

- (2) A copy each of the following Notifications under sub-section (3) of section 8 of the Cinematograph Act, 1952:—

(i) The Cinematograph (Censorship) Fifth Amendment Rule, 1966 published in Notification No. G.S.R. 235 in Gazette of India dated the 12th February, 1966.

(ii) G.S.R. 236 published in Gazette of India dated the 12th February, 1967. [Placed in Library. See No. LT-6017/66].

12.11 hrs.

DEMANDS FOR GRANTS—contd.

MINISTRY OF PETROLEUM AND CHEMICALS—contd.

Dr. U. Misra (Jamshedpur): We submitted some adjournment motions.

Mr. Speaker: I have not allowed it . . . (Interruptions).

Shri P. K. Deo (Kalahandi): The Chief Minister has threatened to resign.

Mr. Speaker: They can write to me. Now, we shall take up the discussion of the next item. There are still 4 hours and 5 minutes for these demands. That means these demands would conclude at about 4.15 p.m. today. Shri Mohan Swarup—absent. Shri Kashi Ram Gupta . . . (Interruptions).

Shri Kashi Ram Gupta (Alwar): Sir, my first observation on this report is that this has been prepared in a very rough manner and especially about oil, the estimates do not show how we could arrive at the correct conclusions. For example, they say about the public sector refineries that the total tonnage that would be available in the year 1968 may come to roughly 12 million tonnes. The estimate for the private sector at present

is 8.2 million tonnes. The Minister should let the House know how he expects the private sector to expand before 1968. About Cochin refinery, nothing is mentioned whether there will be collaboration with any foreign firm or not. Similar is the case with Haldia. In the absence of complete and full facts and figures it is very difficult to arrive at correct conclusions. The policy of the government should be that the private sector should not expand much more than the public sector. But the pace of the public sector does not show any results. Now, I come to the distribution system of this oil. Black marketing is going on in the light diesel oil and in the crude oil. It is not an ordinary black market; black marketing is to the tune of 30-40 per cent above the price fixed by the government and the company. Day light black marketing is going on. It has become a chronic disease and I want to know whether the Minister has taken any serious step to stop these malpractices. As this oil is used by the small industries and cultivators, it is they who suffer most and the hon. Minister should look into this.

Then there is the question of petrol. Indian refineries are functioning in such a way that there is an imbalance in their production; petrol is in excess. The Government has not given any indication as to how it is going to deal with this extra production of petrol, because the more we produce, the greater will be the quantity of petrol, and by the end of the fourth Five Year Plan this problem may become enormous. Therefore, the Government should give a clear indication as to how they are going to deal with this problem; if they can find an export market for it or whether they want to consume the petrol internally by having more trucks which can be run on petrol.

Now, I come to the question of fertilisers. The other day, Shri K. D.

*Moved with the recommendation of the President.

[Shri Kashi Ram Gupta]

Malaviya gave some information which the Government ought to make clear; whether the private sector that will be allowed to run the fertiliser factory will be in collaboration with the Government or whether it will be purely a private sector factory of the foreign capitalists. Another point that we have to see here is that this is a problem which is not only to be seen from the point of view of ideology. I want to know one thing for certain; I think that the public sector fertiliser factories which are run up till now are having a knowhow which is an old one, and that is the main reason for the higher cost of production. Therefore, the question is whether the Minister has been able to have this knowhow from other countries also or not, and whether Russia and such other countries which run public sector industries are able to give us such a knowhow as will result in our cost of production becoming low, or whether it is only American capital where advantage is taken of a high technology and, if so, what is the reason that our technologists have failed to catch up to that point. That is the main problem. Before finalising any deal in the private sector, the Government's duty is to let the country know as to how far they have failed to catch up on this technology to that standard required. At present, the position is that those people who will be allowed or who will be able to get licences up to 1967 and start factories will be allowed to have their prices fixed for seven years. There is a fear in the mind of the people that this will affect our national policy in a bad way. But I do not think that that fear is based on any valid ground. What we have to see is, not whether this fear is based on any ideology or on any political views, but whether this fear is based on our economic situation. If, as is alleged, they will be able to have a higher rate of profit, let them have it, but the question is whether they will be able to plough back the capital or

will have a free export of their earned income to their own country. That is the crux of the problem. Therefore, if our agreements are such that the flow of capital will be utilised or ploughed back in this very country, then, there can be no harm in it. But, if it is taken out of this country, it will be a permanent drain, and therefore, that point has to be looked into.

Another factor that has to be considered is about the prices that may have an effect on the economy in the long run. It is feared that they will be able to cut down the prices very badly and we may have to subsidise our factories for that purpose. Why should they cut down the prices? What is the idea behind it? If they have their own factories in our land here and when our Government is powerful enough to see to its own legitimate interests, I do not think that that fear can be taken as a very serious problem in the near future. But what I want to know is, why this private capital has been allowed and is asked for instantaneously and why our policy had to be changed after such a long period of experience in fertilisers. Naturally, the Government has failed to let this House and the country know the main reasons for this. How are we going to catch up in future? The question is whether the Government is going to allow them any patent rights here so that the process cannot be copied by us, or, whether there is no patent right and we are able to have similar process of our own. In the latter case, our cost of production will also come down and that may be a source of help to us. Therefore, this is a technical subject which has to be looked into from all these points of view, and not merely from the point of view that because private capital is coming, our public sector will be jeopardised.

Another aspect is the distribution system of fertilisers in the country.

At present the system is hopeless and people have been asking for a change in the system. If it is to be reorganised, naturally, we have to consult those who are coming in for regarding their marketing policies. The main point is whether all these firms to whom licences are given are going to have their own pool or they will be dealt with separately. If they are going to be dealt with separately, there is not much difficulty. But if they pool together and want to threaten the public sector so far as competition is concerned, necessary measures will have to be taken. Even then I do not think we will be able to cope up with the demands, unless and until we simultaneously encourage our indigenous manuring and the gas plant system and coordinate our policy along with that. At present, it is shameful on our part that we have not been able to work our gas plants as we wish them to do, and we are not taking keen interest in them. I have been to some farms and they told me that if the gas plant system is made successful on a large scale, naturally the demand for chemical fertilisers will not be so much and the results too will be much better, because along with the manure coming out of the gas plant the fertilisers can improve the soil in a much better way than if they are used alone. There is the fear that if they are used alone, they may be in excess and the land may be affected by chemical action. Therefore, while considering our fertiliser production policy and production targets, we must not lose sight of this factor of manuring. If that system is encouraged, our fuel problem will also be solved and we will have manure also.

We may have the manure, but what about our cropping? At present people do not use the fertilisers for food production, but they use it for cash crops. If our policy is not linked up with the distribution for cropping system, there will be trouble. The minister may say this has nothing to do with his ministry. But my view is that fertiliser production

is connected with both his ministry and other ministries. So long as there is no coordination, we will not be able to achieve the desired results.

In conclusion, I would like to say that if we want that our oil policy and fertiliser policy should succeed, we should have a coordinated effort between all the respective ministries concerned and a plan should be evolved out of that. That can be the only way to solve the problem.

Shrimati Renuka Ray (Malda): Sir a great deal has been said about the controversial issue of the arrangements for fertilisers that the government have made recently. Some time back we realised the necessity for creating a demand for fertilisers in the country, a consciousness for it. But it is a very tragic state of affairs that the strategy of our planning has been such that we have not been able to meet that demand when it came. That is largely because in the second plan fertiliser production was left out of the core. I do not understand why we cannot have better planning. That is one of the reasons why now we have to go in for a policy which is certainly not one which I am sure the government itself would have gone in for, but for the fact that somehow or the other we must have fertilisers produced in this country. The production of fertilisers in the country is of paramount importance for increasing agricultural production. Thus we are conceding points regarding fixation of prices and distribution to foreign private oil companies which we should not have done. It is now a matter of crying over spilt milk, but I am saying these things because there have come as a result of our wrong strategy, our not having set up fertiliser plants when they should have been. Today the need is paramount. The need was there even earlier, but today we are facing a very difficult situation and therefore Government is claiming that difficult situation as a reason or going in for every kind of method by which more and more fertilisers can be produced in the country.

[Shrimati Renuka Ray]

I want now to refer to the very unhappy and tragic occurrences that have taken place in West Bengal recently and for which, I think, the trigger was set into motion to a large extent due to the lack of kerosene oil and a proper policy for its distribution. I have been round the districts recently and I have definitely come to this conclusion that it is largely due to the fault of the public sector enterprise, the Indian Oil Corporation, as well as some of the private sector companies who produce oil in the country, like Caltex, Burmah-Shell and others, that the distribution of kerosene oil in the country, particularly in West Bengal, has gone wrong. A wrong impression has been given—I do not know who is responsible for it, but it has been done deliberately it seems—that the Government of West Bengal was responsible for this. The distribution of oil is done by the agents of the Indian Oil Corporation, which is a public sector enterprise. I am very much in favour of the public sector, and I think it is very wrong to have brought this organisation into disrepute in this manner. There are very grave allegations regarding the distribution machinery, about those who distribute oil, about many persons having made profits in this organisation, among those who are agents for the distribution of oil.

Sir, it may be pointed out—it has been said and therefore I want to make this point clear—that a circular was sent to the Government of West Bengal about their taking some part in the distribution of oil. The West Bengal Government, if they take over the distribution, must necessarily have the agency. They had written repeatedly for clarification to the Government of India about it but had not received any reply. As you know, the Government of West Bengal at least has to its record that it does not fight shy of rationing and distribution. Even in regard to sugar it rationed distribution of sugar a long time back. It is not allergic as some governments

may be, for going in for rationing and distribution. Unfortunately, these points were not cleared up. Another thing that occurred was there was, at the same time acute short supply. It is short supply, of course, which leads to all these things going wrong. What happened in January was, only 12,000 kilolitres of kerosene oil was given. In February, 20,000 kilolitres were given. This is much lower than what the Government of India themselves concede they were willing to give. In March this has come up further, but even then it is not up to the quantity promised by the Central Government.

The Minister of Petroleum and Chemicals (Shri Alagesan): We are just now giving 30,000 kilolitres.

Shrimati Renuka Ray: Even in February they gave only 20,000 kilolitres. Even this 30,000 kilolitres is below the requirements and what was promised before. The Government of West Bengal also has come into the picture now. They have started coming into the picture from towards the end of March. From 1st April they have rationed the commodity and undertaken the distribution of kerosene oil. Had it all been given to them earlier and these points cleared up in time and the supply increased then, perhaps, this sorry state of affairs would not have arisen. I am one of those who condemn outright violence and sabotage and deliberate planning for these things. But, nevertheless, I am one of those who believe, and I am sure everyone in this House believes, particularly, the Treasury Bench, that the legitimate grievances of the people which arise must be dealt with as quickly as possible and effectively. (Interruption). I am talking about the sabotage that took place recently in Calcutta and some other places. These sort of things are to be condemned. But when a legitimate discontent arises out of a grievance which is not attended to on time. I do feel that it is very necessary that

we see to it that such things do not happen.

This Oil Corporation in a public sector enterprise and in spite of it being so, there is still to a large extent, a lot of bureaucratic control. What is important here is that there are allegations against the distributors: I hope, whatever happens now, such distributors are removed. Not only a little more quota of oil is given but at least a minimum amount per capita of kerosene oil should be given. I hope the minimum quantity promised should be adhered to and that the distribution machinery, now that it has been taken over by the Government and they have shown that it is able to do it as they have done in sugar and in other things, will be better now.

Now, I want to say something about the oil refinery that is to be set up at Haldia. I know that it is included in the Plan. But I have heard whispers that there is a chance that this might be staggered. I would really like to bring to the notice of the Minister the very urgent necessity of getting on with the setting up of the oil refinery at Haldia without any staggering or any kind of postponement or delay about it. The report of the working group on oil prices has pointed out that Haldia is one of the best and the most economical sites for the setting up of a oil refinery and I understand that once Haldia refinery is in working order, it will more than cover the cost of the uneconomic refineries that have already been set up. Therefore, on an over all basis, this public sector enterprise of oil refineries in that region would be a financial success if Haldia comes. The area which Haldia will cover is one which has been called the "Ruhr" of India and as such it is the spring board of the petro-chemical complex and assure its economic viability. As such, the Minister himself, I am sure, recognises the need for getting on with the refinery and I hope he will get the assistance

and the aid of the concerned Ministries so that he can go-ahead with it without any difficulty.

In this connection, I may state that there should be no difficulty regarding the foreign exchange because the French as well as the Kuwait people have agreed to supply the crude oil on short-term credits and this could be covered by their own credit of foreign exchange. Rumania has agreed to put up a plant on rupee payment basis. I am one of those people who believe that we should cut down, as far as it becomes possible, on large capital expenditure. But this is not such a large one. Besides it is essential, as I have already said, for growth and if Haldia refinery comes up and functions well, it will be able to cover the cost of the uneconomic nature of the other refineries in the region because of their wrongly selected sites.

I want to congratulate this Ministry after having pointed out all the things on which, I hope, the Minister will take action, for having gone ahead so well with the oil exploration policy. It has gone on smoothly on the whole and I must say that the off-shore possibilities of oil in the Bay of Bengal which I understand, they are now going to explore is something which is good. I understand that the Soviet estimate also suggests that prospects in 24-Parganas in West Bengal are also good and I am sure the exploration will be continued.

One word more about the Minister. He is very able and conscientious and I hope he will give these matters which I have raised here proper consideration and that the things which have gone wrong will not go wrong again.

Mr. Speaker: Then alone he is able and competent.

Shri V. Sudevan Nair (Ambalappuzha): Mr. Speaker, Sir, as at the very outset, I should criticise the Union Government for giving a step-motherly treatment to this very

[Shri Vasudevan Nair]

important Ministry. I am very clear in my mind that this Ministry should have a Cabinet Minister to preside over it. There are very important policy matters. If by my suggestion Mr. Alagesan himself gets a lift, I would be very happy. But anyhow the point is that the Ministry should be looked after at the highest level.

Coming to the most controversial issue of the time, the fertiliser controversy, I should like to add my voice to the voices raised from the other side of the House specially against the revised fertiliser policy. According to us, this revised policy is harmful to us, is dangerous and is anti-national in character. Mr. Malviya who initiated the debate was talking about socialist principles. He was worried that the changes in the fertiliser policy mean a negation of the socialist principles to which this Government is supposed to adhere. We are not so much worried about that because none of us has any illusion that this Government is going to bring socialism in this country. We never have that illusion. We will not have that illusion in future as far as this Government is concerned. But at least a Congress Government was expected to withhold the national interests and from that point of view we are really worried about the changes that have taken place in the policy.

The policy initiated in the very beginning was that the fertiliser industry should be totally in the public sector. Then, in 1960, they chose to change that policy to a certain extent. Now, there is again another erosion and they argue that because we are in dire need of fertiliser, as the speaker who preceded me pointed out, we should somehow get it. This is a very dangerous argument. The Finance Minister was relying entirely on his logic while replying to the debate on the Budget discussion when he tried to justify this dirty deal. Now, if that argument is taken for granted, where will we go? In my language

there is a saying which means: Simply because there is dearth of women, you do not marry your sister. That is a saying in our language. I think the Government should always have some ideal before it. Even a Congress Government can have a little amount of idealism before it. I think that is very necessary. What has happened after this? What have they gained because of this deal? The Government, Mr. Alagesan himself, I am sure if he chooses, to tell us that even after this policy, due to a lot of pressure from the private capitalists and from the American Government and other agencies, even after the acceptance of this new revision of policy, nobody is coming forward with offers of collaboration, with offers of establishment of fertiliser plants.

12.40 hrs.

[MR. DEPUTY-SPEAKER in the Chair]

And we have our experience of Durgapur and Cochin. Government wisely took the decision to go forward with Durgapur and Cochin fertiliser projects without this kind of foreign collaboration. I should congratulate the Government on that decision and our suggestion is, "you take that path of Durgapur and Cochin; adhere to that path of Durgapur and Cochin." There may be some difficulties but the Government should remember that the foreign private capital interests and the United States aid agencies are very particular of getting concessions, especially in this field because they are far-sighted—and our Government should also be far-sighted—because in a country like India, a vast country with a rural population, essentially an agricultural country, fertiliser is going to be a gold-mine in times to come. It is precisely because of that, they are trying to pressurize the Government to the maximum on this particular score and they are succeeding to a certain extent. We want the Government to resist this pressure, stand firm and erect and have some backbone as far as this issue is concerned.

The real issue on which they are now pressurizing is that of controlling the management. The Government has a well established, policy of having majority shares in industries having foreign collaboration. I want to know whether the Government are now going to give in. They are really giving in and there are reports about that. As far as the Madras project is concerned, the endeavour of the American collaborators is to push out the Iranian oil company, for example, so that they get the real managing control of the project. Those reports are not correct. I want to get an assurance from the Minister that those reports are not correct. Similarly a lot of news is appearing about the petrochemical complex in Gujarat. What is standing in the way as far as the final agreement is concerned? On that I should like to get an explanation from the Minister.

Due to lack of time, I now pass on to the next point, namely, kerosene. The kerosene crisis, I should call it, is still continuing in spite of the fact that the Minister claims that the supply position is quite all right. He has statistics to show that our demand for the last three or four years was 200,000 tonnes and the supply has been almost equal to the demand. It is because of that fact, he agrees that there should be control in distribution and control in prices, but he depends there again on the mercy of the private oil companies. Now there is a quota for different States, but the State Governments have to depend on the mercy of the private oil companies.

Shrimati Renuka Ray: That is true.

Shri Vasudevan Nair: That is the whole crux of the matter. So, according to us, the Minister may not agree, but the real solution is that the IOC should take over the entire stock of kerosene from the foreign oil companies at the ex-installation prices and the IOC should have proper distribution machinery. As things stand at present, the IOC is really helpless.

They did a good job last year when the private oil companies failed the country.

Then I will try to introduce a small issue connected with this. What has happened to the manufacture of 4 gallon tins? We have received some reports that, as far as Cochin is concerned, where the three oil companies are functioning, during 1965 they have cut down very much the manufacture of 4-gallon tins; some of them have stopped the manufacture completely and the tin plates which they had from the Government have been sold out by them to others. This will create a lot of problems as far as distribution into the interior areas is concerned. I should like to know what the Government is going to do in this regard. In Cochin itself, if the manufacture of 4-gallon tins is stopped completely by the private oil companies, the problem of retrenchment will also arise and that would be another headache. I want the Minister to look into that question also and give an explanation, a clarification, as to what is happening about the manufacture of 4-gallon tins.

Shri Joachim Alva (Kanara): Why so far as Cochin is concerned?

Shri Vasudevan Nair: It is there everywhere. I talk about Cochin because I come from that place.

Shri Ravindra Varma (Thiruvella): Cochin is nearer.

Shri Joachim Alva: The CPWD does not give petrol pump sites to the Indian oil companies but give to foreign oil companies.

Shri Vasudevan Nair: Because there is very little time, I should like the Minister to listen to some of my questions so that I get some explanations on those questions when he replies. Here again they mainly relate to problems concerning my State.

I should like to know what they are going to do with that case of abortion of phyto-chemical plant

[Shri Vasudevan Nair]

which was to come up. The Government spent Rs. 30 lakhs on that for nothing.

An hon. Member: Rs. 32 lakhs.

Shri Vasudevan Nair: Can you think of a Government which plans in such a haphazard an irresponsible manner that they declare that they are going to start a plant; they acquire land; people are evicted; about Rs. 30 lakhs are spent and then they find out that that project is not feasible? We were told in the Kerala Consultative Committee meeting that there may be some other plant put up in that site. I want to know something about that question.

What special steps are taken to supply power to the fertiliser factory at Alwaye? That again is a muddle. At the time when fertiliser is so much needed in this country, you should know that one of our plants is completely closed down due to lack of power and the Manager of the FACT tells us that already they have lost Rs. 2½ crores. The factory is completely closed and the loss is Rs. 2½ crores. I want to know from Mr. Alagesan as to why he could not request the Chief Minister of Madras, Mr. Baktavatsalam, to spare some power for the fertiliser plant at Alwaye. It is not only a Kerala problem, we want fertiliser for the whole country. What is he going to do? When will it reopen? Will it reopen at all in the month to come? What are the steps taken to implement the recommendations of the Committee on Public Undertakings to have a research laboratory at Udhog Mandal? There are a number of factories under the aegis of this Ministry in that particular area—the FACT, the chemical factory and other factories. The Public Undertakings Committee have recommended that a research laboratory may be established in that area to help all those factories. I should like to get some clarification on this subject.

