things that I have said. The fact is that people do not know about things and then they talk about them. Secondly, even if they know something...

SHRI DAHYABHAI V. PATEL: We are not getting proper answers.

SHRI K. D. MALAVIYA:.... they want to twist the meanings. Therefore, it does not do any good to the people of Gujarat, neither does it do any good to the interest of the developmental programmes of Gujarat. Gujarat I wish I could call myself a Gujarati. My interest in the development of oil in Gujarat is no less than that of Mr. Dahyabhai Patel. I want to say that I feel more enthusiastic about the development of oil in Gujarat than Mr. Patel. It is easy for anybody to stand up and talk in a light way, but I cannot do it. Whatever I have to say about oil discoveries in Gujarat is being consumed by oil experts all over the world. I cannot make an irresponsible statement that a large quantity of oil has been discovered in Ankleswar. It may have been discovered but it has not yet been proved. All that I can say is that oil from Ankleswar oilfields is qualitatively better and quantitatively

more than that from Cambay and that we hope we shall get a reasonably good quantity of oil from Ankleswar. What is the quantity of oil that we are getting from Ankleswar and Cambay as against the oil that they are getting from Kuwait and from so many other oilfields of the world? We get much less oil per well than those of middle east countries. Let this idea be removed that we have so far discovered any prolific oilfield in this country. We have not yet discovered any such oilfield in this country. Let it also be known that once oil is discovered in a region its search spreads like a spiral. We should search more and more round about, and the greater probability is that after a little time we shall get more and more oil. I am very hopeful about getting a fairly good quantity of oil in Gujarat in two to five years' time or ten years' time. I cannot commit myself to any time-table with regard to the discovery of any definite quantity of oil from Gujarat.

**SHRI BHUPESH GUPTA:** May I seek one clarification? Do we understand that Government will make every effort to develop the oil resources in Gujarat to the maximum possible extent, and that such resources will be developed under the public sector and public sector alone?

**SHRI K. D. MALAVIYA:** Now with regard to this controversy of oil being sent out of Gujarat to Bombay and Gujarat being denied the use and utilisation and exploitation of the oil that is produced there, the less I say the better, because, there again I do not think there is any controversy except in the minds of some people who want to create irresponsibly a confused condition in a region of our country for political purposes. Nowhere in my statement can anybody detect anything to the effect that the intention of the Government of India is to denude Gujarat of all its oil. So far as I am concerned, I said and I

repeat it again that the national interests demand that if any oil is discovered anywhere, it should be treated as the property of the whole country, and I still say that the people have got to be educated in the concept of national interests in spite of what anybody might be saying here or there. We have got to be continuously taught and reminded perpetually as to what national interests are, more specifically during these days when we are just going mad on a regional problem here and a regional problem there—whether the problem is cultural or linguistic or economic or industrial or what not, I do not know. Therefore, it is high time that we should keep our minds open to receive more and more the ideas of national interest, and the national interest so demands that if oil in any State is discovered, it is the property of the whole country. If cotton is grown in Gujarat, that cotton has got to be exported to U.P. for processing into cloth because we have got textile mills there. How is it then that this fantastic idea has come into the minds of certain people that because oil has been produced in a particular region of the country, there are some people who are conspiring to take that oil away to certain other regions with a view to doing harm to that region or the people of that region? This is what I say is anti-national. In that context and in that background I said that day that if oil was produced in Rajasthan, it would have to be taken out of Rajasthan if the national interest so demanded. Now I cannot say unfortunately today that so much oil will be retained in Gujarat and so much will have to be taken out, because it is impossible for me to give any idea, as to how much oil is likely to be produced in the next six months or ten months or twelve months. What I say is that there will be a refinery in Gujarat and that preparations for that refinery are already going on.

[Shri K. D. Malaviya.]

