

[Shri Swaran Singh]

I would appeal to hon. members that in a situation such as the one we are facing, we cannot expect every country to be cent per cent of our viewpoint. Our effort should always be to do our maximum to bring them round to our viewpoint and if they have any other feelings, to reduce them as much as possible and also to see that they do not supply any help to Pakistan which might strengthen them and enable them to continue their acts of atrocity. I am sure if we concentrate in that direction, it will yield results.

MR. SPEAKER : Papers to be laid.

SOME HON. MEMBERS—*rose*.

MR. SPEAKER : I will have to say that nothing will go on record if it is without my permission. Papers to be laid.

12.57 hrs.

#### PAPERS LAID ON THE TABLE

##### ANNUAL REPORT OF NATIONAL PRODUCTIVITY COUNCIL

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRIAL DEVELOPMENT (SHRI GHANSHYAM OZA) : On behalf of Shri Moinul Haque Choudhury, I beg to lay on the Table a copy of the Annual Report (Hindi and English versions) of the National Productivity Council, New Delhi, for the year 1969-70. [Placed in Library. See No. LT--604/71]

##### REVIEWS AND ANNUAL REPORTS OF RURAL ELECTRIFICATION CORPORATION AND NATIONAL PROJECTS CONSTRUCTION CORPORATION

THE MINISTER OF IRRIGATION AND POWER (DR. K. L. RAO) : I beg to lay on the Table a copy each of the following papers (Hindi and English versions) under sub-section (1) of section 619A of the Companies Act, 1956 :

- (1) (i) Review by the Government on the working of the Rural Electrification Corporation Limited, New Delhi, for the period 25th July, 1969 to 31st March, 1970.

- (ii) Annual Report of the Rural Electrification Corporation Limited, New Delhi, for the period 25th July, 1969 to 31st March, 1970 along with the Audited Accounts and the comments of the Comptroller and Auditor-General thereon

[Placed in Library. See No. LT-605/71]

- (2) (i) Review by the Government on the working of the National Projects Construction Corporation Limited New Delhi, for the year 1969-70.

- (ii) Annual Report of the National Projects Construction Corporation Limited, New Delhi, for the year 1969-70 along with the Audited Accounts and the comments of the Comptroller and Auditor-General thereon.

[Placed in Library. See No. LT-606/71]

12.58 hrs.

#### DEMANDS FOR GRANTS, 1971-72—Contd.

##### MINISTRY OF FOREIGN TRADE—Contd.

MR. SPEAKER : The hon. minister was on his legs yesterday. He may continue.

THE MINISTER OF FOREIGN TRADE (SHRI L. N. MISHRA) : Sir, last evening I was referring to the important points made by some hon. members, especially DR. V. K. R. V. Rao, Shri R. S. Pandey, Dr. Malkote, Shri Venkatasubbiah, Shri Maddi Sudarshanam, Shri Damani, Shrimati Subhadra Joshi, Shri Janardhanan and Shri Shastri. I am very grateful to them for the consideration they have shown to the working of the ministry and for some of the valuable suggestions that came from Dr. Rao and some others. The discussion on the Demands for Grants provides Parliament an opportunity to review the working of a Ministry during the course of the preceding year and also to provide guidelines and suggestions about its working in the coming year. Therefore, it is a welcome opportunity for any ministry to come before the House and listen to the suggestions and criticisms made by hon. members.

12.00 hrs.

A number of valuable suggestions have been made in the course of the debate and I can assure the hon. Members that these will receive the greatest possible attention from my Ministry, for we all share common objectives. Just before we went to the poll we had an election manifesto where we had openly stated what our economic policy would be. In the general elections that took place earlier this year the people of India have returned our party, headed by Shrimati Indira Gandhi, with a massive mandate to go ahead with a policy of peaceful change, rapid increase in employment opportunities, a speedy reduction in economic disparities, in short a mandate for accelerated growth with social justice. It would be my endeavour to make my humble contribution to the implementation of this policy by this Ministry, the Government and the party.

I will go further and say that the election manifesto of the Indian National Congress had made it clear that the Congress, if returned, would be committed to using that privilege to ensure a better life to the people and to satisfy their aspirations for a just economic and social order. It has been the declared policy of the Congress since 1931 that in any programme for industrial development the public sector must have a vital role.

Our election manifesto specifically refers to increasing state participation in the country's import-export trade. My Ministry is determined to play its due role in honouring the pledges that we have given to the people of India and during the course of my speech I shall try to outline some of the measures that have already been adopted, or are under consideration of government, to fulfil our promises to the people.

The House is no doubt aware that during the greater part of the last fifteen years, the availability of foreign exchange has been a major constraint on the pace of our economic development. Had more foreign exchange been available, we could have greatly stepped up the rate of investment and this would have enabled us to create new employment opportunities in the country at a faster rate, thereby reducing the serious burden of unemployment.

The root cause of persistent foreign exchange difficulties lay in the virtual stagnation of our export trade in the sense that in the past our exports failed to increase in line with our import requirements. In order to meet foreign exchange difficulties, we had to resort to international borrowing on a large scale.

The availability of external assistance has no doubt helped to tide over some of our difficulties. But, as the House knows, the international aid mechanism is a highly political mechanism in which donor countries are always in a stronger bargaining position *vis-à-vis* borrowers. As such, there is always the danger of unexpected interruption of aid flows if donor countries do not happen to like some of our policies. I am of the strong view that dependence on aid has to be progressively reduced if our economic independence has to become a living reality. This, in turn, requires that the country has to finance the bulk of its import requirements out of its normal earnings of foreign exchange.

In this process, import substitution has no doubt a vital role to play and significant progress has been made in this direction during the last fifteen years. The share of imports in total supplies of industrial machinery, certain chemicals, aluminium, machine tools and paper has been greatly reduced. Hon. Members will be glad to know that in 1968 and 1969 foreign exchange saving on account of import substitution amounted to Rs. 75 crores per annum.

The import policy for 1971-72 seeks to carry the process further. As many as 170 new items have been added to the list of banned items, the import of which is not permitted and 67 items have been added to restricted list of items.

My hon. friend, Shri Raja Kulkarni felt somewhat unhappy that along with an increase in our exports our imports have also increased. As I stated earlier, we are trying our best to restrain through import substitution the growth of our imports. But it has also to be recognised that beyond a certain point further import substitution is either technically not feasible or is economically wasteful. Historical experience indicates that there are very few countries in the world in which import requirements do not rise in the process of economic development.

[Shri L. N. Misra]

To pay for our rising imports and also to repay the massive external debt that we have piled up we have, therefore, to increase the export effort in a really big way. Thus, the struggle to increase India's exports is an essential component of our overall development strategy of speedily moving towards a stage of self-sustained growth. In this I heartily endorse my esteemed friend, Dr. V. K. R. V. Rao's slogan of 'Export and Prosper'.

Over objectives are well-known. During the Fourth Five Year Plan, our export target is 7 per cent annual rate of growth. During 1969-70, which happened to be the first year of the Fourth Plan, on account of a number of unfavourable external factors, the actual rate of growth of exports was only 4.1 per cent. However, during 1970-71, exports increased by 8.3 per cent, thereby exceeding the annual target rate of growth of 7 per cent. The result was that notwithstanding an increase in imports of 2.9 per cent, the country's trade deficit declined from Rs. 169.5 crores 1969-70 to Rs. 17.6 crores in 1970-71, the lowest trade deficit for the past fifteen years.

Some people have expressed the view that extremely satisfactory performance of India's exports in 1970-71 was largely due to favourable circumstances. I shall admit that some of our exports were, no doubt, helped by some favourable external factors such as an increase in unit value of exports of tea and iron and steel.

However, one should also not forget that the overall rate of growth of 8.3 per cent of exports was achieved despite continued operation of severe adverse trends in some of our major traditional exports.

For example, on account of severe competition from Pakistan and the growing threat of synthetic substitutes, exports of jute manufactures fell from Rs. 158.38 crores in April-December, 1969 to Rs. 136.10 crores in April-December, 1970. Similarly, exports of leather and leather manufactures during the same period fell from Rs. 68.38 crores to Rs. 60.70 crores. There were also some constraints of raw materials.

Thus what has been achieved is by no means unimpressive though there is hardly any ground for complacency in the future. That a

large number of commodities both traditional and non-traditional (iron ore, tea, engineering goods, oil-cakes, sugar, chemicals and allied products, spices, coffee, cotton manufactures etc.) contributed to the growth of exports in 1970-71 is an indication of progressive diversification of our export structure.

Now, I would like to say a few words about export of non-traditional items. Particularly encouraging is the trend in the exports of our non-traditional items, engineering goods, chemicals and allied products. I should also like to mention that India's dependence on Western countries for our exports and imports has been considerably reduced while our trade with Socialist countries and developing countries has continued to expand faster.

The share of Socialist countries in our exports increased from 19 per cent in 1967-68 to 22 per cent in 1969-70.

The share of these countries in our imports increased from 11 per cent to 18 per cent over the same period.

During the same period, the share of Asian and African developing countries in our exports increased from 17.9 per cent to 23.3 per cent while their share in our imports increased from 12.4 per cent to 21.6 per cent.

At one time the prophets of gloom were predicting that the growth of engineering exports could not be sustained once domestic demand recovered after the industrial recession of the late sixties. It is true that the existence of idle capacity increased business firms' interest in seeking export markets but it is also a fact that this interest has been sustained even after the revival of domestic demand since 1968-69. Government policies have actively contributed to sustain our producer's interest in the export markets.

Indeed but for some unexpected severe shortages of some critical inputs like iron and steel, the growth of exports of non-traditional items would have been still more rapid.

Prof. V. K. R. V. Rao spoke at a considerable length about our export target in a very lucid manner and I am inclined to agree with him on many of the points. We have set an export target of Rs. 1670 crores for 1971-72

which would yield a growth rate of 9.1 per cent over 1970-71. Our export target for 1971-72 is not merely an expression of hope but is based on a careful analysis of existing trends and prospects.

To achieve this target, we must maintain and, if possible, improve upon our share of world trade in our traditional items. However, it is now widely recognised that by far the most important role will have to be played by our non-traditional exports if our aggregate export targets are to be realized. Non-traditional exports will have to increase at an average annual rate of 15 to 20 per cent during the present decade. Non-traditional exports include not only manufactured goods but also as my friend Dr. V. K. R. V. RAO pointed out, agricultural commodities like marine products, fruits, flowers and vegetables. As a matter of fact S. T. C. has already started exporting flowers, mangoes and Lichis and the response so far has been really encouraging. I am told S. T. C. has also exported one of the most non-traditional items—Cobra,

I may first say about the expanding role of the public sector in imports. As I mentioned earlier, the Election Manifesto of our party commits us to increasing State participation in the country's import and export trade and we are determined to vigorously pursue this objective.

I am convinced that if rapid growth and social justice are to be reconciled, it is essential that the commanding heights of the economy must be in the public sector. In pursuance of this objective, under the new import policy for 1971-72, 51 additional items have been added to the list of imports, canalised through public sector agencies.

Imports of raw cotton have been canalised through the newly constituted Cotton Corporation of India. The Cashew Corporation of India has been set up as a subsidiary of the State Trading Corporation for similar exclusive import and distribution of raw Cashewnuts. With the addition of these items, the list of canalised imports will cover 112 items.

On this basis, the public sector agencies will handle about 70 per cent of the total imports by March, 1972. Government are convinced that nationalisation of import trade will

bring important advantages to the economy. Wherever there are significant economies of scale arising out of bulk buying, bulk storage and bulk shipment, canalisation of imports through public sector agencies will help to reduce the c. i. f. prices of imports. It will also provide a mechanism to deal effectively with the evil practice of over-invoicing of imports through which we lose a significant amount of foreign exchange. I would like to announce here unambiguously that Government are determined to further expand the role of the public sector agencies in the country's import trade and I will request our friends in the private sector to reconcile themselves to this development.

Sir, on a number of occasions in both Houses of Parliament some criticism has been made of the pricing policies of the public sector canalising agencies. The pricing policy is decided on the basis of over-all socio-economic objectives of canalisation and I must frankly state that in some cases a pricing policy designed to mop up a part of windfall profits earned by erstwhile holders of import licences may be fully justified from a national point of view.

In a socialist economy, surpluses of public sector enterprises have to play an increasing role in providing resources for development. Those hon. Members who often criticise the public sector in this country for not making adequate profits should, therefore, be happy rather than displeased if the STC or the MMTC try to make some profits. However, it is the intention of Government to ensure that pricing policy does not impose an intolerable strain on any single industry or product of a common man.

Now I would like to say a few words about the functioning of the public sector agencies in our Ministry. The public sector agencies like the STC and MMTC are doing a fine job. I attach particularly great importance to their efforts in developing exports of new items and in assisting small-scale industry to develop its export potential. The STC's exports have trebled from Rs. 23 crores in 1967-68 to Rs. 70 crores in 1970-71, accounting for about 4.5 per cent of India's exports. In 1971-72, the STC plans to raise its exports to Rs. 90 crores. I am particularly happy that about half of the STC's exports are of products made by the small-scale sector

[Shri L. N. Mishra]

The exports by the MMTC increased from Rs. 80 crores in 1969-70 to Rs. 91 crores in 1969-70 and to Rs. 106 crores in 1970-71, or almost 7 per cent of India's total exports. They are estimated to reach Rs. 123 crores in 1971-72. Apart from the increase in the value of its exports, the MMTC has succeeded in getting better unit value for iron ore, manganese ore, ferro-manganese and also for coal. They have also been servicing nearly 7,000 units both in the small-scale and large-scale sectors with supply of non-ferrous metals, sulphur and rock phosphate.

There is, however, always a scope for improvement and their managements are fully alive to their growing responsibilities. They are constantly examining the need for various organisational changes so as to ensure an effective planning of import requirements, efficient procurement, distribution and stocking of imported goods. In this connection, they have set up a number of advisory panels of actual users.

I may inform the House that I have set up a Committee in the Ministry of Foreign Trade which will undertake a quarterly review of the working of public sector agencies in regard to procurement, pricing and distribution of imported materials and other procedures.

We have recently set up the Jute Corporation of India to undertake purchases of jute, to import and export jute, to export jute goods and also to undertake export promotion measures for jute goods. I am sure this step will, among other things help to provide stable and remunerative prices to jute growers and steady supplies of raw jute to the jute industry which is a major earner of foreign exchange.

My hon. friend Shri Shastri referred to the need for increasing State participation in the promotion of tea exports. He would be pleased to know that a Corporation of India is being set up for the purpose of marketing packaged Indian tea. We shall also continue to participate in international arrangements designed to stabilise the unit value of tea exports.

While making his speech, Dr. V. K. R. V. Rao yesterday referred to the need for step-

ping up exports of Indian skills. The Projects and Equipment Corporation which has been recently set up as a subsidiary of the STC will in cooperation with manufacturers of heavy equipment and machinery, organise for international tenders, long-term strategies entailing planning of raw material requirements, finance and marketing services. Its emphasis will be on projects which are either new or slow moving. Indian consultancy firms are also being assisted to expand their activities in foreign countries.

The question of marine products was also raised. In order to fully exploit the tremendous export potential in respect of marine products, Government are actively considering the setting up of a Marine Products Export Development Authority. It will be responsible for organization, co-ordination, regulation and growth of marine products export industry with special emphasis on off-shore and deep-sea fishing, improved methods of processing, packaging, shipment, quality control, in-plant inspection and other attendant activities.

The problem of tobacco was also raised by some important Members of the House. I would like to say a few words about tobacco. Mr. P. Venkatasubbiah, Mr. Maddi Sudarshanam and some other hon. Members mentioned about the desirability of setting up of a Tobacco Board. As they are no doubt aware, there is already a Tobacco Export Promotion Council, which has been in existence for some years. We are trying to revitalise this Council in order to make it more effective. The idea of setting up a Tobacco Board has also considerable attraction but in the past the Ministry of Agriculture have had some misgivings. As a number of hon. Members have expressed their concern about this important commodity, I will take up this question again with the Agriculture Ministry.

Sir, may I also say a few words about the role of public sector in exports? The Government are also determined to expand the role of public sector in the country's export trade.

Within the framework of overall policies, public sector agencies will be enabled to play an expanding role in developing exports and in building up the export capabilities of manufacturers and exporters.

They will, in particular, render support to small exporters by affording them a combined selling strength on the one hand and a service on the other, both in India and abroad. These agencies will also provide assistance by way of finance, marketing and quality control.

As the House is aware, I have stated on a number of occasions previously that Government have presently no intention to take over the entire export trade. The role that I envisage immediately for the public sector is that of supplementing the activities of the private sector by acting as a path-finder and a catalyst. However, if the national interests demand, we shall not hesitate to canalise the export of certain important commodities including traditional items through public sector agencies.

May I say a few words about the private sector also in regard to exports? Within the framework of overall policies, we shall give all possible facilities to the private sector to increase its exports. So long as the private sector functions in a manner consistent with our social objectives, it will continue to occupy its position in our economy.

In the interest of export production, the Government have introduced certain modifications in the industrial licensing policy under which undertakings belonging to the larger industrial houses and foreign concerns will be allowed to enter the non-core and non-heavy investment sectors provided they undertake specific export obligations.

I have heard it said that these export obligations are so onerous that not many undertakings belonging to larger industrial houses or foreign subsidiaries are likely to take advantage of these concessions.

I sincerely hope that private sector does not intend to sit out in the expectation of thereby forcing the Government to grant further concessions. All the time, our friends in the private sector keep on proclaiming the superior wisdom possessed by the private sector. Here, then is a challenge to the ingenuity and spirit of enterprise of the private sector to make its contribution to the transformation of the country's export trade. In this task the private sector will get all possible assistance from Government.

May I now describe some of the facilities that we intend to provide for export-oriented units? The Government have decided to continue to grant export-oriented production units priority treatment regarding facilities for further expansion of export production and improvement of installed capacity and for import of raw materials and components from the preferred source of supply.

Export potential of undertakings belonging to the small and middle sector entrepreneurs will be developed to the maximum possible extent. Special attention will be paid to the development of export production of small scale sector units in respect of items specifically reserved for them.

In order to widen the base of national export effort Government have decided to introduce a scheme to assist industrial units which currently are not exporting but are desirous of entering the export field and build up their export potential with a view to becoming eligible for the special treatment accorded to export-oriented units.

Steps have been taken to identify new areas such as computer software having a bright export potential. At the same time, every effort will be made to further simplify the administrative procedures, including procedures relating to grant of import licences.

I shall now turn to the role of joint ventures abroad. India's industrial production has considerably expanded in the last 15 years. We have now the capacity to meet the requirements of not only the home market but to magnify the export potential in respect of several new items of capital goods.

The image of the country has been changing from that of a capital importing country to a mature economy with a capacity to invest abroad.

Joint ventures can be an important and powerful instrument for the expansion of trade and fostering increased economic cooperation between India and other developing countries on a mutually advantageous basis.

In recent years, many industrial firms have become interested in this line of activity and are coming up in greater number with proposals to collaborate in joint ventures abroad.

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Government on their part have been encouraging the initiative of private parties in this regard subject, of course, to the normal limitations of a developing country.

The Government have so far approved the establishment of 121 industrial enterprises abroad with Indian collaboration. 27 of these joint ventures have gone into production and another 61 are in various stages of implementation.

Dr. V. K. R. V. Rao asked something about the General Scheme of Preferences. I will now say a few words about this. Dr. V. K. R. V. Rao, Mr. Maddi Sudarsanam and several other friends referred to the General Scheme of Preferences. The GSP symbolises the new evolving international commercial policy for promoting the trade of developing countries. I am happy that the House has recognised the important role played by the Government of India in bringing about the agreement of the international community on GSP.

It is not possible to quantify precisely the trade creating effects of GSP. It has been reported that according to a preliminary study made by UNCTAD the GSP will generate, when it is fully in operation, an additional trade of Rs. 750 per annum from the developing countries. Half of this will be accounted for by exports to the USA and the balance to the Continental Europe and Japan.

The House will be happy to know that only about a week back the European Economic Community has eliminated customs duties on imports from developing countries on a wide range of manufactured and semi-manufactured goods under the GSP. In the next three weeks, Japan is expected to implement its offer under the GSP. The other developed countries are also likely to follow suit.

The opportunities provided by the GSP are a great challenge for our trade to expand and diversify our exports to the developed countries. After intensive discussion with various Export Promotion organisations a comprehensive plan of action to take advantage of GSP has been evolved in my Ministry. I

have every reason to believe that our export trade is not only happy to meet the challenge of GSP but feels confident of acquiring a lion's share in the new export opportunities that will be created by the implementation of the GSP. My Ministry will stand ready to assist their efforts in every possible way.

I should like to tell the House that we strongly support increasing economic cooperation among developing countries. We fully subscribe to the Declaration on Non-alignment and Economic Progress adopted by the Heads of States/Governments of Non-aligned countries in Lusaka in September, 1970 pledging for a programme to foster mutual cooperation among developing countries to impart strength to their national endeavours and to contribute to each other's economic and social progress by an effective utilization of the complementarities between their respective resources and requirements. We are now examining some new schemes for trade and economic cooperation with certain prosperous countries of West Asia and Africa which would further boost our trade to our mutual advantage.

We also strongly support the efforts made by the ECAGE countries to promote regional economic cooperation. Significant progress was made at the meeting of the council of Ministers for Asian Economic Cooperation held in Kabul in December, 1970 towards the establishment of an Asian Clearing Union and launching of a Trade Expansion Programme as speedily as possible.

I have every reason to believe that India's close and cordial economic relations with neighbouring countries will be further developed. I am glad to report to the House that as a result of the discussions between our Prime Minister Shrimati Indira Gandhi and His Majesty King Mahendra of Nepal held here in New Delhi a few weeks back, we have been able to sort out many of the handicaps and difficulties that stood in the way of having successful negotiations with Nepal. We are keen to see that Nepal develops its economy and becomes a prosperous country, and we shall only be too glad to be of real help to this neighbour country in its task of development. I am proposing to visit Kathmandu some time this month. I have every hope that we shall be able to finalise a trade and transit treaty between India and Nepal without much difficulty.

If you would permit me, I may now say a few words about UK's decision to impose duty on textiles. As the House is aware, the UK Government has decided to impose 15 per cent of tariff on Commonwealth cotton textiles and abolish quota system as from 1st January, 1972. The decision to impose the duty runs counter to the provisions of the GATT and also to the provisions of the long-term textile agreement to which the British Government are a signatory. This decision which is another instance of the attitude of prosperous provincialism that prevails in some countries of the West is bound to hurt our exports to UK.

On the question of notice of termination of the India-UK trade agreement, 1939, which we have received from the British Government, only the other day I had made a statement in this House in response to a calling attention notice. We have since then received the official version of the statement made by the British Minister for Trade in the House of Commons, which is under close study. He has stated that if during the six months' notice period, the Government of India would be pleased to reconsider their refusal to grant a waiver, the UK would be willing to withdraw the notice of termination and allow the agreement to remain in force. India's decision not to grant a waiver was arrived at by the Government of India after a careful consideration of all these facts and there is not going to be any change in our stand on this question.

I shall now say a few words about the textile industry. While dealing with textiles, I shall also say a few words about the problem of the Indian textile industry as a whole. The election manifesto of our party presses us to undertake speedy measures to provide basic amenities of life to our people at reasonable prices. Recently, the supply of raw cotton has been a source of considerable concern to us. However, every possible effort has been made to augment domestic supplies by imports and also to allocate the available supplies on a rational basis.

I have also been greatly concerned about the persistent decline in the production of controlled cloth in the total output of cotton cloth in the country and the rise in prices of textiles meant for the common man. Textiles included in controlled cloth are consumed by the poorer sections of our society. The mills, however,

have found production of these varieties increasingly less remunerative.

We have asked the textile industry to increase the production of these varieties on the basis of the new arrangement made. Under this arrangement, the production of controlled cloth which reached the lowest ebb of 2.6 per cent in the quarter November, 1970 to January 1971 will be stepped up to 100 million sq. metres and amounting to 20 per cent of total production during the three months beginning 1st June, 1971, and after three months this 20 per cent would go to 25 per cent. This is our understanding.

I would like to warn this industry that if this agreement is not implemented in letter as well as in spirit, Government will not hesitate to come forward with more drastic measures to ensure that a blind pursuit of the profit motive does not result in shortages of controlled cloth.