The hon. Minister, while replying to some debate in the other House on the Cochin oil refinery report, referred to the question of the threat of retrenchment of employees working in the private oil companies. It is a continuing problem it is not a new matter. In the name of voluntary retirement, so many well experienced employees are thrown out every day from these companies. Between 1960 and 1965, the total number of people employed in the three major oil companies came down by 25.3 per cent. The Government have received a report from the Tripartite Committee; they went into that question. The managements of these oil companies have given a dissenting note and the Minister said that it was as big as the report itself. The Committee has come to certain conclusions. They have said that this has to be stopped; this has to be put a stop to; the companies have no justification for such retrenchment because their business has gone up; their profits have gone up; their marketing apparatus has gone up and they are recruiting new people. I should like the Minister to tell us something about this. How can this happen that on one side people are retrenched and on the other side, people are recruited? How does this happen?

Coming to another question, is it a fact that the Indian Oil Company rented buildings at heavy rates of rent in Calcutta and Bombay, for their marketing offices? Why is not the Indian Oil Company going in for its own buildings? Because, we learn—I will stand corrected if I am wrong—quite heavy amounts, very big sums had been advanced by the Ministry, maybe, by way of advance, to get possession of buildings in Calcutta and Bombay for their offices. These buildings belong to private parties. In some places the Life Insurance Corporation of India has got very huge structures, its own buildings. Is it not possible for this Ministry to enter into some collaboration with the Life

Insurance Corporation of India and get hold of some of their offices? Why are they wasting money by paying very heavy rents in Calcutta and Bombay as far as these buildings are concerned?

I will now come to the Cochin Refinery. During the debate in the Rajya Sabha, I am glad to see that the hon. Minister has given certain facts which have dispelled some doubts and suspicions. Now, my question is this, whether there is any idea to increase the capacity and the size of the Cochin Oil Refinery because the Minister says that each Refinery has to cater to a particular area. That is the policy of the Government. Then, what is the area to which the Cochin Oil Refinery is expected to cater to? I should like to know this. Have they made any estimates of the needs of the petroleum products in that area? I want to know whether the present capacity of 2.5 million tons of the Cochin Oil Refinery is enough to meet the needs of that particular area, or expansion is necessary. And then, connected with that question, there is this aspect also. Really, we are all worried about the negative attitude of the Government on the question of starting of a Petro-chemical complex in Cochin. Now, the expectation was this, that the Cochin Oil Refinery will be the starting point of a number of other subsidiary industries in that area and that this State which is having the acute problem of unemployment and which is poor, will be helped by this industry. But the Oil Refinery by itself will employ only three hundred and odd people and we thought that the Government with a foresight, with a heart to see that unemployment is removed, with sympathetic understanding of the problems of the State, will see to this to have a Petro-chemical Complex there but unfortunately there is no such decision. What is the reason for that? Is it not possible to reconsider the position even at this late time? And, another question. Now, the oil refinery will be supplying furnace oil

for starting a thermal plant. We are going to have, I suppose—I don't know whether even that will come—30 m.w. thermal plant. I don't know why the Government should waste time on such petty things. Why should there be a thermal plant less than 100 megawatts? And this year our power position was so acute that there was a 80 per cent power cut in Kerala. Many industries are closed. Fifty thousand workers are now laid off due to this power cut. We want minimum 100 megawatt power plant. I wish Mr. Alagesan will please listen to this. Recently, Shri K. L. Rao made a statement in Kerala. He was speaking in a press conference and he said that we are able to start only a 30 megawatt plant because the furnace oil supply will only reach that much. I want to have clarification from the hon. Minister whether it is true. I hope it is true—Shri K. L. Rao may not tell something which is not true. But is it not possible, somehow or other, to supply furnace oil from your refinery to start a thermal plant, i.e., a 100 megawatt thermal plant? About that also I would like to get an explanation. In the end, while winding up, I should again advise the Minister and the Ministry to see that our national interests are guarded by him and his Ministry.

Shri T. Subramanyam (Bellary): Mr. Deputy-Speaker, Sir, at the outset, I would like to make a brief reference to the work of the Oil and Natural Gas Commission that has been carrying on geological and geo-physical surveys in the various parts of our country. The Soviet offshore party has been operating in the Coromandal Coast and in the Gulf of Kutch and Cambay and the French seismographic party has been doing the same work in Jaisalmer area of Rajasthan. The preliminary search for oil in the Gulf of Cambay is expected to be completed by the end of this month. Investigations in the eastern part of the Gulf of Cambay have been completed and now a beginning will be made in the western parts and the geologists working in this

[Shri T. Subramanyam]

group are very hopeful. They are working in the ship Mahendra and I hope that a good find may be effected there.

Now, I shall go to the problem of fertilisers which has been rather engaging our attention in a very serious manner. It is our duty to maximise the utilisation of manures, organic manures, composts, green manures and other available organic manures. They have useful and effective role to play in increasing the yield per acre. But if we have to effect very impressive increases in the agricultural production we must take to the production and the manufacture of these chemical fertilisers in a big way. I have recently visited some farms where new methods and new techniques have been adopted and where improved seeds were given. There was the availability of irrigation facilities and supply of pesticides had been made. But fertilisers have played the most significant part in increasing the yield per acre as much as three-fold and four-fold. Use of fertilisers has a direct role to play, it has got a direct casual connection between the application and the increases in the yield. And the ryots also have realised its usefulness now. I know, several years back the ryots were rather unwilling to use them and they had certain inhibition in the use of these fertilisers. I have visited the godowns where fertilisers were lying unused and undisposed of. But now the anxiety of the farmers and the agriculturists to get fertilisers is so great that blackmarketing on a vast and extensive scale is going on. That is known to everybody. And therefore production of fertilisers is a 'must' so far as Government is concerned if we have to solve the problem of the inadequacy of foodstuffs. During the last fifteen or seventeen years our production policy has failed in this regard. The chief reason I should say, is this that we have not paid attention to the production of fertilisers. The original plan target under the third five-year Plan was one million tons of fertilisers

of nitrogen, but that installed capacity was reduced to 0.8 million tons and now at present this is only 0.477 million tons. There are six public sector projects and two private sector projects with about 18,000 tons at Ennore and Benaras. Actual production in 1965 was only 2,43,000 tons. It is a most regrettable and sorry feature that from one million tons as target the actual production last year, that is 1965, was only 2,43,884 tons.

The Fertilisers Corporation of India has at present three operating units— one at Sindri, Nangal and Trombay— and we have got 3 units under implementation, that is, at Namrup in Assam, Gorakhpur in U.P. and Durgapur in West Bengal. Under the fourth Five-Year Plan the Government has got the target of producing 2.4 million tons of nitrogenous fertilisers. For the public sector it will be about 1.5 million tons and for the private sector it will be about 0.85 million tons. When the public sector units go into actual production it is expected that they will produce about two-thirds of the fertilisers produced indigenously and about one-third will be in the private sector. Therefore, we have to attract some foreign and indigenous private sector entrepreneur to play their role. It is quite in consonance with the industrial policy of the Government of India. The initiative to start fertiliser factories will be on behalf of the Government in the public sector, but the role of the private sector is not altogether ruled out. They have also to supplement the production of fertilisers. Probably they will produce about a third of the production actually.

13 hrs.

A criticism has been made that the policy started by Shri Jawaharlal Nehru has been given the go-by, that socialist principles are disappearing gradually and that democratic socialism will be a thing in name only. I

do not agree with that criticism. First-our country, at present, fertilisers are ly, if our democratic socialism has to subsist and survive, and play a role successfully, then the problem of food production must be solved. This is a 'must'. If that has to be solved, we have to produce fertilisers in a big way and the only manner in which we can solve this problem of fertilisers in the present circumstances is by getting the know-how either locally or from foreign entrepreneurs also; we have to attract equipment and know-how, and it is only in this way that we can solve this problem. One way of attracting them is by deciding, as the Government have decided, to give the right of distribution and also the right to fix prices to them. It has been feared that they will exploit the ignorance of the ryots in this matter and they will put the ryots into jeopardy. That is the criticism which has been advanced. But I feel that in the changed circumstances, if this plan is worked out successfully and effectively, then there will be no room for such a fear for Government themselves will be producing about two-thirds of the production and then they will also have the right to secure on a negotiated basis 30 per cent of the production from even these private people. Therefore, they will have the bulk of the fertilisers in their own hands to distribute. I expect the entrepreneurs in the private sector also to play a wise and intelligent role in this matter. As compared with the present position when there is an absolute shortage of fertilisers and a distressing situation is prevailing and the prices are also so abnormal due to the inadequate quantities available, I am sure that in the changed circumstances, the position in regard to prices and distribution would be a wise one and they will be in favour of the agriculturists and farmers. Government can also bring to bear their own influence in the matter of fixing of prices and also distribution; if necessary, they can also import from abroad.

In foreign countries, fertilisers are produced at a very low cost. But in

our country, at present, fertilisers are produced at an abnormally high cost. That is because the techniques adopted are not modern and further the units that are actually functioning are not large-scale. In the changed circumstances, I am sure that improved techniques will be adopted which will make for production at a lower cost and also larger units, and, therefore, I do not see any reason why we should entertain any fear with regard to this changed policy of Government to attract foreign and indigenous entrepreneurs to take a more important role, and also allow them some scope for distribution without control on the prices.

The most important thing in this regard is that we should have know-how and equipment. On Saturday, the 9th instant, India took a significant step towards self-sufficiency in fertiliser technology, under an agreement signed between the Fertiliser Corporation of India and the Italian firm of Montecatini; under this agreement, India has secured the licence and process know-how for the production of nitrogenous fertilisers; the corporation should now be able to have their own design capacity and provide engineering services for complete production of nitrogenous fertilisers.

Originally, every State was expected to have an important and big fertiliser plant. Some years ago, Shri Lal Bahadur Shastri, when he was the Minister-in-charge of industries—I think that was about a decade back—stated at Hyderabad that every State should have a fertiliser factory. Much water has flowed since then in the Jumna. Recently, in Mysore also, they have been trying to set up a fertiliser factory and various steps been taken but every one of these steps has not proved effective or successful. On the 10th February, 1966, the Government of Mysore have recommended the application of Messrs. Duggal Enterprises (Private) Ltd., New Delhi, for grant of a licence for a factory with an annual installed capacity of

[Shri T. Subramanyam]

6,62,000 tons. However, since this is a recent application, it would take some time for the Government of India to examine this proposal. In the meantime, on the same subject, at the instance of the Government of India, a project report has also been prepared by FACT. I hope that the Mysore Government will be enabled to start this fertiliser factory at Mangalore so that the requirements of fertilisers may be met in that part of the country.

Now, I would briefly refer to the need for production of pesticides. Next to fertilisers, application of irrigation facilities, improved seeds and all that, the use of pesticides at proper time is absolutely necessary. If the plants catch disease, and pesticides are not available at the appropriate time, the ryots and the farmers will incur very great loss, and sometimes, the whole crop will get damaged and become useless. Therefore, I urge this Ministry to go in a big way for the production of pesticides. The Hindustan Insecticide, Ltd. particularly must enter into the production of these pesticides in a big way and remove the shortcomings in this regard.

Shri R. Barna (Jorhat): The Ministry of Petroleum and Chemicals deals with two very strategic materials, namely oil and fertilisers. Besides, it deals also with serious policy matters in determining what our approach should be in regard to the production, distribution and pricing of oil. This is a matter which affects our entire economy. That being so, I do not know why in the present set-up of things, the Ministry has not been entrusted to a full-fledged Cabinet Minister. I completely agree with my hon. friend from the Opposition who said that this should be upgraded and should be entrusted to a full-fledged Minister.

In view of the importance of these strategic materials, and also after considering the part played by the oil magnates particularly in the Middle East countries, our late-lamented Prime Minister Shri Jawaharlal

Nehru, against many odds, came to evolve a definite oil policy for India. It was not a new thing for us to see how attempts were made from different quarters to sabotage the entire oil policy, and private industrialists, both inside and outside India, tried their utmost to prick holes in the activities of the public sector.

I don't say that the Government has been deviating from the accepted oil policy. I am just repeating the warning that vested interests, both inside and outside are very active to see that the oil policy is changed. Recently, we find that arguments are being advanced that oil is very much necessary for the purpose of industrial development as well as for strategic needs and also for the defence of the country and therefore we should with utmost possible speed make efforts to explore oil in our own country, if necessary even by inviting foreign capital and know-how in any form and in any manner. That is one side of the argument and probably it has gained a little bit of strength in recent months from interested quarters. Therefore, I am afraid that unless a strong and determined policy is taken up it will not be possible to resist the temptation of inviting foreign capital and know-how at any cost by surrendering the whole oil policy or at least allowing a serious dent to be made in the accepted oil policy of India.

The other day I read in the papers that, while inaugurating the ESSO Exhibition, Mr. Alagesan is said to have invited ESSO for exploration of oil in India. I wish that that statement, as it is, was not correct. I do not know the context in which he has made such a statement. But it is a blanket invitation to the foreign interests, as we understand it from the manner in which it was reported in the papers. I am afraid that we should seriously ponder whether we are pursuing the oil policy as adumbrated or not. I am not pointing out my accusing finger, but I am just in-

dicating how things are being taken advantage of by the vested interests in the country. At least that part of the hon. Minister's statement has not been properly projected in different papers. Therefore, once again I invite the Government to see that this oil policy as framed is not deviated from.

Then, I come to the question of knowhow and the capital. Dealing with the entire spectrum of oil industry, starting from geophysical investigation side upto the point of petrochemical complex, certainly we need very expert knowhow as well as engineering skills and materials. In the initial stages it may not be possible immediately for the Indian resources to man all the departments. But that does not mean that in the name of expediency we wholesale go over to the foreign capital and knowhow without any conditions whatever. It is necessary in the interests of the country to salvage the talents available within the country in different departments. In that regard, I am afraid that sufficient co-ordination is not being exercised. I am sorry to say that no attempt has so far been made in that direction. For instance, geophysical department plays an important role in the exploration of oil. Geophysical survey is an important part of activity in the exploration of oil. There is no co-ordination between the Universities engaged in basic research and the Ministry of Petroleum and Chemicals. There is no co-ordinated approach on the part of the Ministry of Education and the Ministry of Petroleum and Chemicals to see that the different needs of the industry are met by the talents available in different departments. To some extent the Universities are engaged in fundamental research, because basic research is a part of the applied research and those efforts can possibly be utilised in this industry if a co-ordinated effort is made between the educational institutions, particularly the Universities, and the national laboratories. Therefore, I request the Government to see that this co-ordination is effected quickly. I know that in my State

the University has not been asked whether Oil Chemistry is to be introduced in their courses or not. That means the needs of the country and the needs of the oil industry are not known to the University and the University by itself also is not paying any attention to it. This is an indication of the lack of co-ordination between the Education department and the industry concerned. For the good of the country there must be a combined approach in these things. As we all know, Sir, the oil magnates, the oil tycoons in the Middle-East in the recent past did havoc to the political stability and the economic stability of those countries, and those countries are even now not able to emerge successfully out of those difficulties. Therefore, I once again appeal to the hon. Minister that these foreign collaborations should be restricted to the limited possible extent.

Coming now to the expansion programmes, I will draw the attention of the Minister to the expansion of Gauhati Refinery. From the report I find that the expansion programme in the Barauni Refinery is being completed and the contract has also been signed. In regard to Gauhati Refinery, the expansion programme is still being examined although Naharkatiya produces the largest quantum of oil. In one case the contract is complete and in the other it is still being examined. I am not telling this from a sense of frustration. But, once these things are known to the people, they are likely to arouse some sort of resentment. I would request the Government to be careful to see that such things do not happen and the matters are expedited as quickly as possible. My feeling is that the contract in the case of Gauhati Refinery is being delayed and the investigation is being put off not because of any lack of good intentions on the part of Government to expand the Gauhati Refinery but because the officials are not moving in the manner required. That is my feeling and I think that I am correct to some extent.

[Shri R. Barua]

With regard to the gas that is being produced in Assam, no attempt has yet been made to establish industries based on gas and oil. It may be said from the side of Government that the licences have been given to private entrepreneurs but they are not coming forward because of some differences with the Government of Assam regarding some applications and all that. It is possible to resolve these differences across the table, considering the importance of industrialisation of the country and such kind of arguments are not good. In spite of the efforts on the part of Government to resolve such differences, if the private entrepreneurs are not coming forward to establish industries by utilising this opportunity, then it is for the Government to go in and establish industries wherever it is possible in the public sector. That is the only way in which you can improve the lot of the common man in these backward areas, because when these industries come up they will be more labour-intensive than capital intensive. These labour-intensive industries are much more needed in areas where the economy is very backward. Therefore, I would beseech and I would plead with the Government to see that wherever such industries are not likely to be established by the private sector the Government should go in and establish industries in the public sector with their own money.

Coming to the question of fertilisers, I will only point out that there has been much controversy with regard to the fertiliser deal with the United States of America. I respectfully beg to differ with the opinion expressed from the side of the Opposition . . .

Shri Vasudevan Nair: From the Congress side also.

Shri R. Barua: . . . also from the Congress because the need of fertilisers in our country is very great and we have to add in the quickest possible time very much to the quantity being produced in the country now. I find that in Japan they consume

about 22 pounds of fertilisers per acre while we consume only 2 pounds. That being the gap, it is certainly necessary that we should get the maximum amount of fertilisers in the quickest possible time. Sometimes it may be necessary to have deals when it is not possible to produce things in the public sector, but then I would say with regard to the pricing policy that Government should have sufficient control over it. Once you surrender the pricing policy to the private interests, whether inside or outside, with regard to a vital material like fertiliser, we may be landed in very serious difficulty, because the principle on which fertiliser was being produced obviously has changed today. Production of fertiliser will be cheaper than what it was when we started Neyveli, because the entire strategy was different at that time. Therefore, in view of the world strategy developing at the present moment of minimising the cost of production, in the near future we may be having fertilisers at a low cost. Therefore, with regard to the pricing policy I hope the Government will take due care, so that we may not completely surrender the right to the private interests.

Shri A. V. Raghavan (Badagara): We are discussing the Demands for Grants relating to an important Ministry of the Government of India.

This Ministry deals with not only petroleum and petroleum products, but such important subjects like fertilisers, chemicals and other allied industries. The previous speakers have spoken about the fertiliser deal, and I do not want to say anything on that subject, but I want to bring to the notice of the House through you the sad state of the drug and pharmaceutical industry in this country.

As early as 1956 the desire to develop the drug and pharmaceutical industry in this country was felt. With this idea in view, the Government of India negotiated with the Russians to start the drug and pharmaceutical industry

in this country, and finally the Indian Drugs and Pharmaceuticals Limited was formed, and under that company it was decided to set up an antibiotics factory at Rishikesh, a synthetic drugs factory at Hyderabad, a surgical instruments factory at Madras and a phyto-chemical factory at Neriyanangalam in Kerala. The previous speaker, Mr. Vasudevan Nair, has brought to the notice of the House the abortive attempt made in sanctioning and finally withdrawing the phyto-chemical factory sanctioned for Kerala. And in doing so, the Government have spent Rs. 33.2 lakhs, out of which a substantial amount was spent by the Government of Kerala. I do not know who was responsible for this foolish project being sanctioned without collecting adequate materials, and how finally it had to be abandoned. I want the Minister to consider this aspect and see that a new project is sanctioned for Kerala.

The triple objective of forming the Indian Drugs and Pharmaceuticals Limited was to provide cheap medicines to the people, to provide mass medical relief to the people and also to make the country self-sufficient in the matter of life-saving drugs. The Twenty second Report of the Committee on Public Undertakings is indeed a sad commentary on the working of the Indian Drugs and Pharmaceuticals Ltd.

I would like to invite your attention to para 38 of this report. Before doing so, I want to pay my compliments to the Chairman and Members of the Committee on Public Undertakings, as also the officials responsible for drafting this report. It says:

"The prices at which drugs are sold in the market at present are exorbitant. The Soviet Experts who had examined the possibilities of setting up this industry in 1956 and 1958 had commented very adversely in regard to the drugs prices prevailing in India. For example, in 1958, streptomycin was sold at twice the cost. The

more significant example was that of Diamox (Acetazolamide) which was sold at eight times the actual cost."

Again, it says:

"The American Senate Committee in their Report (1961) regarding prices of some of the Indian drugs, stated as follows:—

'The prices in India for the broad-spectrum antibiotics, Aureomycin, Achromycin, are among the highest in the world. As a matter of fact, in drugs generally, India ranks among the highest priced nations of the world—a case of an inverse relationship between *per capita* income and the level of drug prices.'

It is quite clear from the above two reports that the prevailing prices of drugs in India are very high. In certain cases they have been artificially increased by monopoly manufacturers, to the prevalent market prices which are arbitrarily fixed depending upon the gap between availability and demand. In accordance with the aims of a welfare State all the modern life-saving drugs should be made available at cheap prices within the reach of ordinary people. It should, therefore, be one of the objectives of the IDPL to . . ."

Mr. Deputy-Speaker: Is this Ministry concerned with these drugs?

Shri A. V. Raghavan: Yes, Sir.

Therefore, I want the Ministry to take vigorous steps to bring down the prices of drugs and pharmaceuticals so that the common man, the suffering people of India, are not denied life-saving medicines because of exorbitant cost.

