

Singh, Shri Kailas
 Singh, Shri M N
 Singh, Shri Radha Mohan
 Singh, Shri Raghunath
 Singh, Shri Umrao
 Singhi, Shri Raghunath
 Sinha, Shri Anarudh
 Sinha, Shri Gajendra Prasad
 Sinha, Shri Jhulan
 Sinha, Shri Sarangdhara
 Sinha, Shri Satya Nkrayan
 Sinha Shri Satyendra Narayan
 Sinha, Shrinati Turkeswari
 Sinhasan Singh, Shri
 Siva Raj, Shri
 Somani, Shri

Sonavane, Shri
 Soren, Shri
 Subbarayan, Dr P
 Sultan, Shrinati Maimoona
 Sumat Prasad, Shri
 Sunder Lal, Shri
 Syed Mahmud, Dr
 Tahir, Shri Mohammed
 Tariq, Shri A M
 Tewari, Shri Dwarkanath
 Thakore, Shri M B
 Thimmasiah, Shri
 Thomas, Shri A M
 Tiwari, Pandit Babu Lal
 Tewari, Shri R S
 Tiwary, Pandit D N

Tripathi, Shri V.D.
 Tyagi, Shri
 Uike, Shri
 Upadhyay, Pandit Munishwar
 Datt
 Upadhyaya, Shri Shiva Datt
 Vajpayee Shri
 Varma, Shri B B
 Varma, Shri M L
 Varma, Shri Ramsingh Bhas
 Verma Shri Ramji
 Vishwanath Prasad, Shri
 Wadwa, Shri
 Wastak, Shri Balkrishna
 Wilson, Shri J N
 Wodeyar, Shri

NOES

Awasthi, Shri Jagdish
 Banerjee, Shri S M
 Chakravartty, Shrinati Renu
 Chavan, Shri D R
 Das Gupta, Shri B
 Daulta, Shri P S
 Bhas, Shri Muhammed
 Gopalan, Shri A K
 Gounder, Shri Shanmuga
 Gupta, Shri Sadhan
 Iyer, Shri Baswara
 Kar, Shri Prabhat
 Kodiyar Shri

Kumaran, Shri M K
 Kunhan, Shri
 Mahagaonkar, Shri
 Matera, Shri
 Menon, Shri Narayanankutty
 Mukherjee, Shri H N
 Nayar, Dr Sushila
 Nayar, Shri V P
 Pandey, Shri Sarju
 Panigrahi, Shri
 Parulekar Shri
 Parvathu Krishnan, Shrinati
 Patil, Shri Nana

Punnoose, Shri
 Ramam, Shri
 Rao, Shri D V
 Rao, Shri T B Vittal
 Reddy, Shri Naga
 Sampath, Shri
 Shastri, Shri Prakash Vir
 Singh, Shri Braj Raj
 Singh, Shri P N
 Sugandhi, Shri
 Tangamani, Shri
 Warrior, Shri
 Yadav, Shri

The motion was adopted.

Shri A. K. Gopalan. Mr Speaker in view of the Government's disgraceful attitude in this matter, as a protest we walk out (*Interruptions.*)

(Shri A K Gopalan and some other hon. Members then left the House)

Raja Mahendra Pratap (Mathura) I also do not get justice in this House and so I also leave (*Interruptions*)

(Raja Mahendra Pratap then left the House)

Shri S M. Banerjee: This is the beginning of fascism in India and I protest against it (*Interruptions*)

(Shri S. M. Banerjee then left the House)

Mr Speaker: Order, order Whoever wants to go out, let him go away in an orderly manner.

OIL AND NATURAL GAS COMMISSION BILL—contd

Mr Speaker: The House will now take up further consideration of the following motion moved by Shri K D Malaviya on the 12th August, 1950, namely

"That the Bill to provide for the establishment of a Commission for the development of petroleum resources and the production and sale of petroleum and petroleum products produced by it and for matters connected therewith be taken into consideration"

The Minister of Mines and Oil (Shri K. D. Malaviya): Mr Speaker, Sir, I was referring to the warm support that this Bill received the other day and in this connection, I would again like to say that this support to the Bill has been a source of inspiration not only to the Ministry but for the large army of workers who are engaged in the search for

[Shri K. D. Malaviya]

petroleum in the countryside. In this atmosphere when every section of the House is desirous of sharing the burden of the Commission and people are getting oil-minded, it will be safe to conclude that our activities will be more sympathetically considered and that success will become nearer. We will continue, as in the past, to share our problems with this House and from time to time take them into confidence as to the progress that we are making and the difficulties that we are facing.