Many hon. Members, especially Shri R. S. Pandey referred to the question of sick textile mills. I can assure them that I share their concern about this vital matter, particularly in view of the effect on employment. This question has assumed serious proportions particularly because of the abnormal spirit in cotton prices, apart from the factors which operated earlier like out-dated machinery, financial imbalance and lack of management.

As Members are aware, it has been and will continue to be our policy to revive, through due procedures and as quickly as possible, as many of these units as are considered technically and economically viable. The House will be glad to know that I have recently tried to reduce the procedural delays and am trying to streamline this process. Hon. Members will also be glad to note that our objective is not merely to revive such units but also to undertake a certain measure of rehabilitation. The National Textile Corporation is engaged in examining the scope for such rehabilitation in the mills under their purview.

I would also like to share with hon. members my thinking in respect of the future of such mills. Many of these mills have such poor machinery and the need for rehabilitation and modernisation is an absolute necessity in many cases. Our experience of returning the mills to the original owners after the mills have been



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put on their feet has not been happy. We are, therefore, proceeding on the basis of the provisions of the Cotton Textile Companies Act and in cases where we are investing public funds, we propose to take them over. My object is to ensure that the performance of these mills is improved and they are retained as public sector units.

I intend to have increasing channels of communication with the business community. The trading community has done well in pushing up the exports by 8.3 per cent this year. There is, however, plenty of scope for reducing the cost of production and increasing their efficiency. So long as the private sector continues to function in accordance with our social objectives, it will continue to occupy its due place in our economy. I would like to assure the House that I am determined to remove all unreasonable restrictions which fetter our exports. I have already taken several measures to establish close and continuous touch with the business community. A Standing Committee of the Advisory Committee on Trade has been set up which meets once a quarter, reviews the situation and discusses any policy or procedural measures which impede exports. I propose to make regular sessions with the chambers of commerce etc. to discuss mutual problems, a feature of the normal working of the Ministry. Our senior officers have already gone round the major centres of commerce and industry and met the business community. While I am prepared to give my trust to the business community, I expect understanding and co-operation from them in return. There has been a fairly loud murmur against the further nationalisation of imports in our current policy. This is the accepted policy of Government endorsed by the people, and it is not, therefore, helpful to continue to cavil at it. The Private sector must learn to live with it in a spirit of co-existence. I would seek the co-operation of the private sector in helping me to make the STC, MMTC and other public sector corporations fit instruments of public service, particularly in the field of imports.

Hon. Members must have noticed that in the current import-export policies, while we have retained the broad framework of the old policies, we have made many changes to liberalise imports to speed up the issue of

licences and to remove petty irritants. We have taken several steps to liberalise imports for encouraging exports and it is my intention to pursue this policy still further. There have been complaints of long delays in the issue of licences. While some of these delays were unjustly attributed to the licensing organisation of the Chief Controller of Imports and Exports, I must admit that in some cases applications have not been disposed of with speed. We had undertaken case studies of different types of licensing, identified the factors that led to the delay in disposal and have tried to eliminate them. The CCIE organisation is going to have a firm timetable for processing the licences both for exports and imports and I see no reason why things should not improve. I am confident that the trading community will now find that they will receive more efficient and prompt service from the licensing offices. We intend to continue this process of examination at periodic intervals. I have also issued instructions that the junior officers in the Chief Controller's office should be put through short seminars so that the new spirit of positive approach animates the department.

I will conclude by saying that I was really very happy to hear the words of compliment to my Ministry. I am indeed very grateful to hon. Members for this. If I have not been able to answer all the points raised by hon. Members, I assure them that I will have them examined, and if possible write to them Government's reaction to the suggestions made by the hon. Members in the House.

SHRI R. S. PANDEY (Rajnandgaon) : He has stated that he is going to nationalise the export of traditional items. May I know whether he has included textiles in that ?

SHRI L. N. MISHRA : Textiles is a traditional item, and I do not rule it out.

MR. SPEAKER : I put the cut motions to the House.

Cut motions Nos. 1, 2, 7 to 12, 14 to 47 and 50 to 65 were put and negatived.

MR. SPEAKER : The question is :

“That the respective sums not exceeding the amounts shown in the fourth column of

the order paper be granted to the President to complete the sum necessary to defray the charges that will come in course of payment during the year ending the 31st day of March, 1972, in respect of the heads of demands entered in the second column thereof against Demands Nos. 33, 34, 35 and 124 relating to the Ministry of Foreign Trade."

*The motion was adopted.*

[The motions for Demands for grants, which were adopted by the Lok Sabha, are reproduced below—Ed ]

**DEMAND NO. 33. MINISTRY OF FOREIGN TRADE**

"That a sum not exceeding Rs. 37,74,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1972, in respect of 'Ministry of Foreign Trade'."

**DEMAND NO. 34. FOREIGN TRADE**

"That a sum not exceeding Rupees 73,44,94,000 be granted to the President to complete the sum necessary to defray the charge which will come in course of payment during the year ending the 31st day of March 1972, in respect of 'Foreign Trade'."

**DEMAND NO. 35. OTHER REVENUE EXPENDITURE OF THE MINISTRY OF FOREIGN TRADE**

"That a sum not exceeding Rupees 5,19,45,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1972, in respect of 'Other Revenue Expenditure of the Ministry of Foreign Trade'."

**DEMAND NO. 124. CAPITAL OUTLAY OF THE MINISTRY OF FOREIGN TRADE**

"That a sum not exceeding Rupees 2,25,87,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1972, in respect of 'Capital Outlay of the Ministry of Foreign Trade'."

**MINISTRY OF PETROLEUM AND CHEMICALS**

**MR. SPEAKER :** The House will now take up discussion and voting on Demands Nos. 71 and 133 relating to the Ministry of Petroleum and Chemicals for which four hours have been allotted.

Hon. Members present in the House who are desirous of moving their cut motions may send slips to the Table within 15 minutes indicating the serial numbers of the cut motions they would like to move.

**DEMAND NO. 71. MINISTRY OF PETROLEUM AND CHEMICALS**

"That a sum not exceeding Rupees 78,91,000 including the sums already voted 'on account' for the relevant services be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1972, in respect of Ministry of Petroleum and Chemicals."

**DEMAND NO. 133. CAPITAL OUTLAY OF THE MINISTRY OF PETROLEUM AND CHEMICALS**

**MR. SPEAKER :** Motion moved :

"That a sum not exceeding Rupees 34,96,51,000 including the sums already voted 'on account' for the relevant services be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1972, in respect of 'Capital Outlay of the Ministry of Petroleum and Chemicals'."

How much time does the hon. Minister require for reply ?

**THE MINISTER OF PETROLEUM AND CHEMICALS (SHRI P. C. SETHI) :** About 40 minutes.

**MR. SPEAKER :** I will call him at 5.00 or 5.15 p.m., or even earlier if the debate is finished earlier.

13.42 hrs.

[MR. DEPUTY-SPEAKER in the Chair]

\*SHRI R. P. DAS (Krishnagar) : Sir, I am going to speak in Bengali. In the beginning of my speech, I must say that I am opposed to the Demands for Grants of this Ministry. Sir, the ex-Minister of this Ministry, Dr. T. Sen, in one of his statements said :

“The first and foremost objective of the Government is to promote self-sufficiency and self-reliance in oil, fertilizers and petroleum.”

Since there is a possibility of getting oil in about ten lakh kilometre area in our country, the hope expressed by the ex-Minister does not seem to be exaggerated. But the Government report available with us, the expected target of oil production at the end of the 4th Five Year Plan and the stations given by Shri D. R. Chavan on 13th April, 1970, in this House will show whether we are really progressing in acquiring self-sufficiency in oil or not. In 1968 we find that 16 million tons oil has been consumed in this country. In 1969, the consumption of oil was 17.4 million tons. In 1970 it was 18.4 million tons. By 1973-74, that is, at the end of the 4th Five Year Plan 26 million tons of oil will be required for our consumption. Again, according to the statement made by Shri D. R. Chavan, the requirement of oil by 1974-75 will be up to 32 to 34 million tons. By 1968, this requirement of oil will go up to 50 million tons. If the production of oil increases annually up to 2.5 million tons in the entire period of the 4th Five Year Plan, then, by 1973-74 the total production of oil may go up to 26 million tons but if we look into the report of 1970, we shall find that 18 million tons oil have been produced. But during this period, compared to the past years, in place of 2½ million tons oil 80 thousand tons oil have been produced. So the rate of failure in oil production is 80%. If the production of oil goes at this rate, then, by 1973-74 the level of production may come to 10 million tons, and as a result of that we may have to import from outside 18 million tons oil. By 1973-74 the total requirement of oil will come to 26 to 28 million tons. Therefore, the quantum of import will gradually increase. During the current

year, the quantum of import will be 12 million tons oil but by 1973-74 this import of oil is going to be increased up to 18 million tons.

Sir, it has been said in the Report that if the 10-year plan, which has been formulated by the ONGC, is implemented fully, the quantum of import of oil will gradually decrease. But the duration of this plan is from 1969 to 1979 and this plan requires Rs. 12 hundred crores for carrying out the work of exploration and production. Out of this Rs. 12 hundred crores, the Government wanted to sanction Rs. 2 hundred crores during the 4th Five-Year Plan and Rs. 8 hundred crores is required for the 5th Five-Year Plan. But it has been found that during the 4th Five-Year Plan only Rs. 181 crore, have been allocated for this 10-year plan.

According to the ONGC there is no expectation of increased production of oil. By 1978-79, the production of oil is likely to be 14.5 million tons annually but the ONGC will never reach that target. Consequently, the gap between the production and consumption of oil will further increase and because of this widening gap between production and consumption we shall have to import more oil from outside. We have already said that by 1970-74 we may have to import 18 million tons oil. In 1979-80 about 30 million tons oil may have to be imported by us. In such a situation, the hope of the ex-Minister in regard to the increased production of oil and the plan of ONGC will prove a failure. The plan of the ONGC is not going to be helpful to the increased production of oil. Therefore, the circumstances will compel us to spend more foreign exchange for the import of oil.

Regarding the failure of ONGC to implement its plan it has been said that the money allocated to them during Fourth Five Year Plan, is not being given to them. Besides, about the 5th Five-Year Plan, they are totally uncertain. Because of these reasons they are unable to implement their plan fully. Of course, they say that their 10-year plan may be successful if off-shore exploration of oil is undertaken. The off-shore exploration of oil, which is going on in Cambay, had it been completed by 1970, their plan of increased production of oil would have been successful. Besides, had the drilling operation in Surma Valley been completed,

\*The original speech was delivered in Bengali.

their plan targets of production would have been successful. Thirdly, it will not be out of place to say, that if the corruption and inefficiency prevalent in the ONGC are not checked firmly, it will be impossible to implement this ten year plan. Therefore, under the prevailing circumstances, it has not been possible for India to be self-reliant in the production of oil in spite of the efforts made by ONGC in that direction. Again, when adequate money has not been provided in the 4th Five Year Plan for increasing the production of oil, there is no possibility of our country becoming self-sufficient in oil.

Sir, our country has to depend upon the oil being imported by foreign oil companies. But apart from the Plan undertaken by the ONGC, we have Haldia refinery, the construction work of which was started in 1967. This refinery is to produce 2.5 million tons refined oil. But it has not yet been possible because of the non-completion of construction work. We have placed orders for machineries for this refinery with France, Rumania and other countries but we do not have any definite information about the whereabouts of those machineries. Consequently, it is doubtful, whether the construction work of this refinery will be completed at the end of 1972 or not. Perhaps the construction work may complete at the end of 1974.

Sir, on the 4th July Shri Siddhartha Shanker Ray said in West Bengal that this petro-chemical complex at Haldia would provide employment to one lakh people. Perhaps he said this thing with political motive. This petro-chemical complex at Haldia will not be in a position to employ one lakh people as the construction work of it is going at a slow pace. The construction work of Durgapur fertilizer project is also going at a slow pace; so the employment prospect from this project is also dim. Secondly, the production of refined oil from the Haldia refinery will not be according to our expectation. In this connection, I would like to point out that there was a scandal of misuse of Rs. 30 crores in regard to Haldia Barauni pipeline. About this scandal we have not yet any information. I, therefore, want a categorical answer about it from the Minister,

For the last few days we have been hearing that after 1971 there will not be any necessity for importing kerosene oil in our country. But

we have not yet been self-reliant in the production of kerosene oil. In 1968 the production of kerosene oil in our country was 2.8 million tons. In 1969 it was 3.0 million tons. In 1970 it was 3.26 million tons. But our consumption of kerosene oil is 3.2 million tons. It, therefore, shows that we still have to import kerosene oil and as such it cannot be said that we have become self-sufficient in the production of kerosene oil. Under the circumstances, the price of kerosene oil has also increased. The price has increased from 58 P to 61 P and the price of lower quality kerosene oil has raised from 36 P to 39 P.

Considering the present rate of production of oil in our country and the question of importing oil from outside we can say that in the near future there is no possibility of our country becoming self-sufficient in oil production. Since there is no possibility of our country becoming self-sufficient in oil production in the near future foreign oil companies and the organisation of petroleum exporting countries (OPEC) are importing Iranian crude oil under the Tehran Agreement and under that agreement they have increased the price of petroleum. But the oil producing countries, for the sake of their own development, are imposing taxes upon these foreign oil companies. This burden of increased taxation upon the foreign oil companies is actually being borne by Indian customers. All these foreign oil companies are making huge profits and they are in a position to bear the increased taxes and increased price of oil. But ultimately it is found that the entire burden of increased price of oil is borne by our customers.

On 1-6-70 the price of light Iranian crude oil was 1.28 per barrel. On 1-6-71 it went up to 1.68 per barrel. Therefore, the total increase has been up to 40 per cent. At the same time the tanker freight rate has also increased. The tanker freight rate up to Bombay port in June 1969 was Rs. 8.52 per ton. In January 1971 it rose up to Rs. 14.40 per ton. In Madras port the freight rate in January 1969 was Rs. 14.87 per ton. In January, 1970 it rose to Rs. 30.53 per ton. Under the circumstances the Government was compelled to increase the price of oil immediately at the rate of 3 P per litre. It will, therefore, be seen that in 1971 we shall have to spend more on foreign exchange equivalent to Rs. 3.6 crores. Under the Tehran

[Shri R. P. Das]

Agreement the oil companies have already informed the Government of India that the price of oil will rise further from 1973 to 1975 and as a result of that we shall have to spend foreign exchange equivalent to Rs. 106 crores. As our country has to depend upon the foreign oil companies, we shall be losing our foreign exchange more and more. My submission, therefore, is that our country should purchase oil from the international market at competitive price. Efforts were, of course, made in that direction but they failed. If the Government make sincere efforts in this direction, some results may be achieved. Secondly, I will say that the scope of work of ONGC in regard to production an exploration should be expanded speedily. I will also want that the efficiency of ONGC should increase. The corruption prevalent there should be put down firmly and the relationship between the labour and the management in that organisation should also improve. For improved relationship between the labour and the management the Government's present attitude requires radical alteration. Unless the Government alters its present attitude towards the labour-management relationship, the condition of that organisation can in no case improve. Thirdly, I will say that the policy in regard to nationalisation of all companies should immediately be implemented by the Government. If we are to build up a socialist State, nationalisation of oil companies is inevitable.

MR. DEPUTY-SPEAKER: Please conclude now. You may send the figures to the Minister separately. Mr. Panigrahi now.

SHRI R. P. DAS: Sir, I will take two minutes more. So my submission is that the Government have failed to follow that Policy which would have made us self-sufficient in oil production. Though this Government talks of socialism and 'Garibi Hatao' yet in the sphere of our requirement of oil we are depending more and more upon foreign countries instead of attaining self-reliance. If dependence upon foreign countries for oil grows daily, socialism can never be established in this country. So saying, I conclude my speech.

DR. LAXMINARAIN PANDEY (Mand-saur): I beg to move:

"That the Demand under the Head Ministry of Petroleum and Chemicals be reduced by Rs. 100."

[Failure to exploit the natural gas (1)].

"That the Demand under the Head 'Ministry of Petroleum and Chemicals' be reduced by Rs. 100."

[Delay in exploiting various mineral oils available in the country (2)].

MR. DEPUTY-SPEAKER: The motions are also before the House.

14.00 hrs.

SHRI CHINTAMANI PANIGRAHI (Bhubaneswar): Mr. Deputy-Speaker, Sir, our country has now almost entered the second decade of development of oil industry. During these years we have achieved a great deal in spite of the obstacles put forth by the foreign oil cartels. The investment to the field of oil today amounts to about Rs. 600 crores, both private and public sector put together. The proposed investment in the Fourth Plan is another Rs. 300 crores to 400 crores, making a grand total of about Rs. 1,000 crores. One cannot say that this is a mean achievement. This is one remarkable achievement that our economy, our country and our government have made when we are trying to win the battle of our technological and economic independence from foreign countries.

After all this investment, we find that our import of crude, petroleum and its producer is increasing from one plan to another. Our refining capacity will reach 23 million tonnes by 1970-71. The target of production of indigenous crude by this time is 9 million tonnes. So far as achievement is concerned, it is about 7 million tonnes. If all possible efforts are made, we may go to 8 million or 9 million tonnes. What does it mean? It means that after an investment of Rs. 1,000 crores in oil industry, the country will import about 15 million to 16 million tonnes of crude at a much higher price because we could not enter into agreement for 15 to 20 years as the oil industry had their refineries and they had to

support from their own sources. So, naturally, we have to import from now onwards at a much higher price, which means a huge drain on our foreign exchange resources. Therefore, the country needs a kind of oil policy for the seventies which takes into consideration our peculiar problems, our investments and the imponderables that face our economy. The country, therefore, needs an integrated fuel policy, including for oil, to meet the challenges of the seventies. So, in a country where the reserve of oil is plenty like Soviet Union and Kuwait and Middle Eastern countries, they need not bother about anything. In Kuwait the annual royalty of oil alone comes to 200 million dollars besides the money which they received by selling oil. They do not know how to spend and spending is a problem in Kuwait. But, Sir, so far as this country is concerned we do not have abundant reserves of oil and I will not be incorrect in saying that after all the exploratory work—preliminary as well as seismic—we have so far come across a reserve of 126 million tonnes of oil. Therefore, Sir, our reserve of oil is not as much as in other countries. We have abundant resources of coal which could be used as a source of energy. Therefore, we shall have to formulate the oil policy in view of the rising demand of petroleum and petroleum products and knowing fully that the oil reserve does not exceed 126 million tonnes. We shall have to think and revise and formulate a new fuel policy and, therefore, to my mind we shall have to formulate a new fuel policy including the policy in respect of oil. I am quite aware that those who are in charge of this Ministry are also aware of it and are perhaps thinking how to formulate the fuel policy.

What I would like to submit is that oil is a fuel and is a feed also. Oil is a fuel so far as industries are concerned as it supplies lubricants and fuel oils to run the wheels. It is a feedstock so far as production of fertilizers is concerned. Therefore, we have to formulate policy where we shall see that the oil is used as little as possible as a fuel in the industries and it is used more for the fertilizer plants to provide the feedstock of naphtha for them. We are fortunate that Nature has distributed its bounty in this country in such a manner that we have regional areas where coal is abundant and we have developed nuclear energy in those areas which are five to six hundred miles away from the coal belt and we

are also developing hydro power which is also cheap. Keeping a balanced view of all these factors a rational fuel policy should be evolved. In view of this huge investment by the Government in the development of various sources of energy a balanced policy should be adopted so far as fuel is concerned. With regard to thermal power stations today they need not depend too much on the fuel oils from the refineries. I think the Minister will agree with me that the thermal power stations can be fired by coal. Similarly even take the case for demand of diesel oil so far as running of locomotives is concerned. How much of diesel oil we are importing. It is good we are now trying to be little self-sufficient but, Sir, if we work out economics of this and if we run locomotives with electricity from coal well the capital cost will be more initially but in the long run the country will be benefited to a great extent and we will save fuel oil and utilise coal which is in abundance. In Japan today even low-grade coal is being used but in our country even good quality coal is lying waste and its stock is enough.

For fertilizer the demand for naphtha can be met not only by heavy residual which is another petroleum product but also by coal. In the initial years we produced so much of naphtha and as there was no coordinated thinking we had to export naphtha at a very low price. But today it is good we came to our senses and thought of setting up of refineries to utilise our own naphtha as feedstock for production of fertilizers. What will happen? There will be shortage of naphtha by 1973. Therefore if we want to run all these fertilizer factories based on naphtha then we shall have to import more and more crude oil so that naphtha can be manufactured. Naturally I say it is good thing that the Government of India has done and we also put before the Government the demand to change the policy from naphtha based fertilizer plants to coal-based fertilizer plants. We have plenty of coal. It is good we are now having coal-based fertilizer plants. But they are not coming up and I hope Government will look into that. Similarly, the Railways can reduce their demand of diesel and can use thermal power produced from coal. Somebody was telling me supposing a refinery if it is selling fuel oil to an industry and supplies naphtha to fertilizer plant its earnings may go down. It will not. It will be equal. If it sells fuel oil

[Shri Chintamani Panigrahi]  
to an industry and if it sells its naphtha to a fertiliser plant rather it helps in the growth of economy and conserves oil. We shall have to rationalise our fuel policy keeping in view all these considerations. Today in this country there is a great shortage of kerosene. As you know kerosene is one of the fractions of crude oil and it so happens if we want to have more of diesel or fuel oil then naturally the quantity of kerosene produced goes down and I am quite sure we are going to be a little self-sufficient in kerosene by 1973 but again there may be deficits in other petroleum products. We are not arranging the product pattern of refineries in the manner keeping in view the policy for the next ten to fifteen years. Therefore, we are suffering this year with deficit of kerosene; next year with deficit of diesel oil and naphtha, etc. The heavy residue of crude should not be used for power generation and for fueling of industry where coal can be utilized. It should be used to maximise the foodstock of naphtha for the production of fertilisers and intermediates for chemicals.

Now, the question is whether we will be able to meet the rising demand in the coming years of the petroleum products and petrol itself. The demand is going to increase to 45 million tonnes. Therefore, I submit let us keep this demand down to 32 million tonnes and arrange to formulate the policy in such a manner that the country's economy does not suffer and we do not go on increasing import of crude every year. We are, thereby, paying Rs. 189 crores. Today, we are paying perhaps Rs. 113 crores by importing crude. May be, it will increase to Rs. 189 crores in another 2 or 3 years if it goes on like this.

About refining technology also, it should be flexible so that it reduces the imbalance between product demand and product use. In the Estimates Committee, I had an opportunity to look into all the refineries that are working. I was sorry to find that whereas private sector oil refineries could think of what will happen in India after 5 to 10 years, our public sector refineries could not think of it. It is not our fault because the technical help that we received was such that we thought we should have to confine ourselves only to the present-day needs, not thinking of what would happen in India in another 5 to 10 years. We

can go ahead again for newer technology to those countries who supplied machinery and other things. The refining technology should also be flexible and adjusted in such a way that there should be no imbalance between product demand and product use.

Take the case of Digboi Refinery. It has worked for the last 100 years or so. Still this refinery goes on. Today, it produces perhaps 75,000 tonnes or it may be less because almost all the wells have been exhausted. How does it run? It runs most profitably. It is because it has been so designed that it manufactures 100 and odd items of petroleum products. Therefore, it gives profit. Today, our refineries are not able to manufacture more than 3 or 4 items. But after the Estimates Committee's recommendation, the Government has gone into the problem and the new refineries are thinking of producing more than just 3 or 4 items of petroleum products.

The hon. Minister should give attention to all these things. He has taken charge of this Ministry. I am so happy. I want him to see that the refineries should try their best and diversify their production so that they will never incur loss.

As regards the recovery of kerosene, I would ask the hon. Minister to examine it. The recovery of kerosene today is less in the refineries and it could be more if the new process of recovery is introduced in the refineries.