Not only that. This vital industry is in the hands of foreign monopolists.

[Shri A. V. Raghavan]

Therefore, steps should be taken to see that this foreign monopoly is broken very rapidly.

I want to invite your attention to pages 3 to 5 of the report, which ends thus:

"Thus, the Indian Pharmaceutical industry has developed without proper foundation and, to large extent, is dependent on import of finished drugs and penultimate, for the production of drugs."

I consider this report to be very important. It deals with the shortcomings of the Indian drugs and pharmaceuticals industry, and every officer in this Ministry should go through this report and find out the reasons for the shortcomings during the past ten years.

Then I want to invite attention to the location of the Synthetic Drugs factory at Hyderabad. On page 35, the report says:

"The Soviet Experts who visited India in 1958 had stated as follows in regard to the location of the Synthetic Drugs Project:—

'Special attention should be paid to the possibility of removing of polluted effluents (1500 cu.m. per day) including 500 cu.m. of effluents which we recommend should be preliminarily naturalized. That is why we recommend to put up the plant at the sea shore as has been done in the case of some chemical plants in India.'

It further says:

"In this connection, the Committee also came across the following observations of the Indian Pharmaceutical Delegation which visited several countries in 1964:—

'Correct selection of sites for chemical plant, from the point

of view of water supply and effluent disposal facilities is of vital importance particularly in India where most of the rivers are not perennial and in the few that are perennial, the flow of water varies widely from season to season. Wrong location in respect of these essential considerations would seriously limit further growth in the industrial units besides causing several problems to civic life, agriculture etc.'

The Committee are of the view that the choice of the location of the Synthetic Drugs Project at Hyderabad was not a happy one because the disposal of effluents has created a very big problem for the factory. It will also involve incurring of enormous expenditure which could have been avoided if the Drug Project's Location Committee of the Planning Commission had heeded the advice of the experts."

Even before this project was started, the expert advice was against locating this factory at Hyderabad. I do not know why Government thought it fit to overrule the objections and start this factory in Hyderabad. Had this factory been located in a place very near the sea shore, the question of disposing of effluents could have been avoided. The question of disposing of effluents is of a serious nature. In Kerala, in my own constituency, the Birlas have started a rayon factory, and the question of disposing of effluents in the river has caused serious hardships to the people. The water cannot be drunk, and many other difficulties are felt by the people. Therefore, in future, these chemical plants, where the question of disposal of effluents is sure to crop up, should be started only near the sea shore. Instead of locating the phyto-chemical plant in Kerala, if this project had been located there, as there are adequate facilities of disposing of effluents, this question would not have

cropped up. I find from the report that lakhs and lakhs of rupees have been wasted on the question of disposing of effluents

Then, I want to invite your attention to the surgical instrument's factory started in Madras. I am told that a modern hospital of the status of a district hospital needs 600 items of surgical instruments, but out of these 600 items necessary even for a district hospital, I am told that only 166 items are going to be manufactured in Madras.

The question of manufacturing all the 600 items necessary for a medium hospital should be taken up; they should not be content with 166 items. From the report of the committee on public undertakings, I find that all these items could be manufactured even with the capital investment equivalent to the investment in the Madras plant. So, the minister should personally see that all these items are manufactured in Madras.

Out of 85 items necessary for the manufacture of synthetic drugs, only 53 are reportedly available in the country; 32 are being imported from abroad. I am told that lakhs and lakhs are spent by the project in importing raw materials. I understand that all these could be grown in this country; even items like soyabans are imported. While sanctioning a project, necessary planning is not conducted to find out and locate raw materials that are necessary for developing the industry.

I would now refer to the Indian Oil Corporation. I happen to be the President of a cooperative society dealing with the products of IOC. I am happy about the progress made by IOC in the matter of refining, sales and distribution. But there is a lot of corruption on the administration side of the IOC. Very often the installation goes dry; at other times transport facilities are not available. In Kerala where we have got statutory rationing of kerosene, we are not getting even the minimum guaranteed

kerosene and for a number of days last month, kerosene was not available from the Cochin installation and I was told by IOC that the installation was dry. Then when a ship came, I was told transport facilities were not there. The Indian Oil Corporation of Cochin distributes kerosene and other petroleum products to Madras, Mysore and Kerala areas but because there is no rationing in Madras area and so there is scope for black marketing in Madras, priority is given to the Madras area. In Kerala there is statutory rationing and there is no scope for black market and so there is no such priority. The minister should see that the product received in Cochin is distributed equally among Madras, Mysore and Kerala. Whenever there is shortage of kerosene, priority is given to Madras and the entire produce is sent there because of the scope for black market. This should not be done.

Finally, I come to the retrenchment of employees in private oil companies. The iron imperialism of the oil companies are well known. Right under his nose in Delhi 41 employees are kept in confinement in air-conditioned rooms in the caltex office. I say 'confinement' because they are not given any work. In a air-conditioned room they are provided with recreational facilities, reading papers, etc. and are not given any work. The company consider them to be surplus. My friend Shri Vasudevan Nair pointed out about this. The question of voluntary retirement and all these schemes are bogus schemes to dismiss the workers whom they do not want.

There is one more point. As a result of the commissioning of the Cochin refineries the scope of the private oil companies there will be reduced very much. As a result about 700 workers will be retrenched from the private companies. The minister should provide these workers with employment opportunities in the Indian Oil Corporation. Government should also take steps to see that the vast storage and distribution facilities which these

[Shri A. V. Raghavan]

companies have at present are secured by the government along with these workers. With these words, I conclude my remarks.

Shri Ravindra Varma: Mr. Deputy-Speaker, I rise to support the demands of this Ministry, and I would like to join the hon. Members who have spoken earlier and congratulated the hon. minister for his quiet efficiency. This year too has been a year of progress as far as this ministry is concerned. The report of the ministry shows that in surveys, in drilling or exploration operations, in securing foreign collaboration and more advantageous terms, in securing crude at more advantageous rates, the ministry has a commendable record to its credit.

Sir, this ministry deals with a very vital sector of our economy; it is one of the vital sectors that provides the sinews of defence and industry for our country. The need to increase the efficiency of this ministry and to increase the availability of oil in this country cannot be overemphasised. When we had conditions of near conflict and war with Pakistan it was very vividly brought home to our people that if we had to depend upon other countries for such vital materials like oil it would not be possible for us to prosecute our efforts for the defence of our country with any degree of efficiency. It is, therefore, necessary for us not only to increase the refining capacity of the refineries in our country and to expedite the establishment of the refineries that are projected in the Plans, but also to accelerate our efforts to reach self-sufficiency as far as the production of crude is concerned.

Sir, unless we are able to achieve near self-sufficiency in the production and utilisation of crude and unless we are able to increase refining capacity in the country, it may not be possible for us, if and when the emergency arises to deal with the requirements of defence and industry at the same time. From this point of view, it is

very essential to see that the capacities of our refineries are fully utilised and increased. The hon. Member opposite, the Member for Ambalapuzha referred to the case of the Cochin refinery, and the hon. Member from Jorhat who spoke from this side referred to the case of the Nummati refinery. It is absolutely necessary in the interests of the industrial progress and to defence of this country to increase the capacities of these refineries. To argue that these refineries are only meant to cater to certain regional requirements is to ignore the total requirement of the nation. It may be that a particular industry or a particular refinery which is located in a particular region may more easily be able to cater to the requirements of the region but when we think in terms of the overall production and requirements of the country, it is necessary for us to take into consideration the overall strategic requirements of the country as a whole.

Sir, it is true that as a result of the policies that we have pursued, the total amount of oil that is refined in our country has increased. It has gone up to nearly eight million tons in the private sector, and it is expected to go up to nearly seven million tons in the public sector refineries, and with the establishment of the three new projected refineries at Cochin, Madras and Haldia, these will be an addition of another 7.5 million tons.

Sir, reference has been made to the oil policy of the Government and some of the hon. Members who spoke before me have cautioned the House against what they described as a departure from the policy which this nation has deliberately adopted. They have even hinted that there might perhaps be a lurking desire in some quarters to depart from the policy that the nation has deliberately adopted. I do not see anything, in what the Government is doing, which can be described as a departure from the policy which this nation has

adopted. My hon. friend opposite, the Member for Ambalapuzha, referred to the refinery which is going to be established in Madras. In fact the record of this Ministry shows how in the case of participating projects like the refinery at Cochin and the refinery at Madras, the investment has been sealed down from the magnitude that was found necessary when refineries were set up in Noonmati, in Barauni and in Koyali. In the case of the Madras refinery, the Government's share of the equity capital has gone up to 52.6 per cent; in the case of Cochin, it was nearly 34 per cent, if I remember correctly. The representation of the Government on the Board of Directors too has increased from five out of nine in the case of Cochin to nine out of 13 in the case of the Madras refinery. The managing director in the case of the Cochin refinery was to be appointed by the collaborators whereas in the case of the the Madras refinery the managing director will be appointed by the Government. In the case of the Cochin refinery, the foreign collaborators were given the right to appoint the agents who would be commissioned to obtain and import crude. In the case of the Madras refinery, a separate crude sales agreement has been entered into between the Government and these companies on much more favourable terms. In the case of the Cochin refinery a guaranteed process margin of 1.35 US dollars per barrel of crude was assured to the collaborating company. In the case of the Madras refinery, no such provision for any guaranteed process margin exists. It can, therefore, be seen that in the case of Madras refinery, there has been absolutely 'no departure from the policy that has been laid down by the Government.

Shri Vasudevan Nair: What about the proposed fertiliser plant?

Shri Ravindra Varma: I would now refer to the question of fertilisers. Hon. Members who spoke before me from both sides of the House have referred to the need to increase the

production of fertilisers. It is true that the target laid down for the production of fertilisers in the third Plan has not been reached. The target was one million tons. But not even 60 per cent of the target, either in capacity or in actual production, has been reached. It is painful to notice that out of the six factories in the public sector, three—the one in Sindri, the one in Nangal and one in Alwaye, which together have a total capacity of 227,000 tons, were badly affected by power shortage. The power shortage affected the FACT to such an extent that there was a loss of nearly 2.5 crores of rupees. The loss in production and the reduction in the scales of production in Sindri and Nangal have been referred to in the report itself. It is a pity that when we are so much in need of fertilisers, and want to increase the production of fertilisers in this country, we are not even able to utilise the established capacity of our fertiliser factories.

Now, Sir, a reference has been made to the new policy of the Government as far as fertilisers and the production of fertilisers are concerned. Some hon. Members said that this was a departure from the established policy of Government. Some hon. Members went to the extent of saying that this was an anti-national policy, a dangerous anti-national revision of the old policy. I want this House to examine the new proposal of the Government coolly, dispassionately and logically. It is easy to bandy adjectives; it is easy to give expression to apprehensions; but, in this House, it is necessary for us to examine and analyse the proposals of the Government dispassionately, logically and objectively. In what sense can it be said that the new proposal of the Government is a departure from the established policy of the Government? We have to evaluate the policy of the Government in terms of our requirements, in terms of the abilities that we possess and in terms of the basic policies and objectives that we have adopted. Now, in the

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ambiguity which surrounded the expressions which many hon. Members unfortunately used in this House, an impression was created that a deal has been entered into with some foreign country or cartel; this is a travesty of facts. No such deal has been entered into by this Government, either with a foreign concern or with a foreign country. There has been no change suggested in the industrial policy resolution. My hon. friend the Member for Ambalapuzha referred to the fact that the industrial policy resolution of 1956 provided that fertiliser plants could be set up either in the public sector or in the private sector. He did say that this was unfortunate and that perhaps it would have been better if the production of fertilisers was confined to the public sector, but neither he nor even the hon. Member for Basti or the hon. Member for Barh who spoke on Wednesday last could suggest that there was a departure, because the industrial policy resolution itself lays down that fertiliser plants may be set up either in the private sector or in the public sector. Now, when the third Five Year Plan was formulated and this House accepted the third Five Year Plan this policy was implicitly reiterated. In the third Plan, one can see that the majority of new fertiliser plants was allotted to the private sector, and the public sector was to be responsible only for the three plants that were to be set up at Trombay, Gorakhpur and Namrup. When the draft fourth Plan was formulated, then too it was seen that though the target was set a 2.4 million tons, which eventually was to be expanded to three million tons, 612,000 tons or 35 per cent of the production was allotted to the private sector. Now, therefore, there is no departure; the industrial policy resolution provides for production in the private sector; the third Five Year Plan provides for production in the private sector. The fourth Five Year Plan, or the draft of the Plan, also provides for production in the private sector.

My hon. friend the Member for Basti, Shri K. D. Malaviya, said that if we surrender the right to fix the price of fertilisers, it will be a sell-out. Does he suggest to the House that the Government has helplessly agreed to a surrender of the right to fix the price? What is the position? As far as price control is concerned, an impression is sought to be created that for the first time the Government is giving up the right to fix the price of fertilisers. What Sir, is the position in regard to fertilisers today in our country? Apart from nitrogenous fertilisers all other chemical fertilisers are produced in the private sector, and the private sector installations and factories and companies are free to fix the prices of these fertilisers, phosphatic fertilisers and others. All fertilisers excepting nitrogenous fertilisers, which are handled by the Central Pool, are today free in the private sector and the prices are fixed by the private sector companies. Even distribution is in private hands. There is no control even of the retail price of these fertilisers. Therefore, what is being done is only to extend the practice that is being followed in the case of non-nitrogenous fertilisers to nitrogenous fertilisers as well. To picture this as though it is a departure, to say that it is a sell-out, is an exaggeration. If one were to use appropriate language, it must be described as a travesty of truth.

Then, there is the question of the decontrol of the prices of nitrogenous fertilisers. This House cannot forget the fact that even the Sivaraman Committee has suggested that when the production of nitrogenous fertilisers reaches the one million ton mark, there should be decontrol of prices. My hon. friend, the Member for Basti, Shri Malaviya, asked whether this decontrol would not lead to the fleecing of the consumer the fleecing of the agriculturist. He is perhaps oblivious of the methods and mechanisms of pricing when there is no State control; perhaps he is aware. If, as far as the production of fertili-

sers is concerned, 65 per cent of the total indigenous production of nitrogenous fertilisers will be wholly in the public sector, if out of the remaining 35 per cent that will be manufactured in the private sector, the Government will have the option to take over 30 per cent, and the Government will also have the option to import fertilisers, then it means that 80 per cent of the total quantum of nitrogenous fertilisers produced in the country will be under the control of the Government. What about the price at which the rest would sell? How does the price mechanism work? These private concerns have to sell the fertiliser which they manufacture. They do not produce so that they can lock these fertilisers up in their godowns and warehouses. How can they sell if they cannot compete . . .

Shri Vasudevan Nair: Who will decide the price?

Shri Ravindra Verma: If the pricing of 80 per cent of the indigenous fertilisers is in the hands of the government, private producers will have to compete with that price. Can they sell their produce if their price is higher than what is fixed for 80 per cent? It is a simple case of the working of the market mechanism which is understood by every student of elementary economics. But if you want to ignore simple facts, you can come to different results.

It was said that the prices may be higher than the price that obtains today. Look at the prices as they are today. Look at the report of the PAC on the prices. The prices today are much higher than the prices which obtain in the international market. It has been said by my hon. friend, Mr. T. Subramanyam, that this is partly because we use archaic methods of production. When modern methods of production, which I cannot describe for lack of time, are utilised, the cost of production will go down. When that happens for 80 per cent, will it not affect the competitive cost at which 20 per cent has to be

sold? It is very clear, therefore that this will not lead to an unrestricted freedom for private producers to manufacture and sell at prices arbitrarily fixed by them.

Sir, it was suggested that instead of going in for the manufacture of fertilisers on this scale, we might buy fertilisers from abroad. There is nothing more ridiculous than this suggestion. What is the expenditure that this country will have to incur for buying fertilisers? To buy 100,000 tons of fertilisers, we will need foreign exchange which will be adequate for setting up a factory which can produce 200,000 tons of nitrogenous fertilisers every year. Therefore, the suggestion that we need not produce fertilisers in this country, but should spend valuable foreign exchange and buy them from outside, is not a serious suggestion which can be entertained by this House.

Sir, for lack of time, I do not want to deal with the other aspects of this question, but I would certainly support hon. members who said that the Government must take adequate precaution to ensure that the repatriation of profits by private collaborators does not adversely affect our economy. This is a danger that the Government cannot ignore. In the same way, in allowing private companies to establish their own marketing mechanism, Government must take adequate precautions to see that this does not in any way lead to the establishment of a strangle-hold in a very strategic sector of our economy.

Sir, I shall now say a few words about the production of chemicals. My hon. friend opposite referred at length to the report of the public Undertakings Committee. The Committee's report refers to the sad conditions that obtained and still obtain in India as far as the production of essential drugs, antibiotics, etc., is concerned. During the second plan, because the Government wanted to promote indigenous production, because we decided that we should stop

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the drain on foreign exchange that would result if we were to import essential drugs, because we wanted to make medical relief inexpensive, because of the fact that the State itself decided to take over part of the responsibility for providing medical relief to the people, we decided that this essential industry must be a special responsibility of the Government. To reduce the price of essential drugs, to reduce the enormous drain on foreign exchange, to enable the Government to take over a greater share of responsibility for providing medical attention, with the help that was readily forthcoming from the Soviet Union, and on the basis of the report submitted by their teams of experts it was decided to set up the Indian Drugs and Pharmaceuticals Ltd. But what is the position today? Eight years have passed after the agreement was entered into. Five proposals were made. My hon. friend the member for Ambalapuzha, referred to the fact that the phyto-chemical project, which was to be established in Neriamaangalam, evaporated in the process of implementation! Another project which was proposed was one for the manufacture of glandular products, and this was given up, because, we are told, a modern slaughter house could not be set up in this country in 8 years! Regarding the other projects, the sad story of lack of detailed estimates, of increasing cost of production, of a pricing policy which does not fulfil the objectives that were laid down earlier, has been brought out by the report of the Committee on Public Undertakings.

Sir, I do not want to deal with this at length. But, to conclude, I will read out two or three sentences,—with your permission, from the report to the committee, which is indeed a revealing document, a document which should cause much concern to the Government. The report says:

"The committee regret to observe that it took the Government

two years to put through proposals which were thought of in 1956 for inclusion in the second Five Year Plan. The projects were thought of because pharmaceutical factories in India were producing only negligible quantities of drugs. Most of these factories processed the drugs imported from abroad. Apart from the heavy drain of foreign exchange for their import, these drugs were costly and the availability was limited owing to import restrictions.

The Committee conclude by saying:

"These facts should have warranted the grant of the highest priority to the establishment of the projects in our development schemes since the health standards were far from satisfactory. To have taken ten years for the fulfilment of these objectives when the foreign credit was available as far back as 1958, is a matter of concern."

The Committee was generous, and said it was a matter of concern. The only way to describe it is to say that it is a matter of shame, which, I hope, the Government will soon wipe out.

The Deputy Minister in the Ministry of Petroleum and Chemicals (Shri Iqbal Singh): Sir, during the course of the discussion today and on the last day, several members have participated and we have benefited by their valuable suggestions. Some criticism has also been made. In the democratic process, we also learn by criticism, but most of it was based on misconceptions and ignorance of full facts. We will examine all these things and try to do our best. Wherever there is scope for improvement and wherever we can take immediate steps we have taken, and will continue to take these steps. My senior colleague and myself are trying to give a new impetus, a new dimension to this ministry. As a result of this,

there has been improvement and there will be further improvement also.

I will first take the question of fertiliser production. There is no dispute about the fact that the inputs in agriculture are irrigation, pesticides and fertilisers. So far as improvement in agricultural production is concerned, fertilisers will come first, because if we have to build an irrigation project on a bigger scale, it takes time, say about 5 years to develop it to full capacity and to reap the full benefits from it. But as far as fertilisers are concerned, you can make immediate use of them. But putting up a fertiliser factory means a lot of cost, planning for so many things and so many problems of raw materials, technical know-how, etc. It was envisaged at the beginning of the Third Plan that the total plant capacity at the end of the plan would be about 1 million tons per annum and that the production would be of about 800,000 tons per annum. But it is an admitted fact that we could not come up to that expectation. There were reasons which were not under the control of the ministry, but beyond its control, like shortage of foreign exchange, etc. Still we are trying to improve the things and by 1967, when five more plants will be commissioned, namely, Namrup, Gofakhpur, Vishakapatnam, Gujarat and Ennore Expansion, the additional capacity which is at present about 600,000 tons per annum will go up to 900,000 tons.

14.00 hrs.