15 59 hrs

[MR. DEPUTY-SPEAKER in the Chair]

Our frequent failures and our requirements must be known to the House. More especially in view of the fact that the hazards in oil exploration are extreme, it is difficult for any single group to shoulder this responsibility at a critical stage when the entire organisation of the Oil and Natural Gas Commission is passing through a stage of training and acquiring experience. Let me, therefore, frankly state that our efforts are still a beginner's effort. We may have got on well, but still we have to learn a lot from the more experienced foreign oil explorers, and we have to accept our defeat on many occasions because we have still to learn things from them.

There is, however, a definite aspect of achievement which cheers our workers and gives us hope that soon we shall be able to catch up with all those who are advanced in this task and technique, and that a time will come when we can stand up and say that we are equal to anyone of the experienced oil explorers of the world.

Now, a number of very useful suggestions were made by the House from various sections of the House. The suggestions made were constructive. I need not take much of your time

in dealing in great detail with all of them because in the clause-by-clause consideration stage we may like to say something more about them, nevertheless, briefly I would like to refer to certain suggestions made by my hon friends.

Shri Naldurgkar made various suggestions such as, conditions laid down in clause 6 regarding disqualification are restrictive in nature, clause 4 should be spread out both qualitatively and quantitatively, policy of investment should be laid down by the Government in advance and so on.

With regard to clause 4, which deals with the number of members of the Commission and their qualifications I admit that this clause does not indicate very specifically the number and qualification of members that we want. The minimum has been given. It was deliberately done because of the early stages of the Commission and because we have not yet taken up the entire complex task that involve exploration, refining, transportation and distribution of the products produced by the Oil and Natural Gas Commission itself. Therefore we thought that we should begin with two members along with the Chairman, but because suggestions were made from all sides I have accepted the principles underlying it and given an amendment that the maximum number of members of the Commission should be eight along with the Chairman. We do not propose to go anywhere near that number so far as the composition is concerned, but the amendment has been made with a view to give us the final picture as we envisage and also because we think that the suggestions made in this connection by the House are better. If and when required, and as suggested by hon Members, we shall bring more members for our expanding work.

With regard to qualification of members my hon friend, Shri

Raghubur Sahai has suggested association of non-officials. Some were not in favour of appointing permanent service men as members. So far as association of non-officials is concerned, I see no objection in principle to associate non-official members in our Commission. But there are obvious difficulties so far as the near future is concerned. We have to pass through the highly technical activities phase of the Commission, and because we have just now engaged ourselves in a pattern of work which is mostly technical and where the impact of progress, the necessity of progress in the technical side is very much, we thought we could wait a little more both with a view to finish the early stages of technical work that faces the Commission and also to remain in search for appropriate non-official members who could be associated with the activities of the Commission.

So far as administrators are concerned, I consider that they are an essential element in our body. But they will only be diluted in the group of technicians, because we have to create a harmonious organisation which should be able to tackle the task not only of a geological, geo-physical and drilling nature but also of administrative aspects.

Shri Naldurgkar, Shri Nathwani and some other hon. Members want clause 6 to be more restrictive. We have examined the various amendments forwarded by hon. Members in this connection. I also accept the principles and the spirit underlying the suggestions made. I have, therefore, made it a simpler clause and deleted the later portions which, in my opinion, will not become necessary.

Various suggestions have also been made by hon. Members with regard to the functions and scope of the Commission. My hon. friends Shri Guha and Shri Morarka and also some other hon. Members desired to know the relationship between the Com-

mission, the Indian Refineries Limited and the Indian Oil Companies Ltd. As you know, we have provided for refining and distribution of petroleum products produced by the Commission in this Bill. We do not want to diffuse our activities for the time being. What is more important today is the programme of exploration. This is the fundamental question facing the country so far as oil business is concerned. Unless we find more indigenous crude oil in our country, the entire economic picture as before us will remain unsatisfactory.

Therefore, the first and foremost task of the Commission is to fully engage itself in oil exploration. If we take up the task of refining and distribution of oil products which are not produced by us, it becomes more complicated and the obligations become so heavy that our activities might be diffused without sufficient gains. Moreover, you know that we have already got public sector units to handle this work of refining and distribution. How our relations with the distribution company and the refining company on the public sector will develop, time alone can say. I would like to see that a healthy relation develops between the public sector projects which are meant to refine oil produced in any other way in the country and also the agencies for distribution. Very soon, after a few years, we can again review the whole work and then, if necessary, have an integrated system of functioning where crude oil production, refinement, distribution transportation can all be handled by one or more agencies either under the Oil and Natural Gas Commission or through separate and parallel bodies within the Ministry. Therefore, there is no harm if we let the Oil and Natural Gas Commission function today for oil exploration mainly and also for refining and distributing and selling of the products which will be produced in due course by the Commission.