Today, we are spending annually about Rs. 8 crores for the import of kerosene. Therefore, I must submit before the hon. Minister that to save the kerosene demand, let them devise a policy like this. Let there be a sufficient supply of LPG or town gas or such other items which are manufactured in the country. So far as urban centres are concerned, why not see that LPG and other items are supplied to meet the fuel needs of the urban people so that the kerosene is saved? Today, the IOC is serving about 53 towns so far as LPG is concerned. The people want to buy LPG. But we have no cylinders. When you have no cylinders, the LPG goes waste. It is necessary that you shall have to have a programme that before 1973 you are going to achieve self-sufficiency so far as kerosene is concerned. You shall have to make a point to see that LPG reaches all the urban

centres so that the people there do not use kerosene as fuel and, naturally, the villagers get enough kerosene to use it as fuel and, thereby, you overcome the shortage of kerosene. The hoarders today are creating artificial scarcity and they are selling kerosene like anything in the black-market. I hope, thereby, they will not get any opportunity to fleece the consumer like that.

One point more I will conclude. I hope, Sir, you will not mind if I take two or three minutes more.

This again I want to mention about Oil India which is very near your State. It is a joint sector concern, 50% share-holding owned by Government of India and 50% by the former Burma Oil Co. and they have now joined together. They had the know-how earlier. They have taken the lease of more than— I am not sure of the actual area—perhaps 1503 sq. miles in different parts including your own State. What do they do? Because of the technical know-how, they know it beforehand where the oil resources are, but, they are not going to explore those areas now. They are not going to dig wells there. They will only do it bit by bit. Today they are in possession of best area of oil reserves but that they have explored only about 500 sq miles because they know oil price is going to increase. Therefore, the policy of Oil India to-day is only to bring out so much of oil as to amount to 3 million tonnes. Why should you not ask the Oil India—you have 50% shares in it—to explore all the oil possibilities so that production goes up to 5 million tonnes? The reason is that we produce 5 million tonnes, our refinery is not going to use it. That is what the Oil India is going on telling the Government every year. I think this needs a review.

To-day, why should not the IOC call for global tenders for importing crude? What is the explanation of the Ministry? The Minister says, 'We have no tankers. We cannot go for global tenders.' The little country, Kuwait, have taken the help of Japanese. They are building tankers, tankers of even 60,000 tonnes. Why should you not conceive of this idea before that a time will come when oil tankers, oil tankers of large capacity like 60,000 tonnes will be needed by this country? Why should we not think of manufacturing the oil tankers ourselves? For the next ten or twelve years we would be needing so much crude and our re-

quirements of oil tankers is this much and we should go in for manufacturing of these tankers ourselves. Why should you not plan like that instead of hiring tankers through intermediaries and the oil cartels?

Now, I come to fertilizers. So far as fertilizer is concerned, this is another sector where we have made very heavy investment—investment of Rs. 500 crores. Sir, the more we invest, the more we import. To-day, we are importing more than Rs. 200 crores worth of fertilizers. May I submit, Sir, without meaning anything to anybody that the way the calculations are being made about our fertilizer requirements, one is inclined to suspect that it is being manipulated in such a manner that at the end of the Fourth Plan the actual gap will be 7 million tonnes. The consumption of fertilizers goes down by 18%, 22%, and 23%. Then, why are we importing more? Because, to satisfy certain vested interests. Sir, there is one company, Rahmatullah and Co. There are some ex-Joint Secretaries of Finance and Agriculture Ministries and others in the Board of Directors of this company. Therefore, they have a vested interest to see that this company every year imports fertilizers. This is how things are happening. When we are fighting to win the battle of economic and technological independence, we are sorry that there are certain vested interests and contact men in the Ministries who are trying to sabotage our economy from within and I hope this would be investigated into and taken note of and corrected.

Next I wish to say something about the petro-chemical complex. I would urge upon the Minister that this is going to be the cornerstone of the development of India's economy, in the coming years. Regarding petro-chemical complex, in the downstream products of the refineries, the Government of India has invested Rs. 200 crores and if we can enter in the field of synthetic fibre, we could produce everything. We are importing cotton and other things to the tune of Rs. 100 crores a year and if we develop this sector we will be saving Rs. 100 crores. So, I have every reason to hope that this petro-chemical complex will be the cornerstone of India's economic progress in the coming years. I hope Government will see that this petro-chemical complex develops in Assam, Gujarat and other places and expand further.



{Shri Chintamani Panigrahi}

Off-shore drilling needs to be expedited. This matter should be looked into in detail. Everything is not well with the ONGC. It should be streamlined and improved. I am sorry I have no time. The ONGC should take up surveys in Orissa so far as oil finds are concerned and seismic surveys in Chilka offshore areas and in Mahanadi basin. The work should be re-started and I am sure there are rich finds there. I hope Government will consider all the suggestions which I have made. I support the Demands.

SHRI INDRAJIT GUPTA (Alipore): I will confine my remarks to only one subject as I do not have much time. I wish this Minister well in the new office he has assumed. I would like to see him show some courage and boldness to clean up some of the mess he has inherited from some of his predecessors.

I wish to focus his attention particularly on one matter about which I am sure he knows sufficiently because it was one of the big scandals exposed in Parliament and the Public Undertakings Committee, in its famous 66th Report that is about the Haldia-Barauni Pipeline scandal. I am citing this as an illustration; there are many other similar scandals going on. I hope some other Members will have time to refer to some of them.

I am sorry to say that as a result of this the Petroleum and Chemicals Ministry and some of the undertakings coming within the sphere of the Petroleum and Chemicals are fast acquiring a very unsavoury public reputation. I hope the Minister who is young and energetic and has come new to this responsibility will have courage to try to clean up some of the cesspools of corruption which are alleged to have collected here.

He knows, but I will remind him for his benefit, that it was in January, 1963, very shortly after the clash with China that the Union Cabinet decided as an emergency measure, in the event of the eastern part of the country and Assam being endangered that it was necessary to build an oil pipeline from Haldia to feed the refinery at Barauni and that it should be of the capacity of 3 million tonnes. This was looked upon as an emergency measure. That was the concept behind it. I am sorry to say that even today, nearly eight and a half

years after that decision was taken, the position is that pipeline was found to have been laid in a certain area across the coalfields, across the coal mines, in such a way as would endanger the safety both of the coal mines and of the pipeline itself. Secondly, although a very huge amount of money in foreign exchange was spent for the technological advice and know-how of certain private foreign firms abroad such as the Bechtels of the USA and the SNAM of Italy, it was found later that the pipeline which was actually designed and constructed had a capacity not of 3 million tonnes as the Government had wanted but something less than that, perhaps 2 million tonnes. Even now, in the Asansol coalfield area, between Andal and Salanpur where the alignment of this pipeline goes, there are underground fires raging in certain disused coal mines, and a large part of the surface of the ground there has subsided. This is the place where the pipeline has been laid after expert advice and survey. It has been calculated that if a realignment is to be made, and if the pipe has to be removed from that danger zone and laid in a new area and a detour has to be made, a realignment of some 97 Km. will cost an additional Rs. 2 crores at least. This is what has happened very briefly.

It was brought to light by the 65th report of the Public Undertakings Committee which passed very severe strictures against the top officials who were responsible for these negotiations and for concluding these contracts with the foreign experts. The Committee recommended to Government that an immediate inquiry should be held and the officers who were found responsible for such grave dereliction of duty and for collusion—I studiedly use this expression, because it is used by the Public Undertakings Committee—in malpractices and corrupt practices should not be allowed to get away.

I do not want to go into the rest of the history. Subsequently, as you know, Sir, according to our rules, within six months of the submission of the Public Undertaking Committee's report, an action-taken-report is supposed to be submitted by the undertaking concerned, indicating what action they have taken on the findings of the Public Undertakings Committee. In this case, the undertaking concerned was the IOC, and action-taken-report was supposed to have been submitted by the 30th October, 1970, that is, last year. So, it was submitted.

But I learn on good authority that the directors' board of the Indian Oil Corporation never discussed this action-taken-report before it was submitted. They never saw it; they never discussed it, and only after the report had been sent to the Public Undertakings Committee, the directors' board of the IOC was asked to give its *post-facto* concurrence, which the director's board refused to do. It has not given its approval but has simply noted the fact that an action-taken-report had been sent. I am bringing this to the Minister's notice so that he may please look into it, a type of irregularity which is still continuing.

Now, as everybody knows, Mr. Justice Thakru, a retired judge of the Allahabad High Court had been appointed last year as an one-man commission to go into these specific charges and allegations. That commission is sitting at present.

The first point that I would like to mention here is that I am one of these M.P.'s who consider themselves fortunate to have been associated at various times with this issue when it was taken up in this House, and there were some 40 members of Parliament who had jointly submitted a memorandum to the Prime Minister, demanding that those high officials should be brought to book, an inquiry should be held into their conduct and punishment given to those who were found guilty.

Here when this Thakru Commission, which is a public commission of inquiry, is sitting in Delhi, I for one am a person quite interested to go there sometimes and watch the proceedings, but I find it extremely difficult to do so because the premises allotted to the Commission are somewhere beyond the Kutab Minar, in some place called Vijay Mandal or something like that. Apparently in the whole of Delhi City a house could not be found to house this Commission; some place has been found beyond the Kutab, 15-20 kms. away from the city. Naturally I or any other member of the public would ordinarily not be in a position even to go there, even if he be interested, apart from the fact that Shri Sethi's Government has recently put up the price of petrol.

The strange thing is that when the Commission was appointed, as usually happens, the Ministry of Works and Housing was asked to find premises for it but they could not do so

in Delhi city. The strangest thing of all is that at that time the Secretary of the Works and Housing Ministry happened to be the same individual who previously was in the Petroleum Ministry and is the main accused in these proceedings—by that time he had shifted to the Works and Housing Ministry. I am told he wrote back saying 'I am very sorry, Government cannot find any house for the Commission. We may try for some privately-owned house'. Then a privately-owned house was also recommended by the Works and Housing Ministry. This was beyond the Kutab Minar and it was at a rent of Rs. 1,800 per month. The owner of that house was also the Building Adviser of the Works and Housing Ministry and therefore a subordinate of Shri Nayak's. I am told that the actual site where the building is situated was the place from where in the olden days Mohammed Tughlak used to rule Delhi. This is all a very strange coincidence of factors. I am told the Judge himself is most dissatisfied with the very cramped space where in that court-room hardly 15-20 people could sit and there are no toilet facilities or anything of the kind.

However, the main question I would put to the Minister is who is representing the Government of India before this Commission. Is there anybody? Two lawyers have been appointed by the IOC as their counsel, one of whom, incidentally happens to be the son-in-law of our present Law Minister—does not matter.

**SHRI VIKRAM CHAND MAHAJAN** (Kangra): The son-in-law is also entitled to practise his profession.

**SHRI INDRAJIT GUPTA**: No objection, but whether in an inquiry into a public national scandal it would be desirable for he and his party to decide. I do not know what norms the ruling party has in such matters. Nobody grudges him doing this work elsewhere.

What is troubling me—which is why I am raising the point—is that in this whole affair the Government of India seem to be speaking with two voices. They seem to have a split personality. Government took a decision—on which I must congratulate it—to suspend Shri Nayak. He was about to retire, and according to ICS rules, no action could be taken against an officer who has retired. Here Government

[Shri Indrajit Gupta]

did take appropriate steps to see that the rule could be amended in such a way that he was suspended before he could retire. He is now under suspension pending this inquiry. So far so good. Shri Nayak challenged the suspension order before the Delhi High Court. The Government of India, through Shri Niren De, appeared in these proceedings. I have with me the affidavit and other papers—they are all public property. The Government of India clearly contested Shri Nayak's arguments there and pointed that Mr. Justice Thakru had been called upon to make a preliminary investigation into the charges against Shri Nayak and to find out whether there was any *prima facie* case. In fact, in his preliminary investigation he had found that Shri Nayak was guilty of 12 at least out of the 14 counts. Therefore, the Government of India contested his challenging of the suspension, and the suspension was upheld, but now when the Thakru Commission's proceedings are going on, I would like to know who is representing the Government of India there.

The IOC and the Petroleum and Chemicals Ministry are represented by counsel, but from what I hear and what I read in the newspapers, because the press is also covering the proceedings, the Ministry through its counsel and the IOC through its counsel are trying to act here as people who are defending Mr. Nayak, they are trying to whitewash the case. I make this charge in all seriousness. But who is the counsel there who will assist Mr. Thakru on behalf of the Government of India in presenting all the facts? There is no such counsel.

So, when it comes to the Delhi High Court going into the question of the suspension of Mr. Nayak, the Government of India correctly was represented by Mr. Niren De and they contested that case, but when the real enquiry begins before Mr. Justice Thakru, there is nobody to represent the Government of India. So, is the Government of India a separate entity from the Ministry of Petroleum and Chemicals, I would like to know.

The affidavit sworn in the Delhi High Court specifically says that in the preliminary investigation he has been found guilty on 12

out of 14 counts, and before Mr. Thakru the Ministry is trying to defend him. The newspapers say that all sorts of obstructions have been created. Privilege has been pleaded when the question of inspection of documents came before the court. It was the Ministry which pleaded privilege and said that they could not be inspected. That was overruled. A file was called for and it was submitted, but the file submitted was later found to be a dummy file and not a genuine file. What is all this that is going on?

Therefore, I would like the Minister to go in to all these things and see that the Commission is treated with all the proper respect that it deserves. This is a very serious matter involving crores of rupees of this country's money.

I would also remind him that the same Public Undertakings Committee in a subsequent report went into the findings of Mr. Nittoor Srinivasa Rao. It was another enquiry set up in between. The curious thing was that he retired in the middle of the enquiry. He was the Central Vigilance Commissioner. After his retirement, when he was no longer in Government employment, in his private personal capacity he was persuaded by the same top officials of the Ministry to continue with the enquiry. He continued with the enquiry, and the Public Undertakings Committee, in Chapter VIII of its report, has dismissed his findings as being not worth considering. I may also bring this to the notice of the Minister, he may look into it later. I am told that the expenditure account for this Nittoor Srinivasa Rao enquiry which has been submitted, claiming that it costs Rs. 70,000, is not correct at all. Much more than that has been spent. And in the items of expenditure you will find even an item of Rs. 7,000 as bills for whisky consumed. Who the lucky consumers of it were, of course I do not know, but that can be found out.

In conclusion, I am making three requests to the Minister. The first is that pending this enquiry, the present Chairman of the IOC must also be transferred. He is one of the people accused. He continues to be the Chairman of the Indian Oil Corporation, Mr. Kashyap. I think there is no harm in mentioning his name because the names are

mentioned plentifully in the Public Undertaking Committee's Report. He himself has been held by the Public Undertakings Committee to be guilty of this, that he had a self-appointed sub-committee within the Corporation to look into his own conduct in his dealings with the Italian firm of SNAM.

He is now continuing as Chairman of the IOC while this enquiry is going on. In the interest of justice and impartiality and fair investigation, I should demand that at least pending this enquiry Mr. Kashyap must be transferred from the post of Chairman of IOC. It is a very sad day when all these top ICS officials should be involved in such dealings. There was a time when, whatever else one might think of the ICS—I do not think very much of them, any way—they were certainly above this kind of thing. I do not know where the country has come to now.

Secondly, will he please consider the enlargement of the terms of reference of the Thakru Committee's investigation to include this question: whether the enquiry made by Mr. Nettur Srinivasa Rao after his retirement in his personal private capacity was *malafide* or not. How could he go on with the enquiry? Who was responsible for that?

My third request to him is this. Please try to find some new accommodation for Mr. Thakru. Why should he sit in some place of Muhammad-bin Tughlak's time, beyond Kutub-Minar, with no toilet facilities, no place for sitting? Surely with all its vast resources the Government can find him some accommodation somewhere, a little more centrally situated. What is the use of having a public enquiry if the public cannot go to that place. I am interested in going but I cannot.

I shall sit down after referring to one other point. I am told that there is likely to be a public agitation in Kerala soon. I do not know whether it is correct or not; he can tell me. It seems that the Kerala Government and the Kerala public have been told that they could not have a petro-chemical complex around Cochin because of the shortage of naphtha. I am told that they have suddenly discovered that naphtha is being shipped out of Kerala to some other State. If naphtha is there, it is there; if it is not there, it is not there. But if they are told that there is shortage of naphtha

and if they find that their own naphtha is sent somewhere else, it is likely to cause public discontent which may lead to an agitation. He should look into it.

श्री सतपाल कपूर (पटियाला) : मिस्टर डिप्टी स्पीकर सर, मैं पेट्रोलियम और कौमिकल मिनिस्ट्री की डिमान्ड्स को सपोर्ट करने के लिए खड़ा हुआ हूँ। अब तक इस मिनिस्ट्री ने और ओ० एन० जी० सी० ने जो काम किया है, अगर हम उन तमाम बाक्यों की तरफ ध्यान दें तो बहुत टाइम की जरूरत पड़ेगी। इसलिए मैं कुछ प्वाइन्ट्स ही आप की खिदमत में रखना चाहता हूँ। मैं एक बात साफ कर देना चाहता हूँ कि जितने स्कैन्डल्स, जितनी इन्क्वायरीज और जितने झगड़ों का मिस्टर इन्द्रजीत गुप्त ने जिक्र किया है और जो बातें मैं बताना चाहता हूँ इस सिलसिले में, उनका टाल्लुक मि० पी० सी० सेठी या मि० दलबीर सिंह से नहीं है क्योंकि वे लोग अभी कुछ दिन पहले ही इस मिनिस्ट्री में आए हैं।

एक माननीय सदस्य : कल चले जाएँ।

श्री सतपाल कपूर : कल चले जाएँ या नहीं, यह बात नहीं कही जा सकती। मैं इस बात को कह रहा हूँ कि मि० सेठी और मि० दलबीर सिंह दोनों बहुत एफीशियेन्ट हैं। मैं इस समय इस मिनिस्ट्री और ओ० एन० जी० सी० के जितने यूनिट्स हैं, उनकी तरफ नहीं जा सकता लेकिन एक दो यूनिट की तरफ ही आपका ध्यान दिलाना चाहता हूँ और इस आशा के साथ कि मि० सेठी और मि० दलबीर सिंह, इस मिनिस्ट्री में जो कुछ हो रहा है, उसको ठीक करने में मदद करेंगे और हम लोग भी उनकी इस काम में मदद करेंगे। मैं तो यह कहूँगा कि वे इस मिनिस्ट्री को कन्ट्रोल करने में बहुत कामयाब हुए हैं। अब तक जितने लोग इस मिनिस्ट्री को कन्ट्रोल करते रहे हैं, उनके कामों की ज्यादा बर्बादी नहीं करना चाहता, लेकिन मैं इतना जरूर कहना चाहता हूँ कि 1962 से लेकर 1966 तक हमारे देश में एक संकट का परिचय रहा है जबकि चीन ने हमका किया और पाकिस्तान के साथ जंग हुई

### [श्री सतपाल कपूर]

और इस संश्लेषण पीरियड में हमारे ओ० एन० जी० सी० के अफसरों ने अपने पर्सनल बेनीफिट के लिए, अपने प्रोफिट के लिए किस तरह से अन्डर-हैंड तरीके अस्तित्थार किये, उस तरफ आपका ध्यान दिलाना चाहता हूँ।

श्री गुप्त ने आई०सी०एस० आफिसर्स का जिक्र किया है। जहाँ तक इस डिपार्टमेंट का सम्बन्ध है जो चेयरमैन और सेक्रेटरी इस डिपार्टमेंट में रहे हैं, आई सी एस आफिसर्स रहे हैं उनका रोल काबिले जिक्र ही नहीं बल्कि काबिले मजमत है। यहाँ पर स्कैंडलज की कहानी शुरू होती है। मैं इन स्कैंडलज को आफिशल रिकार्ड्स के आधार पर आपको बता रहा हूँ। जो देहरादून का स्टोर है उसके हिसाब किताब में आडिट ने 4 करोड़ 11 लाख 992 रुपये की गड़बड़ी बताई है। वहाँ जो मैटीरियल है उसमें आडिट वालों ने 4 करोड़ 11 लाख 992 रुपये का स्कैंडल प्वाइंट आउट किया है। इसी तरह से 1962-63 में नम्बर आफ स्कैंडलज में उन्होंने एस्टीमेट किया है कि 1 लाख 97 हजार की गड़बड़ी हुई है। 63,300—damage due to the misuse of the machinery छोटी मोटी फिगरज तो हजारों में है।

1962-63 में दस करोड़ रुपये के बारे में आडिट ने आबजेक्शन किए हैं और बताया है कि स्टोर के हिसाब में सामान नहीं मिल रहा है। इसी तरह से 2 लाख 60 हजार रुपया बतौर डैमरेज के इस बास्ते दिया गया कि जो सामान मंगाया गया था उसको बक्स पर छोड़ा नहीं गया। इस तरह की और भी कितनी ही कहानियाँ हैं जो मेरे पास हैं और ये जो तमाम डिटेल्स हैं, इनको मैं मिनिस्टर साहब की खिदमत में पेश कर दूंगा। एक जीप भी जिसको सिक्वॉरिटी आफिसर पाकिस्तान ले गया और उस जीप में थे का भी वेंग था और उसको भी वह साब के गया।

मालूम ऐसा होता है कि ओ०एन०जी०सी० की कुछ ऐसी प्रैक्टिस रही है कि हर बात को दबा कर रखा जाए, कुचल कर रखा जाय, कोई चीज बाहर निकलने न पाए। जो आडिट आबजेक्शन होती है उनको भीट करने का हमारे आई०सी०एस० आफिसर्स ने एक तरीका निकाला। आडिट डिपार्टमेंट का एक आफिसर था श्री एस० बी० काबरा। उसको उन्होंने एटेम्प्ट किया और कहा कि आप परमानेंटली अपना डिपार्टमेंट छोड़ कर हमारे पास आ जाओ और उसको उसमें एबजाब कर लिया जायगा। पहले तो उस आफिसर ने डेपुटेशन पर जाने की रिक्वेस्ट की लेकिन डिपार्टमेंट से उसको एलाउ नहीं किया, आडिटर जनरल आफ इंडिया ने एलाउ नहीं किया। उसके बाद उस आफिसर ने वहा से रिजाइन किया और उसको ओ०एन०जी०सी० में एबजाब कर लिया गया। इसके बारे में आडिटर जनरल आफ इंडिया ने अपने कमेंट्स दिए जो आफिशल फाइल पर है। उन कमेंट्स में उन्होंने लिखा है :

"It is trading of the profession for achieving a personal gain."

आज वह वहाँ पर फाइनेशल एडवाइजर है।

श्री गुप्त ने इटैलियन फर्म का जिक्र किया है। वह दुस्त बात है। पांच करोड़ का हमने उनसे कांटेक्ट किया। कांटेक्ट पूरा नहीं हुआ, उन्होंने काम पूरा नहीं किया। हमें उनसे पांच कुएँ बनवाने थे। उन्होंने दो बनाए। 34 महीनों में उन्हें काम करना था। 26 महीनों में उन्होंने दो कुएँ बनाए और बाकी काम नहीं किया। लेकिन फिर भी हमने उनको पूरा पैसा दे दिया। समझ में नहीं आता है कि क्यों और किस खुशी में ऐसा किया गया। जब उन्होंने काम पूरा नहीं किया तो उन पर जर्मनी करना चाहिये था लेकिन उन पर मेहरबानी कर दी गई और पूरा पैसा अदा कर दिया गया। यह आटोमोमस बाडी है और कोई इसको चैलेंज नहीं कर सकता है, कुछ कह नहीं सकता है—

श्री के० एन० तिबारी (वैतिया) : तजी आप मांग करते हैं कि सबको आटोमोमि की जाय ?