When the two projects, Durgapur and Cochin, which have been sanctioned recently, will come into production, towards the end of 1969 they will add a further 3,00,000 tons per annum, or even more, in terms of nitrogen. Another licence has been given for the setting up of a fertiliser factory at Kanpur. With the coming up of that factory, we hope, the total capacity by the end of 1969 will be about 16,00,000 tons. If you add to that the production in the few private sector projects which are coming up quite rapidly—here I can say that I

myself and my senior colleague are chasing them so that things may come up in the time and those who want to put up such factories can quickly do so, although, of course though there are many difficulties like non-availability of foreign exchange, non-availability of capital goods and things like that—we hope we will be able to fulfil the revised targets. A point was made by my hon. friend, Shri K. D. Malaviya, that we would not be able to fulfil the targets. I may say that we are hopeful that by the end of the Fourth Five Year Plan, the targets which are now revised—2.4 million tons in terms of capacity and 2 million tons in terms of production—will be achieved. I know it is a tremendous task. We have to increase the production seven-fold from what it is today. It is a great task. But this Ministry, with the kind cooperation of so many workers, engineers and administrators and also, in the end, with the kind cooperation of this House, will try to fulfil this task by the end of the Fourth Plan. From what we call the off-take stage, we will with the fulfilling of this task be nearing the break-through stage by the end of the Fourth Plan, and then a stage will be reached where we will be able to make all the contribution that we are asked to make, in terms of capacity and production, towards solving our food problem.

Regarding phosphatic fertilisers at present the total installed capacity or "under-implementation" capacity is 4,14,000 tons, but the quantity produced is only 85,000 tons. The main problem with regard to phosphatic fertiliser is the availability of raw material. One is sulphur and the other is rock phosphate. Both these things are not unavailable not only in this country but in a large part of the world. There is so much scarcity of sulphur that it is being controlled by a few countries and even in those countries by a few firms. Secondly, rock phosphate is imported into India mostly from the Middle East. We are trying our level best to reduce the consumption of sulphur. With the increased

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use of other methods and with the decrease in the consumption of sulphur resulting from the development of technical know-how—it may even be 5 per cent, 10 per cent or 20 per cent—there will be a lot of saving by the end of the Fourth Plan. Whatever the reduced requirement of sulphur may be, it will be of the value of Rs. 25 crores to Rs. 30 crores. That is quite high. Therefore, we are trying to develop the internal capacity and we are also trying to develop technical know-how in such a way that the requirement of sulphur may be lesser.

Something was said about the Barauni fertiliser factory. A few days back there was a question in this House in regard to that. That is under examination. The point was made by the hon. Member, Shrimati Tarkeshwari Sinha. That is under examination. In the east zone, there is Namrup, then Sindri, then Durgapur, then we are proposing to put up a factory at Haldia, then there is Rourkela, then there is under examination the question of putting up a factory at Talcher and then there is Barauni. In the case of all these, the question under examination is as to what type of fertiliser they are able to produce, what will be their capacity, what will be the requirement in the eastern zone, how much fertiliser is to be utilised in that zone, whether some fertiliser has to be sent from there to some other zone, of what type the factories should be, whether complex type or urea type, and so on. All these things are being examined. I hope a decision will be taken soon.

Shri Barua spoke about Assam. In Assam there is a lot of gas production and the utilisation of gas is also a problem. For that purpose the Oil India and the Fertiliser Corporation of India are conducting some technical, economic and feasibility studies about putting up another plant in Assam. This matter is also being considered and I hope some decision

will be taken soon. Regarding Barauni I can only say that it is under active consideration.

A point was made about the closure of FACT or some part of the fertiliser factory in Kerala due to the non-supply or short-supply of power. In Punjab also there was some shortage of power from Nangal. Punjab and Kerala are the only two States which have based their entire electric supply on hydro-electric power. Other States have got thermal plants also in order to supplement their supply of hydro-electric power. But these two States have no thermal plants. In Kerala, a thermal plant is coming up, but in Punjab there is no thermal plant. That is why there is cut in the supply of power, at both these places. There was some cut even at Barauni. For the last two months myself and my senior colleagues have been taking up this matter almost daily with the Government of Kerala and also the Government of Punjab. We have been going to the Ministry of Irrigation and Power and persuading them to do the needful, because it is in the interest of the country that we produce more and more fertiliser. If we produce more fertiliser we save a lot of foreign exchange. We hope that with the coming up of the thermal plant in Kerala, things will improve. I cannot say that conditions will improve totally, but there will be some improvement. A total improvement with the coming of monsoons shortly and many points were made about fertiliser. The main problem is of production. If we have more production we can solve the problem. If the production is less, so many linked problems crop up. When there is shortage of supply, the problem of transportation arises. If production capacity is created at such a tempo that there is enough production, then we can solve all other problems. Therefore, all our efforts should be to produce more fertilisers. With the setting up of more fertiliser factories,

either in the public sector or in the private sector, we have also tried to lessen the foreign exchange component. It was Rs. 13 crores and now it is even less than Rs. 10 crores for each single stream factory of the urea type. It may be even less than that. We are also tackling these problems from our own angle. We have appointed a committee in order to assess how far the foreign exchange component can be reduced. That committee has given a good report and we have acted on that report. In the construction of the Cochin and Durgapur factories, the foreign exchange component will be less than what we envisaged originally.

Regarding oil, about the exploration programme of ONGC, my hon. friend, Shri Subramaniam was very considerate and has made a few good remarks. The basic fact in the matter of oil production is, how much crude oil we are able to produce in this country. To produce crude oil is not an easy matter. It is not a one day job, that you go to one place and get it. It requires constant work, constant exploration, facing so many problems. Even this year we were fortunate enough to strike oil at Katana. Again, there were traces of oil found in Jambusar, which is a hopeful sign.

Regarding production of oil in Ankaleswar, we have only just started and yet last year we produced about 1,950 tons per day. Now it has gone up to 6,000 tons per day. It will go even up to 6,600 tons per day during the next one month or so. The total production from Ankaleswar, which was quite low in the beginning has gone up to 3.36 million tons upto the end of 1965-66. It will go up to its full capacity of 2.7 million tons per annum this year. Regarding Cambay and other fields, we are making every effort to improve them. From Rudrasagar in Assam we have recently started supplying crude oil at the rate of 100 tons a day to the refinery at Gauhati. This is only a beginning.

Oil India are developing their own oil fields in Assam. The company was formed initially with one-third equity participation of Government. Now Government's share has gone up to 50 per cent. They have made great strides with the development of their oil fields in Naharkatiya and Moran.

O&NGC have developed Rudrasagar and Lakwa in Assam. These are hopeful signs. We are developing some more areas. Exploratory and other drilling will be conducted in many other areas also.

Shri K. D. Malaviya made a long point about off-shore drilling and off-shore oil exploration. Off-shore oil exploration is a new field into which many countries have entered during the last 10 or 15 years. The most advanced country in this field is USA. Second comes USSR. Then come Italy, England and other countries. There are different types of exploration.

As a first step we have deployed a Russian and an Indian ship to make some seismic surveys in the Gulf of Cambay, and the Coromandal Coast. The ships work for six months on the eastern side and the other six months on the western side. During the monsoon season, when the sea is rough at one place, survey is done at the other place.

Last year there was a contract with ENI for off-shore exploration and drilling. The platform which was to be used for exploration was damaged in the Adriatic Sea near Bologna in Italy. After that, ENI said that they cannot do it. So, we are taking other steps.

For off-shore drilling there are different methods. One is the Russian method. They build something just like an island in the sea with all the structures. Another method is a floating platform. We are trying to adopt the latter method, because, the Arabian Sea is quite rough. It is not like the Caspian Sea which is not so rough. We have to take into account

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that aspect. We could not proceed with the work and there was some initial delay because the ENI platform was practically destroyed. Now we are taking steps to acquire another platform from some other country. We are taking some concrete steps. We are doing it in our own way. We are trying to develop off-shore drilling because we are hopeful that in the Indian Ocean we will meet with success.

Another point that was made was that Barauni refinery is not working to full capacity. I do not know what is meant by that. It is running to full capacity. One unit is quite ready. But there was some initial difficulty regarding the coking unit. Whenever any big plant is put up there is always some initial difficulty. We try to improve upon it during the next stage. One unit is ready and another unit is also setting ready. It will start working during September of this year. With Koyali and Barauni expansion our internal production will increase.

Shri Vasudevan Nair made a point regarding the capacity of the Cochin Refinery. Its capacity is 2.5 million tons. In fact, this is the only refinery which is going to have that much capacity in the beginning. The capacity of Koyali and Barauni is 1 million tons. For Gauhati it was less than 1 million.

Shri Kashi Ram Gupta: But you have increased the capacities of those refineries.

Shri Iqbal Singh: We are putting up a chain of refineries beginning from Koyali, Bombay (of course, it is in the private sector), then in Cochin, in Madras, in Haldia, in Barauni and so on, a chain of refineries. Barauni will go to 3 million tons in one year. Koyali will also go to 3 million tons. So, in that context, the capacity of the Cochin refinery as a beginning is quite good. I hope my hon. friend is satisfied. Let us start it. If we feel later

that expansion is called for, it can be done.

Shrimati Tarkeshwari Sinha made a point regarding the burning of gases. Gases are always burnt in every refinery. There is no refinery where gas is not burnt. But we are utilising a little bit as LPG. We are sending it even to Patna and Calcutta. With the manufacture of more cylinders we will try to improve that and supply it to more cities in both northern and southern India.

A point was made regarding pesticides. We admit that we have made only a beginning in the case of pesticides. We are trying to improve the production of all types of pesticides during the year. Our main problem here is non-availability of raw materials. We will have them when the petro-chemical complexes at Gujarat, Bombay and Barauni come up. By that time we will have most of them developed. Now most of the raw materials for production of pesticides are imported. Because of the shortage of foreign exchange we are not able to import those raw materials and so production of pesticides is hampered. We are trying to improve the position. We are trying to get more foreign exchange so that pesticide production can be increased. We are also trying to see how it can be supplemented.

There are the few points that I wanted to make.

Shri Rajaram (Krishnagiri): Mr. Deputy-Speaker, Sir, we are discussing the Demands of a Ministry which, in my opinion, plays a very important, vital and strategic role in the future of industrial development in the country. I am glad to see **Shri O. V. Alagesan**, who comes from my State having independent charge of this portfolio. But at the same time let him not feel shy in conceding the reasonable and genuine demands of the Madras State.

This year, the Oil and Natural Gas Commission has discovered oil at

Katna near Cambay. The Commission has also undertaken operations near the Cauvery basin. But over a number of years, we see that the work goes on at a very slow pace. The Report says that a number of operations are going on. But we do not know what is the result of the operations that have taken place near the Cauvery basin. So also we must search the sea-shore for oil in the south. I am requesting the hon. Minister to concentrate in these fields where there is certainly and he must advise the Oil and Natural Gas Commission to speed up their work near the Cauvery basin.

As far as my party, the D.M.K. Party is concerned, it stands for public sector. According to the Report, the crude throughput of four refineries in the private sector during 1965 was about 8.2 million tons. But at the same time in the public sector refineries it was as follows: In Gauhati Refinery 7,24,159 tons, in Barauni Refinery 4,89,552 tons and in Koyall Refinery 1,13,618 tons of petroleum products have been produced. While comparing with the private sector, the results are very poor in the public sector refineries. This must be rectified. When the Indian Oil Corporation started, we thought that they are going to distribute diesel, petrol and kerosene at fixed prices all over the country. At one time, even kerosene was not available at black-market rate. In the year 1964, kerosene was being sold in the streets; people used to bring it in hand-carts at the doors. Now the hand-carts have disappeared from the streets. No vendor is allowed to sell kerosene. Not only that. Kerosene is available only in the urban area. In the villages, people have no kerosene. Last year, the Indian Oil Corporation had put up a calendar and in that calendar, they had depicted a student sitting in a village house and studying with the help of a hurricane lantern. The calendar is there but there is no kerosene in villages. The poor students who are living in villages are suffering. At the same time, kerosene

is available in plenty at the black-market rate in Madras. The people in the villages thought that swaraj means light but now they have come to understand that it is not light but it is only darkness.

I think, there is some defects in the distribution. The Marketing Division must take special steps in preventing malpractices in the sale of kerosene. The hand-carts must be reintroduced and the people must get kerosene at their doors. That is my humble suggestion.

As far as the Liquid Petroleum Gas is concerned, there is Esso, Burshane and Calgas—these are available in the south—but the L.P.G. i.e. "Indane" which the Indian Oil Corporation is manufacturing is not available in Madras. Japan is purchasing this gas from Kuwait but it is not possible for our Indian Oil Corporation people to bring this gas from Calcutta to Madras whereas, at the same time, Japan purchases this gas from Kuwait and takes it to their country. This is the real administration of the Indian Oil Corporation. This Liquid Petroleum Gas must be made available to the people at a cheaper rate. Though the Indian Oil Corporation is a public sector concern, it always follows in the footsteps of the private sector concerns in fixing up the prices. Then, I do not know what is the real use of the public sector concern. I am requesting the Minister to look into this matter.

I am now coming to the chemical industries. What is a chemical industry? We can call all the non-engineering industries as chemical industries. Only a few chemical industries have been coming up in the south. Most of the industries have been licensed and established in the north. Even in the month of January, a number of industries were licensed and allotted to the north. Chemicals are necessary for the manufacture of a number of things. They are called intermediaries. Last month, the Amorces Manufacturers of Sivakasi were faced with hardship because of lack of a chemical called chlorate of

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potash and they closed their factories. They have sent their representations to us. Now their sufferings have been minimised.

So also, in the handloom industry, dyes are used. Often, dye-stuffs are not available in the open market. You know the handloom weavers' plight. The dye manufacturers and the importers often create an artificial scarcity and make a huge profit. This must be avoided. Our country is an underdeveloped country and I hope the Ministry will see that more and more chemical industries are encouraged and set up in the country.

I am coming from a district called Dharmapuri and in our district, the agriculturists are growing tapioca. Tapioca is food for Kerala. At the same time, in my district and at Salem, we are manufacturing sago from tapioca. I am requesting the hon. Minister to start an industry so that this tapioca can be utilised to manufacture Glucose 'D' and other antibiotics at Salem. This industry can be started either at Dharmapuri or at Harur. You can get plenty of tapioca in this area.

Then, I come to the fertiliser deal. We all know that we are in need of more fertilisers. The demand for fertilisers is increasing day by day. According to our Fourth Plan, the target for the Fourth Plan is 2.4 million tons. In our country, many agriculturists even now do not know how to apply fertiliser to the soil. If they apply it wrongly, it will eat away the crop itself. I am told that in Israel, they have started research centres all over the country to assist and to teach the agriculturists about the use of fertilisers. Such kind of centres must be started here for the benefit of the agriculturists.

As far as this fertiliser deal is concerned, the Report says:

".....it has been decided that all fertiliser protects licensed on or

before 31st March, 1967 will be free to fix prices of their product and to organise their own distribution for a period of seven years from the commencement of commercial production subject to the condition that they shall sell to the Government at the latter's option upto 30 per cent of their products at a price to be settled between them and the Government."

As you all know, Congress has got two faces to delude the people. One is for America and the other is for Russia. Of course, it is a good tamasha to see the game from outside. But they create two sections inside the Congress and create this controversy. As far as I am concerned, let the foreigners bring the industry first to our country and then we can work out the details. In this controversy, we must not delay the projects coming up in this country . . .

Shri Sham Lal Saraf (Jammu and Kashmir): What is the relation between the two?

Shri Rajaram: I am coming to that. You know better than I do.

I want to say a few words about the Hindustan Anti-Biotics Limited. This company has declared a dividend at the rate of 10 per cent to its shareholders, which is a good news. But they are manufacturing penicillin, streptomycin and so many other items. These are all life-saving drugs. Compared to the international prices of these life-saving drugs, these drugs are costing very much in India and they are not at all within the reach of the common people. I request the hon. Minister to come forward and at least minimise the prices of these life-saving drugs so that the common people can get these.

With these words, I conclude.

श्री बल जीत सिंह (ऊना): उपाध्यक्ष महोदय, पेट्रोलियम और कमिक्स मिनिस्ट्री ने पिछले साल में जो तरक्की की है, वह इस रिपोर्ट से जाहिर होता है।

देश के सभी प्रान्तों में तेल के उत्पादन में वृद्धि हुई है । मिसाल के तौर पर अंक-लेखवर में तेल का उत्पादन, मार्च, 1965 में 2,200 टन प्रति दिन था, जबकि दिसम्बर, 1965 में बढ़ कर 5,500 टन प्रति दिन हो गया । इसी तरह से दूसरे क्षेत्रों में भी काफी प्रगति हुई है । दवाइयां बनाने के सम्बन्ध में भी काफी तरक्की हुई है । यह ठीक है कि देश में इन चीजों की जितनी जरूरत है, हमारे यहाँ अभी तक उतना उत्पादन नहीं हो पाया है और उतने कारखाने नहीं हैं, लेकिन फिर भी मंत्रालय ने जो काम किये हैं और इस बारे में जो दिलचस्पी दिखाई है, उस पर हमें क्रोध है ।

पिछले वर्ष तेल के बारे में कुछ थोड़ा सा संकट आया । सरकार ने बाहर से तेल लाने और उसको साफ करने की व्यवस्था को बदला, जिस से कुछ तकलीफ हुई । उस के सम्बन्ध में भी इस मंत्रालय ने बहुत जल्द स्थिति पर काबू पा लिया और पूरी कामयाबी हासिल की । उस के अलावा पाकिस्तान के साथ हमारे देश का जो संबंध हुआ, उस के दौरान भी मंत्रालय ने तेल की सप्लाई बगैरह पर पूरी तरह से काबू रखा और किसी तरह का संकट नहीं आने दिया । इस के लिये मैं मंत्रालय को मुबारकबाद देता हूँ ।

आज हमारे देश में खाद का मसला बहुत अहम है । पहले खाद का इस्तेमाल बहुत कम होता था लेकिन देश में अनाज के उत्पादन को बढ़ाने के सिलसिले में खाद की जरूरियात बढ़ती जा रही है । हमारे कारखानों में खाद के उत्पादन में वृद्धि के साथ साथ हमारी डिमांड भी इतनी बढ़ गई है कि अगर मौजूदा उत्पादन को दुगना भी कर दिया जाय, तो भी जमीदार उस को उठाने के लिए तैयार है । हम बाहर से भी खाद मंगवा रहे हैं और फटिलाइजर कारपोरेशन प्राइवेट लिमिटेड के नीचे जो यूनिट काम कर रहे हैं उन में भी उत्पादन लक्ष्य से ज्यादा हुआ है । जैसे, सिंदरी फैक्टरी में अप्रैल-

दिसम्बर, 1965 की अवधि में उत्पादन 246,722 टन हुआ, जब कि पिछले साल की उसी अवधि में उत्पादन 223,960 टन हुआ था । इसी तरह से नंगल की खाद फैक्टरी में अप्रैल-दिसम्बर, 1965 में उत्पादन में कुछ कमी हुई, लेकिन उस से पहले 1964-65 में लक्ष्य से 2,241 टन ज्यादा उत्पादन हुआ ।

जैसा कि आप जानते हैं अभी हमारे मुल्क को खाद की बहुत जरूरत है, जिस को पूरा करने के लिए यह जरूरी है कि जो फैक्टरियां चल रही हैं, उन में कुछ परिवर्तन किया जाये और उन के काम को अच्छा बनाया जाये । अगर इसके लिए और कारखाने बनाते जायेंगे, तो हमें और बहुत सी जमीन एकवार करनी पड़ेगी और रुपया भी बहुत लगाना पड़ेगा । लेकिन अगर मौजूदा यूनिट्स को एक्सपैंड कर दिया जाये, तो उस से रुपया भी बहुत बच जाता है और वे लोग भी तकलीफ से बच जाते हैं, जिन की जमीन एकवार कर के उन को बाहर निकाल दिया जाता है ।

मैं मिसाल देना चाहता हूँ कि नंगल फैक्टरी पर 32 करोड़ रुपया का खर्चा आया है । अगर उस को एक्सपैंड कर दिया जाये, तो सिर्फ 12 करोड़ रुपये और लगाने से उस का उत्पादन दुगना हो जायेगा, जिस से हमारे देश की जरूरत पूरी होगी । अगर इन कारखानों को एक्सपैंड करने के अलावा उन में खाद के उत्पादन का और यूनिट लगा दिया जाये तो इस में आधा खर्च आयेगा । 32 करोड़ रुपये के बजाये 16, 17 करोड़ रुपये तक खर्च होगा और उस से फायदा यह होगा कि उन कारखानों में इस बखत पानी, रिहायश और जमीन बगैरह की जो सुविधाय हैं, उनका भी फायदा उठाया जा सकता है और वे कारखाने दुगना उत्पादन कर सकते हैं । इसलिए मेरा मसवरा है कि इस बारे में अच्छी तरह से जांच कर ली जाये और बजाये इसके कि नये नये कारखाने लगाये जायें, मौजूदा कारखानों को एक्सपैंड किया

[श्री दल जीत सिंह]

जाये, या उन्हीं में एक एक यूनिट और लगा दिया जाये, जिस से रुपया भी बचेगा और खाद भी सस्ती पड़गी ।