[Shri K. D. Malaviya]

My friend Shri Raghuraj Sahai suggested that the recommendations of the Estimates Committee should be incorporated in the Bill. We have given fullest consideration to all the recommendations that were made by the Estimates Committee. Some of them have been accepted by us. There are others where there are difficulties which may arise in the near future. We are continuing our consideration as to how many of them could be accepted, if possible with modification, and I assure my hon. friend that it is our intention to accept the wishes of the Members of the Estimates Committee wherever we think that it is purposeful and that it will lead to more fruitful results and expedition in our work. Even though it may not be quite feasible we shall still continue to consider why we should not accept some of the recommendations of the Estimates Committee.

My friend Shri Raghuraj Sahai also suggested the creation of a consumers' council in the Commission. He might be knowing that there is already an advisory consumers' council created in the Ministry and we meet once or twice a year to receive the advice and exchange opinions on problems regarding the distribution of petroleum products in the country. We will watch the result of the consumers' council and, if necessary, we can again review the whole matter and see how it could be connected with the activities of the Oil and Natural Gas Commission. For the present, I consider that it had better remain aloof from oil activities. He also wanted the Government to have a detailed technical examination of the recommendations made by the Soviet experts. I will refer to that matter later in my remarks. Shri Morarka also made some valuable suggestions with regard to the absence of a provision for the initial capital for the Commission. He also thinks that there is no provision by

which the Central Government will pay each year's sums required by the Commission. Generally, I appreciate what he meant but I suppose there will not be that difficulty which he sees. We have to function in a uniform pattern for the supply of funds from the Central Government and so far as autonomous organisations under the public sector are concerned, there are a large number of them working under the Government. If funds are created separately for all of them, like those that are created in public limited concerns, then, it is here that a lot of capital might get locked up as Government is the fountain-head of supply for all the funds that we need. I see no difficulty in getting the funds that will be required by the Oil and Natural Gas Commission. Broadly speaking, the difference between the Commission's requirements of funds with those of others is recognised. Nevertheless, the fact cannot be ignored that capital might get locked up if a pattern of separate creation of funds is recognised by the Government and accepted.

Shri Naushir Bharucha thought that there might be some friction and difficulty arising between the Commission and the Government in the functioning of the Commission as indicated by these clauses. I do not know, off and on there might be difficulties which face them and we learn by our mistakes. But I do not think that by and large there will be any difficulty which we could not surmount. If there are difficulties, we will find out the ways and means to remove them.

According to clause 21(1), the Commission shall submit, for approval, its budget to the Central Government for the next financial year showing *inter alia* the sums which would be required from the Central Government during the financial year. The approval

of the budget has got the implication that Government is obliged to supply the funds needed from year to year. The clause also makes it quite clear in the latter part when it says:

"...the sums which would be required from the Central Government, during that financial year".

So, it is specifically laid down that whenever a sum will be required, it will be indicated once in a year. Also, there are other methods.

Clause 20 says:

"The Commission may, with the previous approval of the Central Government, borrow money in the open market or otherwise for the purpose of carrying out its functions under this Act".

So, as far as the Bill is concerned, it makes it clear that there will be no difficulty in the process of obtaining the funds.

Clause 16(2) provides for any further capital that may be required by the Commission for carrying out the business of the Commission. Perhaps Shri Morarka wanted to know how we shall function on the day we are converted into a corporation. That was his difficulty. I may explain that steps have already been initiated to make available by means of supplementary demands, the necessary fund that the Commission would need for the remaining part of the financial year 1959-60 from the day that the present Commission is converted into a statutory corporation.

With regard to the powers of raising loans for the Commission, clause 20 has got enough provisions, but as the responsibility for the supply of funds rests with Government, we will naturally depend upon them fully in this respect. If the circumstances require floating of loans by the Commission, then I have no doubt that Government will help the Commission

in the various processes in this connection. Whether the Government of India does so on our behalf or we will raise the loans ourselves, ultimately it is the Government of India whose approval will be needed, because the responsibility is theirs, and they will take every aspect into consideration, and they will be the final body to decide as to what should be done with regard to our demand for raising of loans.