श्री सतपाल कपूर : वह तो ठीक है लेकिन मिसयूज को रोकना भी हमारा काम है। मिस-यूज को कनफर्म करना हमारा काम नहीं है।

श्री अटल बिहारी वाजपेयी (ग्वालियर) : नेकी कर कुएं में डाल।

श्री सतपाल कपूर : इटैलियन फर्म हो या अमरीकन, इटली हो या अमरीका, आपको हम-दर्दी हो ही जाती है।

उपाध्यक्ष महोदय, आप यह भी देखें कि इटैलियन फर्म को जब कांट्रैक्ट दिया गया तो कोई ग्लोबल टेंडर भी काल नहीं किये गए।

अब तक प्रिक्रिटस यह रही है कि अगर कोई कांट्रैक्टर ठीक काम नहीं करता है तो उसको अगर पेमेंट कर दी जाती है तो अगली बार उसको काल नहीं किया जाता है। लेकिन यहां यह हुआ है कि पांच करोड़ की पेमेंट देने के बाद पांच करोड़ का उसी कांट्रैक्टर को और कांट्रैक्ट दे दिया गया अगले साल वह काम भी जब नहीं हुआ, उसने काम नहीं किया तो पेमेंट भी उसको कर दिया गया। इस तरह से उसको एक चांस और दे दिया गया। अब एक चांस उसको और न दे दिया जाए, इसका मुझे खतरा है। जो देना था वह तो दे दिया लेकिन आगे उसको और कांट्रैक्ट न दे दिया जाए, इसका मुझे खतरा है।

ड्रिलिंग के लिए हमने एक रिग खरीदी 75 लाख रुपये की। उसकी रिपेयर पर हमने दो करोड़ रुपये खर्च कर दिया। अब आप देखें कि लोग इतना टैक्स देते हैं और क्या यह वाजिब है कि उस टैक्स से जो इतना आपको आता है उसको इस तरह से आप मिसयूज होने दें। ऐसा अगर होता रहता तब तो इसका मतलब यह होगा कि पब्लिक सेक्टर को डेस्ट्रॉय कर दिया जाए। इस तरह से तो पब्लिक अंटरटेकिंग फेल ही होगे। पब्लिकसेक्टर की जो पब्लिक अंटरटेकिंग कमेटी हैं उसमें कंपनी रिपोर्ट में इसका जिक्र किया है।

एक फ्रांसीसी फर्म को दो करोड़ रुपये का बगैर ग्लोबल टेंडर काल किए हुए एक कांट्रैक्ट दे दिया गया। उस फर्म को हमको साढ़े बारह लाख रुपये बतौर हरजाने के देना पड़ा क्योंकि हम वक्त पर एप्रोमेंट साइन नहीं कर सके।

ओ०एन०जी०सी० में ऐसा मालूम होता है कि यह प्रिक्रिटस है कि कोई भी काम रूपी पेमेंट वाली कंट्रीज को न दिया जाए, हार्ड करेंसी वाली कंट्रीज को ही दिया जाए। मुझे ऐसा नजर आता है कि अगर रूपी पेमेंट वाली कंट्रीज को कोई काम दिया जाएगा तो वह रुपया एडजस्ट हो जाएगा और जो लोग इन टेंडर देने वालों के साथ डील करेंगे उनको परसनल बेनीफिट कुछ नहीं होगा। यूगोस्लाविया को एक भी टेंडर हमने नहीं दिया, कुछ फीसिलिटीज नहीं दी। जिनने टेंडर हमने दिये, जितने कांट्रैक्ट दिये ग्लोबल टेंडर काल किए बगैर दिये और सब हार्ड करेंसी कंट्रीज की फर्मों को, इटैलियन, अमरीकन फर्मों को दिये। परपज साफ है। वह रुपया हमारे अफसरों को बाहर का बाहर मिल जाता है और बाहर जमा हो जाता है। मैं आल सीरियसनेस के साथ यह बात कह रहा हूँ। सारे मामले की आप इनकवायरी कराएं तो सभी बातें निकल कर बाहर आ सकती है।

हमारे यहाँ बड़ा प्रोपेगैंडा किया गया गुजरात के बारे में कि ब्लैक गोल्ड वहाँ निकाला गया है। .....(अबधान) ..... 6 करोड़ रुपया हमने गुजरात में खर्च किया एजीबिड के एरिया में और बहुत प्रोपेगैंडा किया गया। उस 6 करोड़ रुपये का लास हुआ और सब काम बन्द हो गया। या तो काम जारी रखते तो बात समझ में आ सकती थी। लेकिन काम बन्द हो गया और 6 करोड़ रुपया हमारा गया।

फिर हमने कहा कि हमारे पास पूरा सामान नहीं है। 15 करोड़ रुपये का हमने जापान से एक जहाज मंगाया ड्रिलिंग के लिए। बल्ब की कोई बीमा कम्पनी उसका बीमा करने के लिए तैयार नहीं है। उस जहाज से काम लेने के लिए अब

### [श्री सतपाल कपूर]

पांच छोटे जहाज और चार करोड़ रुपये के बनाये जा रहे हैं ताकि उस जहाज की जो ड्रिलिंग मशीन बगैरह फिट होगी उनको कट्रोल कर सके। उसके लिए पांच और छोटे जहाज बनाए जा रहे हैं जिन पर 4 करोड़ रुपया खर्च होगा। उनका भी कोई बीमा करने के लिए मेरे ब्याल से तैयार नहीं होगा।

4 करोड़ रुपया जेकोस्लोवाकिया के पाइप के सम्बन्ध में जिसका जिक्का हो रहा है वह भी हममें आया। एन्क्वायरी हो रही है।

1 करोड़ रुपया हमने बर्मा शेल में कम वसूल किया क्योंकि हमने कूड आयल उनको ज्यादा दे दिया। हम अपने हिसाब किताब में दर्ज कम किए। मिस्टर सेठी हमकी इन्क्वायरी करेगे, बड़े बड़े अफसर इसमें फसेगे। यह 1 करोड़ रुपया हमने कम वसूल क्यों किया? वह आडिट का आन्वेषकन है। बाकी अभी आडिट की रिपोर्ट मिली नहीं है। एस०ओ० के बारे में जो आडिट की रिपोर्ट है वह अभी मिली नहीं है।

मिस्टर इन्द्रजीत गुप्ता ने ठकरू कमीशन की बात कही और उसकी एन्क्वायरी के तमाम रेगिड यहां पर बताए। लेकिन वह एन्क्वायरी तो अब बिलकुल खत्म होने की बात आ गई क्योंकि इस मिनिस्ट्री के सेक्रेटरी मिस्टर बी मुकर्जी ने यह कह दिया कि यह जो डाक्यूमेन्ट्स इस एन्क्वायरी में आए वह तमाम प्रिविलेज्ड डाक्यूमेन्ट्स है। हम दे नहीं सकते। इस एन्क्वायरी से हमें बड़ी उम्मीद थी कि इस एन्क्वायरी में बहुत सारी बातें आएंगी और बड़े बड़े लोग इसमें फसेगे लेकिन एक तरफ मिनिस्ट्री एन्क्वायरी करती है और दूसरी तरफ मिनिस्ट्री के सेक्रेटरी उसको सीबोटेज करते हैं। यह डबलरोल हम फेस कर रहे हैं।

15.00 hrs.

पब्लिक अंडरटेकिंग्स कमेटी और पब्लिक एकाउंट्स कमेटी ने इन तमाम बातों पर अपने

स्ट्रिक्चर्स दिए हैं। टाइम ज्यादा बढ़ी है। अब मैं आखिर में इन्मीडिएट जो बात चाहता हूँ इस मिनिस्ट्री की प्रोबलम्स को साल्व करने के लिए वह तीन चार बातें कहना चाहता हूँ जो कि बहुत जरूरी है। इन्मीडिएट। तो श्री बी० मुकर्जी, श्री एम०बी० राजवाड़े, श्री बी०एस० नेगी, चेयरमैन ओ०एन०जी०सी०, त्रिगेडियर एस सी व्यास, एल० जे० जानसन, एस०बी० काबड़ा और एन० एन० केशव यह जितने आफिसर हैं इनको सबको सस्पेंड कीजिए। रिमूबल से या ट्रांसफर से परपज सर्वे नहीं होगा। सस्पेंशन के बाद फिर आप जूडिशियल कमीशन बनाइए और वह जूडिशियल कमीशन इन तमाम बातों की जूडिशियल एन्क्वायरी करके कोई हल निकाले, जो जो मुलजिमान है उनको पकड़े, तब जाकर वह मामला साल्व होगा। इन्मीडिएटली मैं यह चाहता हूँ। जो फॉरिन तेल कम्पनीज है उनको नेशनलाईज किया जाये।

\*SHRI C. CHITIBABU (Chingleput) :  
Mr. Deputy Speaker, Sir, I am grateful to you for giving me an opportunity to participate in the discussion on the Demands for Grants of the Ministry of Petroleum and Chemicals.

Before I proceed further with my speech, I would like to point out that only two days back the Annual Report of the Ministry of Petroleum and Chemicals was distributed to the Members of this House. I am surprised to find in the first paragraph of the Introduction to this Report that Shri D. R. Chavan is the Minister of State in this Ministry. It is not beyond the capacity of the coterie of officials in this Ministry to add a corrigendum stating that Shri P. C. Sethi is the present Minister of Petroleum and Chemicals. I am firmly of the view that this omission on the part of Officers is deliberate and they are cock-sure that they can get away with whatever statements they choose to make in such a Report presented to the Lok Sabha. It is not merely that discourtesy has been shown to the Minister here, similar treatment was meted out to no less a person than the Chief Minister of Tamil Nadu, Kalsingar Karunanidhi. About 18 months ago, the highest dignitary of the State was not

\*The original speech was delivered in Tamil.

shown the elementary courtesy of being invited to the inaugural function of Manali Refinery near Madras. This is not an isolated incident. Recently twenty days back, when Shri C. Subramaniam presided over the inauguration of C. S. I. R. building complex at Adayar in Madras, again the same sordid story was repeated. It is not just a slip, but it is the result of bureaucratic prejudices. I would even go to the extent of stating that these were signs of bureaucratic overlordism and high-handedness. I would request the hon. Minister to issue directives to the undertakings under the aegis of his Ministry that such graceless behaviour and gruesome despotism on the part of officers will not be tolerated in future.

It is stated in the Report that the delay in the completion of the outer harbour project of Madras Port has greatly increased the cost of freight of transport of crude to the Madras Refinery, thereby effecting the economics of the refinery adversely. I would suggest that the hon. Minister should use his good offices with the Ministry of Transport and Shipping and see that the Madras outer harbour project is completed soon so that the Refinery does not undergo available losses.

Similarly, the Madras Fertilizer Factory was incorporated in December, 1966, but the project has not been completed within the target date. Commercial production is expected to commence in October 1971. One of the reasons advanced for the delay in completion is labour strikes. I would like the hon. Minister to examine this question earnestly and immediately and see that the project starts functioning at the earliest. When we import every year huge quantities of fertilizers, it is necessary that the projects undertaken within the country are completed on time.

The Indian Drugs and Pharmaceuticals Ltd. was incorporated in April 1961 and after a decade the gross sales turn-over has gone up to 11.60 crores of rupees. Before we start deriving a little consolation, we are confronted with the fact that the working results are likely to show a loss of around Rs. 7 crores. But a rosy picture is painted that the undertaking would break—even in its operations towards the end of 1971-72. This sort of complacency goes beyond the comprehension of even a gullible person like me; I do not know how to reconcile these two conflicting statements.

If you make even a cursory analysis of the causes you will find that there are many shortcomings inherent in the set-up. For example, after six years of its inception the Surgical Instruments Plant at Madras, the sales of this unit are a mere pittance of 47 lakhs of rupees. We see that this unit has received orders only from the U.S.S.R. and no other country seems to be interested in the medical instruments manufactured by this unit. Many a time we have seen reports in the Press that the machinery installed in this Unit is outdated and no modern instruments can be processed by it. The Public Undertakings Committee of Parliament have gone into this question and made some significant recommendations. I would suggest that the Ministry should examine these recommendations in all seriousness and implement them vigorously so that this unit becomes a profitable one.

Every year we find that our import bill on crude oil is mounting up and it has gone up now to Rs. 133 crores. I do not know for how long we will be in a position to waste our precious foreign exchange. We should be enlightened by the hon. Minister as to the steps taken by the Ministry for achieving self-sufficiency in our crude oil requirement.

The Tamil Nadu Government have acquired 6000 acres of land at Tuticorin with the noble intention of industrialising this backward area, by setting up several units for the manufacture of cement, chemicals, and fertilizer. You are aware, Sir, that the port of Tuticorin is being developed into a major port. If we want to industrialise this area, then coal, the essential ingredient, has to come over a long distance from Bengal. If the Centre establishes a Refinery Unit at Tuticorin, the fuel requirement of the industries can be met by the oil produced in the Refinery.

The Tamil Nadu Government, after realising the future requirements of the State for sound economic growth, have been urging the establishment of a Petro-Chemical Complex at Manali. The Engineers India Ltd., entrusted with the work of economics of the complex, have prepared a feasibility report also. The feasibility report reveals that favourable conditions exist for the setting up of this complex. But the Government here seems to be oblivious of the importance of such a complex at Manali. I would appeal to the hon. Minister to initiate immediate action in this regard.



[Shri C. Chittibabu]

As early as May 1970, the Tamil Nadu Government sought the clearance from the Central Government for the establishment of a Naphtha Cracker unit. When we are importing 5½ lakh tonnes of Naphtha annually, this proposal, which is pending before the Government here, assumes greater urgency. If permission is not given to set up this unit, the co-sponsors of this project, the I.C.I. (P) Ltd. have threatened to go to Singapore for this purpose. I would request the hon. Minister to look into this proposal and do the needful. Yet another proposal awaiting clearance from the Central Government relates to the setting up of a Nylon Factory in Tamil Nadu. This also requires the immediate attention of the hon. Minister.

Mr. Deputy Speaker, Sir, the long coast line of Tamil Nadu has not yet been tapped for locating oil and no off-shore drilling programme has been undertaken though the possibilities of finding oil underneath the sea are great. The exploration of oil in the Cauvery Basin has been attempted in a half-hearted manner. I would demand of the hon. Minister that he should spare no efforts to tap the vast underground wealth.

Instead of oil, a murky stream of malpractices is meandering its way through the Oil and Natural Gas Commission. Recently, the country was rocked by the scandalous misappropriation of Rs. 50 lakhs. I would urge that a Commission of Inquiry should be set up to go into the shady deals of O. N. G. C. The Public Accounts Committee have made caustic comments and suggested certain remedial measures. If the Government fail to implement them, the people of the country will lose their implicit faith in the good intentions of the Government. Just as many State Governments fell like a pack of cards, the same fate will overtake the Centre also once the malpractices in the governmental institutions go unchecked.

In conclusion, I would request the hon. Minister to expedite the issuance of clearance to the schemes of the Tamil Nadu Government. I begin to doubt whether the Officers here have no time to attend to this work or they have no mind to devote. The Central Government

should give its concurrence to the proposal of the Tamil Nadu Government for setting up a petro-chemical complex.

I have confidence in the ability of Shri Sethi, a young man of verve and versatility. I am sure he will bend his energy to clear the Augean stables in his Ministry. I request him to bestow his personal attention to the clearance of schemes proposed by Tamil Nadu Government.

With these few words, I conclude.

SHRI B. V. NAIK (Kanara): Mr. Deputy-Speaker, Sir, I support the Demands for Grants that have been placed before the House by the Ministry of Petroleum and Chemicals.

In the administrative Report that has been presented by the Ministry, particularly, in the section of chemicals, I did a sort of home-work regarding production capacity *viz* the actual production. I found to my surprise that in almost everyone of the 194 cases of varying types of chemicals, their installed capacity far out-strips the actual production. I also found to my surprise that the only commodity in which our installed capacity exceeds our actual production, and unless it is a printing error, it looks to me that our actual production is 300 % our installed capacity of 2000 kg per annum. What should that commodity be? It is opium alkaloid. It looks very ironical that this country, in spite of all its chemicals, semi-chemicals and all the rest, is good enough only in producing a sort of a hallucinatory drug. Therefore, I would like to draw the attention of the hon. Minister for Petroleum and Chemicals that the existing utilisation of our installed capacity, whether it be fertilisers or chemicals or any other sector of our production, both in the public as well as the private sector, is woefully low. I hope the Ministry will look into these figures and try to find out why our production of sulphur is low, and why our production of sulphuric acid is low and, therefore, why our super-phosphate production is low, and whether the cause is only raw materials. I think unless and until we have done a thorough investigation as to the reasons we will not find a solution. In regard to over production of opium alkaloid whether this has anything to do with the international racket of these drugs and the reason as to why we are

producing 6504 kg with an installed capacity of 2000 kgs. If this investigation is done, it would be a great thing.

Then, I am coming to the next item which inspired me to come to this subject relating to chemicals. In the State of Mysore, in my constituency of North Kanara a letter of intent has been given to one of the monopoly houses, M/s Karam Chand Thapar, an East Indian's monopoly house of this country and the letter of intent issued by the Ministry is in favour of Ballarpur Paper & Straw Boards Ltd. It took me a lot to find out from the grass-roots or from the State Government right up to the Government of India as to who was the benefactor in my district who was building up caustic soda factory the details of which I will not dwell upon. But, I would mention here as to what has happened in giving this letter of intent by the erstwhile Government of Mysore—just now the hon. Member was talking about corruption in high places and officials of the Government of India—let me also say something about it. I don't want them to be exonerated. They should be punished. Let me also state as to how corruption flourishes even in all high places. The erstwhile Government of Mysore which has now gone out of power and the persons who took that decision granted this gentleman Licence for a caustic soda factory of, as far as I know, about 30,000 tonnes of caustic soda per annum—my figures are subject to correction, as I told you before it was hard to reach the source of information. We have no quarrel at all if industrialisation of our State and my district has taken place and progressive industrialists come forward in our country. In our State, exactly three miles from my headquarters or my native place, the Government of Mysore through the agency of the Mysore Industrial Areas Development Board is acquiring land from poor peasants of the coastal areas who own no more than 20 or 30 guntas and this is being procured at a rock bottom price in order to produce salt, the common salt, that is needed for this industrial magnate of East India.

They have been running away from West Bengal, and were invited on a red-carpet by the erstwhile Government of Mysore. This is the injustice done to the people of my constituency. Government acquires land and it is stated that the land is needed for Government purposes. State Government acquires it from

poor peasants, at low price, to produce common salt. Mr. Kapoor Chand Thapar, of one of the monopoly houses has stated that the raw material will be locally produced. But what happens? The poor peasants of my constituency have to part with their lands at low price. The paddy fields are converted into salt pans for this purpose and these big sharks are operating through the State Government of Mysore. I request the Minister to kindly investigate and see that the injustice done to the poor cultivators of my district is no longer perpetrated.

When I talked to senior officials, including Chief Secretary and others, they told me that, if necessary, they will shift the factory to South Kanara. This is a thing which goes against the pace of industrialisation. We are not interested in any sort of rivalry between south and north Kanara districts. Further enquiry should be held in this shady deal that has been indulged in by the business houses.

I now come to fertilisers. 500 million tonnes of fertilisers is equal to 1.3 million tonnes of nitrogen. There was reference by an honourable member of some conspiracy between vested interests in high places. In 1968, there was a reversal of the policy of controlled distribution of fertilisers in this country. Previously fertiliser was distributed at uniform price as per the old orders to every cultivator in the country. Because of the pressure of the private sector this policy was reversed in 1968. The private sector said that there should be free sale and competition, and that they had got capacity for production of fertilisers etc. This pressure reversed the existing policy in 1968. The Minister of Petroleum and Chemicals may say that this is not his concern, as it concerns the Ministry of Agriculture. The Ministry of Agriculture will say, it is the Ministry of Railways who are to coordinate in this. And so, it will go on being shifted. In planning national priorities the formula adopted was that we should have big fertiliser concerns in the country. But these big concerns should not dictate the policy to the Government of India.

I would say that as in some of the other countries with advanced farm techniques, we do not have a farm lobby here. In these circumstances, whenever there is a rise in food prices, there is a furor particularly from my hon.

[Shri B. V. Naik]

friends opposite, whether they belong to the Left or to the Right, who represent the interests of the people who make the maximum amount of noise, namely the urban interests against such rise in food prices. Whenever there is a rise in prices whether of wheat or of rice or any other food commodity, particularly our leftist friends always take up the cause of the urban industrial working classes but the interests of the rural classes are never taken up when it is a question of the control of farm input, prices. Farm prices are sought to be controlled as far as farm outputs are concerned, but when it comes to the question of the fertilisers and other inputs, the most prevailing voice is the voice of the oligopolistic sector which is concerned with high margin of profits whether with insecticides or with fertilisers or other agricultural inputs. I would, therefore, say that in formulating this programme, in formulation the production schedules or other details in regard fertilisers etc. the unheard voice of the farm lobby, the non-existent and silent farm lobby in this country will have to be heeded to and it will have to be divined if not heard and thereafter the policy decisions will have to be taken. A lot of changes political, social and economic have taken place since 1965, and my party has come back with a fresh mandate of giving social justice to the people. If we cannot render them that social justice in the form of immediate lower prices for food-grains, I think it could be the positive policy of the Ministry of Petroleum and Chemicals as well as the Ministry of Railways as well as the Ministry of Agriculture at least to positively bring down the prices of fertilisers and farm inputs. This is the minimum that I would like to plead.

Since incidentally it is a case of the equitable distribution and social justice of the petro-chemical complexes and since the Mysore State conspicuously lacks in this, though it has got all the rest of the facilities, for a petro-chemical complex and since the Western Coast of Mysore State affords a very good possibility for such a project I would urge the hon. Minister of Petroleum and Chemicals to give his attention to this matter.

15.28 hrs.

[SHRI K. N. TIWARY in the Chair]

THE DEPUTY MINISTER IN THE  
MINISTRY OF PETROLEUM AND

**CHEMICALS (SHRI DALBIR SINGH) :**  
I would deal only with a few limited subjects in my Ministry. First of all, I want to deal with the drug industry in the country.

The drug industry in India consists of nearly 100 large and medium scale units and more than 2800 small scale units including those manufacturing Homoeopathic drugs. Of these, 64 firms both in organised and small scale sector have a measure of foreign ownership or control.

On the eve of Independence, most of the bulk drugs used to be imported and only processing and formulation was done here. Since then, however, due to various steps taken by Government to achieve a regulated development of the industry, drugs and pharmaceuticals has attained the status of a major industry. Continuous efforts are being made to increase the indigenous production of bulk drugs and to replace the imported intermediates and basic chemicals by indigenous material to reduce the import bill as far as possible. As a result of the development in various technologies more and more indigenous materials are being used for the basic manufacture of different drugs.

In terms of value the industry is now one of the largest amongst the chemical based industries with an estimated production value of over Rs. 250/- crores compared to Rs. 12 crores in 1948. The ratio of pharmaceutical production to total chemical production in terms of value is roughly 2/3rd. The current capital investment in the industry is estimated at Rs. 150 crores as against Rs. 24 crores in 1952 and Rs. 56 crores in 1962. By the end of the Fourth Plan period, i.e. 1974-75, the capital investment is expected to be of the order of Rs 200 crores.

Questions have been asked regarding prices, which is a very important factor. During the year 1970-71, Government introduced a new Price Control Order called the Drugs (Prices Control) Order, 1970. The prices of drugs were already under statutory control but the earlier Orders issued in 1962 and 1963 had merely the effect of freezing the prices of products as on 1.4.1963. By the Drugs Prices (Display & Control) Order, 1966, a system of selective increases was introduced but it was made obligatory for the manufacturers to obtain prior approval of Government before increasing the

prices. There were, however, complaints that the prices of drugs in India were high and should be brought down while the industry was also critical of the price control measures. In 1966, Government referred 18 essential drugs to the Tariff Commission for examining their cost structure and recommending fair selling prices. Based on the recommendations of the Tariff Commission, a comprehensive order called the Drugs (Prices Control) Order, 1970 was issued on 16.5.1970 in supersession of the earlier orders. The salient features of the Order are :

1. The selling prices of 17 essential bulk drugs have been fixed ;
2. Prices of other bulk drugs have been frozen at the level prevailing in May 1970 ;
3. A revised formula for calculating retail prices of drugs have been prescribed ;
4. The minimum rates of commission payable to dealers—wholesale and retail—have been fixed.

Prior approval of the Government is necessary to the revision of prices once fixed and also for the prices of the new packs and new formulations.

Special features of the pharmaceutical industry are different prices prevailing for identical products manufactured by different units. Generally speaking, there have been three sets of prices in market of formulations ;

1. Prices of products of larger companies particularly foreign controlled ;
2. Prices of medium scale units and leading small-scale units ; and
3. Prices of small-scale units with localised market.