मैं यह भी अर्ज करना चाहता हूँ कि इन कारखानों के लिए जितनी जमीन एक्वायर की गई है, उस सब का इस्तेमाल नहीं किया गया है हालांकि जमीनदारों को वहां से निकाल दिया गया है । जितनी जमीन ली गई है, उस का सिर्फ चौथाई हिस्सा कारखानों के इस्तेमाल में लाया गया है और बाकी जमीन बैसी की बैसी पड़ी है । लोगों और नुमायंदों के जोर देने पर वह जमीन बाद में उन जमीनदारों को वापस दी गई है, जैसे, नंगल खाद फैक्टरी में एक एक हजार एकड़ जमीन दो तीन दफा कर के जमीनदारों को वापस दी गई है । पिछले चन्द दिनों का मामला है कि वहां पर कुछ जमीन खाली और बेकार पड़ी हुई थी, जो न काशत में आती थी, और न फैक्टरी के इस्तेमाल में आती थी । मैं यह बात मंत्रालय के नोटिस में लाया जिस ने इस बारे में दिलचस्पी लेकर उस जमीन को जमीनदारों को वापिस दिलवाया । फैक्टरी वालों ने उस जमीन का जो इबजाना दिया था, मंत्रालय ने उनको वह रुपया पंजाब सरकार से दिलवाया । अब काशतकार उस जमीन पर काशत कर रहे हैं । इस से यह फायदा हुआ कि बेकार जमीन पर उत्पादन होने लग गया । हम देखते हैं कि जो कारखाने बनते हैं, उन के लिए जमीन अक्सर जरूरत से ज्यादा ले ली जाती है और जमीनदारों को वहां से निकाल दिया जाता है, जिस का नतीजा यह होता है कि वह जमीन खाली पड़ी रहती है । इसलिए जरूरत इस बात की है कि सिर्फ उतनी जमीन ली जाय जितनी की असल में आवश्यकता हो, ताकि अनाज की पैदावार में नुकसान न हो । इन जमीनों से जिन लोगों को निकाला जाता है, उन आउ-स्टीज को—किसी कारोबार में लगाने की

व्यवस्था होनी चाहिए । नंगल की खाद फैक्टरी के लिए सात आठ गांवों के लोगों को उन की जमीनों से निकाल दिया गया । उन्होंने खुद अपने मकान बनवा लिए हैं, लेकिन उन के कारोबार के लिए कोई व्यवस्था नहीं की गई है । जो कारखाना चल रहा है, उस में कुछ परसेंटेज आउस्टीज को देना चाहिए ताकि वे अपना गुजारा कर सकें और अपने इलाके में रहते हुए उस से फायदा उठा सकें ।

एक बात मैं शैड्यूल्ड कास्ट के भाइयों के बारे में कहना चाहता हूँ । ये जो आपके पब्लिक अंडरटेकिंग हैं, जिस परसेंटेज में शैड्यूल्ड कास्ट के लोगों को गवर्नमेंट सर्विश में लिया जाता है, उस परसेंटेज में पब्लिक अंडरटेकिंग में नहीं लिया जाता है । वहां उन के लिए उस तरह से परसेंटेज इन के लिये मुकर्रर नहीं है । जब उन से इसके बारे में पूछा जाता है तो वे कहते हैं कि ये प्राइवेट कंसर्न हैं इन में हम इन को इस परसेंटेज में नहीं ले सकते हैं, इनको यह परसेंटेज नहीं दे सकते हैं । मैं मंत्रालय से प्रार्थना करूंगा कि इस की तरफ भी वह ध्यान दे । वह इसको देखे कि कितने परसेंटेज हरिजन, शैड्यूल्ड कास्ट के लोग लिये गये हैं इन पब्लिक अंडरटेकिंग में । मैं चाहूंगा कि जो सरकार का इसके बारे में फैसला है वह यहां भी लागू होना चाहिये, यहां भी इनको वे सब सुविधायें मिलनी चाहियें जो अन्यत्र मिलती हैं ।

इन शब्दों के साथ मैं इस मंत्रालय की डिमांड का समर्थन करता हूँ ।

श्री श्रींकार लाल बेरवा (कोटा) :
उपाध्यक्ष महोदय, पैट्रोलियम और रसायन मंत्रालय की रिपोर्ट को पढ़ने से कुछ निराशा होती है । जैसी आशा इस मंत्रालय से की गई थी वह आशा पूरी नहीं होती है । वह आशा विल्कुल टूट गई है ।

आज हम देखते हैं कि तेल और रसायन की देश में सर्वत्र कमी है। देश के गरीब किसान आज रसायन के अभाव के कारण उत्पादन बढ़ा नहीं पा रहे हैं। इसका कारण यह है कि हम विदेशियों के चक्कर में फंसे हुए हैं। जब तक विदेशियों के चक्कर से मुक्त नहीं हो जाते हैं तब तक हम इस मामले में आत्मनिर्भर नहीं हो सकते हैं। आज हम जितने भी कार्य चलाते हैं, जितने भी कामों को हाथ में लेते हैं, उनको चलाने के लिए विदेशियों के मुंह ताकते हैं। हम ने रूस आदि मुल्कों से विदेशी तकनीकी लोग अपने यहां बुला रखे हैं और वही हमारा काम करते हैं। तेल का पता लगाने के लिए, कुआं की खुदाई के लिए हम उन पर ही निर्भर करते हैं और उन्हीं को अधिकतर हम ने काम पर लगा रखा है। हमारे अपने देश के जितने भी इंजीनियर्स हैं वे सब बिचारे उनके नीचे काम करते रहते हैं। विदेशों से हम ने 227 इंजीनियर्स बुला रखे हैं इस वास्ते कि वे तेल के कुआं पर काम करें। मैं जानना चाहता हूं कि हमने विदेशों को अपने कितने आदमी भेजे हैं। मेरा खयाल है कि केवल 27 इंजीनियर्स हम ने अपने विदेशों में भेजे हैं। यह बड़े ही शर्म की बात है। हम विदेशों पर बहुत ज्यादा निर्भर रहने लग गये हैं। जब तक हम ऐसा करते रहेंगे हम कभी भी आत्मनिर्भर नहीं हो सकते हैं। जो हमारे अपने इंजीनियर्स हैं वे जब तक सारी की सारी कार्य-प्रणाली को नहीं सीख लेते हैं, सारा जो काम है वे खुद नहीं करने की स्थिति में आ जाते हैं तब तक देश इस मामले में कभी भी आत्मनिर्भर नहीं बन सकता है। अगर विदेशों में अपने इंजीनियर्स को आप प्रशिक्षण प्राप्त करने के लिए भेजते हैं तो इतनी संख्या में तो आप भेजें कि हम को विदेशी टैकनीशियनों की कम से कम अपने देश में जरूरत हो और हमारे ही अधिक से अधिक इंजीनियर्स ट्रेनिंग पा कर खुद काम को कर सकें।

हमारे यहां हिन्दुस्तान में अभी दो तीन जगहें ऐसी हैं जहां पर इंजीनियरी की ट्रेनिंग देने वाले कालेज आप ने खोल रखे हैं। आप की मंशा यह है कि लोगों को विदेश कम से कम भेजना आप को पड़े। यह अच्छी बात है। लेकिन आप देखें कि होता क्या है। जो प्रशिक्षणार्थी होते हैं उन से आप बांड भरवा लेते हैं कि उनको प्रशिक्षण समाप्त करने के बाद तीन तीन और पांच पांच साल तक आप के पास नौकरी करनी होगी और वे दूसरी जगह नहीं जा सकते हैं। उन को ढाई सौ और तीन सौ रुपया महीना दे कर नौकर रख लिया जाता है। यह कितने शर्म की बात है कि उनको इतना कम वेतन दिया जाता है। विदेशी जो होते हैं उनको 1400, 1500 और 2000 वेतन मिलता है लेकिन हमारे इंजीनियर्स को केवल छः सौ मिलता है। हमारे इंजीनियर्स के साथ यह प्रत्याचार है जो आप करते हैं। इस तरह की कंडीशन बांड में लगा कर रखना ठीक नहीं है। मैं अंकलेश्वर गया हूं। वहां मुझे इस तरह की शिकायतें सुनने को मिली हैं कि उनको प्रागे बढ़ने का मौका नहीं मिलता है क्योंकि विदेशियों के चक्कर में हमारी सरकार फंसी हुई है। मैं चाहता हूं कि आप सब से पहले ये जो चीजें हैं, इन पर ध्यान दें।

अंकलेश्वर और खम्भात इत्यादि में गैस के कुएं हैं। वहां पर मैंने देखा है कि गैस जाया जा रही है। अगर उस गैस को उत्पादक कार्यों में लगाया जाये तो हमारा बहुत कुछ काम हो सकता है। खम्भात के आदमियों को पूछते हैं तो वे कहते हैं कि और जगह तो गैस सस्ती मिलती है लेकिन हमारे यहां मंहगी मिलती है। यहां पर दम पैसे ज्यादा मंहगी मिलती है। जिस जगह गैस निकलती हो वहां पर मंहगी मिले, यह समझ में आने वाली बात नहीं है। बेकार गैस जाये यह तो और भी शर्म की बात है। अगर आप किसानों आदि को उस गैस को न दे सकें तो कैसे काम देश का चल सकता है। किसी काम में तो आप को उस गैस को लगाना

[श्री श्रीकार लाल बेरवा]

चाहिये और देखना चाहिये कि वह जाया न जाये ।

अब मैं अन्नक के बारे में कुछ कहना चाहता हूँ । आप ने छः कारखाने लगा रखे हैं । अभी आप ने एक कारखाना लगाया है । लेकिन उस में प्रोडक्शन नहीं हो रहा है । अगर लगाया है तो आप उस में प्रोडक्शन क्यों नहीं करते हैं । अठारह साल से हमारी सरकार बया करती आ रही है ? क्या वह खाद्य के मामले में आत्म-निर्भर हो गई थी ? क्या उस को विदेशों से अनाज मंगाने की जरूरत नहीं रही है ? विदेशों से अनाज मंगा-मंगा कर जनता को खिला रहे हैं । क्या कारण है कि आप इसकी ओर ध्यान नहीं देते हैं । खाद की हालत यह है कि चार सौ करोड़ रुपये की खाद जो कि हमारी गाय बैलों के गोबर से बनती है और जिस से 90 लाख टन उत्पादन अधिक हम कर सकते हैं, उसको हम जलाने के काम में ला रहे हैं । सरकार ने ऐसा कोई प्रबन्ध नहीं किया है कि वह जलाने के काम न आये । आज विदेशों से हम भीख मांगते फिर रहे हैं लेकिन अपने देश में जो साधन हैं उनका हम सदुपयोग नहीं कर रहे हैं । यह कितने शर्म की बात है देश का बना हुआ खाद और अन्नक तो हमें महंगा मिलता है और विदेशों से आया हुआ सस्ता मिलता है यह कैसी विडम्बना है । इस तरह से कैसे काम चल सकता है । हमारे कारखानों में उत्पादित ये चीजें हमें सस्ती मिलनी चाहियें बनिस्बत विदेशों से आई हुई इन वस्तुओं के ।

आपने अपनी रिपोर्ट में कहा है :

“इसके अलावा एक रूसी अतटीय पार्टी के कारोमण्डल तट-दूर और कच्छ एवं कम्बे की खाड़ी में 3,922 लाइन किलोमीटर के कार्य को पूरा किया तथा

एक फ्रांसीसी भूकम्पीय पार्टी ने नवम्बर, 1965 तक राजस्थान के जैसलमेर क्षेत्र में 265 लाइन किलोमीटर के कार्य को पूरा किया । शेष अवधि के दौरान में इन उक्त पार्टियों द्वारा क्रमशः 2000 लाइन किलोमीटर और 100 किलोमीटर कार्य के होने की आशा है ।”

लेकिन होगा कैसे । मैं स्वयं देख कर आया हूँ । काम बन्द पड़ा है । जैसलमेर के अन्दर जिस कुएँ को छोदा तेल और गैस के लिए वह आज चार महीने से बन्द पड़ा हुआ है । सरकार विदेशों के आगे हाथ जोड़ती फिरती है लेकिन देश में जितनी सामग्री निकलती है या निकल सकती है, उस सामग्री की परवाह नहीं करती है । जैसलमेर के अन्दर तेल के कुओं की आप परवाह नहीं कर रहे हैं ।

राजस्थान का एक और उदाहरण मैं आप को देना चाहता हूँ । अमरीका के भूगर्भशास्त्री डा० रिचार्ड शोल्डन को मसूरी के निकट तथा जैसलमेर के चारों ओर के फॉसफेट की चट्टानें ढूँढने में कामयाबी मिली है । जैसलमेर में तीस करोड़ साल प्राचीन और मसूरी में 15 करोड़ साल प्राचीन ये चट्टानें मिली हैं । लेकिन इन की तरफ, आप का बिल्कुल ध्यान नहीं है । आप इनकी परवाह नहीं करते हैं । समुद्र की खाड़ी के किनारे किनारे आप चलते आ रहे हैं । मद्रास, आंध्र, केरल आदि की ही तरफ आप ध्यान केन्द्रित करते आ रहे हैं । राजस्थान की तरफ तो आप के लिए अंधेरा ही अंधेरा है । राजस्थान में तो एक सौ किलो मीटर कार्य होने की ही आप आशा लगाये बैठे हैं । मैं निवेदन करूंगा कि राजस्थान की इस तरह से आप अवहेलना न करें । राजस्थान में ऐसे पहाड़ हैं जिन से अन्नक आप को सस्ता मिल सकता है । जयपुर के रास्ते दोसा के पहाड़ के बारे में अमरीका के एक डाक्टर ने परीक्षण किया है और उसका मत है कि वहाँ काफी मात्रा में अन्नक

के भण्डार मौजूद हैं। लेकिन सरकार एक ही लकीर को पीटती चली जा रही है। पुरानी लकीर को ही वह पकड़े हुए हैं।

अब मैं लाइट डीजल प्रायल के बारे में कुछ कहना चाहता हूँ। आप को पता ही है कि अभी तीन चार महीने पहले यह ब्लैक में बिकता था। सरकार इसकी कमी को पूरा करने की स्थिति में नहीं है, इसको तो माना जा सकता है लेकिन क्या भाव पर भी वह नियंत्रण नहीं लगा सकती है। वह तो कम से कम सरकार कर ही सकती है। क्यों वह ब्लैक करने वाले गुगों को प्रोत्साहन देती है। एक दो बड़े आदमियों को जिन्होंने डीजल में ब्लैक की, पकड़ कर उसने जेल में क्यों नहीं डाला। नतीजा यह हुआ कि कैरोसीन प्रायल भी मिलना मुश्किल हो गया था। गरीब किसानों ने जिन्होंने अपने खेतों के ऊपर इंजन लगा रखे थे उनको एक ड्रम के ऊपर सौ रुपया और डेढ़ सौ रुपया ब्लैक का देना पड़ा। ब्लैक में तेल खरीद कर उन्होंने अपने पम्प को चालू रखा। सरकार नारा तो लगाती है कि वह कृषि का उत्पादन बढ़ाना चाहती है लेकिन डीजल प्रायल के उसने दाम बढ़ा दिये हैं। डीजल को इस तरह से महंगा करके और ब्लैक में बिकवा कर किस तरह से कृषि उत्पादन बढ़ सकता है। एक और बात आप देखें। डीजल का निर्यात भी सरकार कर रही है। निर्यात क्यों किया जा रहा है जब कि हमारे पास अपने लिये डीजल नहीं है, यह समझ में नहीं आया है। क्या हम इस मामले में आत्म-निर्भर हो गये हैं? क्यों हम लाइट डीजल का निर्यात करने चल पड़े हैं। मैं चाहता हूँ कि जब तक हम आत्म-निर्भर न हो जायें तब तक हम डीजल प्रायल का निर्यात न करें। अगर आप को विदेशी मुद्रा चाहिये तो उस को प्राप्त करने के और भी साधन हैं। किसानों के उपयोग की जो वस्तु है, वह तो उनको मिलनी चाहिये।

राजस्थान का मैं एक और दृष्टांत देना चाहता हूँ। इस से आप को पता चलेगा कि किस तरह से उन की उपेक्षा हो रही है। जैसलमेर के आस पास का जितना इलाका है। उसके अन्दर तेल है लेकिन इस इलाके का सर्वेक्षण नहीं करवाया जाता है; मैं चाहता हूँ कि उसका सर्वेक्षण आप करवायें। बीकानेर के आस पास भी यही स्थिति है। कोटा में किशनगंज और शाहबाद की पहाड़ियों के अन्दर अन्नक मिल सकता है और शुद्ध मिल सकता है। उसका आप पता लगावें।

कोटा के अन्दर आप नि लाइलोन की फैक्ट्री खोली है। उस के बारे में मैं थोड़ा सा कह कर समाप्त कर दूंगा। उस जहरीले पानी से कई गाँवें और दूसरे जानवर मर गये। वह पानी नदी में डाल दिया जाता है जो कि जहर बन कर जाता है और सारे पानी को जहरीला कर देता है। उस को गाँवें और दूसरे जानवर पीते हैं और मर जाते हैं। कई आदमी भी मर चुके हैं। सरकार को इस पानी के वहाँ पर डाले जाने पर नियंत्रण लगाना चाहिये। या तो ऐसे जहरीले चीज के कारखाने नदियों से दूर होने चाहियें या फिर अगर वह नजदीक हों तो कोई ऐसी दवा होनी चाहिये जो उस जहर को मिटा दे। बल्कि अच्छा तो यह होगा कि उस पानी को ही उठा कर वहाँ से नदी में न डाला जाये।

मैं निवेदन करूंगा कि इन बातों पर ध्यान दे कर और राजस्थान की उपेक्षा न कर के सक्ती से काम करना चाहिये।

Mr. Deputy-Speaker: What time does the hon. Minister want for his reply?

Shri Alagesan: About an hour.

Mr. Deputy-Speaker: He will be called at 3:15 p.m.