There were some suggestions made by Shri Naldurgkar. He said that clause 26 is *ultra vires* of the powers of Lok Sabha and that the members of the Commission should not re-delegate their powers which they enjoy under this Act. I consider first that this is not *ultra vires*, and secondly, it is absolutely necessary in the very nature of things that the small Commission, a compact body of three or four or five members, must delegate its power to responsible officers that are functioning in the field. By experience we have found out that no central body can conveniently discharge its functions of petroleum exploration unless it decentralises its power and equips the local officer, of course, a very responsible one.

Shri Naldurgkar (Osmanabad): May I intervene for a minute? There are four cases in the Supreme Court. Therefore, I have moved the amendment and argued that clause 26 will be *ultra vires*. One of them is, "In re Delhi Laws Act, 1912". The second is *State of W. Bengal v. Anwar Ali*. There are two cases *Harishankar Vs. State of Madhya Pradesh* and *Rajnarain Vs. Patna Administration*. In all these cases which have been decided by their Lordships of the Supreme Court, the broad principle enunciated by their Lordships can be summarised thus:

"But if the statute does not prescribe the standards or the rules of conduct to be applied to particular states of fact determined by appropriate administrative

[Shri Naldurgkar]

procedure, the delegation of rule-making power becomes, in substance, delegation of legislative power itself, and, accordingly, unconstitutional."

This is the substance and therefore my argument was that delegation of delegated power should not be made. Under clause 26, the Commission will also delegate its own power delegated to it by the Act. So there cannot be a delegation of delegated power in view of the decision of the Supreme Court in the four cases I have mentioned. Otherwise, there will be future legal complications.

The Deputy Minister of Law (Shri Hajarnavis): The objection which the hon. Member has taken rests upon decisions which deal with delegated power of legislation and which have nothing to do with the delegation of executive power. Different principles apply so far as delegation of different aspects of Government are concerned the decisions to which my learnt friend has drawn the attention of the House are all cases which deal with powers of delegation of legislation. They say, wherever powers of delegated legislation to be exercised they must be exercised within certain controlled limits. As far as delegation of executive authority is concerned, I am afraid he will not be able to cite any single authority which says that executive authority cannot be delegated. As a matter of fact, the administration of any Government would be impossible unless the executive power is delegated.

Another thing which I may point out is that this is not something which is being enacted under delegated power of legislation. I might cite for the benefit of the House the provision relating to the Supreme Court. The Constitution says that the Supreme Court shall consist of the Chief Justice and a number of Judges. The powers of the Supreme Court may be exercised either by a single judge or

a bench of two judges or three judges or five judges. In certain cases, the powers of the Supreme Court, as my learnt friend, Shri Naldurgkar will recall, are exercised by the Registrar himself. Even when the Registrar acts, he acts on behalf of the Supreme Court and as the Supreme Court. So, there is nothing which prevents power being delegated by law to another authority. He can well imagine the inconvenience if law required that every time the Commission has to act, all the members have to go to the spot to act on behalf of the Commission.

Shri K. D. Malaviya: The legal aspect has been explained by my colleague. We are of the opinion that this delegation of executive power is absolutely necessary. So far as the work of the Oil and Natural Gas Commission is concerned, it is impossible for us to go every time to the Government and ask them to delegate power, because by that time, we will have gone ahead so much; either work suffers or we lose a lot by waiting. It is common practice that the senior officer on the spot has to be held responsible and therefore, the Commission has only to take basic broad decisions and transfer its own powers to those who have been appointed, for such jobs. I do not see how and why executive power cannot be delegated, by the members of the Commission individually or jointly to senior officers. You know that the oil exploration work is spread far and wide in this country—Sibsagar in the east, Saurashtra in the west, Jwalamukhi and Punjab in the north and the Godavari basin and somewhere else also. How is it possible for a Commission of three or four people to function without delegating its own powers? It is impossible.

There is the wish of the House that the powers of the Commission in its generality should be enhanced in regard to capital expenditure. Under clause 15(b), the Commission has

been authorised to spend not more than Rs 30 lakhs. Certainly it would have been better if the Commission would get more funds, but yet I see no difficulty in the functioning of the Commission in the near future with this limitation of Rs 30 lakhs. We have gone into the whole thing in great detail, there will be hardly one or two major items which will require in a block expenditure more than Rs 30 lakhs and it should not be difficult to arrange for it. I presume by making suitable rules and putting limitations on our own selves a system will be evolved by which we can get decisions quickly and within time. I, therefore, want to assure the House that this limit of Rs 30 lakhs will prove adequate for us just now.