Any rational and equitable drug price control system has to take into account this differential price situation and must aim at bringing the leaders' prices down to a reasonable level, while enabling the small and medium-scale units to move up their prices to fair levels where merited and at the same time providing sufficient

room for competitive forces to act between the different classes of manufacturers and products. The present price control order is very comprehensive and provides a framework within which the different prices of packs could be conveniently adjusted in relation to cost profitability, compulsion of growth and other relevant aspects. As a result of the price rationalisation aimed at by the Price Control Order, prices of about 45% products of 114 leading manufacturers have come down while in about 11%, the prices have increased. The prices of other products remain stationary. In all cases of increase the reason was the increase in cost of raw materials and other costs. Even here, care has been taken to keep the increases as low as possible. It is estimated that as a result of the price control measures the benefit to the consumer would be of the order of Rs. 20 crores.

During the year 1970-71, Government had also decided to canalise the imports of certain important bulk drugs and intermediates through State Trading Corporation. In respect of most of them indigenous production has been established but the present production is not adequate to meet the country's demand. In these cases, there is no merit in allowing actual users to import their requirements without ensuring a corresponding benefit for the consumer in the price of formulations and without safeguarding users of indigenous material against unfair price competition. Often the price of the imported material is cheaper than the prices of drugs at uniform prices to all formulators and get advantage of price reduction in imported material passed on to consumers. Government has evolved a system of pooling whereby the indigenous and imported materials are pooled and sold at a uniform price on the basis of weighted average.

One of the consequences of the new price control measures is the severe competition which the small-scale units in the organised sector, specially those which are foreign-owned or foreign-controlled have. In order to assess their difficulties and take suitable remedial measures, Government appointed a Small-Scale Study Group which has since submitted its report. Government have accepted many of the recommendations of the Small-Scale Study Group. Government are also considering the recommendations relating to reservation of certain formulations for the small-scale sector.

[Shri Dalbir Singh]

In this connection, it is also relevant to deal with the performance of I.D.P.L. and Hindustan Antibiotics Ltd.

The three plants of the IDPL, namely, the Antibiotics plant, Rishikesh, the Synthetic Drug Plant, Hyderabad and the Surgical Instruments plant, Madras are making satisfactory progress. The antibiotics plant has been able to resolve its major technological difficulties connected with the commissioning and stabilisation of products. The Company is also faced with the erratic and inadequate supply of power from the U.P. State Electricity Board. The interrupted and inadequate power causes financial loss to the company and the matter has been taken up with the Chief Minister also.

The production in the Synthetic Drugs project, Hyderabad has improved considerably and is at present 80 per cent of the installed capacity. The production is expected to improve still further.

The major problem faced by the Surgical Instruments Plant was the lack of demand for its products. The position has since improved and the plant had in April 1971, orders worth Rs. 49.39 lakhs. The level of production is about four times higher than that during the last year. The plant is expected to improve its performance during the current year.

The total sales of the products of this company during 1970-71 were of the order of Rs. 11.78 crores and during 1971-72, the sales are expected to be of the order more than Rs. 21 crores.

This public sector undertaking has been showing losses since its inception. The extent of losses has, however, declined from Rs. 918.44 lakhs in 1969-70 to Rs. 710.50 lakhs during 1970-71. It has to be recognised that its operational results and profitability have been affected due to diverse factors over which it has no control, not the least of which being the erratic and inadequate supply of power to the plant at Rishikesh. There was a major power break down recently resulting in an avoidable loss of Rs. 32.3 lakhs. Despite the inhibiting factors, the Company has been making determined efforts, to turn the corner and the

management hopes that, if no other imponderables intervene during the current year, the Company will make a small profit in 1972-73.

I would also like to deal with The Hindustan Antibiotics Ltd. It is one of the undertakings which has shown profit over the years, declared dividends and financed expansion from the funds generated by it. The dividend declared for the past few years up to 1969-70 was 10 per cent. During 1970-71, however, due to certain production problems, the company could not do so well as in the past. The main problems faced by this company are : (i) frequent power failure; (ii) frequent break-down of machinery on account of ageing; (iii) high percentage of rejects in the case of penicillin and (iv) shortage of quality soyabean in the case of streptomycin. The company is fully alive to these problems and taking adequate remedial measures. In the competitive field of drugs, it may not be possible for the company to maintain the present position for long.

The two public sector undertakings account for about 6 per cent of the total production of drugs in the country. It is no doubt small, but this is not surprising, considering the fact that there are more than 2800 units in the drug industry, including 65 foreign owned/controlled firms. The production of bulk drugs in the two public sector units is of the order of Rs. 9 crores as against the total production of about Rs. 35 crores in the country.

Both the units are growing and I have no doubt that they will be able to occupy a viable position in the drugs field in no distant future. I may also touch a few points regarding petrochemicals. Members have also shown interest and raised points on petro-chemical industries. We are far advancing in this field also and I would like to refer here to the Gujarat Petrochemical Complex which has three basic units. The first of these, the benzene unit has already been commissioned. The second, the aromatics plant is under erection and will be commissioned towards the end of the Fourth Plan. Altogether, in the complex, we shall have facilities for production of 1,20,000 tonnes of plastics, 20,000 tonnes of synthetic rubber, 68,000 tonnes of fibre intermediates and 30,000 tonnes of detergent raw materials.

We plan to produce 64,000 to 65,000 tonnes of synthetic fibres. This will substantially

relieve the pressure on cotton and wool and also meet the growing preference of the consumers for synthetic fibres. Members are aware that we are importing very large quantities of cotton and wool every year and spending more than Rs. 100 crores yearly on these imports. The production of these fibres would go a long way in reducing fibre and cloth shortages and relieve strain on foreign exchange.

The production of synthetic rubber will meet the gap between the demand and availability of rubbers in India. This is a very important and strategic raw material for the manufacture of tyres, tubes, belting and several other industrial and consumer products and we would be able to meet the demand of rubber processing industries by the execution of this project.

Members are aware that plastic have enormous possibilities of substitution of metals, glass, rubber and many other traditional materials. Our production of plastics will meet this gap between the availability of natural materials and growing demand.

In order to expedite the completion of these projects, therefore, much advance planning has to be done. I am confident that the projects that have been undertaken to be completed in the Fourth Plan will be so completed.

**डा० लक्ष्मीनारायण पांडे (मंदसौर) :** सभापति महोदय, अभी पेट्रोलियम और रसायन मंत्रालय की मांगों पर जो चर्चा हो रही है, इस विषय पर मैं यह कहना चाहता हूँ कि यह मंत्रालय प्रकृति द्वारा जो सम्पदा प्रबल है, उस को लेकर चलाता है। रसायन और तेल हमारे राष्ट्रीय अर्थ जीवन में महत्वपूर्ण योग देते हैं। इनके द्वारा हम केवल विदेशी मुद्रा का ही अर्जन नहीं पाते अपितु विदेशी मुद्रा का जो भार बहुत सी वस्तुएं बाहर से मंगाने पर हम पर पड़ता है, उसको भी कम कर पाते हैं। इस दृष्टि से इन सारी वस्तुओं को देबना चाहिए। अभी सदन में चर्चा आई कुछ कम्पनियों के बारे में, उनकी कार्य प्रणाली के बारे में, पेट्रोलियम प्रोडक्ट्स और उससे सम्बन्धित कुछ वस्तुओं के बारे में, आई० ओ० सी० के कार्यकलाप के बारे में, तथा ओ० एन० सी० सी० के कार्यकलाप के बारे में।

मैं उन बातों को दोहराना नहीं चाहता जो कि सदन में कही जा चुकी हैं, लेकिन माननीय सभापति महोदय, यह बात निश्चित है कि यदि कोई कर्मचारी या कोई अधिकारी बैठ कर कोई गड़बड़ घुटाला करता है और लम्बे समय तक विभाग या मंत्रालय द्वारा उसकी उपेक्षा की जाती है, तो सार्वजनिक हित में यह बात नहीं रहती कि हम उस मंत्रालय पर किसी प्रकार का भरोसा कर सकें या उस मंत्रालय पर अधिक समय तक हम विश्वासपूर्वक कोई बात करें। अभी श्री इन्द्रजीत गुप्त ने आई० ओ० सी० के चेयरमैन के बारे में कहा। मैं उनकी इस बात का समर्थन करता हूँ और मैं यह निवेदन करूँगा कि कश्यप महोदय के विषय में यदि वास्तव में कोई जांच करनी है तो उन्हें सस्पेंड करके ही वह जांच की जा सकती है, उनके चेयरमैन बने रहने पर वह जांच ठीक नहीं होगी, ठीक ढंग से नहीं होगी, क्योंकि मुझे अच्छी तरह से मालूम है और यदि माननीय मंत्री महोदय जानना चाहें तो मैं विस्तार से उनको सब बातें बता सकूँगा कि कश्यप महाशय ने अपने कर्मचारियों के साथ क्या व्यवहार किया है। एक अच्छे इंजीनियर को उन्होंने इसलिए हटाया क्योंकि कश्यप महोदय के भ्रष्टाचार के अन्दर वे साथ नहीं दे पाते थे। मैं उनका नाम नहीं बताना चाहता हूँ क्योंकि बहुत से मामले कोर्ट के अन्दर हैं जिनमें करोड़ों रुपयों का घुटाला है और उन करोड़ों रुपयों के घुटाले की अगर आप ठीक से जांच करा सकें तो अधिक अच्छा होगा। यद्यपि इसके बारे में आपने कमीशन बैठाया है वह ठीक से काम कर सके और उत्तरदायित्व को ठीक से निभा सके इस हेतु मेरा ऐसा विश्वास है कि आपको कश्यप महोदय को हटाना जरूरी है। आई० ओ० सी० के बारे में और भी बहुत कुछ कहा गया है। उसके स्टोर्स से अन्दर बहुत घुटाला है, दूसरी चीजों में भी बहुत कुछ घुटाला है, उसका फिजिकल वेरीफिकेशन नहीं किया गया है, इस प्रकार की जो बातें कही गई हैं, मैं चाहूँगा कि मंत्री महोदय, हमारा विश्वास प्राप्त करने का प्रयत्न करें और इस विषय में बुद्धतापूर्वक कार्यवाही करें।

### [डा० लक्ष्मीनारायण पांडे]

मैं यह निवेदन करना चाहूंगा कि हमारे यहाँ जो प्रकृति द्वारा प्रदत्त सम्पदा है जैसे गैस, रसायन और दूसरी वस्तुएँ, उनका ठीक से उपयोग नहीं हो रहा है। यह बात जरूर है कि गुजरात के अन्दर कुछ गैस के बारे में, कुछ तेलों के बारे में प्रयोग किये गये हैं और वहाँ पर बहुत कुछ प्राप्तिया हुई हैं लेकिन मैं यह कहना चाहूंगा कि गुजरात में जो गैस की प्राप्ति है, उसका सही अच्छा और पूरा उपयोग हो सकता है लेकिन आप के गैस आयोग के और गुजरात सरकार के बीच कुछ इस प्रकार का विवाद रहा है, इस प्रकार की कठिनाइयाँ हैं जिनके कारण आज तक वह विवाद हल नहीं हुआ है और वह गैस अभी तक उपयोग में नहीं लाई जा रही है। मैं माननीय मंत्री जी से निवेदन करना चाहूंगा कि मैं इस सम्बन्ध में कुछ कदम उठाएँ और वह गैस प्रयुक्त हो। वह गैस बेकार जा रही है। राज्य सरकार और गैस आयोग में जो कीमतों को लेकर विवाद चल रहा है, उन कीमतों के तय न होने के कारण और उस विवाद के हल न होने के कारण, जो हमारी बहुत महत्वपूर्ण उपलब्ध या बहुत महत्वपूर्ण प्राप्ति है उस महत्वपूर्ण प्राप्ति को हम ठीक से उपयोग में नहीं ला रहे हैं।

एक बात की ओर मैं और मंत्री जी का ध्यान दिलाना चाहूंगा। माननीय मंत्री जी ने सम्भवतः अपने 18 जून अथवा 19 जून को रतलाम स्टेशन पर पत्रकारों के मध्य कहा था कि हम विदेशी तेल कम्पनियों का राष्ट्रीयकरण करने का विचार कर रहे हैं। मैं मंत्री महोदय से यह जानना चाहूंगा कि आखिर उन्होंने यह बात किस सदर्भ में कही थी? क्या वे विदेशी तेल कम्पनियों का राष्ट्रीयकरण करने का विचार रखते हैं अथवा विदेशी तेल कम्पनियों के राष्ट्रीयकरण के बारे में उन्होंने कोई नीति तय की है? विदेशी तेल कम्पनियों के बारे में कोई स्थिर नीति अब तक नहीं बन पाई है और इसी कारण से हमारे यहाँ विदेशी तेल कम्पनियाँ अधिकार जमाएँ हुए हैं, स्वामित्व जमाएँ हुए हैं और हमारी जो कार्य प्रणाली है, उस कार्य प्रणाली को बार-बार प्रधा-

वित करने का प्रयत्न करती है। मैं इस सम्बन्ध में स्पष्ट जानना चाहूंगा, जैसा कि मैंने आपसे निवेदन किया है कि मेरी जानकारी में यह आया है कि पिछले महीने की 18 या 19 जून को क्या हमारे माननीय मंत्री सेठी जी ने रतलाम स्टेशन पर पत्रकारों के बीच में इस प्रकार की कोई चर्चा की थी?

इसी प्रकार से मैं समझता हूँ कि हमारा जो उत्पादन का लक्ष्य पेट्रोलियम, पेट्रो-केमिकल्स के बारे में या पेट्रोलियम प्रोडक्ट्स के बारे में है, उस उत्पादन के लक्ष्य को हम ठीक से पूरा नहीं कर पा रहे हैं। उस उत्पादन का जो लक्ष्य है, उस लक्ष्य को प्राप्त करने में चौथी पंचवर्षीय योजना में यद्यपि आपने 181 करोड़ रुपये का प्राविधान किया है लेकिन इतना सब होते हुए भी शायद हम अपने लक्ष्य पर न पहुँच पायें।

सभापति महोदय : दो मिनट और आप ले लीजिए और समाप्त कीजिए।

डा० लक्ष्मीनारायण पांडे : हमें 11, 12 मिनट मिलने चाहिए। अभी तो मैंने कम समय लिया है।

सभापति महोदय : बस दो मिनट और ले लीजिए।

डा० लक्ष्मीनारायण पांडे : मैं निवेदन करना चाहता था कि चौथी पंच वर्षीय योजना में इतना पैसा रखने के बाद भी यह कहा गया है कि अभी हमें बहुत सारा इम्पोर्ट इस मामले में करना पड़ेगा।

अब मैं केरोशिन के बारे में आपका ध्यान आकर्षित करना चाहूंगा। पेट्रोल और केरोशिन के घाम निरन्तर बढ़े हैं और केरोशिन के बारे में तो यहाँ सदन में और बाहर भी बार-बार कहा गया है कि उसके भाव निरन्तर बढ़े हैं और उसका ब्लेक हो रहा है। इसकी तरफ यदि आपने ध्यान नहीं दिया और उसका उत्पादन

नहीं बढ़ाया, तो मैं समझता हूँ कि यह कठिनाई बनी रहेगी।

इसके साथ-साथ मैं कुछ पेट्रो-केमिकल्स के बारे में कहना चाहूँगा। हम अपने देश के अन्दर बहुत से केमिकल्स तैयार कर सकते हैं और उससे बहुत सारी विदेशी मुद्रा बचाई जा सकती है। उस पूँजी को बचाने का हम प्रयत्न करें। मैं समझता हूँ कि यह एक बहुत बड़ा उपादेय काम होगा। मैं केवल एक ही रसायन की तरफ आपका ध्यान आकर्षित करना चाहता हूँ और वह है फिनइल एसेटिक एसिड।

"Phenyl-acetic acid is a useful chemical required in the manufacture of many products. The largest single use of phenyl-acetic acid is in the form of 64 per cent aqueous solution of its potassium salt as a penicillin precursor. It helps to increase the yield of benzyl penicillin by addition to fermentation liquor.

Another use of phenyl-acetic acid is in the production of phenyl-acetone needed for amphetamine manufacture. Many esters of phenyl-acetic acid are used in perfume and flavour industries.

In the medical field, phenyl-acetic acid esters have been prepared having spasmolytic, local anaesthetic and cough-relieving properties.

In the agricultural field, derivatives of phenyl-acetic acid have been prepared possessing herbicidal properties of a broad range of weeds".

इस प्रकार से एक ही रसायन का मैंने उदाहरण दिया है। इस प्रकार के बहुत से केमिकल्स हैं जिनको हम अपने यहां तैयार कर सकते हैं जो केवल औषधि के उपयोग में ही नहीं बल्कि ऐग्रीकल्चर के उपयोग में लाये जा सकते हैं और इसके अलावा और दूसरे उपयोगों में भी लाये जा सकते हैं और हमारे काम लायक हो सकते हैं।

सभापति महोदय, अब मैं कुछ अपने मध्य प्रदेश के सम्बन्ध में कहना चाहता हूँ। मध्य प्रदेश सरकार कोरबा के अन्दर फटिलाइजर प्लांट के बारे में बार-बार यह निवेदन करती रही

है कि हमारे यहां कोरबा में फटिलाइजर प्लांट लगाया जा सकता है।

केन्द्र सरकार ने अपनी 1969-70 की मन्त्रालय की रिपोर्ट में कहा था हम उर्वरक कारखाने की वहां पर स्थापना करने जा रहे हैं, उसके ऊपर विचार किया जा रहा है और उसके बाद 1970-71 की रिपोर्ट में इन्होंने फिर यही बात दोहराई कि हम वहां कारखाना स्थापित करने का विचार कर रहे हैं या स्थापित करेंगे। लेकिन कोई निर्णयात्मक कथन नहीं है। मैं चाहता हूँ कि इसके बारे में आप जो आपका निर्णय है उसकी घोषणा करें। गुजरात के अन्दर आप एक कारखाना स्थापित करने जा रहे हैं। वह कहाँ होगा? इसका भी अभी संभवतः निर्णय नहीं हुआ है। फटिलाइजर की मांग हमारे देश में उत्तरोत्तर बढ़ती जा रही है। हमारे यहां साधन मौजूद हैं, रा मैटीरियल मौजूद है, सब कुछ है लेकिन हम उसका उपयोग नहीं कर रहे हैं। कारखाना स्थापित नहीं कर रहे हैं या उसमें निरन्तर विलम्ब कर रहे हैं। लेकिन दूसरी तरफ आप देखें कि हम बाहर से दो सौ करोड़ रुपये का फटिलाइजर मंगा रहे हैं। जब हमारे देश में फटिलाइजर कारखाना स्थापित हो सकता है और यहां उसका उत्पादन हो सकता है तो आप उसको स्थापित क्यों नहीं कर रहे हैं। साथ ही साथ सिंदरी का फटिलाइजर कारखाना, फटिलाइजर एंड केमिकल्स, त्रावणकोर, तथा मद्रास आदि के अन्दर जो फटिलाइजर कारखाने हैं उनकी जो क्षमता है उसको बढ़ा कर आज देश में फटिलाइजर की जो मांग है, उसकी बहुत कुछ पूर्ति कर सकते हैं। रिपोर्ट में स्वीकार किया गया है कि इसके उत्पादन में जिस लक्ष्य तक पहुंचना चाहिये था वह लक्ष्य पूरा नहीं हुआ है और हमारा उत्पादन मिरा है। आज ही मंत्री महोदय ने मेरे एक अतिरिक्त प्रश्न के उत्तर में स्वीकार किया है कि इसका उत्पादन आवश्यकताओं के अनुरूप नहीं है तथा उत्पादन में गिरावट भी आई है। मैं चाहता हूँ कि इस और आपका तत्काल ध्यान जाए। कोरबा में फटिलाइजर कारखाना भी आप स्थापित करें।



### [डा० लक्ष्मीनारायण पांडे]

जहाँ तक शैषजिक उद्योग का सम्बन्ध है, सरकार ने बार बार घोषणा की है कि हम बहुत सी औषधियों का आयात बन्द करना चाहते हैं। खास तौर पर टेढ़ा साइकलीन, आक्सी-टेढ़ासाइकलीन, पैनिंसिलीन, पैनिंसिलीन जी, बी कम्प्लैक्स, विटामिन सी, बी 1, बी 2 आदि तथा अन्य कुछ और औषधियों का आयात तो बिल्कुल बन्द करना चाहते हैं। लेकिन दूसरी तरफ सरकार कहती है कि इन औषधियों को बाहर से मगाना सस्ता पड़ता है। बाहर से अगर इनको मगाना जाता है और ऐसा करना सस्ता पड़ता है अगर ऐसी बात आपके दिमाग में रहेगी तो कभी भी आप इनका आयात बन्द नहीं कर सकेंगे। हिन्दुस्तान एटिबायोटिक्स पिम्परी, एटीबायोटिक्स ऋषिकेश और सिथेटिक ड्रग्स हैदराबाद, दवाइयों के उत्पादन के मामले में काफी सक्षम सिद्ध हो सकते हैं। लेकिन इसके लिए आपको सतत प्रयत्न करने होंगे। आपने कहा है कि बहा उत्पादन में गिरावट आई है, उनकी कार्यक्षमता ठीक नहीं है। आप उनकी कार्यक्षमता को ठीक करें। प्रोडक्शन में जो फाल आया है, उसको देखें और जिन कारणों से वह आया है, उन कारणों को दूर करें। ऐसा आपने किया तो मैं समझता हूँ कि हमारी दवाइयों की जो आवश्यकताएँ हैं, उनको हम अपने यहाँ उत्पादन को बढ़ा कर ठीक कर सकते हैं, उनको पूरा कर सकते हैं।

हमारे यहाँ मध्य प्रदेश में कास्टिक सोडा और सोडा ऐश के उत्पादन की काफी सम्भावनाएँ हैं। गुजरात भी इसके लिए काफी सक्षम है। बहा पर उत्पादन काफी मात्रा में होता भी है। मैं चाहता हूँ कि आप मध्य प्रदेश से सोडा ऐश और कास्टिक सोडा तैयार करने की सम्भावनाओं का पता लगायें। मेरी जानकारी में आया है कि मध्य प्रदेश के नागदा में इसकी सम्भावनाएँ बड़ी उज्ज्वल हैं। मैं चाहता हूँ कि आप इसका पता लगायें। हमारे यहाँ मालेसिस से अल्कोहल बनाने की भी काफी और सम्भावनाएँ हैं। इस

दिशा में मालेसिस का उपयोग किया भी जा रहा है। इसका भी आप पता लगायें कि क्या मालेसिस के द्वारा अल्कोहल के उत्पादन की दिशा में कुछ और प्लांट्स लगाने की मध्य प्रदेश में कोई कार्रवाई की जा रही है? इसके बारे में आप बता सकें तो मैं आपका बड़ा आभारी हूँगा। अन्त में मैं पुनः कहना चाहूँगा कि आई० ओ० सी०, ओ० एन० जी० सी० में व्याप्त भ्रष्टाचार को आप दूर करें तथा अपराधी अधिकारियों के विरुद्ध कड़ी कार्यवाही करें।

सभापति महोदय जितने भी बोलने वाले हैं उन सबको मैं थोड़ा-थोड़ा समय देना चाहता हूँ। पाच बजे मैं मिनिस्टर को जवाब देने के लिए बुलाऊँगा। अगर माननीय सदस्य ज्यादा समय लेंगे और इस कारण से अगर कोई सदस्य बोल नहीं पायेंगे तो इसका दोष मुझे न दिया जाए।

श्री पी० के० देव (कालाहाडी) : छः बजे मिनिस्टर को बुलायें।

श्री ओंकार लाल बेरवा (कोटा) : हमारी पार्टी के ग्यारह मिनट हैं। श्री पांडे को सात मिनट मिले हैं। चार मिनट बाकी हैं। हमसे से एक को आप और बुलायें।

SHRI DHAMANAR (Bhuwandi) Sir I rise to support the Demands of the Ministry of Petroleum and Chemicals. We are really proud to have a competent person like Shri P. C. Sethi to head the Ministry and I feel that instead of a Minister of State heading the Ministry it he is elevated to the rank of Cabinet Minister that will remove many difficulties and minimise delay in taking a decision. Similar is the case with the Foreign Trade Ministry also.

ONGC is doing wonderfully well. Its performance is admired by its counterparts in foreign countries as well. Of course, it draws largely on earlier experiences of other nations, but there is nothing wrong in doing so. It has certain labour problems such as bonus issue, recruitment, confirmation, wage structure etc. I hope the Minister will give his attention to solve these problems.