श्री तुलसीदास जाधव (नांदेड़) :
 उपाध्यक्ष महोदय, मैं इस पेट्रोलियम एंड केमिकल्स की डिमान्ड को संपांट करते हुए कुछ निवेदन करना चाहता हूँ। इस पेट्रोलियम एंड केमिकल्स की जो रिपोर्ट 1965-66 की है उस के अन्दर जो विवरण दिये गये हैं उन के अनुसार गौहाटी रिफाइनरी में जनवरी से दिसम्बर तक 7,24,129 टन, बरौनी में 4,89,552 टन और गुजरात कोयली में 1,13,618 टन अर्थात् कुल मिलाकर 15,60,000 टन तेल निकलता है। सरकारी और निजी दोनों को मिला कर जो काम कोचीन रिफाइनरी में चलता है उस के अन्दर 1966 में 25 लाख टन होने का अनुमान है, महाराष्ट्र रिफाइनरी में 1968 में 25 लाख टन तेल होने का अनुमान है और हलदिया में 25 लाख टन तेल होता है। कुल मिला कर 90,60,000 टन हमारे यहां होता है ऐसा इस रिपोर्ट में बतलाया गया है। इस के बाद जो प्राइवेट सेक्टर की कम्पनियां हैं, जैसे कि ए० ओ० सी०, एसो, बर्मा शैल, कास्टक्स उन का प्रोडक्शन तेल का 1965 में 82 लाख टन हुआ है। इस तरह से कुल मिला कर इस देश में 172 लाख 60 हजार टन तेल का अनुमान है। दूसरी जो नई फैक्ट्रियां बनने वाली हैं उन में भी और ज्यादा तेल आप के पास आने वाला है, ऐसी रिपोर्ट है। लेकिन इस रिपोर्ट में यह नहीं बतलाया गया है कि हम को कितने तेल की आवश्यकता है। अगर यह बतलाया जाता कि हम कितनी आवश्यकता तेल की है तो हम को कुछ अन्दाज लग सकता कि हम कहां तक तेल के मामले में स्वावलम्बी बन सकते हैं। इस के बाद हम देखते हैं कि सरकार द्वारा इस रिपोर्ट में यह भी बतलाया गया है कि जो हमारी तेल की आवश्यकता है वह रूस और दूसरे देशों से मंगाने का हम ने निर्णय किया है। इस के लिये करारनामा हुआ है। इतना होते हुए मेरी समझ में नहीं आता कि आज देश के अन्दर जब फूड प्रोडक्शन के लिये

इतनी कोशिश चल रही है तब अपने देश को दूसरे देशों के सामने जा कर अनाज क्यों मांगना पड़ता है। उस के बारे में यहां काफी चर्चा भी हुई।

मेरे प्रदेश को अगर देखा जाये तो आज जितने पम्प नदियों और कुओं पर लगे हुए हैं उन को लाइट डीजल नहीं मिलता और इसलिये वहां पर लोगों को बड़ी तकलीफ होती है। ऐसा क्यों होता है यह मेरी समझ में नहीं आता। हमारे यहां इतना तेल होता है और आज जिस अनाज की आवश्यकता देश के लिये है उस के लिये हम विकास के काम करते हैं, पहली, दूसरी, तीसरी योजनाएं बना चुके हैं। मगर चूक आबादी बढ़ती जाती है इसलिये हम को खाद्य का उत्पादन ज्यादा करने की आवश्यकता होती है। परन्तु उस के लिये लाइट डीजल क्यों नहीं मिलता यह बात मेरी समझ में नहीं आती है। जिस चीज की हम को आवश्यकता है उसकी पूर्ति पहले होनी चाहिये।

अभी मैं दो तीन दिन पहले महाराष्ट्र गया था। वहां पर मेरे पास शिकायत आई कि इस वक्त वहां पर एंजिन बन्द पड़े हैं और जो अनाज खड़ा हुआ है वह पानी के बगैर सूख रहा है। यह आज महाराष्ट्र की हालत है। महाराष्ट्र के मुख्य मंत्री श्री वसवन्तराव नायक ने यह ऐलान किया है कि दो वर्षों के अन्दर महाराष्ट्र अनाज के बारे में स्वावलम्बी हो जायेगा। लेकिन यह ऐलान उन्होंने इस बुनियाद पर किया कि सेंट्रल गवर्नमेंट उसे सहायता देगी और हम महाराष्ट्र के गांवों को स्वावलम्बी बना सकेंगे। आज महाराष्ट्र में 2 लाख पम्प कुओं, नदियों और नालों पर चलते हैं। उन में 5 हार्स पावर से ले कर 35 हार्स पावर तक के पम्प हैं। इस के लिये वहां पर हर महीने 33 हजार से 35 हजार टन तक लाइट डीजल की आवश्यकता है। लेकिन महाराष्ट्र राज्य की जो मांग थी उस में उस को किसी महीने में दिसम्बर के बाद से उसकी पूर्ति नहीं हुई। यहां से महाराष्ट्र को 25

हजार टन लाइट डीजल दिसम्बर, 1965 में दिया, 20 हजार टन जनवरी में दिया, 19 हजार टन फरवरी में दिया और 16 हजार 500 टन मार्च में अलाट किया गया। लेकिन वास्तव में 13 हजार टन दिया। अप्रैल के महीने में भी 13 हजार टन अलाट हुआ है। जहां पर 35 हजार टन की आवश्यकता है वहां पर आप 13 हजार टन देते हैं। इस से अनाज का उत्पादन बढ़ नहीं सकता है और लोगों के अन्दर जो उत्साह पैदा होता है उत्पादन के लिये उस को घक्का लगता है, इसका भी खयाल रक्खा जाना चाहिये। इसलिये मेरा निवेदन है कि जो हमारी लाइट डीजल की आवश्यकता है उस की पूर्ति जरूर होनी चाहिये।

जब पहले ऐसी अड़चन पड़ी थी तब महाराष्ट्र के मुख्य मंत्री ने श्री हुमायून् कबिर से विनती की थी और उन्होंने तुरन्त 25 हजार टन दिया। लेकिन चार पांच महीनों से लाइट डीजल बहुत कम मिल रहा है इससे लोगों को बड़ी तकलीफ होती है। मेरे कहने का तात्पर्य यह है कि चूंकि रात दिन पम्प चला करते हैं इसलिये वहां पर लाइट डीजल की सप्लाई का इन्तजाम जरूर किया जाना चाहिये। जब चार दिन पहले शोलापुर जिले के एक गांव में गया तो पता चला कि 15, 20 पम्प जो थे वह बन्द पड़े थे क्योंकि उन्हें डीजल नहीं मिलता। उनको लाइट डीजल के लिये कलेक्टर से परमिट लेनी होती है। 25, 30 मील से चल कर लोग शहर तक आते हैं और उस के बाद भी वहां उनको दो दो दिन तक बैठे रहना पड़ता है तब कहीं जाकर 40 या 50 लिटर का परमिट मिलता है। यह जो डीजल प्रायल मिलता है वह दो या तीन दिन में खत्म हो जाता है। उस के बाद फिर उन को शहर आना पड़ता है। इस आने जाने के कारण वह तेल और भी महंगा पड़ जाता है। तेल भी महंगा हुआ है, यहां तक कि जो रेट होता है उस का दूना तक देना पड़ जाता है। मैंने

जब इस के बारे में खोज बीन की तो मालम हुआ कि जो एजेंट है उन के पास तेल नहीं है।

14.59 hrs.

[SHRI SHAM LAL SARAF in the Chair]

अभी यहां पर बोलने के कुछ देर पहले मैं सम्बद्ध मिनिस्टर से मिला था। बातचीत करने पर उन्होंने बतलाया कि हम को इस के इम्पोर्ट की जरूरत नहीं है। अपने देश में तेल है। मेरी समझ में नहीं आता कि जब अपने देश में तेल है और उस पर फारेन एक्सचेंज नहीं खर्च करना पड़ता तब क्यों इस की कमी होती है। जो ट्रक्स बगैरह होते हैं, ऐसा सुनने में आता है कि उन में डीजल का इस्तेमाल होता है। यह तेल चोरी छिपे ट्रक्स या दूसरे तरीके से इस्तेमाल हो तो यह गलत बात है। इस के लिये सरकार को कोई खास बन्दोबस्त करना चाहिये। साथ ही कितने पम्प चलते हैं और कितने वास्तव में चलाये जाते हैं इसकी खास तौर से तलाश तहसीलदार के द्वारा होनी चाहिये।

एक माननीय सदस्य : रिबेट मिलना चाहिये।

श्री तुलसीदास जाधव : रिबेट तो मिलता ही नहीं, उल्टे जो बजट आया है, उस में उस के ऊपर टैक्स बढ़ा दिया गया है। इस कारण से उस की कीमत बढ़ गई है। मेरे कहने का तात्पर्य यह है कि देहात के कार्तकारों को उन की जरूरत का लाइट डीजल मिलना चाहिये और उस की कीमत कम होनी चाहिये और उस के ऊपर जो कर लगाया गया है उसे कम करना चाहिये, ताकि उस को सहूलियत हो सके।

नीमरी बात यह है कि लाइट डीजल के न मिलने से लॉग किरॉमिन का इन्तेमाल करते हैं। किरॉमिन से एंजिन खराब होना है। आज तो किरॉमिन भी नहीं मिलता ऐसी हालत पैदा हो गई है। इसलिए मेरी

श्री तुलसी दास जाधव]

मिनिस्टर से यह बिनती है कि वह लाइट डिजल वहां दें । महाराष्ट्र से बार बार लिख कर कहते हैं, पीछे एक दिन बिल आया था तो मैंने सवाल उठाया था इसी के सम्बन्ध में, तो मिनिस्टर ने कहा कि महाराष्ट्र गवर्नमेंट ने लिखा नहीं, लेकिन जहां तक मैंने तलाश किया है वहां तक महाराष्ट्र गवर्नमेंट ने बार बार लिखा है । मगर फिर भी उस को यह तेल का कोटा कम दिया जाता है । तो मेरी बिनती है कि जैसे मिनिस्टर ने खुद भी कहा और मैंने यह भी सुना कि कल जब महाराष्ट्र के एम० पी० मिनिस्टर से मिले थे तो उन्होंने कबूल किया कि जितना कोटा चाहिए उतना दे देंगे, मेरा तो सब हिन्दुस्तान के लिए कहना यह है कि काश्तकारों को जो दूसरी तकलीफ होती है वह तो नहीं दूर कर सकते हैं लेकिन अनाज बढ़ाने में या खेती का प्रोडक्शन बढ़ाने में जो इस की भाजकल गरज है लाइट डिजेल की वह तुरन्त और जल्द से जल्द दे दें, यही मेरी बिनती है ।

Dr. Chandrabhan Singh (Bilaspur):
Mr. Chairman, Sir, I am very grateful to you for giving me this opportunity to speak on the Demands of Ministry of Petroleum and Chemicals.

The most important thing about this Ministry that I feel is about the production of certain chemical drugs which are important life-saving drugs. I understand that some of the manufacturing industries have been incorporated and they are working under this Ministry. The investigations and the manufacturing programmes that these industries have are for life-saving drugs. There has been tremendous neglect on the part of these institutions and the corporations with the result that production has not been brought to the target, as it has been expected. I was surprised to find that this aspect is under this Ministry and the Ministry has not taken adequate steps to bring about

the rapid execution of this big scheme whereby life-saving drugs like tetracycline, streptomycin, etc. can be produced in this country. I would like to bring this to the notice of the Minister and to request him to take personal interest in the implementation of this scheme.

Another important point is about the Surgical Instruments Factory located at Madras. As an hon. Member just now pointed out, this factory has taken up only 150 or 160 items. The instrument manufacturing programme in the whole world covers a long range of instruments; it does not mean only 10 or 20 items; it goes to about more or less 1000 sub-items of great quality. This country is suffering tremendously for want of quality instruments to meet the requirements of hospitals, dispensaries and *shafakhanas* and *davakhanas*. I am surprised to find that from the very beginning this factory is not doing its job as it should and only a few items have been taken up. I personally feel that the hon. Minister should himself look into this matter and see that more items are taken up for production. He should see that this factory makes efforts to make this country self-sufficient in instruments. Let us remember that instruments advancement in the world is of a very great order, starting from simple cutting instruments to artery forceps, clamps, etc. I am afraid that this factory has not started well in this direction. I will request the Minister to look into this matter and take adequate steps so that these instruments are manufactured in higher number. A large number of surgeons have come to me and complained that some of the instruments cannot be imported from outside and whatever is imported they are also inferior in quality as a consequence of which they are not able to do their work well. Quality control should be effected not only inside the country but also for the instruments imported from abroad. Good work can be done

only with quality instruments. We were very happy that the country would become self-sufficient in instruments with the establishment of this Surgical Instruments Factory at Madras and we expected quite a lot from this factory. So many years have passed and they have taken up only a limited number of items. I will plead with the Minister that a large number of instruments must be manufactured in this factory. Good surgeons must be taken into confidence and their advice and also their requirements must be taken note of. They will be able to render good service only with quality instruments. I am sure that our hospitals are suffering for want of quality instruments and we cannot import these things also.

I may take this opportunity to mention that surgery has developed by leaps and bounds in recent years. So many special instruments of very high order are being manufactured for orthopaedic surgery, brain surgery, thoracic surgery, cardio-vascular surgery, abdominal surgery, genito-urinary surgery, etc. Sometimes the work done by our surgeons is compared with the work of surgeons outside India, where they get high quality instruments. Look at the instruments which are being produced in Russia. Look at the instruments which are being produced in the United States of America. They are top quality instruments. We are not able to produce them and we cannot import them also. Our surgical work is suffering tremendously. This being the state of affairs, how can we compare the work of our surgeons and civilians with that of others in the advanced countries? I would request the Minister to give top priority to this and see that not only more number of items are taken up by the factory at Madras but also quality instruments are produced.

I am sorry to say that whenever there is talk of economy, immediately the medical budget comes to be cut

down and the argument advanced is that the medical department is spending department. Medical Department is definitely a spending department in a very narrow sense. Good health is the pre-requisite for good performance—be it of labour or be it of the Minister. Good health is the sine qua non for good work anywhere. I cannot understand why always a cut in the budget is effected immediately in the Medical Department as a source of economy. I will plead through you with the Minister that the medical budget, especially in the instruments and appliances sector and also in the drugs manufacturing sections, should not be cut down.

Another important point is about the fertilisers. We have been hearing so much about fertilisers, and immediately the thing which comes uppermost in everybody's mind is naphtha. We are sick of naphtha and naphtha galore. Our food production is falling short for want of fertilisers. It is well known that this country has got second grade coal in plenty, second to none anywhere in the world. I was told that a new method was being developed in Germany for converting this second grade coal into a cheap fertiliser. When this coal is broken into pieces—not pulverised—and put under a very high pressure, it can be converted into a very good quality fertiliser which will also be cheaper. I am told that is even cheaper than naphtha. Hardly any work has been done in this direction in our country. We are mainly depending on the knowhow from America and Germany. It is high time that our scientists should come forward and perfect the "knowhow" whereby the second grade coal available in plenty in our country particularly at Korba in M.P. can be converted into good quality fertiliser. Then our shortage in foodgrains will be made up. We are importing foodgrains; we are importing fertilisers, but we are not spending money on research. When I enquired about this, I was told that they were looking into this matter and

[Dr. Chandrabhan Singh]

It would take a year or so. Instead of depending continuously all the time on Germany and America, we should do research work ourselves. By doing our own research work we should bring about this thing. With this I support the demands for grants.

..Mr. Chairman: Shrimati Renu Chakravarty. Five minutes.

..Shrimati Renu Chakravarty (Barrackpore): I will try to finish in five minutes.

"The only point I want to raise before the Minister is, of course, a very, very vital one for many parts of India, and especially for my State of West Bengal, and that is the question of kerosene oil.

The previous speaker on behalf of my party has already dealt with the question of fertilisers, which is also another important point, but on the question of kerosene, this particularly important item of every day use especially in the villages, I do not know what game is going on with this commodity. Whenever we ask the State Government, they say that kerosene has not been supplied in the quantities required by the State by the Central Government. When we come to the Central Government, Mr. Alagesan is all concern and tells us that the Centre is giving adequate supplies to West Bengal, it is West Bengal's tragedy that the State Government is not able to distribute it and that much of it is going into the black market. There is no doubt about the fact that kerosene is in the black market, because we ourselves find that in the city it is possible to buy kerosene at a much higher rate than the stipulated rates.

Unfortunately, we belong to a State which is ruled over by Mr. P. C. Sen and Mr. Atulya Ghosh, and not by Mr. Kamaraj and Mr. Alagesan. The State of Madras, I think, has the highest per capita use of electricity in

the villages; its rural electrification is the highest in the whole of India. But as far as our State is concerned, we are one of the most backward States with regard to rural electrification. Therefore, our people are entirely dependent on the amount of kerosene which they get. Even today, after the big movements and agitations which have taken place, even three weeks after the promise that this essential commodity was going to be rationed and that each villager and each user of this commodity would be given a minimum amount against ration cards, I have to tell Mr. Alagesan that only ten days ago I was in the town of Basirhat, where first firing and trouble started with regard to kerosene. Even today, what is the position? Normally nobody gets kerosene, except that now a few students with the signature of their headmaster can go to their shops attached to the colleges and get just a small quantity because they are students and because the students led the agitation.

What is actually happening? We are told now that kerosene is going to be distributed against ration cards. In the city of Calcutta this has not started, although we were promised specifically that from 1st April this was going to start. In the villages we were promised that those who are landless, the "A" category cardholders would be given this. Even there, very few have covered by the "A" category.

Mr. Chairman: Is it the supply or distribution?

Shrimati Renu Chakravarty: It is the distribution. I am pleading that under the Essential Commodities Act, it is for the Central Government to see whether each and every drop of this very rare commodity, which today we have to import in a large quantity, is really reaching the people who are suffering.

In the villages the same thing is happening, that "A" category card-holders or landless people are given some kerosene, but what about the "B", "C", and "D" categories? Nobody has got a card. So, the question remains. The demand was raised from all corners of our State, "Give us light, give us food". This question of light still remains to be given. God-given light is not given, and even today all the villages are in darkness. All the bustis and working class areas in the cities are in darkness. It is not possible to get kerosene.

15.17 hrs.

[MR. SPEAKER in the Chair]

In this House, tributes were paid to the members of the defence services who performed such valorous deeds and who sacrificed their lives during the recent Indo-Pakistan conflict. While adding my humble voice in praise of those who defended the honour and integrity of this country, I would like the House to remember the part played by the oil industry during that conflict.

Many had doubts whether the oil industry would be able to sustain the war machine. They had memories of the last war, and many felt that the oil industry might not be able to play its part in fully going to the support of the defence apparatus of this country. There were also rumours that the crude that we were getting from the Middle East might be stopped. But the fears were belied, and the oil industry stood by the defence forces of this country, and showed that the war effort cannot suffer for want of oil or oil products. I think that is a record which the House may like to appreciate.

This was possible because of the very vigorous activity of the Oil and Natural Gas Commission. Tributes were paid to the work of the Oil and Natural Gas Commission. In the eight or ten years it has been in existence, it has turned out, I should say, a record amount of work. It started in a very small way, but we were blessed with luck, and we were able to strike oil.

While speaking on the effort in the public sector to find oil in this country, one cannot but refer to the yeoman service rendered by Shri K. D. Malaviya. He will be always remembered as the man who spelt out and formulated a coherent oil policy for the country. But, having said that, I would also like to plead and place before the House what we who had

One last point, and I have done. In the State Vidhan Sabha, the Minister in West Bengal, Mr. Sarajit Banerjee, on 24th March gave certain statistics to which I want the Minister here to reply. He said that during the last three months kerosene was promised to the extent of 69,000 tons, but only 41,000 tons have been given. Why this discrepancy? At a time when people are suffering so much, why is it that the Central Government is not giving even the promised amount?

This is all that I wanted to say.

Shri Alagesan: I am very grateful to hon. Members who have participated in this debate and offered their criticism, mostly helpful, and also to those who have given their support to the activities of the Ministry.

Perhaps it will be remembered that last year our Demands were not discussed. Demands are usually discussed or guillotined. Last year, our Demands were neither discussed nor guillotined, but we underwent a sort of intermediate experience. I do not know what to call it because the rules are silent on it. We were almost strangled I should say. So, I welcome this opportunity that the House has had to notice and review the entire gamut of activities of this Ministry, which, as was described by one hon. Member, is concerned with a very vital sector of the economy of the country.

[Shri Alagesan]

the good fortune to follow him, are doing. We are trying to build upon the foundations so well laid by Shri Malaviyaji. Just as we recognise the great services rendered by Shri Malaviyaji, I hope, though we are smaller men, that Shri Malaviyaji will also recognise and render support to us, would recognise that we are trying our best to build on the foundations laid by him, and also extend his generous support to what we are doing. The ONGC as it is called in the Second and the Third Plans had invested or spent about Rs. 150 crores of which about Rs. 25 crores were found from its own resources by the sale proceeds of oil, and gas that it produces. I should think that this is a very good record. Just now we are taking out of the Ankleswar oil field about 6,000 tons every day. We are supplying Koyali refinery 3300 tons and to the private oil refineries in Trombay about 2700 tons. This comes to a rate of about two million tons per year and we propose shortly to increase this rate to 2.5 million tons per year. This is about what we can produce in the Ankleswar oil field.

Similarly, during the second plan period we were fortunate to discover an oil field at Ankleswar and a gas field in Cambay and another oil field in Rudrasagar. In this Plan there were two or three oil fields discovered in Gujarat, namely, Kalol, Navgam, Katana and another oil field in Assam, Lakwa. Apart from these, there are several small gas fields which were also discovered. In all 400 wells had been drilled till now and the percentage of dry wells has been fortunately very low. As I said we were blessed with luck. Last year, the ONGC and Oil India Limited have produced oil upto about 3.5 million tons and this year it may go upto 5.5 million tons. The ONGC expects to reach a production of about eight million tons by the end of the fourth plan and thus will be able to meet at least fifty per cent of

the crude oil needs of the country by the end of the fourth plan when to this is added the production that will be made by Oil India Ltd. So also in the field of refining, I think we have got a good record to show. The Nunmati refinery which was a public sector refinery has been stabilised; for two years it has produced up to its capacity, namely, 3/4 million tons; in 1965-66 it has made a profit of Rs. 102 lakhs. The Barauni refinery was commissioned sometime in July, 1964 and its production has been stabilised at one million tons; recently the question was asked why we could not produce more than one million tons in the Barauni refinery. Due to some limitation in the coking unit, we are not able to do so but this limitation will be removed within three or four months and we shall be able to refine about two million tons of crude in the Barauni refinery. Even before that I am trying to see that Barauni refinery reaches the capacity of two million tons because we are short in many products like HSD and kerosene. There is a furnace oil residue that comes out of the refinery which if used in the open hearth furnace and for other purposes should be able to replace furnace oil and would also enable us to put through the second million ton. The Indian Oil Corporation is engaged in finding out market for this furnace oil residue. When once that is done we will be able to reach two million ton capacity even earlier than expected. The Koyali refinery has reached one million ton capacity and slightly more and within a period of 2-3 months it will reach the second million capacity also. The Cochin refinery should have been commissioned last year but due to delays that occurred in taking possession of the land by the American parties concerned, we were not able to commission it as was expected. But I hope it will go into production in July this year. When that happens and the other refineries reach their scheduled capacity, we would be pro-

ducing in the public sector fifty per cent of the oil produced in the country and when the Madras refinery, for which we have entered into an agreement this year, is commissioned by the end of 1968, there will be further increase in the share of the public sector. Shrimati Renuka Ray was anxious about Haldia. Negotiations have almost reached a final stage and we would be able to select the partners who will help us in putting up the Haldia refinery and conclude the agreement by the end of May next, that is, next month. So, Shrimati Renuka Ray may be assured that we propose to go ahead with the construction of the Haldia refinery also as early as possible. Since the demand in the Fourth Plan is expected to go up to 25 million tons, we also propose to put up a refinery somewhere in the north-western region of India. My hon. friend from Rajasthan complained that Rajasthan was being neglected. In fact we are very vigorously carrying out the search for oil in Rajasthan. A French company is doing drilling there and if luckily it strikes oil there, oil refinery may come somewhere near the oil field and Rajasthan's interests in the matter of oil refinery will be fully taken care of.