With regard to re-appropriation indicated by clause 21(3)(b) I am accepting the wishes of the House. It has benefited me and I am grateful to the House for pointing it out. I am moving an amendment to enhance the percentage from 10 to 20 and the minimum from Rs 5 lakhs to Rs 7½ lakhs. We have examined this thing. There are various items of programme where we might exceed Rs 5 lakhs and go up to Rs 7 or Rs 7½ lakhs. Those modifications appear to me very reasonable if we find that we have to change our programme we will have to re-appropriate. So this will be a very fruitful amendment in the existing Bill.

Regarding temporary association of persons with the Commission for particular purposes, various suggestions were made. It may be stated that clause 10 is intended to permit the Commission making use of the advice or assistance of technical or other persons. It provides for temporary association in such manner and for such purposes as may be provided by the regulations which may be made by the Commission with the prior approval of the Central Government under this Act. It will be ensured that the object of this assist-

ance and advice is suitably defined. Provision has been made to lay down rules which will ensure suitable conditions for such associations. These associations are a very very necessary adjunct to the programme of the Commission. We will have from time to time take advice from experienced people of the world on payment of fees and on other conditions. We propose to lay down in rules for such associations and get them approved by Government, so that there will be no difficulty in such temporary associations.

With regard to annual reports, Shri Naldurgkar and Shri Morarka made some suggestions. They desire that the statement of expenditure incurred so far should be laid on the Table of the House. Shri Morarka pointed out that the Bill should provide for a definite time limit for the Commission to make their report to the Government and for the Government to lay those reports on the Table of the House.

Shri Bharucha also suggested that the annual financial statements should be placed before Parliament and that the Commission should take account of the comments of the Members of Parliament. Now, the expenditure incurred by the existing organisation has been included in the Demands for Grants and Appropriation Accounts placed before Parliament. It is proposed to frame rules regarding the date by which the annual reports are to be submitted by the Oil and Natural Gas Commission. We are going to put that obligation on the Oil and Natural Gas Commission to send the reports to us on a fixed date. The House will have an opportunity for discussing the rules when these are placed before each House of Parliament. The accounts of the Commission together with the Audit Report thereon will also be placed before Parliament. This should meet with the wishes of Shri Bharucha. Both Government and the Commission will always take account of the views

[Shri K. D. Malaviya]

expressed by Members of either House of Parliament. It does not appear necessary, therefore, to provide for such a thing in the Bill itself. The rules and the report and the discussions will give us enough guidance and advice on this matter.

I now come to certain fundamental questions, although I would not deal with them elaborately. Let me take the programme first. Certain doubts have been raised with regard to the claims and achievements of the Commission in the past months. I need not go into all those in greater detail except to broadly state here that the criticism levelled against me in certain quarters that I exhibit erratic enthusiasm is not borne out by facts. I have with me here the statements which I have been making from time to time. This register contains all those statements which I have made. And I have taken extra precaution to make under statements of the achievements made by the Commission. As a matter of fact, certain letters were received by me in the last 10 or 12 months where it was suggested that I am hiding facts from the public and that I am not publishing them as much as I can. Therefore, it is unjust to say that any erratic enthusiasm was exhibited in my statements.

Shri Naldurgkar: I have congratulated the Commission and also the Ministry.

Shri K. D. Malaviya: I am referring to certain criticisms made outside and in certain sections of the press. And I think it is my duty to refer to it, because there is an important relevance to it. It always pays to be enthusiastic and confident in this task of oil exploration. If you go in search for oil with a depressed heart and depressed mind, saying nothing is being done, well, you do not encourage your large army of workers. How, every explorer who goes to the field is full of hope that he is going to achieve certain results. After doing certain things which have been

laid down for a man to comply, he always hopes to get oil. Therefore, the entire mood, of an oil explorer is that of enthusiasm and confidence. There is no other alternative philosophy, there is no other alternative bent of mind which is going to do the trick. Let us also not forget the fact that we have found oil in certain regions of our country about a year back. I said in Parliament that in 10 to 12 months' or 13 months' time I would be able to give an idea as to the commercial exploitation or otherwise of the Cambay fields. Now, although 10 to 12 months have not yet lapsed, I still hope that within the time I have promised to the House I will be able to make a statement on the achievements of the Cambay structure. What that achievement will be, I am not able to say now. All that I can say today is that our results almost every month are encouraging and there is no reason why we should not produce some oil in commercial quantity from the Cambay oil fields.