There is another misunderstanding on account of the transport pipeline. It is a fact that we are planning for a transport pipeline from Cambay to Bombay and elsewhere also. It is not that one can get a transport pipeline soon. It has got to be planned, and sometimes it takes years and years for a pipeline to come because we are new to this job. Obviously it is a commonsense view that in order to transport 1500 tons of crude oil for trial production we are not to lay a pipeline. Pipeline has got many other purposes than the mere purpose of transportation of crude oil. The same pipeline can transport crude oil as well as diesel or kerosene oil. These days a single pipeline has more than one purpose. With all those things about whose picture it is not yet clear, we have quickly to consider all those technical problems and take decisions. According to our present programme we will have a refinery in Gujarat which might have one to two million tons capacity. I will be glad if it is more. The programme is also to have a pipeline from Cambay to Bombay, because we have to bring now something from Cambay to Bombay in order to give the surplus crude oil and save foreign exchange and also, if necessary, to bring kerosene or diesel oil from the same pipeline. Time is required to plan for a pipeline. Therefore, I do not think that I have committed any sin when I raised this question of pipeline and informed the House that we are also planning for laying a pipeline firstly, from Cambay to Bombay, and then in the whole of the country. What we intend to do is to plan pipelines right from Assam to Kandla and, if possible, from Delhi to south. Unless we have these pipelines, the distribution costs of petroleum products are likely to remain high. Therefore, it is the intention of the Government of India to lay pipelines. We may have some crude oil to move after a little time because we hope

we are going to produce some more oil. Now if we do not produce more oil than what is necessary for our refineries, then we do not transport the oil. But because we have every hope of doing so, therefore, what we have done is just to plan for a pipeline. If we do not get that oil, that pipeline will not come. All those considerations are there, and it is very difficult for me to commit myself to any size or discovery because these naturally take some time. We have discovered oil only six or eight months back in Ankleswar. We still require a large number of holes to be drilled to establish the reserves, and if I make any quantitative estimates today, those who know about these things can just ask me: "How do you say that, how do you come to this figure?" I have no data. Therefore, I say "No, we do not know anything about it". That is why I have got to make vague statements. Unless, therefore, I have more specific data, which must require some more time to collect, I cannot make any definite statement. I can only give vague indication of the progress of our oil-field discoveries.

I hope, Sir, that I have made an attempt to establish that there is no necessity for a Committee of the Houses to go into these matters because, firstly, it is premature; secondly, they will have to appoint too many technicians from abroad because our experts will be taken as partisans. I am sure that a dispassionate consideration by the House at an appropriate time will give a verdict in favour of those who are working hard to produce oil in Gujarat.

5 P.M.

SHRI DAHYABHAI V. PATEL: Sir,

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MR. DEPUTY CHAIRMAN: The time is over. The Resolution lapses unless you withdraw it.

SHRI BHUPESH GUPTA: You now ask the hon. Member not to proceed when he wants to speak on this non-official Resolution. In respect of the Ministers, on their Resolutions, you even extend the time.

MR. DEPUTY CHAIRMAN: No, no.

SHRI DAHYABHAI V. PATEL: I want to say only two or three sentences.

I am grateful to the hon. Minister for taking the trouble of giving us an explanation which is perhaps more understandable than the answers that he usually gives. If only he had given more lucid answers to our questions, we would have learnt better. He said that hon. Members should make attempts to understand the position. I have asked numerous questions, and tabled motions for half-an-hour discussions with a view to understanding the position. The boot is on the other leg. The hon. Minister does not co-operate with us. I have got here copies of notices of many half-an-hour discussions that I have asked of him. But he has refused to co-operate. So, if the refusal is on his side . . .

MR. DEPUTY CHAIRMAN: You have got all the information now.

SHRI DAHYABHAI V. PATEL: A little more now.

I would also like to draw the attention of the hon. Minister to his answer on the 30th November in this House. An hon. Member asked about the names of the collaborators in the Gujarat refinery to be built near Cambay and about the approximate expenditure and the Minister replied that the preliminaries with regard to the establishment of a refinery based on Cambay/Ankleswar crude oil were yet to be decided. I am sure the Minister is quite right in saying that. I am not denying that. But he could have at least given us an indication

that they were thinking on such and such lines. The Minister does not give the information, he chooses to be irresponsible and then he accuses us.