Some criticism had been voiced against our marketing organisation; I do not say there is no ground for criticism and I would like it to become more efficient than at present so that in the distribution of kerosene and other products it is able to do full justice and functions in a way that there will be no complaint about the distribution of these products. But the House will remember that IOC is not the only distributing agency; there are private oil companies and their marketing organisations which distribute about 80 per cent. I was saying that I.O.C. was doing well because from a mere two lakh kilo-litres in the first year of the third plan it distributed as much as 32 lakh kilo-litres at the end of the third plan. That is, its volume of business went

up by 16 times; though the entire business during the third Plan went up by only 50 per cent, the IOC improved its sales from a mere four per cent to about 20 per cent. But even so, it will be very clearly seen that most of the distribution is in the hands of the private companies and I would just appeal to the oil companies and the IOC to see that the distribution work is carried on efficiently and without giving room for any complaint.

Shri Kashi Ram Gupta: Who is responsible for the black market price in diesel and kerosene?

Shri Alagesan: I appeal to the private oil companies to see that their agents and their dealers and sub-dealers and retailers behave and serve the public in a fair manner during this crisis.

Shrimati Renuka Ray: In that case, how can the West Bengal Government ration and distribute if up to 80 per cent the private oil companies. . . (Interruption)

Shri Alagesan: I shall deal with it when I come to kerosene. It can be roughly said that out of 12 million tons of oil products that are being consumed, for six million tons we depend on imported crude; for three million tons we depend on our own indigenous crude, and we have to import another three million tons of oil products. As the House knows, during the middle of last year, when the foreign exchange difficulties were so acute, we decided to stop the imports of oil products by the private oil companies, and that gap had to be filled up by imports from elsewhere. The IOC began to import necessary quantities of kerosene, diesel oil and furnace oil and other products from rupee payment countries, mostly from USSR and Rumania, and I would like to pay a tribute to the IOC for having stepped in and filled that gap which was suddenly created, by not only getting the necessary imports but also by distributing them as far as possible in an equitable manner in this country.

Shrimati Renu Chakravartty: You should nationalise the foreign companies; that is the answer; not paying tribute.

Shri Alagesan: In the field of oil and in the related fields of oil development, namely, exploration, production, refining and marketing, since we have reached a measure of independence, we were able to take certain steps with reference to the pricing of both crude and oil products which made us independent of the manoeuvrings of the international companies in fixing prices. When we did not develop indigenous production of oil, when we did not develop indigenous refining capacity, and when our marketing organisation was not fully developed, we followed a pricing policy, with regard to both crude and oil products, which was tied to what are called the posted prices in the Middle East. These prices were so posted and were so manipulated as to benefit the international giant oil companies. What we did was, since these prices were high, we tried our best to get discounts for these crudes. Even a cent per barrel meant a lot to this poor country by way of a saving of foreign exchange, and so we went on persuading and pressurising oil companies to give us as much discount as possible. I would like to tell the House that we succeeded to a very great extent in this. In one year, as much as 16 cents per barrel discount were obtained for the crude that we mostly use in our refineries. This meant a saving, in the whole year of 1965 and in the first three months of 1966, of as much as Rs. 7 crores. Now, while we were getting these discounts and were happy that we were saving foreign exchange, the prices of the crude that we imported were getting reduced. We found the prices we paid to the oil produced by the Oil and Natural Gas Commission, and by the Oil India Limited were getting less and less. That meant an uneconomic price for the indigenous crude. So, we had to deal with it, and we announced a pricing policy

which came into effect from 1st February, 1966. It was related to the posted price and not to the discount that we obtained under it. By this means, we were able to obtain a higher price for the indigenous crude which was produced by the Oil and Natural Gas Commission. The price of oil in the Middle East is much less than what it can ever be in this country, for the reason that there, the oil-wells produce much more oil than in our country. Whereas the average rate of production per well is only 50 to 60 tons per day here, there, one well produces as much as 800 to 1,000 tons per day. So, there is no comparison in the cost of production between the oil that we produce in India and the oil that is produced in the Middle East and which we are importing. Hence, we had to introduce a pricing policy which would help the indigenous industry of oil production. Similarly, we gave up the principle of import parity with reference to the price of oil products, so that the economics of our indigenous refineries might improve. We were able to take this step, because, as I said, we reached a measure of independence and regained a measure of initiative in the related fields of oil production, oil refining and oil marketing.

Shri Jashvant Mehta (Bhavnagar): What about the price of gas which is produced in Gujarat? There is a very wide disparity between the prices of the gas produced in Assam and produced in Gujarat; the matter was handed over to arbitration; may I know what progress has been made in the matter.

Shri Alagesan: I am more concerned about the end of the arbitration proceedings. I am eagerly expecting the award by the arbitrator because, in the meanwhile, the Gujarat Government pays, I think, only half the price that we asked them to pay. I would like this award to be obtained at the earliest possible moment so that this question of prices may be settled once for all and we

shall be able to obtain whatever price be under the law?

Shri Jashyant Mehta: What time would it take to finish it?

Shri Alagesan: I was talking to the arbitrator. I think the House knows who is the arbitrator. He said he would give his award as early as possible. I take it that he would be able to give the award, say, in a month or two. I am expecting it at least by the end of May. I would not like to place a time limit because that would not be reasonable, though it has taken quite sometime now.

Now, the programme before us is to increase this measure of independence and obtain complete self-sufficiency in oil. Hence, the ONGC has provided for a very ambitious programme and would like to spend, if funds are available, up to Rs. 225 crores in the fourth Plan. They would like to drill another 800 wells. Not only that. They would like to explore in areas in which we are now not able to explore because of various handicaps. In this context, the off-shore drilling about which reference was made by hon. Members becomes very relevant. My colleague, the Deputy Minister, pointed out how Mr. Malaviya's suggestion could not be carried out. Mr. Malaviya, in fact, was simplifying the off-shore drilling operation out of all proportion. He said, only a steel structure has to be erected—that can be borrowed from somewhere—and once that is done, we can ourselves drill in the waters; it is so easy; we need not take any collaborator with us and we need not part with a certain proportion of oil that is to be produced. May I say, even on land we are not able to do this drilling quite independently? Most of the activities of the ONGC by way of drilling, exploration and production of oil are being actively assisted by

the USSR. We are having contract drilling by French companies, Italian companies, etc. To explore and produce more oil, we have entered into an agreement with BOC and formed a joint company called Oil India Limited where Government of India hold 50 per cent shares and the British company holds 50 per cent shares and to whom we have guaranteed a net profit of 9 per cent. Under the commitment of guaranteeing a net profit of 9 per cent to Oil India Limited, the government has been paying heavy subsidies to the company. In 1962, 1963 and 1964 we have already paid a subsidy of Rs. 11 crores. In 1965, we would be called upon to pay a subsidy of another Rs. 7 crores. So, nearly a subsidy of Rs. 20 crores is being paid. To suggest that this operation can be done without anybody's assistance or without any foreign collaboration, I think, is to simplify the problem out of all proportion to its real nature. Offshore drilling is a very very difficult operation. To put up the floating platform, from which you drill for oil in the waters, it costs Rs. 3 crores. The daily expenditure comes to about Rs. 50,000. Such off-shore drilling is done more by Americans. Some of us may not like the fact that Americans are so forward in everything, but that is a fact. Even in Russia, they are not doing this sort of drilling. They create an artificial island by driving iron pipes and then drill. So, in this very difficult off-shore exploration, we have willy-nilly to take the help of others. It has been proved that our off-shore areas contain large reserves of oil. The Italian company agreed to undertake off-shore drilling in the Cambay area, but unfortunately, the platform was burnt out in an accident and a similar platform cannot be procured from anywhere. They say it will take a number of years to build such a platform. That shows the very arduous and difficult nature of off-shore drilling. We are negotiating with a number of parties in this regard. I can give the assurance to the House that whatever collaborator we take finally, the terms

[Shri Alagesan]

will be such as will not harm the national interests of the country. But I cannot give any assurance and indulge in any bravado by saying that I shall be able to do this job without anybody's assistance. I have to take the assistance of people who have the know-how and capacity to fabricate these things. In our country, we cannot fabricate a floating drilling platform for use in off-shore drilling operations.

I should like to say a word about the organisational aspect of ONGC. This organisation has been functioning with some members and a Chairman. Its headquarters was decided as Dehra Dun. But since its inception, as far as the Chairmanship is concerned, it has had a very chequered course. For the first few years, the then minister happened to be Chairman. But it is a very difficult job for a minister to administer, in addition to his portfolio, the affairs of a growing organisation like ONGC, whose activities are spread almost all over the country. Then the Cabinet Secretary became the part-time Chairman of the Commission, which was again not a satisfactory state of affairs. Then the Chairman of the Indian Refineries Limited was part-time Chairman of the Commission for a few months. Last year, from part-time chairmanship we came to full-time chairmanship. But still his location was in Delhi and he could not go to Dehra Dun for various reasons. I am thinking of choosing a Chairman who will go and sit in Dehra Dun, coordinate the various activities of the various branches of ONGC and see that maximum results are produced.

In regard to the Indian Oil Corporation, we have got three definite units. But it is something like what happens at Prayag—the Ganga and the Yamuna go a long way without mixing and then only get mixed up. Similarly, the Refineries Division, Marketing Division and the Pipelines Division do not mix. Though under

the Companies Act it is one company each one is functioning in an independent capacity. Here also I propose to introduce some changes and vest the Chairman with coordinating powers. He will plan the activities of all the three wings coordinate them properly and see that they are carried out.

Shri Kashi Ram Gupta: What about production of petrol being more than the demand?

Shri Alagesan: We export some of it and we propose to use most of it in fertilisers and petro-chemicals.

I will now turn my attention to the private oil companies. Criticisms were made by several members about their activities. They have been here for decades especially in the marketing field. A decade ago, they entered the refining field. In these two fields, they have made huge profits. While we wanted them to put up refineries, government entered into what are called refinery agreements with the three private oil companies. Whatever was stated in the agreement was very scrupulously observed by the government. We are now at a stage of our development when we have to invite private foreign capital for the growth of our economy. We have been inviting them and they have been coming also. It is no use my friends criticising it because our plan itself is based on a certain amount of foreign funds. When the fourth Plan comes into shape, it will disclose a need of as much as Rs. 4,000 crores in foreign money. We can get it in two ways, either from private foreign parties who will invest in this country in joint ventures or by means of government to government credit. So there is no use shutting our eyes to these basic facts. We have to get the aid of foreign capital. These companies represent, in the wider field of oil, in-

vestment of foreign capital. They have had such fine treatment from us, and now when we hear that private foreign capital is shy, it is not prepared to come to our country, I should like to know what these companies have been doing all these years. Is it not their duty to say that the climate for foreign investment is very good in this country, they have had a very fair deal from the Government of India and that they can recommend to anybody to come into this country and to invest? My question is, have they done this? I am sorry to say, if you enquire, the answer will be in the negative. This, I would very respectfully point out, has been a failure on their part. Out of sheer gratitude they should have done this. Actual facts bear out this fact that they have had a very good deal, a very fine treatment, a very fair treatment, at the hands of our Government, and yet they have not said that this is so to others and taken any steps to see that such of those who are prepared to invest here would be enabled to come to this country and make their investment.

My hon. friend from Assam referred to a newspaper report and said that I should deny that I asked the ESSO Company to come and participate in exploration. I am not going to deny it because I said it. These companies originally started with marketing because marketing is the most profitable of all activities. Then they came to refining. Now, while in the business refining they still want to depend upon imported crude. How are we going to attain self-sufficiency unless we replace imported crude, on which we have been spending at the rate of Rs. 40 crores every year during the last five years? Unless we replace this very costly imported crude, from the point of view of foreign exchange, how are we going to reach self-sufficiency? It is only by making a more vigorous search for oil in the country, whether on land or off-shore, that we can replace this imported crude. And, is it not the duty of these three companies,

who have vast organisations behind them, who have got accumulated skill and capital, to help us in finding oil in our own country? Why should we go and ask others? It is these people, who have lived here, who have put up business here, who have benefited out of that business, who should help us. I feel that I should not be forced to go to other parties and invite their collaboration and cooperation in carrying out oil exploration. Hence I said that these companies have failed in their duty in not cooperating with the Government and finding new sources of oil within the country itself.

Then, Sir, there is the very vexed question of retrenchment of personnel that has been indulged in by these companies. The Government is very sore about this. We recently appointed a committee which has just given its report. We have not had time to examine the contents of the report and also the dissenting note presented by the oil companies. It is found that while their business has gone on expanding, while their profits were increasing over a period, they started retrenchment. Of course, they do not call it retrenchment, they do this retrenchment under the name of voluntary retirement. I wanted to persuade myself that this voluntary retirement is really voluntary, but on the basis of facts that are placed before me I am not able to persuade myself that this retirement is voluntary. It is anything but voluntary. It may have certain temptations attached to it like lump sum payment etc., but the flower of Indian youth which flocked to the service of these companies is being let down. Not only the personnel in the officer cadre but also people lower down have been retrenched and retrenched in large numbers. Another curious thing also has been happening. While on one side retrenchment has been going on, on another side recruitment also has been going on. How are we to explain this. Certainly, you cannot carry on uneconomic operations for ever and you can certainly retrench.

Shri Sham Lal Saraf: Is it permissible under the law?

Shri Alagesan: You can certainly retrench if you define surplus and if you locate surplus. But you are not going to retrench when you also recruit. That means you do not declare any surplus. So, how can these two things go side by side? I am not able to understand.

An hon. Member: What do you propose to do?

Shri Alagesan: The Government will be going into this question fully and I hope whatever decisions Government will reach the oil companies will fully cooperate in carrying them out. (*Interruptions*).

Shri Vasudevan Nair: Will you ask them to suspend voluntary retirement. (*Interruption*).

Shri Alagesan: I would respectfully point out to the hon. lady Member that to say that because I want American collaboration and aid in certain respects I am going to do anything that may be unreasonable or something that is dictated by others, is to entertain a very very wrong opinion of the Government.

Shrimati Renu Chakravartty: You may want it, but the Government policy would not allow it.

Shri Alagesan: I can assure her that it will not happen.

श्री श्रीकार लाल घेरवा : राजस्थान का जैसलमेर एरिया ?

Shri Alagesan: The hon. Member was not present when I was talking about Rajasthan. I have fully dealt with Rajasthan.

The question of light diesel oil was raised. This is constantly in our mind and we are trying to improve the supplies.

श्री ड० शि० पाटिल (यवतमाल) : अध्यक्ष महोदय, महाराष्ट्र राज्य में बड़ी संख्या में पम्प लगा कर रबी के उत्पादन में 20 प्रतिशत की वृद्धि की गई है। उत्पादन बढ़ाते में महाराष्ट्र के प्रयत्नों की प्रशंसा की जाती है लेकिन दिसम्बर में 20,000 टन व्हाइट डीजल प्रायल दिवा और मार्च में 13000 टन दिया। इस का परिणाम यह हुआ कि आज किसान की सब खड़ी फसल सूख रही है। किसान इंजन वापिस कर रहे हैं। मैं पूछना चाहता हूँ कि अप्रैल में मंत्री महोदय कितना कोटा बढ़ा रहे हैं ?

अध्यक्ष महोदय : अच्छी बात है हो गया सवाल।

16 hrs.

Shri Alagesan: I should like to explain at length the position with reference to LDO. First of all we should disabuse our mind of one thing. If we imagine that all the LDO is going for agricultural purposes, it is not a statement of fact. The Energy Survey Committee went into this question and found that only 30 per cent of LDO is going for agricultural purposes and the rest is being used for various other purposes, industries etc. Even so, we have been trying to meet the demands of Maharashtra and Gujarat. Here, in this case, the fiscal policy has something to do with it, with the abuse of this oil. We reduced the duty on light diesel oil last August in the hope that the agriculturists will be benefited. What happened? As soon as the duty was reduced, the consumption of this oil went up by 50 per cent. When you compare the consumption of August-September-October 1964 with the consumption of August-September-October 1965 you will find that the consumption of light diesel oil shot up by as much as 50 per cent., from 1,19,000 tons to 1,76,000 tons. So, recently an additional duty of Rs. 60 was imposed. Even now the difference in cost between HSD and LDO is as much as Rs. 350 per ton. So, anybody who can manage to get a

truck load of 10 tons can easily make a profit of Rs. 1,000 in the black-market. That is what is happening to LDO. It is being used for a purpose for which it is not intended. It is being used in the place of HSD. Ordinarily, you cannot use like diesel oil in trucks because there will be over-carbonisation and the engine will go bad. But, then the truck owners compare the cost of repairs and the advantage in price and do not bother about using LDO. We are not able to stop it. Hence I have requested the Members of Parliament from Maharashtra and Gujarat and the Chief Minister of Gujarat to tell me as to how much is actually needed for agricultural purposes, because I am prepared to meet that need fully.

Shri Jashvant Mehta: 25,000 tons was committed by the Minister.

Shri Alagesan: I do not want to go into the question of figures. I have a lot of figures with me.

Shri Jashvant Mehta: You have committed that 25,000 tons will be distributed every year.

Shri Alagesan: No commitment. I am prepared to explain the position.

Shri Tulshidas Jadhav: For the information of the hon. Minister I may say that 35,000 tons are required by Maharashtra. The State Government have conveyed this information to the Central Government.

Shri Alagesan: When a commodity is scarce, its demand is normally inflated, and for good reasons. I do not quarrel with that. But that does not mean that I should supply the quantity asked for. Now I am placing before the House the fact that I have satisfied the Chief Minister of Gujarat and other Ministers of Gujarat and hon. Members of Parliament from both Maharashtra and Gujarat about the quantities that I have to supply them. I am also prepared to increase the quantity in the agricultural season, which is from

October to March. Now that season is nearly over. There may be some standing crops in the month of April. That is all... (Interruptions).

Shri Tulshidas Jadhav: In Maharashtra it is up to June.

Shri Alagesan: I do not want to be interrupted. But I can assure the hon. Member that I shall be sympathetic to them and will give them as much as possible.

But one curious thing I should like to mention. My hon. friend, Dr. Rao is here. In Gujarat a power station has been set up at Dhuvaran consisting of four units with a capacity of 62.5 mw each. Out of these units one is not being commissioned for want of load. I was humbly suggesting to the Gujarat Government that they should put up transmission lines and take electricity to their farmers and supply them with power to run their agricultural pump sets. What I am saying is this. So far, Madras State was a deficit State so far as requirements of food were concerned. Today it is a slightly surplus State. This was achieved only by electricity and nothing else. We do not have big irrigation projects. We have no Nagarjunasagar or Godavari-Krishna as my hon. friend, Dr. Rao, has got in Andhra Pradesh. Of course, I am not minimising the difficulties of other States. I am only saying that we are prepared to give them furnace oil for the consumption of that fourth unit, and if they take steps, certainly by getting all the things that have to be procured, they can give electricity to the farmers and see that agricultural production is increased. I am not saying that until such time that they switch over to electricity I will not supply them light diesel oil. I shall supply them as much as possible.

Then I come to the question of kerosene. This question has been gone into great detail with representatives, with Ministers....

Shri Kashi Ram Gupta: What about the blackmarket price that the cultivators have to pay?

Shri Alagesan: The hon. Member has made the same point for half a dozen times now. I am coming to that.

This question was gone into in great detail in consultation with the Ministers and officers of various States. We have now adopted a new system of earmarking quotas to the various States. Formerly, it went by supply zones. Shri Vasudevan Nair was complaining that the quota allotted to Kerala was small. It is not as if IOC is supplying more oil to Madras and Andhra and less oil to Kerala. Each State has been allotted a specific quota. In the past, even though quotas were allotted, the movement did not reach the level of the quotas. There were many cases in which even though the quotas were allotted the actual receipts were less than the quotas allotted. What we are trying to do now is to see that the quotas actually reach the places. This will go a long way to solve the difficulty.

Shri A. V. Raghavan: How is it that you are in a position to supply 10 litres in Punjab while you are able to supply only 3 litres in Kerala?

Shri Alagesan: I am making the supply on the basis of consumption in the year 1964. In the conference of State Ministers a suggestion was made that the fixing of quotas of kerosene should not be made on the basis of 1964 consumption but it should be made 25 per cent on per capita basis and 75 per cent on the basis of 1964 consumption. We are examining that suggestion made at the conference. If we are able to accept that basis for allotting quotas, the quotas that are now thought to be small in the case of some States will increase and that grievance will disappear. I should again like to emphasize this point that this is more a question of distribution and for dealing with blackmarket etc. in distribution referred to by the hon.