Lubrizol India Limited and Lube India Limited are newly created public sector units. They are functioning for hardly a year or so but I have information that malpractices have already started there. Attention should be paid to ensure that malpractices do not exist in these two companies.

The Indian Oil Corporation have introduced a new training scheme for unemployed engineers, which is a commendable one which should be welcomed by all. The main complaint of those who have to deal with this company is that they are indifferent in their correspondence with their customers and there is overall mismanagement everywhere. However, being the only national unit dealing with several types of petroleum products government's patronage has helped them register huge profits. They should find newer sources for expanding their work. Their prices are in line with those of foreign owned companies, but their ratio of profit to capital employed is not as good as it is elsewhere. I think that if the top executive managerial posts are given to the people from the private sector, who are entrusted with direct responsibility and the profit is linked up with efficiency that will solve this problem. The Gujarat Fertilizer is giving very good profits because it is headed by a person from the private sector. I hope the Minister will give consideration to this proposal.

Coming to refineries, IOC have five refineries, one each at Koyali, Cochin, Barauni, Madras and Gauhati. Of these five refineries, three, namely, Gujarat, Gauhati and Barauni are commissioned. The progress of the first two is claimed to be satisfactory. The third at Barauni is reported to be working below its rated capacity. Though there are profits, red-tapism has killed all the initiative. Efforts should be made to inject enthusiasm into the working of these refineries.

Engineers India Ltd. should be praised whole-heartedly. They are efficient and have new ideas and their implementation is superb. A number of new projects have been undertaken by them for the first time in India and successfully commissioned during the year. Not only the public sector units but also private sector units and even foreign parties are employing them for their engineering work because they are doing them so well. They have done a spectacular work in erecting complex designs

for fertilizers, petro-chemicals and refineries. They need appreciation from all of us.

The Petro-Chemical Corporation was established some three years ago to establish petro-chemical centres. It will be recalled that almost ten years ago Dr. Kane Committee had suggested five petro-chemical centres at Bombay, Barauni, Madras Koyali and Haldia. Out of this only the Bombay centre has been in operation since 1968. The Koyali complex was expected to be operated at the latest by 1970-71.

16.00 hrs.

With the late signing of the British Agreement, it was hoped that the Koyali project would at least be commissioned latest by 1974. But it is being delayed year after year. That has caused all the shortages of plastic raw materials, synthetic fibres and other synthetic materials. I think, this project should be expedited.

As regards Acrylic fibres, the scheme has been given to the Department for years but they have not still finalised and cleared. Regarding the programme for the manufacture of synthetic and other fibres, it seems to be gathering dust over these years. In the case of synthetic rubber also, despite the declared Government's decision to set up a plant in the public sector, there appears to be no progress on deciding the foreign know-how or foreign collaboration schemes.

The other programme comprising of organic chemicals and its respective panels in formulating the Koyali project appears to be unceremoniously ignored. Even after it has been debated endlessly, there has been no firm scheme up to this day.

Another point of urgent public interest is the failure of the Ministry to take a positive decision on the fertiliser blueprint issued by the Indian Chemicals Manufacturers Association two years ago. This blueprint was presented to Dr. Triguna Sen, the then Minister, as far back as in 1969. Even after it was closely debated in the presence of the Ministry's Advisers, it is regretted that till today that scheme has not been finalised or taken in hand. It is clear that on both these nationally essential programmes of fertilisers and chemicals, the Ministry of Petroleum and Chemicals seem to need a better advice. Even if such a conclusion may appear to be unpleasant, I may say, that the recommendations submitted are

[Shri Dhamankar]

not cared for or given any consideration. I would request the hon. Minister to give serious consideration to these schemes submitted to the Ministry.

As regards the 1970-71 import policy, the import of certain items has been given to the State Trading Corporation and the M.M.T.C. There are certain difficulties experienced by the manufacturers in regard to items which are channelised through the S.T.C. and M.M.T.C. The import policy for 1971-72 further adds to the list of items which are channelised through the S. T. C. and the M. M. T. C. The main purpose of channelling through these State trading agencies was to exploit the advantages that come through larger purchases and in saving transport costs. However it has been the experience of the industry that all those items which are imported by the S. T. C. and the M. M. T. C. are not only expensive but their delivery schedules are also irregular.

In the case of items like Aniline oil and sodium nitrite, while actual users are experiencing difficulties in getting supplies from the S. T. C., the materials are available in the open market at exorbitant prices

Same is the case with the D. D. B. which is used to prepare detergents and soaps. This is being imported by the S. T. C. It is available in the open market at higher rates. To get a clearance from the S. T. C. and to get the material is becoming very difficult. Now, these detergents are replacing soaps and saving edible oils. If these difficulties continue, the production of these detergent is likely to hamper.

Now, I will come to my constituency. Only one point I want to stress. The Indian Dyestuffs Industries Ltd., Mona are manufacturing one chemical, Anthraquinone, which is allowed to be imported. They are manufacturing Anthraquinone and its derivatives and these are exported while the users of the same are allowed to import their chemicals on their licences. I would request the hon. Minister to look into it and see that those intermediaries which are manufactured here should be debarred from being allowed to import. That hampers the progress of the indigenous industries.

With these words, I support the Demands for Grants of the Ministry of Petroleum and Chemicals.

**SHRI SOMCHAND SOLANKI** (Gandhinagar): There are a large number of public sector undertakings under the control of the Ministry of Petroleum & Chemicals. I don't want to go into detail into all of them. Very precisely I would like to put before you.

Sir, the soil of our country is very fertile from the agricultural point of view. But looking from the petroleum and chemicals point of view also, it is very fertile. Our Government should take some steps to find out which are the materials lying buried under our soil and which are very useful for the country.

I may say a word about the increase of crude oil. During 1970 the production of indigenous crude oil has increased from 6.7 million tonnes in 1969 to 6.8 million tonnes and the refined petroleum products production has increased from 17.5 million tonnes in 1969 to 18.5 million tonnes in 1970 and production of fertilisers has increased from 0.7 million tonnes in 1969-70 to 0.83 million tonnes in 1970-71. It shows the progress in the sphere of petroleum and chemicals side. But, we are not able so far to satisfy the demand of our country.

At present, we have installed three public sector companies under the administrative control of the Ministry for fertiliser manufacture and in Gujarat, certain private sector companies also have been licensed. M/s Tata Chemicals Ltd. in Mithapur, Gujarat, is working according to the proposed plan. It is not satisfactory. It must be enlarged and the Government should see that if it is enlarged and expanded the country will get greater benefit out of it. It has not come into operation according to the proposed plan. My request to the Government is to restore it as proposed.

On the side of petro-chemicals, the Indian Petro-chemicals Corporation set up in Baroda in 1969 will be going into operation in the Fourth Plan. The aromatic projects the synthetic rubber projects and the olefins project which are to come up in Gujarat are the most essential projects. For these projects the Koyali refinery is there and the raw materials are just near them and they are available to them. The

supply of naphtha is very much available. Certain organic chemicals from naphtha are produced comprising five main plants : (1) Catalytic plant, (2) Orthoxylene plant, (3) Para-xylene plant, (4) Isomerisation plant and (5) DMT (Dimethyl terephthalate) plant. DMT and mixed xylenes chemicals are basic chemicals and they are very much useful for the utilisation of the synthetic fibres. The Government should expand the capacity of DMT and license additional capacity for caprolactum. If it is done, the synthetic fibres will be available indigenously in our country.

Now, Sir, side by side, there are so many other benefits accruing from it to the nation, so many more persons will find employment. Technicians will get jobs and if we can expand these projects, we can solve the unemployment problem of these technicians and engineers. Now, the Government should permit some additional capacity for polyester filament which is used in the textile industry as replacement of cellulose fibre. It will produce polyester, nylon, acrylic, terylene and poly-propetin filament which are used in the textile industry and associated products after mixing it with cotton. So, it will be very cheap and also, for these, the raw material is available and my request to the Government is that they should expand this and production should be increased to the required capacity.

Now I must focus my attention about the new drilling centres in Gujarat at Cambay and Kutch. Certain survey has already been done and this work should be taken up in right earnest. There are so many places where crude oil and other things are available. So, this work should be expedited. The oil port at Narmada will be very useful and convenient from the conveyance point of view. That should be fully developed.

Regarding the ONGC and IOC installation in Gujarat, I would say that their work-manner and treatment are highly unsatisfactory. The people are very much dissatisfied with them. We, the people of Gujarat, desire that ONGC and IOC should be transferred to the State Government sector. The State Government Electricity Board and the people of Gujarat are totally dissatisfied with the treatment of ONGC and IOC and the Central Government's treatment through these two seems as if it is the colonial policy adopted towards Gujarat.

The ONGC considers all development and exploratory wells cost as revenue expenditure for pricing gas and fuel oils for supply to Gujarat. The central Government and ONGC and IOC should consider it as a goodwill of Gujarat territory. And, the people of Gujarat have a right of utilising gas and fuel oil at a cheaper rate. Fixing up the prices of gas is a burning question. Gas is burning; this problem of fixing gas price is also burning. This is after all a damage done to the whole country's revenue and damage done to the Government's exchequer

Regarding the fixation of price of gas, Dr. V.K.R.V. Rao was appointed as an arbitrator, to solve this dispute and for fixing up the gas price. He submitted the award on 23-9-68. The Arbitrator accepted the 'cost plus' formula of the Government of Gujarat and rejected the plea of Oil and Natural Gas Commission to base the cost of gas on thermal equivalence of substitute fuel. The Government of Gujarat constituted a Gas Prices Committee which in turn appointed a Sub-committee to study this problem. Without waiting for the report of this sub-committee they have fixed the price of gas. This has been arbitrarily fixed by the ONGC without taking any evidence from the public. When there is a law in Parliament, we constitute a Committee, we hear evidence from the public and from all corners of the country. Here, what the ONGC did was this : without consulting Gujarat Government, without hearing the people, they have increased the price. After all, it is the land belonging to the people of Gujarat which has produced this oil and natural gas and the present position is that they are not getting the benefit.

Mr. CHAIRMAN : Now, the hon. Member should conclude. Shri Unnikrishnan.

SHRI SOMCHAND SOLANKI : Let me conclude the last sentence...

Mr. CHAIRMAN ; No, the hon. Member has taken more than the time allotted for his party. Now, he must conclude.

SHRI SOMCHAND SOLANKI : At least, let me complete the full point that I was making.

I would request the Government to fix the rate and prices of this gas so that it can be

[Shri Somchand Solanki]

utilised by the public of Gujarat and of the country. Let not this gas be wasted. For the last three or four years this gas is being burnt. I would request the hon. Minister to take interest in this matter and fix up the price from the utilisation point of view as early as possible.

SHRI UNNIKRISHNAN (Badagara) : Let me congratulate Shri P. C. Sethi on being elevated and given charge of this most pivotal economic Ministry of Petroleum and Chemicals, and I also wish like my colleague who spoke before me that he gets very soon elevated to the Cabinet, because this Ministry for quite some time has been, I am sorry to say, lacking in ministerial direction. For, for quite a long time since Shri K. D. Malaviya left this Ministry, there has been an abdication or an erosion of ministerial and political authority in this Ministry, and this has resulted in what my hon. friend Shri Sat Pal Kapoor sometime ago narrated here as the complete mismanagement in all the undertakings under this Ministry; whether it is the ONGC or the IOC or X, Y, Z fertiliser factory, everywhere it is the same story. I am sorry to say this. A self-perpetuating clique has taken over the Ministry. In complete violation of the programmes and policies of our party and this Government, this clique is trying to sabotage the very policies for which we have been voted into office. I say this with a full sense of responsibility. I am not making any irresponsible charge, and I do not want to drag in any names here, because I do not know any of them. But the major point that I want to make is that in the absence of any clear ministerial direction or ministerial authority exercised in this Ministry, for quite some, the Petroleum and Chemicals Ministry is mismanaging every unit under the charge of this Ministry. Since I do not have much time, I shall say only this that the oil policy enunciated by the oil-sub-committee of the Cabinet of Jawaharlal Nehru's time is in shambles today, thanks to this clique. I shall not take much time over it, since the time at my disposal is short.

I shall only confine myself to the Indian Oil Corporation which is the biggest public sector undertaking in the country. Last year, according to the reports, they have a turnover of Rs. 670 crores and I think they show a profit of nearly Rs.20 crores or so. I want to make

cut that it is precisely because it has been showing a profit that it has escaped public attention and the attention of the Parliament and the press. But actually, the whole turnover is padded up with excise levies. In terms of the 50 per cent market participation that it enjoys, I claim that this is no profit at all. The profit should have been Rs. 40 crores and more, but because of complete mismanagement that is going on in the Indian Oil Corporation, we have reached a stage where we do not know where to proceed and whether everyone of the clear guidelines given earlier and our policies are being followed.

It is astonishing that in this premier public undertaking there is no recruitment policy at all; and I say this with a sense of responsibility there is absolutely no recruitment policy, and an officer here in this undertaking begins life with a salary of somewhere around Rs. 1200 or so, whereas an IAS officer gets only Rs. 400 or 450 to start with. Because of this, there has been a scramble for appointments in the Indian Oil Corporation, and this scramble has led to such nepotism and jobbery that no public undertaking has ever seen so far. I want to say this with a sense of responsibility that when the Estimates Committee was seized with the problem, a particular problem—the 85th report will show you what the problem is—the son of an officer of this Lok Sabha Secretariat working under the Estimates Committee was appointed to a lucrative post. I want to know from the hon. Minister whether this is true.

This is what is happening in the absence of any clear recruitment policy. There are no recruitment rules at all. In 1969-70 alone, over 75 sales officers were appointed and over 100 other miscellaneous officers were appointed, without any written test, any advertisement or any job specification. This is what I mean when I say there is no recruitment policy. Sir, this is one of the public undertakings where there is no management reporting. Whatever was done during Malaviyaji's time has been undone today by the complete absence of any ministerial or political authority being exercised in this Ministry. You will be surprised to know that there was no Financial Controller for over a year in IOC. I would like to know from the Minister whether this

position has since then been rectified. Quarterly financial returns were not submitted at all to the Board. This cannot be rectified until the top management is changed. We have a managing director who is a pensioner of Burmah-Shell who occasionally or every now and then falls ill and goes to the Board for medical benefit because his appointment letter does not contain any terms about that. First he goes to the Board on the ground of a heart attack and asks for Rs. 40,000. Then he asks for \$ 5,000 to go abroad for treatment of an ailment for which treatment facilities are available in Bombay. Even Shri B. K. Nelru, Governor of Assam, I understand, was treated for the same ailment at the Tata Hospital in Bombay. Now the managing director has come back with a bill of Rs. 1,30,000.

These are the new capitalists without investment who are running our public sector undertakings. If he is so ill, I would like to know from the Minister why Government is keeping him. He must gracefully retire or walk out, or else he must be sent out.

There is another aspect vital from the angle of our party and the commitment by which we stand. My friends talked about the relationship of this Ministry with the Karamchand Thapar group. There is another favourite group of this Ministry: that is the House of Goenkas of Calcutta. This House is aware that the Estimates Committee have gone into the barrel deals of the IOC. In their 85th and 86th Reports, members will find details about this. There are two firms, Industrial Containers of Calcutta and Steel Containers of Bombay who knock away all the barrel orders of IOC. I want to have a clear-cut policy statement from the Minister. Is it the policy of the Ministry to encourage the monopoly houses? You know the House of Goenkas has been named as one of the 75 monopoly houses. On the one hand, Government say: no more licences to the big monopoly groups; we want to regulate licences and restrain their growth. This is the policy on the basis of which we have been elected here. On the other hand, this so-called self-perpetuating clique in the Petroleum and Chemicals Ministry parcels out the entire order to one group an order worth several crores of rupees. It is the policy of the Ministry to help monopoly houses?

Thapar's case is not an isolated one. I will cite another. There is a firm, again a Goeuka firm, Phillips Carbon Black, Durgapur. The Indian Oil Corporation was supplied something called iomex worth Rs. 40 lakhs or probably more. According to the managing director or one of the directors of IOC, the entire thing evaporated; and the managing director goes to the Board and says: You have to write off.

Again, it is a case where the house of Goenkas is preferred. Right from the beginning, from the days of Duucan Bros., Mr. Malaviya knows about this case, when the Cochin Refinery Agreement was signed, just for introducing the parties, they got their percentage.

I want a clear-cut answer whether it is the policy of the Petroleum and Chemical Ministry to encourage the profit-making prowling parasites of the Indian economy. The latest barrel deal which I referred to earlier resulted in a loss to the IOC of Rs. 33 lakhs according to the "Blitz". This has resulted also in an inter-Ministerial war. ....

MR. CHAIRMAN: You please pass on all the papers to the Minister. He will look into it. Shri Satyanarayan Rao.

SHRI M. SATYANARAYAN RAO (Karimnagar): At the outset, I would like to pay a compliment to the Minister. There is no doubt that he is a very competent and able Minister, but when I see the Report which was supplied to us I am very much disappointed. As the time available is very short, I will concentrate on fertilizers. Being an agriculturist, naturally I am interested in that.

In the Report, fertilizer projects have been divided into three categories, namely projects that are in production, projects that are under implementation and projects that are accepted in principle. But we find from the Report that in every plant due to shortage of power or power interruption or labour strike or other factors, they have not achieved the targets. If these are the excuses, then I think there will be always these excuses only. This Ministry has a very important role to play in making this country self-sufficient so far as foodgrains are concerned. Keeping that in view, I want to know what steps the Minister is going to take in this respect.

[Shri Satyanarayan Rao]

Recently I put a question about the Ramagundam plant and he was kind enough to reply that it would be completed by 1974. So far as Ramagundam is concerned, there are no problems, there is no shortage of power and I can assure him that there will be no strikes or interruption of power. So, it is better that priority is given to it, if you want to achieve self-sufficiency so far as fertilizers are concerned.

It is said that about 8 million tonnes of plant nutrients are taken out of the soil every year and therefore, it is necessary that about 8 million tonnes of fertilizers are put back into the soil, so that the fertility status of the soil is maintained and food production can be increased. It is also said that had our fertilizer production target been fulfilled during the period 1964-68, we would have been in a position to produce about 18 million tonnes of foodgrains. But during this period we have imported fertilizers worth about Rs. 411 crores and 40 million tonnes of foodgrains, at a total cost of Rs. 1,841 crores. Therefore, we must produce fertilizers according to our installed capacity, give them to the farmers and see that the pace and tempo of the green revolution is maintained.

In spite of our success in building up a capacity of 3.7 million tonnes of fertilizers, we have to import fertilizers worth Rs. 1,047 crores unless we quicken the tempo of building up fertilizers plants in the country. They say that the slippage of the project was mainly due to trouble in the indigenous equipment. Why should this kind of equipment be used? I request the Minister to see that it is improved. There should not be any excuse that due to defective fabrication of the plant and equipment or due to shortage of steel or due to disturbed conditions we cannot achieve the target in fertilizers. I request him to look into these things.

We want to increase the production of fertilizers. Instead of fertilizer production increasing, we see that the officers are increasing. In 1970 there were 69 gazetted officers and 267 other staff in the secretariat. In 1971 the strength has increased to 82 gazetted officers and 276 other staff. Why should there be this increase when there is no increase in the production of fertilizers? Are you going to solve the unemployment problem in this way?

I have seen in the report about the official language implementation committee. It seems the ministry is concentrating on the official language implementation committee. I must say: do not bother about all these things, you will be spending so much time unnecessarily, you must spend time in increasing fertilizer production, you must produce fertilizers and then only you will have done something which will be beneficial to the country.

SHRI ANANTRAO PATIL (Khed) : The Ministry of Petroleum and Chemicals and its various departments are concerned with matters relating to the production, supply, distribution, and pricing of crude oil, petroleum products, petro-chemicals, fertilizers and other allied products. This Ministry has under its control various public sector undertakings. This is not a small or unimportant Ministry which could be disposed of within four hours. This Ministry has to play a vital role in the life of the people and the country. Crude oil, diesel, petrol, aviation spirit, fertilizers, chemicals and so many things are related to industrial and agricultural production. This Ministry has to be given its due importance.

I am happy that a young and energetic Minister like Mr. Sethi is in charge of this Ministry. The report which has been circulated related to the previous year with which he was not concerned. There are some lapses and shortcomings in the working of the Ministry and I hope and trust that Mr. Sethi will gear up the machinery to see that the Ministry functions effectively.

The Indian Oil Corporation is the biggest undertaking but the most important undertaking under this Ministry is the Hindustan Antibiotics at Pimpri. When we go through the report we see that unfortunately during the last two years production has been falling. I can quote the figures of production for penicillin for the last two years in million mega units. In 1969-70 production of penicillin was 60.34 MMU and in 1970-71 it has gone down to 58.27 MMU.

In regard to streptomycin, in 1969-70, it was 83.138 kg. In 1970-71, it was 60,963 kg. If we look at the profits that the company has made, in 1969-70, the net profit was Rs. 44.12 lakhs, and in 1970-71, it was only Rs. 7 lakhs. So, the production is falling and the profit is also

falling. The reason given in the report is that it is due to the power failures and breakdown of the machinery. The Deputy Minister said that the fall in production was due to the breakdown of the machinery because the machinery had become old. In the life of the machinery, 15 years are not much. It is not only the breakdown of the machinery but there is the breakdown in the management also. The relations between the officers and the workers are not cordial. The management is not efficient. Something is wrong with the management, and the Ministry will have to look into this matter.

I said in the beginning that this antibiotic factory is located near Poona which is in my constituency and so, I am interested in its functioning. Not only is it in my constituency, but I happen to be the President of the Hindustan Antibiotic Mazdoor Sangh also. I had a discussion with the workers as well as the management and I have tried to convince the management that the running of a factory in the public sector is not like running an office. It requires a human touch to understand human relations. The workers there had resolved in a resolution that the production should be the priority and that they will devote all their efforts to increase the production.

As far as the new projects, the vitamin C and neomycin sulphate projects are concerned, they are on paper only. It has been said that the production will start by 1971-72, but the state of affairs in the company is such that if they continue like this for one or two years more, I do not think they will start production of these items, namely, vitamin C and neomycin sulphate.

One word about fertilisers. The production of fertilisers has not been able to catch up with the demand for fertilisers by the agriculturists. The production is low, and the prices are very high. The remedy is that you should have more fertilizer factories and also expand all the existing units. You should have these factories in the public sector as well as in the private sector because the agriculturists need fertilizers. We should also import fertilizers if necessary, and there would not be any harm if during the next five years licences are given to the private sector for the production, manufacture, of fertilisers.

One word about molasses and I will finish. Molasses are a very important by-product in the sugar factories. Molasses have got a relation with power alcohol and alcohol for human consumption. With the increase of sugar in the sugar factories in this country there is a large production of molasses. That is wasted. Tons and tons of molasses are being wasted by the sugar factories. Molasses have been thrown into the rivers. They are burnt. And there is shortage of power alcohol. If we can manufacture alcohol for human consumption from the molasses we can export and earn foreign exchange. But the Government is not giving licences for the production of alcohol. If we are not going to waste or if we are going to utilise the molasses for alcohol production and the bagasse in the sugar factories for the production of newsprint, I think we should be able to sell sugar at a much cheaper price. But we are not doing that.

You are not giving me more time. The time at my disposal is not enough. I will only urge the Minister, who has taken charge of this Ministry only three months back, to try his utmost to give a new look to this Ministry and see that it functions well.

With these words, I support the Demands for Grants.

SHRI P. K. DEO : Sir, with the advancement of science and technology, this ministry has got a very important role to play in shaping the destiny of this country. We swear by public sector undertakings and nationalisation, but there is always a big gap between precept and practice. You will be surprised to know that the Industrial Development Corporation of the State of Orissa applied for a licence for a polyester fibre plant. Dr. Triguna Sen, the then minister-in-charge promised that the licence would be issued and the IDC could go ahead with the production. But something happened. My friend, Mr. Malaviya, who had been associated with this ministry in the early days, will be most astonished to know that that licence was not given to IDC but it was given to one Mr. Sen of Sen-Raleigh cycles, just 15 days prior to the elections. To raise election funds, a private individual was patronised and the cause of IDC was sacrificed. This is the way we practise socialism in this country.