There is another aspect which I would like the House to bear in mind. Every oil or gas pool is unique by itself. There is none exactly like that in any part of the world just as every man has individuality and he is separate from the rest of the humanity. Similarly, an oil pool or gas pool is unique in its character, in its formation, in its pressure, in its results, everything. Therefore, they are problems by themselves. There are no hard and fast rules, by going through the pages of which one can say that in Cambay which covers an area of six square miles, oil potential and pressure are so much and so on. Therefore, one cannot say that from a particular oil field that the capacity will be one million, two million or half a million tons. It is not like that. We have to gradually pass through that process of putting a number of oil wells in that small structure, find out the quantity of oil of each well, take the average and

then come to a decision. All that is bound to take some time. Normally it takes a couple of years. Well, we hope we shall be able to declare the result of Cambay in a couple of years, or a little less or more.

So far as the other oil fields are concerned, our programme is proceeding rather satisfactorily. We are discovering structures and we are hoping that the Commission will be able to declare some more cheerful results in the near future.

My hon. friend Shri Narayanankutty Menon is not, unfortunately here. But I would refer to certain points raised by him in about 2-3 minutes' time. He raised the question of future exploration and distribution policy of the Government of India in its entirety, its relationship with the private sector and oil companies. He has also doubted the wisdom of the principle of co-existence and competition with the foreign oil companies. Now the oil policy of our Government has been clearly laid down by our Industrial Policy Resolution. I have also once or twice indicated it in the House as well as outside. It is not our intention to create a monopolistic condition in oil exploration in our country, because technologically it is not a wise policy to leave the entire oil exploration work to one set of technicians. A fundamental experience which has come to the oil experts is that of diversity of judgment in oil exploration programme. This diversity of judgment in prospecting for oil is a very sound strategy and we must adopt that strategy. When one set of geologists and drillers have failed, others might succeed. As a matter of fact, throughout the world in almost every country where oil search is going, a large number of oil explorers have searched a particular field and failed and the last batch has succeeded. Canada is a typical example. There for 20 years a number of companies failed and finally a new oil company went and succeeded in finding oil in the same place where

other experts have failed to find oil. One theory about location of oil has been rejected by the other with very positive results. Besides, I repeat what I have been saying that there is no doctrinaire approach in our policy behind oil exploration. I do not know what a policy of co-existence means in oil exploration. But I do know that healthy competition with professional oil exploration will not be to our detriment. That is one of the surest ways to discover one's mistakes and conditions can surely be envisaged where our own oil prospecting areas can be opened up by parties that would like to go there for searching oil. I do not wish to say more about it, but please do bear in mind the two aspects of it.

Firstly there is no fanatical enthusiasm on our part to keep away from foreign oil concerns because in its entirety we have not adopted that totalitarian approach in our economic development programmes. Secondly, we must not forget that all our thinking in oil exploration and in the oil business is primarily linked up with the fact that we shall not surrender our national interests and freedom of functioning. The Oil and Natural Gas Commission has been created with a view to break that monopoly, with a view to learn the technique of oil exploration and other aspects of it, with a view to compete and also with a view to control oil in the interests of the nation, the consumer and the economic development programme of the country because if oil is found in sufficient quantity then so far as the other economic programmes are concerned they follow very easily. We can create our own pattern of policy for transportation or agricultural development or industrial schemes by shifting the price structure either from petrol to diesel or from kerosene to diesel or otherwise. Therefore, the policy must remain with us, the initiative must remain with us and whatever the national interests demand must be fulfilled. Under these conditions we

[Shri K. D. Malaviya]

throw it open Under certain conditions if somebody wants to come as I said, there is no doctrinaire approach

I have already explained why we do not propose to meddle with the distribution work of petroleum products that will not be produced by the Commission. I do not wish to say more about it. It is enough that we have got a lot of work before us and we want to treat oil exploration as the first and the most important thing. So far as distribution of petroleum products which are not produced by us is concerned, you know that there are foreign oil concerns which are doing that work here. They are distributing oil products by importing and also refining a part of the petroleum here in their own refineries. We have been making efforts to modify the prices of petroleum products in our favour and the House knows fully what has been going on in this connection for some time past. Presently, negotiations are still going on in this respect. It is premature for me to say anything or to give any details to the House as to what is happening but I shall surely admit before the House that undue delay is taking place in this respect. I am disappointed at the results also. Perhaps differences that are between us and the distributing companies are still sufficient and it is creating some anxiety. I hope, however, that very soon conditions might be created when an amicable settlement might be seen in the near future. I do, however, wish to state that it will not be possible for the Government to wait indefinitely in this connection. There are ways and means open to Government and we only wish that before those steps are considered both of us come to some sort of an agreement.

I think I have covered all the points that were raised here and also certain relevant points in connection with the Oil and Natural Gas Commission. In

the end I would assure the House that the objection of this Bill is to create better conditions for the functioning of this Commission and also for the fulfilling of the object, that is, to discover petroleum in the country by our own efforts as soon as possible.