SHRI K. D. MALAVIYA: For what?

SHRI DAHYABHAI V. PATEL: That is why Gujarat is agitated; it is agitated over the way in which it has been treated.

SHRI K. D. MALAVIYA: Gujarat is not agitated.

SHRI SHEEL BHADRA YAJEE (Bihar): It is all propaganda of the Swatantra Party.

MR. DEPUTY CHAIRMAN: You have said this already, Mr. Patel. It is time.

SHRI DAHYABHAI V. PATEL: I will take only two more minutes. If the Minister wanted to give me time, he should have ended his speech earlier. We always co-operate with the Minister. We sit late. I am one . . .

MR. DEPUTY CHAIRMAN: He has taken only twenty-five minutes though he had thirty minutes.

SHRI DAHYABHAI V. PATEL: I also did not take much time. What I am trying to point out is, in Gujarat we have two hydro-electric schemes and they are only half way through during ten years. Therefore we are feeling suspicious. There is a saying in Gujarati: "Thirath-Na-Hajam". "Thirath" means a place of pilgrimage. "Hajam" means barber. A barber in a place of pilgrimage will shave one man half, another man half and he will go on like that. We have such Ministers in Gujarat. We have two river valley schemes which are half way through. Mr. Gulzarilal Nanda was present at the time of laying the foundation stone of one of them. He promised Gujarat

[Shri K. D. Malaviya]  
3,00,000 k.w. of electricity. Not one has yet started generating . . .

SHRI SHEEL BHADRA YAJEE: The subject is oil and not electricity.

SHRI DAHYABHAI V. PATEL: Do not interrupt me. You do not understand it. It is too good for you. The schemes on the Mahe and the Tapti are half way through.

SHRI P. N. SAPRU (Uttar Pradesh): On a point of order . . .

MR. DEPUTY CHAIRMAN: These are extraneous matters.

SHRI P. N. SAPRU: Is it proper for the hon. Member. . . .

SHRI DAHYABHAI V. PATEL: I am not yielding.

SHRI P. N. SAPRU . . . to ask another respectable member on this side of the House. . .

SHRI DAHYABHAI V. PATEL: If Members cut my time short and interrupt me like this, what am I to do?

MR. DEPUTY CHAIRMAN: All these are extraneous. Shall I put your Resolution to vote? Do you press it?

SHRI DAHYABHAI V. PATEL: Yes.

MR. DEPUTY CHAIRMAN: I am putting the Resolution to the House.

SHRI BHUPESH GUPTA: It is not fair, Sir. His time has been cut. Let him raise the point of order and we can answer it. He was interrupted. Then a point of order was raised. And you cut his speech short. He was entitled to take five minutes.

MR. DEPUTY CHAIRMAN: The question is:

"This House is of opinion that Government should appoint a Committee consisting of 30 Members of Parliament representing both Houses to enquire into the working of oil exploration in the State of Gujarat and to make recommendations for accelerating the progress thereof."

*The motion was negatived.*

MR. DEPUTY CHAIRMAN: There is a message from the other House.

#### MESSAGE FROM THE LOK SABHA

THE INDIAN TARIFF (AMENDMENT) BILL, 1960.

SECRETARY: Sir, I have to report to the House the following message received from the Lok Sabha, signed by the Secretary of the Lok Sabha:—

"In accordance with the provisions of Rule 96 of the Rules of Procedure and Conduct of Business in Lok Sabha, I am directed to enclose herewith a copy of the Indian Tariff (Amendment) Bill, 1960, as passed by Lok Sabha at its sitting held on the 16th December, 1960.

2. The Speaker has certified that this Bill is a Money Bill within the meaning of article 110 of the Constitution of India."

Sir, I lay the Bill on the Table.

MR. DEPUTY CHAIRMAN: The House stands adjourned till 11.00 A.M. on Monday.

The House then adjourned at five minutes past five of the clock till eleven of the clock on Monday, the 19th December, 1960.