[Shri P. K. Deo]

The other day, the House was seized of the scandal of the ONGC, regarding the sale of Nazira estate and Lukwa tea bushes and compensation paid to the tune of Rs. 46.67 lakhs. Three CBI reports are pending against Mr. Johnson. Still he is not suspended and he is now working as Vice-Chairman of the Agriculture Commission.

MR. CHAIRMAN : Is the case pending before the court ?

SHRI P. K. DEO : I have no idea. CBI is not a court. It is police investigation. All the big shots who contribute large sums to the Congress Election Fund like\*\* and others are assisted....

MR. CHAIRMAN : I will not allow any name to go on the record of any person who is not in the House and is not in a position to defend himself. That will not go on record.

SHRI P. K. DEO : He lost the election. How can he defend himself ?

As early as 1968, the Estimates Committee of the Fourth Lok Sabha in their 50th report, highlighted the gap between the actual production of crude oil from the indigenous sources and our actual demand. The gap was estimated to be to the tune of 20 million tonnes. They suggested that search for oil should be intensified. As a matter of fact, in Orissa and in Andamans, some survey has been made regarding oil exploration, but it was stopped midway and not proceeded with. There should have been a gravity magnetic survey and seismic survey, but these things were not done. I submit that scientific search for oil should be carried on intensively in Orissa coast and Andamans.

I am glad this ministry have provided a scheme for awarding agencies of IOC to the unemployed graduates of the low income group. This is a good thing, but in allotment of dealership, there has been so much of wirepulling and these graduates of the low income group are asked to furnish securities. How is it possible for them to furnish securities ? If the intention of the Government is really to help them, they should not ask for securities. They should advance money and give the agency on their own personal security.

Coming to fertilizers, I do not like to repeat the various arguments advanced by the previous speakers. But I would like to point out that there is acute shortage of fertilizers and therefore the prices are being controlled by the universal law of supply and demand. Consequently, there is widespread black-marketing in fertilizer. I feel that government should strain every nerve to set up more fertilizer plants to meet the growing demands of the agriculturists who have taken to this new technique of using fertilizer.

Coming to oil prices, it is a regular feature of the budget to increase the oil price. Though this year there has been no increase in the price of kerosene, the price of petrol has gone up which will hit the transport system. Naturally, the prices of consumer goods will go up, especially of perishables which are generally carried by motor transport.

The cost of passenger transport will also go up. Recently the taxi fares were raised in Delhi, much to the discomfiture of the travelling public. Today there is a strike in Bombay, demanding increased fares consequent on the increase in the price of petrol. All these things add to the burden of the common man.

Taking all these points into consideration, I hope that a Minister of the dynamism of Shri P. C. Sethi will take personal interest in the Ministry and try to rectify the defects pointed out here. I again request him to re-examine the application of the Industrial Development Corporation of Orissa State for the grant of a licence for putting up a polyester fibre plant in Orissa State.

SHRI S. R. DAMANI (Sholapur) : Sir, while supporting the demands of the Ministry many hon. Members have drawn attention to lapses and other charges against some of the officers of the Ministry. I hope the hon. Minister will look into those charges and take suitable action against those found guilty. The public sector has to play a very important role in the years to come. So, those who work there should be very efficient and they should be able to give a good account of their working so that the public sector can contribute to the economy of the country in a large measure.

This is one of the most important Ministries which has to contribute a great deal to the

economic advancement of the country. The development of a country nowadays depends very largely on the development of fertilizer and mineral oils. In this connection, let us see the progress we have achieved during the last three or four years. Though our crude production has touched 7 million tonnes, unfortunately, it has remained stationary there. During the last three or four years there has been no increase in the production of crude and the result is that every year we have to import huge amount of crude from abroad. In 1967-68 our import bill of crude was Rs. 80 crores, which has gone up to Rs. 94 crores in 1969 and Rs. 120 crores in 1970. This year it may be round about Rs. 160 crores and by 1974-75 it may reach Rs. 220 crores. Therefore, it is very essential that every effort should be made to increase the production of crude oil so that we can become self-sufficient and save foreign exchange. Fortunately, we have refining capacity of 20 million tonnes while our production is only 12 million tonnes.

Now, we are adding to our refinery capacity. We are making an investment there. But as far as crude oil is concerned, there is not much that is being done. I would ask the hon. Minister who has just taken over the Ministry and who is aware of the responsibility and the needs of the country to take suitable measures to increase the production of crude oil in the country. Where is the crude oil available? According to a survey made, most of our oils are on the high seas. In Gujarat, the crude oil in the oil fields is going to decrease. After 2 or 3 years, the production is going to come down. The only chance to get crude oil is on the high seas. The high-sea operations require a lot of money and time. So, immediate action is required to draw out oils from the high-seas. In order to meet our urgent requirements of crude oil, I would suggest to the hon. Minister that he should negotiate with other countries which are experts in this line to come to our country in a joint venture and start drilling at several places simultaneously so that we can get the crude and meet the requirement.

Our demand is increasing. In doing this, what are we to lose? We are going to get the crude oil. We are going to save foreign exchange. They are going to make an investment. They are not going to take crude oil from here. It will be used by us. They may take some profit. But after all we will save

foreign exchange. We will not have to make an investment. In our budget, in our planning, a very small amount has been kept for this purpose. With that amount, it will not be possible to achieve this. It requires sophisticated technical know-how. This is a very serious matter and I would request the hon. Minister to look into the suggestion made that some countries which are expert in high-seas drilling operations may be contacted and, if possible, they can start a joint venture so that these drilling operations can be taken up and we can save foreign exchange and meet our requirements.

We have got ample oil resources. That has been ascertained. But it is for us to take it out. Without that, we cannot meet our increasing demands.

Secondly, I would like to say something about fertilizers which are very essential. The Ministry is in-charge of both crude oil and fertilizers. The fertilizers are very essential and they are the life of country. As regards fertilizers, still the position is the same. Our demand is increasing and the production is not there to meet our demand. Some licences have been given but the production will come after some years only. Out of the public sector fertilizer projects, some are working satisfactorily. Nangal and Gorakhpur projects are working satisfactorily. Apart from getting profits, they are running at full capacity. But I am sorry to say that the performance of projects like Kamrup, Trombay and Naharkatiya is very unsatisfactory. They are working at 50 per cent capacity. Half of their capacity is lying idle. There is something wrong with them. Their working should be improved; their efficiency should be improved. Apart from the losses incurred, how much are we suffering because of the idle capacity? We have to import fertiliser from other countries and pay them in foreign exchange. Here, I would also suggest that whosoever comes to put up a fertiliser factory either in the private sector or in the public sector or in the joint sector should be given an opportunity. I would prefer that licences are given to the joint sector or the cooperative sector and that should be encouraged so that the country becomes self-sufficient in fertilizers. And we can save the foreign exchange which we are spending now.

One more word. Every year we are importing large amount of chemicals. There is great

[Shri S. R. Damani]

scope for establishment of new chemical industries in the country so that our country may become self-sufficient. Here, the necessity is to take prompt action and I would request the hon. Minister. I also associate myself with the other hon. Members that he is a very learned person, he is a practical person and has knowledge of administration and I am sure he will be able to remove the defects and bring this Ministry to a more efficient level and he will take necessary action to increase our fertilizer production so that we can save valuable foreign exchange.

With these words, I thank you, Sir, for giving me an opportunity to speak

श्री एन० एन० पांडे (गोरखपुर) . सभापति महोदय, समय बहुत कम है, इस वास्ते में आपका ध्यान केवल फर्टिलाइजर कारपोरेशन की तरफ ही दिलाना चाहूंगा। खेती बाड़ी के मामले में आज फर्टिलाइजर का स्थान बहुत महत्वपूर्ण हो गया है। हमें जो पत्रिका दी गई है उसमें फर्टिलाइजर कारपोरेशन की जितनी कंपैसेटी है, हर कारपोरेशन की जितनी कंपैसेटी निर्धारित की गई है, आप देखें कि क्या उस कंपैसेटी के मुताबिक वे काम कर रही है, उस तक पहुंच रही है या नहीं और अगर नहीं पहुंच रही है तो अडचने क्या है, दिक्कत क्या है, इसको आपको देखना चाहिये और उसको दूर करना चाहिए।

दो फर्टिलाइजर कारपोरेशन के सम्बन्ध में मैं कुछ कहना चाहता हूँ। गोरखपुर में खाद का कारखाना है। उसकी कंपैसेटी अस्सी हजार टन से ऊपर रखी गई है। पिछले साल 73,000 टन के करीब उसने उत्पादन किया। दूसरे साल एका-एक बह घट पर पचास परसेंट से भी कम हो गई, 45 परसेंट तक वहाँ की कंपैसेटी चली गई। कहा गया कि बिजली के ब्रेक डाउन की वजह से ऐसा हुआ। आज स्थिति क्या है? जो उत्पादन होता है उस में मजदूर का बहुत बड़ा हिस्सा होता है। यदि वह सतुष्ट है तो कारखाना अच्छी तरह से चलता रहता है और प्रोडक्शन बहुत अच्छी तरह बढ़ सकता है। इस सदर्भ में मैं आपका ध्यान

गोरखपुर के कारखानों की तरफ दिलाना चाहूंगा। बेयरमैन महोदय कई बार उसको विजिट कर चुके हैं। वहाँ किसानों को उजाड़ा गया और यह कहा गया कि उनको जगह दी जाएगी और काम भी दिया जाएगा। डिस्ट्रिक्ट मैजिस्ट्रेट ने उनको सर्टिफिकेट भी इशू किये। लेकिन स्थिति क्या है, इसको आप देखें। वहाँ पर बाहर के लोगों को चपरासी तथा क्लर्क तक के पदों पर रखा गया है और वहाँ के लोगों का नहीं रखा गया है। आज हम मजदूरों के मैनेजमेंट में पार्टिसिपेशन की बात करते हैं और कहते हैं कि अगर वे 'एफिशेंट' होंगे तो ऊँची से ऊँची जगह पर वे जा सकते हैं। गोरखपुर के खाद के कारखाने में 'एफिशेंट स्टाफ' जो लोकल है पड़ा हुआ है लेकिन उनकी न तो इज्जत की जाती है और न आगे बढ़ने दिया जाता है। बाहर के आदमी जो अनेक बड़े अधिकारियों के मित्र एवं रिश्तेदार हैं, उनको नाकर रख लिया गया है और गोरखपुर तथा पूर्वी जिलों के जो लोग हैं उनकी उपेक्षा की गई है। पूर्वी जिले सब से गरीब हैं। वहाँ के लोगों को नहीं रखा जा रहा है। वहाँ के अफसरों को प्रमोशन नहीं दिया जाता, वहाँ के स्टाफ को प्रमोशन नहीं दिया जाता, बाहर के लोगों को रखा जाता है। यदि माननीय मंत्री जी सारे हिन्दुस्तान का उत्पादन का आकड़ा ले कर देखेंगे तो यह पाएंगे कि जहाँ श्रमिक स्थिति अच्छी है, लेबर सेटिस्फाइड है उत्पादन बढ़ा है। लेबर सेटिस्फाइड नहीं होगा तो प्रोडक्शन कैसे आगे बढ़ सकेगा? मैं इस तरफ माननीय मंत्री जी का ध्यान आकृष्ट करना चाहता हूँ।

17.00 hrs.

दूसरी बात मैं कहना चाहता हूँ। वह क्रूड-आयल की बात है। एक रुपये बोतल केरो-सिन आयल हमारे गोरखपुर ऐसे गरीब जिले में बिक रहा है। कल जो मेरे पास पत्र आया है उससे मालूम पड़ता है कि वह भाव अब डेढ़ रुपये बोतल हो गया है। यह ब्लेकमार्केटिंग्स सारी होडिंग करते हैं, वह जर्बारेबाजी करते हैं। गरीब लोग जो केवल अपने घरों में चिराय जलाते

हैं आज उसके लिए उन को मिट्टी का तेल बुखस्तर नहीं हो पा रहा है। इसकी तरफ मैं माननीय मंत्री जी का ध्यान आकृष्ट करना चाहता हूँ।

श्रीमन्, मैं इंडियन आयल के बारे में क्या कहूँ? जब ऊपर के ही लोग आज ऐसा काम कर रहे हैं, इम्पोर्ट का मामला है, उसमें पांच परसेंट लोग लेते हैं जहाज पर चढ़ाने के लिए, हमारे सेक्रेटेरिएट के अफसरों के रिश्तेदारान, मैं नाम नहीं लेना चाहता, उन के रिश्तेदारान आज कम्पनियां खाले हुए हैं और कम्पनी खोल करके पांच परसेंट के हिसाब से जहाज पर सामान चढ़ाने के लिए वह पैसा लेते हैं। माननीय मंत्री जी चाहेंगे तो मैं उस कम्पनी का और वह जो अफसर है उन के नाम मेरे पास है, वह मैं उन को लिख कर भेज दूंगा। आज यह हालत चल रही है। इसके लिए कोई डायनेमिक ऐक्शन लेना पड़ेगा चाहे आयल का मामला हो चाहे फर्टिलाइजर का मामला हो, जो टाप हेवी ऐडमिनिस्ट्रेशन है जहाँ पर सब से ज्यादा अफसर लोग हैं, उनको खत्म करना होगा तभी पब्लिक इंडस्ट्रीज की आप सेवा कर सकेंगे, और आप का प्रोडक्शन बढ़ सकेगा, तभी आप को फायदा हो सकेगा। नहीं तो अगर आप ने टाप हेवी ऐडमिनिस्ट्रेशन को खत्म नहीं किया तो कारपोरेशन घाटे में चलेगा और सारे ऐसे लोग जो प्रतिक्रियावादी हैं, जो रजतपसन्दी ताकते हैं, जो चाहती हैं कि पब्लिक अंडर्टेकिंग्स पनप न सकें वह आप का हमेशा विरोध करते रहेंगे। इन शब्दों के साथ मैं अनुदान का समर्थन करता हूँ।

SHRI RAJA KULKARNI (Bombay-Nortl-East): I would characterise the performance of the Petroleum and Chemicals Ministry as poor in petroleum, unsatisfactory in fertilizer, fair in chemicals and good in petro-chemicals.

In the short time at my disposal I will confine myself to petroleum where poor performance is there. Our crude production in 1970 has been 6.8 million tonnes. It shows only 1.3% increase over the previous year. It is a poor performance. When previous rate of increase in production of crude was 14 or 15 per cent, the current rate of 1.3% only shows that

production is going to stagnation level. Where do the public undertakings stand? That is the question. It is not only in crude production, but even in refinery capacity too. At present we produce 18.4 million tonnes and our targets for 1974-75 are placed at 30 million tonnes. With the current rate of 5 1/2 per cent increase in the refinery production, it is not at all possible to reach the target of 30 million tonnes in 1974-75. It seems that the whole programme of this Ministry in this regard is in a mess. Crude has become the crux of the whole policy. It is in crude production that we are suffering.

Of the two public sector undertakings responsible for crude production, one has reached saturation point. It is a small one, operating in Assam—Oil India Limited. Its performance has been good. The other responsible is the ONGC. It is this which has become a sick organisation.

Various references have been made in this House to the bad performance both of the managerial working as well as about the policy and programme of this organisation. I do not want to add to it, but it is interesting to note that the headquarters of the UNGC are located in a building which is said to be the palace of a prince. Therefore, it appears that the ONGC has not only acquired a palace but also acquired the tradition of a princely house. I am referring, Sir, to the palace intrigues.

This organisation has no chairman since October last. The ex-chairman is already involved in some cases where inquiries are going on. I need not mention them because they have already been mentioned in this House. But in the absence of a chairman, the full-time directors are all sitting, showing a facade of working together, but everybody is pointing towards the other about the mistakes and looking at the others with suspicion and prejudice, and that is how it has become a palace intrigue. It is very difficult now to work up this organisation. The chairman's post has not been filled up. We do not know what is coming in the way of the Government's decision. I am told that there are people who have been approached, but they have refused to come in, looking to the performance of the organisation. But there are people who have shown courage to bring this organisation up and to lift it out of the old mess but they are not allowed to

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enter this palace. This is what is taking place. I would, therefore, seriously like that the Petroleum and Chemicals Ministry takes a very serious note of the performance of this organisation, on which the development of petroleum industry depends.

With regard to the other programmes of this organisation, so far as the Aliabet off-shore drilling is concerned, more than one year has passed, but only one oil well has been drilled; and even today the organisation is not in a position to say whether commercial production in the off-shore drilling is possible or not. This organisation has taken more than double the time for commissioning the crude pipeline in Gujarat.

This organisation has a subsidiary, namely the Hydrocarbons which is a very important organisation which I would like to mention; because of this, the whole crude policy comes into the picture. This Hydrocarbons is a subsidiary of the ONGC. It is doing operations in the Iranian oilfields in collaboration with some of the consortium of foreign firms. Its operations have taken place for nearly one year, and 1.36 million tonnes of crude is the share from the Iranian oilfields for the Hydrocarbons. We in India are short of crude and we are expanding our refinery capacity. But out of 1.36 million tonnes, 1.16 million tonnes of crude has to be sold to other countries. We are selling crude to other countries when we do not have the crude here. It only means that the programme, construction and design of the Coastal Refineries, the Cochin Refinery and the Madras Refinery were not drawn up at all in consultation with or in co-operation with the crude production programme of the ONGC. This is what is taking place in the Petroleum Ministry, and I hope that the hon. Minister will take note of this.

**MR. CHAIRMAN :** Now, the hon. Member should conclude.

**SHRI RAJA KULKARNI :** I have a very important point to make.

**MR. CHAIRMAN :** Everybody has something important. The hon. Member should conclude now. I am going to call the hon. Minister now.

**SHRI RAJA KULKARNI :** I have an important suggestion to make. I am connected as a trade unionist with almost all the petroleum undertakings in this Ministry, and my experience has been that the Petroleum Ministry needs a labour expert as its Secretary. In the absence of a labour expert at the head, industrial relations have been worse in almost all the public undertakings under this Ministry. This is a Ministry, the public sector undertakings under which are completely distinct from other public undertakings under other Ministries. This Ministry has many foreign collaborations.

There are highly sophisticated plants in operation, It is a continuous process. But what is worse is the state of industrial relations. In the absence of good industrial relations, these public sector undertakings are not showing good results. The expenditure on account of wages and salaries in all these sophisticated public sector undertakings comes fourth. In most manufacturing concerns, after raw materials, generally it is the wages bill that comes next. But in the balance sheet of the FCI, apart from raw materials, the fuel expenses are more than the wages bill; depreciation charges are more than the wages bill. That industrial relations are not as they should be in such industries is a matter to be looked into and rectified. In this industry international technology is being used. If the industry is to be brought up to the mark, industrial relations have to be improved. For this, a new Secretary who has got labour experience should be appointed so that he could deal with these problems in the way they should be dealt with.

**THE MINISTER OF PETROLEUM AND CHEMICALS (SHRI P. C. SETHI) :** I must thank hon. Members for the keen interest they have evinced on this subject. I would also thank them for the very valuable suggestions they have offered. I have taken a very careful note of the various criticisms levelled here and would try my very best to profit from them and take action, whatever it is called for.

The petroleum and chemical industry today is a very big complex not only in our country but throughout the world. In 1920, the total consumption of fuel, petroleum and gas was about 20 per cent of the total requirement; but in 1964, it had gone up to 54 per cent and today the total energy that is supplied for consumption is in the range of about 60 per

cent. That itself speaks for the importance of the industry.

Developments in chemistry in this century have been so fascinating that it would not be inappropriate to say that chemistry has become the fountain-head of the progress of Science and technology in modern times. As far as my Ministry is concerned, it is not only in the form of petroleum products but apart from petroleum and chemical fertilisers, use of various pesticides and insecticides in plant protection, dyes, synthetic fabrics, synthetic rubber and plastic has been growing at a phenomenal rate so much that about one-third of the total requirement is now supplied by artificial products.

It is in this context that I would seek the indulgence of the House to the challenges this industry has to face. Until the early fifties, consumption of petroleum products in India was very low. Naturally, the search and exploitation of oil was also very negligible. Since the formation of the Oil and Natural Gas Commission as a statutory body in 1959, the search for oil really began in right earnest. Up to the end of 1970, the Commission had carried out extensive surveys for exploration in various parts of the country. Geophysical survey combined with geological work has led to the delineation of a large number of favourable structures in different sedimentary basins in our country. By the end of April 1971, about 888 wells were drilled by the ONGC of which 497 were found to be oil-bearing, 66 were gas wells and 73 are still undergoing tests. Wells declared dry are about 233. The remaining 22 wells were drilled for injecting with in the Ankleshwar field for pressure maintenance. Thus, on an average approximately three in four wells drilled by this organisation have been found to be oil or gas bearing.

The total number of structures drilled by the Commission is 88, of which 77 structures were fully tested. Twenty-eight of these were found to be oil/gas bearing, commercial and non-commercial. Eleven of these 28 oil/gas structures have been put into production.

Including the structures that are still to be put into production like Galeki, Borholla etc., we may take it that one out of five structures drilled by ONGC is capable of being exploited commercially.

The Commission has been able to produce about 19.65 million tonnes of crude up to April, 1971. The Commission's success owes a great deal to the help and technical guidance from many friendly countries like the U. S. S. R., Rumania, France, U. K., Italy and U. S. A. but the fact remains that the biggest help has come from U. S. S. R.

A number of young technical and scientific personnel of the Commission have also been trained in various branches of oil technology in foreign countries. The experience that we have gathered in our own country as well as the international experience in oil exploration is tending the show that the prospects of finding large oil fields are more promising in off-shore areas. As such, the Commission decided to conduct exploration in the off-shore area of the Gulf of Cambay. The first well was spudded in March 1970 by the Prime Minister. On completion of this well, oil has been seen, but the commerciality of the find has not been established. A technical study is being made as to what future programme of drilling is to be carried out on this structure.

Shri Raja Kulkarni said that one year has been spent and no commerciality of the oil has established in this well. I would like to point out that this is an absolutely new area where we are operating. Generally the geological survey, the geo-physical survey and the seismic survey up to the spudding of the well and the establishment of the commerciality of a well takes anything from seven to ten years, and therefore, it would not be correct to expect that by drilling one well we should strike oil. Certainly oil exploration in the off-shore area has got to be intensified, and that is why now we are proceeding with further exploration in the Bombay High area. For this we have already concluded a contract with Mitsubishi of Japan for the construction of a self-propelled jack-up platform, and another contract has been signed with the International Co. of U.S.A. to provide the necessary technical assistance and to provide training to ONGC's technicians. But the fact remains that in view of the increasing demand for crude oil the world over, and also on account of the recent agreements of the oil producing countries, the prices of crude are shooting up.

A point was made by Shri Sat Pal Kapur that no insurance company was prepared to offer

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insurance to the jack-up platform that we have got from Japan. This is entirely wrong. This platform is being obtained after considerable technical advice that we have got. We also do not require four ships as he mentioned, but we will require two vessels for carrying various materials to this jack-up platform from the coast. These ships most probably would be manufactured in the Mazgaon Docks. Therefore, it is not correct to say that the platform would not be useful and that in order to make it useful we will have to acquire four more vessels. Similarly we require some vessels for seismic surveys etc. The type of ships required from the technical point of view will have to be acquired and we are already proceeding in this matter so that we can fill up the gap.

In view of the mounting price of crude on account of the agreement between the oil producing countries and the oil companies, the only answer to the present situation is that the search for crude has got to be intensified not only in the inshore areas but also in the offshore areas. The offshore activities carried out by the ONGC at present have got to be activated and intensified and to this extent we would require technical know-how, equipment and resources. To locate the many promising offshore structures, as has been pointed out by Mr. Damani we need to drill wells in offshore areas. Other areas have also to be surveyed drilling operations will have to be started elsewhere.

Mr. Chittibabu from Tamil Nadu made a point that no exploration work was being done in the Madras coastal areas. We have got this area in view for survey work but priorities will have to be fixed in view of the available resources and therefore we shall have to start work at first in such areas which are more promising as compared to those areas which are less promising.