Mr. Deputy-Speaker: There is an amendment for reference of the Bill to the Select Committee. Am I required to put that to the vote of the House?

Shri Naldurgkar: No, Sir, as some of the suggestions have been accepted by the hon. Minister.

The amendment was by leave, withdrawn.

Mr. Deputy-Speaker: The question is

'That the Bill to provide for the establishment of a Commission for the development of petroleum resources and the production and sale of petroleum and petroleum products produced by it and for matters connected therewith, be taken into consideration.'

The motion was adopted.

Mr. Deputy-Speaker: The House will now take up clause by-clause consideration of the Bill.

The question is

'That clause 2 stand part of the Bill.'

The motion was adopted.

Clause 2 was added to the Bill.

Clause 3 was added to the Bill.

Clause 4 (Composition of the Commission)

Amendment made

"Page 2, line 16,—

after "two" insert—

",and not more than eight," (39)

[Shri K. D. Malaviya]

Mr. Deputy-Speaker: The question is:

"That clause 4, as amended, stand part of the Bill"

The motion was adopted.

Clause 4, as amended, was added to the Bill.

Clause 5 was added to the Bill.

Clause 6— (Disqualification for being appointed, or for continuing, as member of the Commission.)

Amendment made:

"Page 3, lines 4 to 8,—

omit 'except as a shareholder (other than a director) in an incorporated company'

Provided that where he is a shareholder, he shall disclose to the Central Government the nature and extent of the shares held by him in such company" (40).

[Shri K D Malaviya]

Mr Deputy-Speaker: The question is:

"That clause 6, as amended, stand part of the Bill."

The motion was adopted

Clause 6, as amended, was added to the Bill.

Mr Deputy-Speaker: If there is any amendment that is intended to be moved it might be intimated to me

Shri Hem Raj (Kangra): There is one amendment of mine.

Mr. Deputy-Speaker: To what clause is it?

Shri Hem Raj: To clause 14.

Shri K. D. Malaviya: I have not accepted it.

Mr. Deputy-Speaker: The question is:

"That clauses 7 to 13 stand part of the Bill"

The motion was adopted.

Clauses 7 to 13 were added to the Bill.

Clause 14.— (Functions of the Commission)

Shri Hem Raj: Sir, I beg to move:

Page 5,—

after line 31, insert—

"(gg) to undertake the sale of petroleum and petroleum products produced by it or other refineries established in India" (41).

यह जो क्लॉज १४ है उस में कमिशन के फंक्शन दिये गये हैं। उस में निम्ना है

"organise and implement programmes for the development of petroleum resources and the production and sale of petroleum and petroleum products"

लेकिन जो बाकी क्लॉजेज दिये गये हैं, उन में इस के फंक्शन के मूतान्तिक यानी

"may take such steps as it thinks fit"

इसके साथ जो यह चीज है ?

"Sale of petroleum and petroleum products."

इस के मूतान्तिक कोई क्लॉज नहीं दिया गया है। इसलिये मैं ने एक छोटा सा प्रमॉड-मॉड मूव किया है कि यह भी कमिशन का एक फंक्शन होगा क्योंकि एक तरफ तो माननीय मंत्री जी ने कमिशन का यह मुद्दा रक्खा है कि वह भी इस के काम में हिस्सेदार रहेगा। दूसरी तरफ जो बाकी काम उस को करने है उन में पेट्रोलियम और पेट्रोसियम

[श्री हेम राज]

प्रोडक्ट्स के सेल के मुतालिक कोई जिन्न नहीं किया गया है। इसलिये मेरा उन से यह निवेदन है कि इस के वास्ते भी एक क्लॉज होना चाहिये।

उपाध्यक्ष महोदय : इस बात का जिन्न तो उस दिन ही चुका था। क्लॉज १४(१) जो है उस में इस का जिन्न हुआ है :

“for the development of petroleum resources and the production and sale of petroleum and petroleum products produced by it”.

श्री हेम राज : क्लॉज १४ का जो अपरेटिव पार्ट है उस में इस का जिन्न है . .