Member we have invested the State Governments with sufficient powers under the Essential Commodities Act; not under the DIR, mind you. There is only one difference. Under DIR, it is applicable to all the States in India. Under the Essential Commodities Act it is applicable to all States except the State of Jammu and Kashmir. So, we have asked the Jammu and Kashmir Government to issue corresponding orders in this regard. So, we have placed sufficient powers in the hands of the State Governments now. Under these various orders they can ration the quantity of kerosene, they can fix the price for kerosene, they can licence the dealers in kerosene so that they are able to check their accounts and see that it is properly distributed and so on. We have also asked the State Governments to split these Statewise quotas into Districtwise quotas and see that even remote Districts, hilly areas, for instance, as in the State of U.P. also receive their supplies without fail.

I now stop here and go to the very important question of fertilisers and the new pricing policy of fertilisers.

Shrimati Renuka Ray: You have given 29,000 kl. for the month of April and that will give only about 3 litres per capita. So, it is much less than the requirement.

Shri Alagesan: I have explained the basis and I have also recently increased the quota for West Bengal. Now it comes very near to 30,000 kl.

Shrimati Renuka Ray: Even then, it is less.

Shri Alagesan: In regard to the question of fertilisers, there has been a lot of misunderstanding about this question. The standpoint of Government and the justification for the new policy has been so ably expounded by some hon. Members who spoke in this House, Shri Subramanyam, Shri Ravindra Varma and also my colleague sitting by my side. They have

lightened my task and I want to touch upon a few points.

It starts with the question of looking at how much fertiliser we need or we do not need. That we do not need so much fertiliser does not take you anywhere. Now, you have to look at the question from the point of view of food shortage in the country. What is happening? We are going to get 10 million tons of wheat, a colossal figure, a huge figure. It will take so many ships to bring this wheat and even if it comes under rupee payment, under PL 480, the freight has to be paid in dollars. It is a huge quantity that we are importing which will cost the country Rs. 360 crores. The hon. Members have to decide in their mind: Are we going to continue this dependence with reference to foodgrains upon other countries? We may depend on others for other highly sophisticated purposes, like, rare know-how for industrial purposes or other things. Are we going to depend for our daily bread on other countries? The answer will be an emphatic 'No' from every hon. Member of this House and, I know, from every Indian man and woman in this country. If that is understood, the need for fertilisers will be immediately conceded.

Fertiliser happens to be the kingpin of the whole scheme of increasing agricultural production in this country. It is by fertiliser alone that you can reduce this dependence and finally remove this dependence on others for food purposes. So, it is in this context that I appeal to the hon. Members to look at this question.

Shri Sheo Narain (Bansi): You may say something about the system of distribution.

Shri Alagesan: In the matter of fertilisers, I should like to highlight one very important step that my Ministry has taken. Uptill now, we were not in the possession of know-how for the manufacture of fertiliser. Recently, we have entered into agree-

ments by which we have come into the possession of know-how for the manufacture of urea, for the manufacture of ammonia, for the naphtha, for the gas purification. For the reformation whole range of process, starting from naphtha upto urea synthesis, we have purchased know-how from two parties, Monte Cartini of Italy and the Power Gas Corporation of U.K. This gives an opening into the whole process of fertiliser manufacture by which we can, year after year, develop our own know-how and our own processes. The different processes that you hear of, in this connection, are, in the ultimate analysis, one process obtained by starting with and then going on refining it until you arrive at other improved processes. Once we have purchased the know-how, Indians themselves will have an opportunity to improve upon that know-how. We have acquired it and it is this acquisition which, I think, is a very important land-mark in the history of fertiliser production in the country.

Another very important decision taken was—it has been hailed by hon. members like Mr. Vasudevan Nair—to execute the two projects of Durgapur and Cochin with our own resources; whether we get suppliers' credit or not, whether we get foreign exchange from other sources or not, we have proposed that we should go ahead with these two projects, spending money from our own free foreign exchange resources.

Shri Vasudevan Nair: We support all good things.

Shri Alagesan: I thank the hon. Member. I appreciate some discrimination.

This is also a step in the right direction and this will give enormous opportunities to Indian personnel, to Indian engineers, technicians and chemists, to build these two factories and gain confidence and assurance in themselves. Once we are able to put up these two factories on our own, we will gain confidence and we will

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be able to go ahead and we will be able to take future projects of even greater magnitude in the hope and in the sure confidence that our own men can do the job.

Shri K. N. Tiwary (Bagaha): Will he please explain why our price of fertiliser is the highest in the whole world?

Shri Alagesan: I am coming to that.

Shri Malaviya and the lady Member, Shrimati Tarkeshwari Sinha—she is not here—pointed out that we do not need fertilisers. But what is it that we need? The hon. members who come from various States have only to go to their Chief Ministers to know as to how much fertiliser they need.

Yesterday I was talking to the Chief Minister of Uttar Pradesh, the State from which the hon. Member, Shri Malaviya, hails. She said, "I am not satisfied with your two factories—one in Kanpur and the other in Gorakhpur; you give us another fertiliser factory in Mirzapur". That was her demand.

The hon. Members from Madhya Pradesh are sore that the Korba fertiliser project has been given up: whether it is coal-based or naphtha based, as the hon. Member, Dr. Singh spoke, they want a fertiliser project. My arguing and telling them that this coal-based project is uneconomical because it costs much more in capital cost and otherwise, will not convince them; they are not prepared to be convinced; they want a fertiliser project.

Take the State of Mysore. They are very sore that a factory has not been put up in Mangalore yet. The factory for Mangalore was licenced more than six years ago, but it did not come up.

In regard to Bihar, even though the first fertiliser factory was put up in Bihar—in Sindri—they want more projects. The Chief Minister of Bihar

was very much dissatisfied with me when I said that the fertiliser factory in Barauni was likely to come up in the last year of the Fourth Plan. He was very much dissatisfied and he wanted me to put up the factory immediately.

In the face of all these facts, truths and realities, am I to go by the advice of Malaviyaji and give up the entire fertiliser programme that has been framed?

Some hon. Members: No, no.

Shri Rajaram: When they become Chief Ministers of their respective States, then they will also come and ask for fertilisers.

Shri Alagesan: Even before becoming a Chief Minister, Shrimati Tarkeshwari Sinha unconsciously was pleading for the Barauni fertiliser factory. Then she realised that she was going very near the precipice and very rapidly withdrew. While in one breath she did not want any more fertiliser, in another breath she was pleading for a factory in Bihar. Everybody wants fertiliser....

Shri Brij Raj Singh-Kotah (Jhalawar): What about Rajasthan?

Shri Alagesan: The trouble with Rajasthan is that it has got two at one place.

Shri Brij Raj Singh-Kotah: We have a tremendous potential in Chhambal commanded area.

Shri Alagesan: We wish that at least one factory comes there. I am doubtful about one party.

That is the position with regard to fertilisers. Everybody wants a factory. These 2.4 million tonnes will not be sufficient. We will have to think of another 3 million tonnes and what is the cost? Some hon. Member—I think it was Mr. Varma—was anxious that we should be careful

about repatriation of money; by inviting these foreign companies, it was feared a lot of money is bound to be repatriated. Now, I should like to say that when we complete this programme of 2.4 million tonnes in fertilisers, when all these go into full production, we have calculated that the repatriation would be only to the tune of about Rs. 5 crores per annum.

Shri S. M. Banerjee (Kanpur): What about the Kanpur project?

Shri Alagesan: The Kanpur project has been licensed, and I am assured that it will go into production before the end of 1969. It is the biggest project so far taken up in India, and it will produce about 200,000 tonnes of nitrogen; it will produce 450,000 tonnes of urea. Even if we are thinking and planning for an additional capacity of 3 million tonnes in nitrogen, let us find out what this costs. Based on the estimates of the Kanpur fertiliser project, the 3 million tonnes fertiliser project will cost on the whole Rs. 600 crores, of which Rs. 240 crores will have to be in foreign exchange, of which Rs. 80 crores in foreign exchange will form the equity part; even a clean 20 per cent on this Rs. 80 crores, if it is repatriated, will come only to Rs. 16 crores per year. So, it is not a question of repatriation, but it is a question of getting the fertilisers. Today, how much urea do we produce? We produce only 26,000 tonnes, a mere 26,000 tonnes. And the cost comes to Rs. 1.3 crores. We have imported this year about 300,000 tonnes of urea, and the cost came to about Rs. 15 crores. If our plan goes through, if our programme is fulfilled, at the end of the Fourth Plan, we shall have 3.5 million tonnes of urea, and that will mean a foreign exchange saving of Rs. 175 crores. So, it is a question of producing more fertilisers and yet more fertilisers and appeasing or satisfying the fertiliser-hunger that is there in the country today. The present-day

prices of fertilisers are very high by any standard. An hon. Member had raised this question. The prices are double of what is obtaining elsewhere. For one tonne of urea today the Indian farmer has to pay at his door Rs. 615. Elsewhere it is available for Rs. 200 or Rs. 250. And even this is not the price that he finally pays. If he happens to purchase this very scarce commodity in the black-market, I am told, the Andhra farmer is prepared to pay as much as Rs. 1000 per tonne. Why is there this blackmarket? It is there because the commodity is so scarce and it is not available in sufficient quantities in the country.

Shrimati Vimla Devi (Eluru): You can get any amount in the black-market.

Shri Alagesan: The only remedy is to increase production of fertilisers. Otherwise, there is no meaning in fixing prices. In Trombay, we fixed only a price which is equivalent to the import price; for our nitrophosphate, we fixed only Rs. 380 per tonne. We sell to the Maharashtra Government at this price. They fix a margin of Rs. 45 for various purposes, and sell it through their co-operatives. But I am told that it does not reach the hands of the Maharashtra farmers at this price; it reaches their end at twice and thrice this price. So, it is no use saying that I shall fix the prices; you may fix your own prices,.....

Shri Vasudevan Nair: That is the defect of your distribution machinery.

Shri Alagesan: The commodity is so scarce that anybody will pay more for it. Though ultimately it has to go only for agricultural purposes, yet somebody who can pay more and out of all proportion to its real cost alone will be using it. So, the only remedy is to increase the production of fertilisers, and see that this dependence

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for good purposes on others is once and for all done away with.

Shri K. N. Tiwary: Are you thinking of changing the method of distribution?

Shri Alagesan: I am coming to that.

Shri Vasudevan Nair: What about the managing rights?

Shri Alagesan: I shall take up distribution to which you took exception. It is assumed by some hon. Members that by giving distribution rights I am conferring a favour on the company. It is not so.

Shri K. N. Tiwary: That is not my point. Because the commodity is very scarce and that is available mostly in the black market, is Government thinking of having some method of distribution, so that it may reach the agriculturists?

Shri Alagesan: There are two channels we have devised for distribution. I shall explain presently.

16.26 hrs.

[MR. DEPUTY-SPEAKER in the Chair].

The fertiliser factory in Kerala is having its own distribution organisation, and it does its own promotional activity. The farmer is helped with advice on his soil conditions, on what sort of mixture should be used in his field and so on and so forth. The factory also makes an attempt to see that the fertilisers reach the farmer in time. This is a very big improvement upon the position which obtains today in the rest of the country, where the Central Fertiliser Pool takes up the entire production of fertiliser and allots the fertilisers to the various States, and it is being distributed through co-operative and similar agencies. The Central Ferti-

liser Pool, I should tell the hon. House, has made a profit of Rs. 43 crores in this bargain. I was remarking the other day to some friend of mine that instead of the Government subsidising the farmer, in this case the farmer has been subsidising the Government, and to the tune of 43 crores. If this at least had been done by a public sector organisation, the money would have been theirs, but now the entire amount has got merged in the Consolidated Fund of India. It has been consolidated, but it is not available to us. So, to say that the present position is more favourable to the farmer is not true.

So, we want to bring about a change in the situation by throwing the onus of distribution of the fertiliser on the producing plant itself, so that they will cultivate a clientele, they will go to the farmer, they will advise him, they will know his needs, they will know what he needs at what times. We want to throw this responsibility on the producing units.

As regards the prices, whether they will be runaway prices, it is just not possible. If the cost of production in the existing units is round about Rs. 500 per ton,—it is not as if all the new units are going to be in the private sector only, they are going to be in the public sector also—the cost of production in the new units will be round about Rs. 300 per ton only. So, I am expecting that instead of urea selling at Rs. 615 per ton, it is bound to sell round about Rs. 450 or at the most Rs. 500 per ton.

What is more, since urea will be available in much larger quantities than what is available now, there will not be any blackmarketing. It will be available for the same price to the farmer, and it will be available in time.

So, the new policy wants to bring about a situation by which the avail-

ability of fertilisers is increased, the price of fertilisers is reduced, and this fertiliser is placed in the hands of the farmer at the proper time. This is the threefold objective of the new policy, and instead of welcoming this new policy, I am very sorry to hear voices condemning this new policy.

Then, something was said about 30 per cent of the production being taken over, how the prices will be fixed etc. Shri Malaviyaji himself pointed out that there is going to be a large glut in the world production of fertilisers, and so, he said, we could import all over fertilisers, which is a very shortsighted policy, of course, but we will have to import even then some fertilisers. The imported fertilisers will be available at a much smaller price. It will be possible for me to so arrange the market, and manipulate the market that the private producer does not exploit the poor farmer. With my production in the new Cochin factory, I can so manipulate the price and see that the prices are reasonable in Madras, Vizag and Bangalore. Similarly, with my production in Durgapur, I can see that the products of the Kanpur private factory are sold at a reasonable price because I shall have the production at Durgapur, Sindri, and Gorakhpur in my hands. Nobody need entertain the fear that the private fertiliser producer will exploit the market and take more money out of the poor farmer than what he is paying for the fertiliser today. I say that under the new dispensation, the poor farmer will pay much less for fertiliser than what he is paying for it today.

I may need a little more time, Sir, to deal with pharmaceuticals. The question of producing life-saving drugs at reasonable prices was raised. In this field I can say that we have made phenomenal progress; we have done very well indeed. In 1948 we were producing next to nil in the country; today we produce drugs worth Rs. 150 crores and by the end

of the fourth plan we shall produce drugs worth about Rs. 250 crores. In the last five years our imports have come down from Rs. 11 to Rs. 8 crores and our exports have risen from a little less than one crore to a little more than two crores. Based on this overall picture, I should say that in the pharmaceutical field we have done very well. But there are certain firms which are entirely foreign-owned and I made an appeal to them sometime ago that they should take in at least to the tune of 40 per cent Indian participation in their equity base. There are five firms or so which are cent per cent foreign-owned; about a dozen or so firms 80-95 per cent foreign-owned with a very small portion of Indian capital. We are in the process of making these firms take in a larger proportion of Indian equity. To some extent we have succeeded and we propose to succeed to a greater extent in the future. The question of public sector units under the IDPL was raised, more especially the question of producing more instruments in the Madras surgical instruments factory. It is our purpose, after stabilising production as per the present programme, to expand the factory and include other items as well. Shri Vasudevan Nair referred to the Phyto-chemical plant. It is unfortunate. We have answered many questions on this matter. He called it abortion; I will not say it is an abortion. Just a marriage was arranged, and even that cost us a bit; but the marriage was called off; there was not abortion; it was not even fully conceived . . .

Shri Vasudevan Nair: Called off by which party? Can't you have something else there?

Shri A. V. Raghavan: The Kerala government spent Rs. 13 lakhs on that; will the central ministry make good that amount?

Shri Alagesan: That is very unfortunate, and as I told the House in the beginning, we also spent some money, about Rs. 13 lakhs to Rs. 14

[Shri Alagesan]

lakhs. The whole thing will not be-
come infructuous because the facili-
ties created can be used.

Then the question of the expansion
of Cochin and Gauhati refineries was
mentioned. After we reach full pro-
duction in Cochin and after finding
out the possibilities the Cochin refi-
nery can be expanded but not now.
Similarly, as I have explained to the
hon. Member from Assam, even now,
we cannot sell the products coming
from the small unit in Gauhati with-
in the borders of Assam; we have to
take them elsewhere and we incur a
big loss by way of what is called
under-recovery of freight. So, this
question has to be considered in that
context.

Shri Vasudevan Nair raised the
question of furnace oil for the Cochin
plant. My hon. colleague Dr. K. L.
Rao is here. I am prepared to re-
view the question and if further
quantities of furnace oil can be
spared for the purpose of adding to
this unit, I am prepared to consider
it and consider that sympathetically
also.

Then, Shri Vasudevan Nair also
raised the question of high rents in
Calcutta. I do not know what amount
of rent is paid. But it is paid at the
official rate. Whether at Delhi, or
Bombay or Calcutta or Madras, what-
ever the Estate Department or the
PWD has fixed, that rate is paid.

I would not like to take more time
of the House. I am very grateful to
hon. Members who have participated
in this debate.

Shri Vasudevan Nair: What about
the people who face retrenchment
after the refinery comes into opera-
tion at Cochin?

Mr. Deputy-Speaker: Order, order.

Shri R. S. Pandey (Guna): Just
one question, Sir, just a second. Long
ago, a decision was taken by the

Government of India regarding ferti-
lisers based on coal in Madhya Pra-
desh. Expert opinion was invited and
ultimately, they came to the conclu-
sion that coal-based fertilisers will be
costly; taking into consideration the
need for fertilisers which are badly
needed in the country, what does it
matter if the price is a little more?
Please give us a coal-based fertiliser
factory in Madhya Pradesh at Korba
and also a naphtha-based factory.
May I know what is the decision of
the Government in the matter?

Mr. Deputy-Speaker: The hon.
Member might table a question.

Shri Alagesan: I would not like
the hon. Member's question to go un-
answered. We had a discussion with
the MPs hailing from Madhya Pra-
desh on this very question. I ex-
plained to them that, as this Parlia-
ment knows, the capital cost of the
coal-based plant is about 20 to 25 per
cent more than the capital cost of a
naphtha-based plant. Having said
that, we also informed the Members
hailing from Madhya Pradesh that
just now an experiment is being car-
ried on in Germany by which it may
turn out that the coal-based method
may also prove to be economic.
When we are in possession of full
facts, we are prepared to consider that
also.

Shri R. S. Pandey: Thank you very
much, Sir.

Mr. Deputy-Speaker: Shall I put
all the cut motions together?

Several hon. Members: Yes.

Mr. Deputy-Speaker: I shall now
put all the cut motions to the vote of
the House.

All the cut motion were put and
negatived.

Mr. Deputy-Speaker: The ques-
tion 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 sums necessary to defray the charges that will come in course of payment during the year ending the 31st day of March, 1967, in respect of the heads of demands entered in the second column thereof against Demands Nos 51, 82 and 136 relating to the Ministry of Petroleum and Chemicals."

The motion was adopted.

(The motions for Demands for Grants, which were adopted by the Lok Sabha, are reproduced below—Ed.).

DEMAND NO. 81—MINISTRY OF PETROLEUM AND CHEMICALS

"That a sum not exceeding Rs. 16,80,000 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, 1967, in respect of 'Ministry of Petroleum and Chemicals'."

DEMAND NO. 82—OTHER REVENUE EXPENDITURE OF THE MINISTRY OF PETROLEUM AND CHEMICALS

"That a sum not exceeding Rs. 6,24,42,000 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, 1967, in respect of 'Other Revenue Expenditure of the Ministry of Petroleum and Chemicals.'"

DEMAND NO. 136—CAPITAL OUTLAY OF THE MINISTRY OF PETROLEUM AND CHEMICALS

"That a sum not exceeding Rs. 17,38,38,000 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, 1967, in respect of 'Capital Outlay of the Ministry of Petroleum and Chemicals.'"

MINISTRY OF IRRIGATION AND POWER

Mr. Deputy-Speaker: The House will now take up discussion and voting on Demand Nos. 67 to 69, 132 and 133 relating to the Ministry of Irrigation and Power for which six hours have been allotted. Hon. Members desirous of moving their cut motions may send slips to the Table within 15 minutes indicating which of the cut motions they would like to move.

DEMAND NO. 67—MINISTRY OF IRRIGATION AND POWER

Mr. Deputy-Speaker: Motion moved:

"That a sum not exceeding Rs. 23,97,000 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, 1967, in respect of 'Ministry of Irrigation and Power'."

DEMAND NO. 68—MULTI-PURPOSE RIVER SCHEMES

Mr. Deputy-Speaker: Motion moved:

"That a sum not exceeding Rs. 1,34,37,000 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, 1967, in respect of 'Multi-purpose River Schemes.'"

DEMAND NO. 69—OTHER REVENUE EXPENDITURE OF THE MINISTRY OF IRRIGATION AND POWER

Mr. Deputy-Speaker: Motion moved:

"That a sum not exceeding Rs. 6,00,01,000 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, 1967, in respect of 'Other Revenue Expenditure of the Ministry of Irrigation and Power.'"