He has also made a point that the public sector undertakings in this Ministry are not taking care to give proper respect to the State Chief Minister and other Ministers. I have tried to ascertain facts. The fact is that the inauguration of the refineries was done by the President. The Chief Minister was invited. But the Chief Minister suggested that instead of asking him to come it would be better if the

Industries Minister could participate in the function. In fact the speeches which were to be made had been printed in the name of Shri Madhavan and Shri Madhavan was to come. He was also to speak. Unfortunately on account of some reasons he also could not come. Therefore, it is not the fault of the management and it is not correct to say that we are not taking proper care.

As a matter of fact we do require the support of the Chief Ministers and the local people wherever these industries are. I would request particularly the hon. Members of the DMK Party that in Madras we are facing a special situation where the State Government has levied certain taxes which are causing us great hardship and if the same course is adopted by other States, it will certainly affect the profitability of most of the public sector plants. It is not only a question of giving respect, it is a question of having reciprocal arrangements whereby we assist them and we require their assistance also.

I should like to point out that the techno-economic study in respect of inshore areas is now being conducted by an expert team of Soviet people and ONGC technicians. I am expecting this report to come by September this year and as soon as we receive the report we shall try to profit by this report and try to expand the activities of drilling and other operations. This scheme was initiated by my distinguished predecessor Dr. Triguna Sen and I am sure that it has done good work.

I would like to bring to the notice of the hon. Members that exploration and drilling is an extremely costly and uncertain business. It is also a long-term operation. Wells drilled may prove to be purely exploratory or wild cat wells. Some examples may be useful. I should like to give a few examples from other countries. In Australia 125 wells were completed out of which 111 proved to be dry. In Libya 349 wells were completed out of which 301 proved to be dry and in the USSR 51,156 wells were completed out of which 19,578 proved to be dry.

In the USA, 43126 wells were completed out of which 16,762 were proved to be dry. We would consider ourselves fortunate enough that as far as the total number of wells that have been taken up by the ONGC as yet, the

percentage of wells that had proved to be dry is comparatively less as compared to these figures. The operations are certainly very expensive, and it is in this light that the performance of the ONGC has to be judged.

Having said this, I would certainly like to tell the hon. Members that I am very much concerned to know that the ONGC has not been able to make any significant oil finds for the last two years and a half since their last find made towards the end of 1968 of the two fairly sizeable oil-fields, namely Sobhasar in Gujarat and Galeki in Assam.

I also feel that the ONGC is in need of more sophisticated equipment. Its deployment of the present rigs and equipment is also not very satisfactory. It is also in need of a more progressive personnel policy, particularly for promoting the management capabilities and developing higher technical competence in key personnel. The financial and administrative structures of the ONGC also require to be examined. Keeping all these aspects in view I have decided to constitute a high-powered expert committee which would be announced very shortly, say within seven to 10 days—and I would like this committee to give us a report within about three months so that we can take necessary remedial and other measures in the light of this committee's report.

Having said this about the ONGC, I would now like to invite the attention of the hon. Members to the refining and marketing problems. In oil refining, we have been maintaining near self-sufficiency in recent years except for the import of some kerosene oil and furnace oil. The present capacity in the country is about 20 million tonnes. Out of this the indigenous production of crude is about seven million tonnes. The rest is imported by both the joint ventures and the private oil companies. The private oil companies, as per the refinery agreement, have the right to import their own crude. Here is where the pinch lies. A suggestion was made as to why we do not import the crude on the basis of world-wide tenders. According to the refinery agreements, the oil companies have been authorised to bring their own crude and this refinery agreement will continue up to 25 years. We are taking legal opinion as to what could be done about it. Certainly, this is where the whole thing has to be judged. The world prices of crude are

soaring high by the agreement of the oil-producing countries, and this has focused our attention to the most crucial question of refinery agreements. The whole question of these agreements and the various alternative ways of dealing with it, whether by equity participation or straightway nationalisation, are engaging our attention in all its legal, financial and national interest aspects, and it will be my endeavour to come to some broad line of action in this matter as early as possible.

Now, as far as the present refining capacity and the future requirements are concerned, I would like to point out to the hon. Members that the Indian Institute of Petroleum in their study have pointed out that by 1975, the requirements of crude in our country would be 34 million tonnes, although the other studies conducted show that the requirements of crude by the end of the Fourth Plan would be to the tune of about 28 million tonnes. Now, even keeping this low figure of 28 million tonnes, I would like to point out that the present capacity to refine 20 million tonnes would be had by Cochin expansion, one million tonnes; Haldia, 2.5; Koyali (revamping), 0.7; Barauni, 3rd unit, 1.2; and Bongaigon, one million. This would be in all 6.4. This would bring us to 26.4 million tonnes of refining capacity. Even if we take 28 million tonnes, the fact remains that even as far as the refining is concerned, we would be short of refining capacity by the end of the Fourth Plan period, and that is why we have.... (*Interruption*)

**SHRI RAJA KULKARNI :** Provided all work with full capacity.

**SHRI P. C. SETHI :** That is of course there. Therefore, this problem will have to be tackled, according to me, in three ways; (1) to implement the programme in hand as speedily as possible; (2) to establish a much-needed refinery in the north-western region with a designed capacity of 6 million tonnes. If this project goes on stream in 1976 and if we take action on it right from now, the deficit will be more or less wiped out, as by that time, refining at Haldia would have been expanded by another one million tonnes; (3) by reducing consumption of oil, without affecting the economic development of the country. As pointed out by my learned friend, Shri Panigrahi, for evolving a national fuel policy and for finding out ways and means as



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to how we can keep down the consumption of petroleum products without affecting the economic development of the country, the Ministry had appointed a study group. It has submitted its report, which is under examination. The national fuel policy question is also being examined by the Planning Commission. Shri Venkataraman is doing that exercise. We hope that this exercise will be completed by the Planning Commission as early as possible, to that all the Ministries concerned may sit together and evolve a national fuel policy, which is absolutely essential from all points of view, because whether it is a question of feed stock or the use of coal or the use of diesel, all these have to be decided in the light of a national fuel policy. I completely agree with the hon. member who has suggested that there should be a national fuel policy; particularly in the position that we find ourselves in, on account of crude prices and crude shortage, this will have to be done as early as possible.

I come to the Indian Oil Corporation. It is today the largest marketing oil company in the country. Its share of all-India sale of petroleum products was 28.5 per cent in 1965-66; 52.7 per cent in 1970-71 and is expected to be 62.3 per cent in 1973-74. This achievement has been registered in the face of very stiff competition from the foreign oil companies established in the country for decades. IOC's profitability has been the highest amongst the public sector companies. But so far as profitability of IOC is concerned, it has to be judged not only from what it is giving today but from the point of view whether it can improve. I certainly agree with what Shri Unnikrishnan said that the profitability has to be improved. Wherever efforts have to be made to increase the profitability, that would be certainly taken up with the IOC and wherever remedial measures are necessary, they can be initiated.

As some hon. members pointed out, a significant feature of the IOC's sales scheme introduced a little over a year and a half ago by my predecessor, Shri Triguna Sen, is the scheme of awarding agencies and dealerships to young graduates coming from low-income groups. This scheme is commendable both as a departure from the earlier policy of appointing dealers under which generally the prominent

dealers of substantial means were coming to acquire more and more pumps and also because it is intended to serve the social purpose of providing gainful self-employment to engineering and other graduates coming from families of low-income group. But for various reasons, the scheme has so far made slow progress and is not free from problems. We have been receiving a large number of recommendations, complaints and counter-complaints. I would very much like to benefit from the valuable suggestions of hon. members as to how best the scheme could be improved upon, whether the cooperative sector has to be given predominance, whether the selection board, which at present consists only of IOC officials has to be broad-based, taking into account the local principal, etc. We are also examining all these matters, but at the same time, I would certainly invite suggestions from hon. members. I would also invite them to come and discuss it with me, so that wherever there are deficiencies, they can be removed.

I would also like to say a few words about pricing. The prices of petroleum products, including kerosene and motor spirit, have been determined on the basis of the prices committee appointed from time to time and fixed on the basis of import parity.

With effect from 28-5-1971, the ex-refinery prices of petroleum products were increased. Shantilal Shah Committee had suggested increase by four per cent in product prices for every 10 cents increase in crude prices. As per this formula the increase in petroleum products demanded is 16 per cent, Government, however, has not agreed to increase to this extent but has allowed an increase which is equivalent to 8 per cent. A question has been raised here about prices of petroleum products. In this connection, I would like to point out that the determining factor in the prices of the crude; however, the fact remains that on 1-3-1968, the duty free prices of motor spirit and kerosene were Rs. 224.13 and Rs. 235.63 per kilo litre. The price increase today is by Rs. 395.85 in motor spirit per kilo litre, Rs. 84.57 per kilo litre in kerosene out of which the excise duty element increase is Rs. 378.78 per kilo litre in motor spirit and Rs. 64.51 in kerosene. It is, therefore, clear that prices of petroleum products as such has increased on account of other factors, which are beyond the control of this Ministry.

I now come to fertilizer. As far as fertilizer production is concerned, government will

continue to follow the policy of diversifying the feed stock for manufacture of fertilizers, to include gas, naphtha, heavy residual fuel and coal. As an interim measure, government has also allowed the use of imported ammonia to public sector projects, namely, Trombay expansion and Cochin Phase II and to the DMCC project, as this was agreed to in this case before the policy on feed stock was decided. A number of projects are at present based on naphtha, but even in the case of naphtha shortages are likely to arise after 1972; therefore, it will be government's endeavour to reduce dependence on naphtha and base these projects on feed stocks such as coal, LSHS or fuel oil. Two coal-based projects, Ramagundam and Talcher, both in public sector have been taken up for implementation and I will endeavour to get the phasing of Korba done as early as possible so that it would also be taken up soon.

SHRI R. V. BADE (Khargone) : What about Korba ?

SHRI P. C. SETHI : We are trying our best and we want to take up Korba also as soon as possible.

SHRI P. K. DEO : What about Paradeep ?

SHRI P. C. SETHI : There the feasibility report is being awaited.

I am glad to inform hon. Members that Durgapur, Cochin and Madras expected to start commercial production this year. These together with FACT's fourth stage expansion, which has already gone on stream, will add half a million tonnes fertilizer production in the country, in this year.

The existing capacity of nitrogenous and phosphatic fertilizers is of the order of 1,344 m. tons and 0.421 m. tons respectively. The requirement assessed for 1971-72 is 2.4 m. tons of nitrogen, 0.93 million tons of  $P_2O_5$  and 0.56 million tons of  $K_2O$  (Potash). Thus, it is apparent that there will be a shortfall and the demand will have to be met by imports. The import have been of the order of Rs. 153.75 crores in 1968-69, Rs. 112.23 crores in 1969-70 and Rs. 751 crores in 1970-71. The total capacity of nitrogen and  $P_2O_5$  under construction is 1,668 m. tons and 0.431 m. tons respectively.

Another capacity of 1,524 m. tons of nitrogen and 0.708 m. tons of  $P_2O_5$  is approved in principle, bringing the total to 4,536 m. tons of nitrogen and 1,560 m. tons of  $P_2O_5$ . Continuous efforts are being made in public sector projects and FCI to improve the operation, maintenance, production, sales and construction of plants in hand, but I would admit that there is scope for improvement and FCI has been asked to improve its performance. However, the fact remains that we shall be able to bridge this shortage in nitrogen by 1975-76 when the production and requirement will be 3.9 million tons but we shall have to continue to import  $K_2O$  from outside. It is also hoped that as far as  $P_2O_5$  is concerned, we are moving in that direction. But as far as other fertiliser based on potash is concerned we will have to import till we are able to find potash in our country.

Now, I would like to say a few words with regard to design engineering and fabrication of fertiliser plants. The planning and Development Organisation of the F. C. I. as well as the Engineering and Design Organisation of the FACT have over the past few years been enabled to enter into process licence arrangements for building fertiliser plants. In fact, the detailed design and engineering of the plants at Durgapur, Cochin, Namrup and Barauni have been done by one or the other of the two organisations. Similarly, in the case of fabrication till 1966, the country depended on the import of considerable items required for setting up of fertiliser projects. But the situation is changing and more and more items of work, such as, instrumentation, compressors, high pressure equipment like converters and reactors, high pressure pumps etc. are being manufactured in our country. Still 40 per cent equipment is imported. It should be possible before long to reduce the foreign exchange element to 15-20 per cent of the total cost of the fertiliser plant.

Sir, as far as petro-chemical complex is concerned, my colleague, Shri Dalhir Singh has already said about it. Therefore, I would not like to take much time of the House on that. But I would like to point out only one thing. A point has been made here almost from all the States and every now and then we have been receiving letters from the States concerned that petro-chemical complex should be opened up in all the States. My hon. friend, Shri Chitribabu said about Madras and a point was also

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made about Kerala. There is also a demand for a petro-chemical complex in Andhra Pradesh and there is also a demand for Mysore.

AN HON. MEMBER : What about Bihar ?

SHRI P. C. SETHI : As far as Bihar is concerned, about Barauni petro-chemical complex, the feasibility study is being made and it will come. We will try to expedite it.

As far as petro-chemical complex is concerned, it is as if a petro-chemical complex is going to give a lot of employment to people. With a huge investment the entire petro-chemical complex may give employment to about 1000 people or so. Then, it has to be based on the availability of naphtha. Unless naphtha is available, we cannot put up a petro-chemical complex. We cannot put up a petro-chemical complex on the basis of imported naphtha. I am quite sure that as other refineries go into production and naphtha availability increases, certainly, more petro-chemical complexes could be taken up. But as far as the present position is concerned, in view of the limited financial resources, the petro-chemical complexes which have already been sanctioned are to be taken up and already about Rs 800 crores worth of investment is to be made in these petro-chemical complexes which is quite a high amount.

A word about the Engineers India Ltd. The Engineers India Ltd. was formed in the year 1965 as a joint venture between Government of India and Bechtel Corporation of the United States of America to provide design, construction and related services to the petroleum, chemical, fertiliser and allied industries. Bechtel's interests were taken over by the Government of India in 1967. This Company has come up very well and continues to make progress. They have qualified specialists drawn from various engineering disciplines. They have participated in engineering, design construction and supervision in Madras Refinery. Lube India Ltd.'s Lube Refinery at Bombay are currently working on Haldia Refinery and as consultants to some other projects also.

In view of this, I may point out that indigenous fabrication capacity for refineries is continuously increasing. For a simple refinery,

almost entire fabrication is now expected to be done indigenously.

Having said that, I would now come to some of the points that have been mentioned by the hon. Members. The hon. Member Shri R. P. Das said that Dr. Triguna Sen had said that we would work on the policy of self-reliance.

Now, I have pointed out that as far as the search for crude is concerned, one can say that there is certainly scope for intensifying the search in the form of various surveys, either geological, geo-physical or seismic. Regarding the drilling programme the ONGC has taken up, as I have already pointed out, I am myself not satisfied with the total deployment of the rigs which the ONGC has made. Today they are not working to their full capacity. To that extent, I can certainly admit that there is scope for improvement. That is why I am constituting this high-power committee.

As far as the question of oil is concerned, it is a matter of luck. It is not as if that everywhere we would strike oil. The geological survey may possibly show that oil may be there, but it may not be there in sufficient quantities which could be commercially exploited. But, however, wherever the experts have pointed out the possibilities of striking oil, whether it is in Tripura, whether it is in certain parts of Jammu & Kashmir, we will do. But, as I have pointed out, as far as the search for oil is concerned, we will have to give priority to those areas where the promising areas are more. I don't rule out anywhere. But where promising areas are more, we will have to give priority to those areas.

As far as Mr. Panigrahi's point is concerned, I have already answered his point. I do not know whether he was here or not. His question of having a national fuel policy will certainly be examined and it deserves careful examination.

I now come to Mr. Indrajit Gupta and various other members like Mr. Sat Pal Kapoor, Shri Nayak, Shri Unnikrishnan and some other hon. Members who have said with regard to various inquiries and various acts of commission and omission which have been done. In this, I would like to point out that the overall

work that has been done by the various organisations has to be taken in view and our criticism of these various public sector projects should not blur our view as if nothing except corruption prevails there. Having done a commendable work.....(Interruptions) So, the picture has to be viewed in its entire totality. From all this point of view, I would like to point out that as recommended by the Public Undertakings Committee in its 66th report, an one-man commission was appointed on 26th August, 1970. The procedure of hearing was decided by the Commission in March 1970 in consultation with the parties and the hearing has commenced.

Mr. Indrajit Gupta has pointed out that first of all we should look to the problem of accommodation, that proper accommodation at a suitable place should be given. I would certainly look into it and do my best to provide suitable accommodation and I will take up the matter with the Works and Housing Ministry and if that accommodation does not suit, we will do our best to find alternative accommodation.

The second point he made was that the present Chairman of the Indian Oil Corporation should be transferred.

**SHRI INDRAJIT GUPTA :** Pending this inquiry.

**SHRI P. C. SETHI :** I wish to point out to him that I am trying to bring a new Chairman for the Indian Oil Company and I hope a new Chairman will be in position soon.

**SHRI INDRAJIT GUPTA :** My point was that the inquiry will be vitiated if he remains as Chairman. He is implicated there.

**SHRI P. C. SETHI :** You wanted his transfer. I am saying that I am getting a new Chairman.

**SHRI P. K. DEO :** Don't get a defeated Minister.

**SHRI P. C. SETHI :** The third point he made was whether the terms of reference of this inquiry will be enlarged. This will have to be examined. I cannot straightaway promise anything.

The next question is that a Commission was appointed to inquire into the causes of water pollution of the Ganges in March, 1968. This Commission submitted its report in 1969 and all action pursuant to this report has been taken and necessary enquiries against the officers named in it have also been initiated.

Regarding enquiry in the case of Lakwa Tea Estate and Nazira Estate, this has advanced considerably and likely to be completed and as soon as we receive the enquiry report we will take suitable action. Regarding enquiries against Smt. Leela Menon, these are at an advanced stage and as soon as we receive the report we will take action.

**श्री सतपाल कपूर :** वह तो रिजाइन करके चली भी गई है और उसका इस्तीफा मंजूर भी कर लिया गया था। जिन्होंने उसका इस्तीफा मंजूर करके उसके साथ फेवर दिखाई उनके खिलाफ भी क्या आप कोई एक्शन लेने जा रहे हैं ?

**SHRI P. C. SETHI :** CBI enquiry is for criminal cases and also from other points of view. The criminal aspects of the enquiry are conducted by the CBI. Likewise the enquiries regarding import of casing and seamless pipes by ONGC are in progress. We would request the CBI to complete them as quickly as possible. I can assure the House, wherever responsibility is located, we will take suitable action. I would urge this upon hon. Members that till the enquiry is completed, we cannot take action. Certain sets of officers, A B or C may be involved; we can't take action merely on suspicion. I am very distressed to note one thing. Mr. Sat Pal Kapoor, on the basis of the cases against 62 or 63 against whom enquiries were pending at that time, demanded that all the present set of officers in the Ministry should be suspended. I cannot understand this demand. If in the House accusations are made like this entire tempo of work would be suspended and no officer would have the moral courage to take decision. It is certainly right that wherever corruption changes are there and they have been proved, they should be punished. But one thing has to be remembered. In taking certain decisions they might commit mistakes which are *bona fide* mistakes. If it is a *bona fide* mistake we cannot take a stand that whatever the officer might have done or not

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done, we should suspend him. That should not be the attitude. Otherwise, no Ministry would be able to function; no officer will be prepared to take decision; no public sector would be able to work.

Therefore, I would urge upon hon. Members that they may come to me and discuss with me. They may give me details. I would try to find out the facts and I would certainly take suitable action and hold proper enquiries whenever they are needed. But it is not in the interest of the administration that accusations are made like this. It should not be done. The present set of officers have nothing to do with those accusations which were made against different persons earlier. And therefore it should not be urged that these present officers should be suspended. So, I would only urge hon. Members that an overall view has to be taken.

A question has also been asked about kerosene. As far as kerosene is concerned, we are almost moving to a position of self-sufficiency. At the moment, we are importing only Rs. 8 crores worth of kerosene. I have written recently to all the Chief Ministers and to all the Governors and the Administrators in the respective States that kerosene shortage is absolutely artificial. Kerosene is ample in our country. We have said that whatever be the requirement on account of the seasonal offsets or otherwise of the State Governments, we are prepared to fulfil all the requirements of the State Governments. There is no shortage of kerosene.

But kerosene is being misused. As I have pointed out, it is being mixed with high speed diesel oil. On account of this mixture, kerosene shops are opening up on the broad highways and these broad highway kerosene shops do not cater to the needs of the villagers but to the needs of the various petrol pumps which are mixing it with high speed diesel oil. I have requested the State Governments that they must raid the shops and they must take suitable action and wherever any such thing is found, the licence of the kerosene dealer should be cancelled. There are certain difficulties in certain areas. We are also working on a scheme where a colour would be mixed up and wherever kerosene is mixed with high speed

diesel oil, that could be detected and the culprit could be punished on the spot and the licence could be cancelled and other suitable action taken.

There are certain areas particularly in the eastern region where the shortage of kerosene is being felt. A point was also made about Gorakhpur. Shri Chintamani Panigrahi has also referred to this matter. Complaints have come from other State also. Almost every day there is a news item in the press that kerosene shortage is there.

SHRI GENDA SINGH (Padrauna): In Banaras and Gorakhpur the shortage is there.

SHRI P. C. SETHI: On account of the movement, there was some difficulty. But now we are pumping kerosene from Haldia and it has reached Barauni. And we are pumping it from Barauni onwards to Kanpur, and I am sure that in spite of the railway difficulties that may be there, we shall be able to pump to Kanpur and the shortage of kerosene in UP would diminish.

We have also taken another policy decision.

SHRI RAJA KULKARNI: What about taking an employees' representative on the IOC board? When is he taking a decision on that?

SHRI UNNIKRISHNAN: He has not replied to any of my points.

SHRI P. C. SEIHI: I have tried to cover most of the points in the short time at my disposal. It is likely that I may not have covered some of the points.

SHRI UNNIKRISHNAN: What about the recruitment policy?

SHRI P. C. SETHI: As regards the recruitment criteria, I shall look into the recruitment criteria in the light of...

SHRI UNNIKRISHNAN: What about the allegations against the managing director? Are they true? If so, what action is proposed to be taken?

SHRI P. C. SETHI: I have said that I would certainly look into whatever other points have been made and which I have not been able to cover.

**SHRI RAJA KULKARNI:** What about taking an employees' representative? We want to know the hon. Minister's decision.

**MR. CHAIRMAN:** Now, there is no time to deal with all that. The Minister has said that he will look into the matter and he will look into all allegations that have been brought against any person.

**SHRI UNNIKRISHNAN:** What about the allegations against the officers in the Ministry and the IOC who encouraged and enabled the house of Goenkas to make profit in barrels?

**SHRI P. C. SETHI:** As regards this question of Bharat Barrels vs. the Goenkas, if the Chair gives me time, I am prepared to deal with it. But I am quite convinced from the records that I have seen that as far as this case is concerned, the order was placed on the lowest tenderer. The entire system of tendering would be wiped out if the lowest tenderer is not given the order.

**SHRI UNNIKRISHNAN:** What is the policy in regard to the public sector?

**SHRI P. C. SETHI:** What is the question of policy in this? ...

**SHRI UNNIKRISHNAN:** There is a question of policy.

**SHRI P. C. SETHI:** Should it be the policy that the orders should be placed on a party which has quoted a higher price? ...

**SHRI UNNIKRISHNAN:** The capacity is only 6000 tonnes.

**SHRI P. C. SETHI:** This party has already got about 1,50,000 barrels order on them. They had not complied with them. When the tender was invited, they had given the highest quotation. The order was given to the lowest tenderer. That being so, how can one level any criticism on that? Anyway, I am prepared to discuss the entire question or if the hon. member comes to me, I am prepared to give him all the facts.

**MR. CHAIRMAN:** There are two cut motions, Nos. 1 and 2. I shall put them together to vote.

*The cut motions were put and negatived.*

**MR. CHAIRMAN:** The question is:

“That the respective sums not exceeding the amounts shown in the fourth column of the order paper including the sums already voted ‘on account’ for the relevant services be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1972, in respect of Demands Nos. 71 and 133 relating to the Ministry of Petroleum and Chemicals”.

*The motion was adopted.*

**18.02 hrs.**

*The Lok Sabha then adjourned till Eleven of the Clock on Wednesday, July 7, 1971|Asadha 16, 1893 (Saka).*