उपाध्यक्ष महोदय : “इन पार्टिकुलर” जो होंगे, उस से आप का मतलब हल हो जायेगा। उस में लिखा हुआ है। मेरा खयाल है कि इस की जरूरत आप नहीं समझेंगे।

श्री हेम राज : लेकिन वह काफी क्लियर हो जाना चाहिये और जो अमेंडमेंट देने दिया है वह अगर मंजूर कर लिया जाता है तो वह चीज साफ हो जायेगी।

श्री के० दे० मालवीय : इस के करने में दिक्कत है और इसलिये मैं यह अमेंडमेंट मंजूर नहीं कर सकता।

मैं ने अभी पहले अर्ज किया था कि बाहर की जो आयल रिफाइनरीज हैं उन के द्वारा उत्पादित माल के डिस्ट्रिब्यूशन का काम हम अपने हाथ में नहीं ले सकते और इसलिये गवर्नमेंट इस अमेंडमेंट को मंजूर नहीं कर सकती।

Mr. Deputy-Speaker: I shall now put amendment No. 41 to vote.

The questions is:

Page 5,—

after line 31, insert—

“(gg) to undertake the sale of petroleum and petroleum products produced by it or other refineries established in India.” (41).

The motion was negatived.

Mr. Deputy-Speaker: The question is:

“That clause 14 stand part of the Bill”.

The motion was adopted.

Clause 14 was added to the Bill.

Clauses 15 to 18 were added to the Bill.

Clause 19— (Fund of the Commission)
Amendment made:

Page 7, line 2, after “of the Commission” insert

“whether from grants made by the Central Government or otherwise,”. (42).

[Shri K. D. Malaviya]

Mr. Deputy-Speaker: The question is:

“That clause 19, as amended, stand part of the Bill”.

The motion was adopted.

Clause 19, as amended, was added to the Bill.

Clause 20 was added to the Bill.

Clause 21— (Budget)

Amendment made:

Page 7, line 40, (i) for “ten” substitute “twenty”, and (ii) for “five” substitute “seven and half”. (43).

[Shri K. D. Malaviya]

Mr. Deputy-Speaker: The question is:

“The clause 21, as amended, stand part of the Bill”.

The motion was adopted.

Clause 21, as amended, was added to the Bill.

Clauses 22 to 32, clause 1, the Enacting Formula and the Title were added to the Bill.

Shri K. D. Malaviya: I beg to move:

“That the Bill, as amended, be passed”.

Mr. Deputy-Speaker: The question is:

"That the Bill, as amended, be passed".

The motion was adopted.

16.53 hrs.

INTERNATIONAL MONETARY
FUND AND BANK (AMENDMENT)
BILL

The Deputy Minister of Finance (Shrimati Tarkeshwari Sinha): I beg to move:

"That the Bill further to amend the International Monetary Fund and Bank Ordinance, 1945, be taken into consideration."

The object of the International Monetary Fund and Bank Bill is to empower the Government of India to subscribe towards additional shares in respect of an increase in the authorised capital stock of the International Bank for Reconstruction and Development. The Bill also seeks to convert the International Monetary Fund and Bank Ordinance, 1945, into an Act.

The International Bank for Reconstruction and Development and the International Monetary Fund were created, as the Members are aware, by international agreement arrived at during the Brettonwoods Conference in 1944. The twin institutions came into being in December, 1945, when representatives on behalf of thirty countries signed their respective Articles of Agreement. India was among these original thirty countries and can thus be called a founder-member of the two institutions.

The Bank and the Fund perhaps mark the fruition of one of the most important co-operative efforts ever undertaken by nations to deal with international financial and economic

problems. Their membership has steadily grown over a number of years, and now stands at 68.

The Bank is concerned with the promotion of economic development in member-countries by financing sound development projects, as the Members are aware, through long-term loans at reasonable rates of interest. The Fund is concerned with help to member-countries that, for various reasons such as crop failures, falling exports or inflationary pressures, are temporarily suffering from a drain on their reserves of gold and foreign exchange.

The operations of the Bank and the success it has achieved are well-known facts. So far, the Bank has given 232 loans in 44 countries, aggregating to more than dollars 4.4 billion. India is the largest beneficiary of the Bank today, having secured 23 loans totalling dollars 592 million.

The Bank's resources for lending are derived in part from the subscriptions already made by member-countries. Of these subscriptions, 2 per cent is payable in gold and dollars on admission to membership, and is available for lending by the Bank. 18 per cent is payable in national currencies and can be used only with the member's consent. The remaining 80 per cent is payable only if needed to meet the Bank's obligations on funds which it has borrowed. The proceeds of the repayments of the loans made by it also contribute to the resources available for lending. The net annual earnings of the Bank go to a supplemental reserve against possible losses. For the bulk of its resources, however, as the hon. Members are aware, the Bank relies on borrowing from the world's capital markets and financial institutions. The ability of the Bank to borrow from institutions and individuals depends, apart from its reputation for prudent and sound management, on the fact that there is a contingent liability of member-Governments to meet the obligations of the Bank through possible calls on