

INDUSTRIAL COMMITTEE ON PLANTATIONS

The Deputy Minister of Labour (Shri Abid Ali). I beg to lay on the Table, copy of a statement showing conclusions of the Ninth Session of the Industrial Committee on Plantations held in Calcutta on the 23rd and 24th October, 1959 [Placed in Library, See No LT-1707/59]

DEMANDS FOR SUPPLEMENTARY GRANTS (KERALA), 1959-60

The Minister of Finance (Shri Morarji Desai). I beg to present a statement showing Supplementary Demands for Grants in respect of the Kerala State for 1959-60

12.17 hrs

CALLING ATTENTION TO MATTER OF URGENT PUBLIC IMPORTANCE

DACOTIES IN TRAINS

Shri Mohan Swarup (Pilibhit) Under rule 197, I beg to call attention of the Minister of Railways to the following matter of urgent public importance and I request that he may make a statement thereon

Dacoities committed on the 14 Down Upper-India Express on the 10th November, 1959 and on the Delhi-bound Upper-India Express on the 11th November, 1959

The Deputy Minister of Railways (Shri Shah Nawaz Khan) It is a fairly long statement. May I lay it on the Table of the House?

Mr. Speaker. Yes

Shri S. M. Banerjee (Kanpur) These are not the only two cases of robbery. We have been reading in the newspapers that constantly such robberies are occurring. There have been four cases of robbery within the last two months. Therefore, I request that some time may be allotted for discussing this question.

Mr. Speaker: Let me see. The hon. Minister may place it on the Table of the House. Hon. Members may read it. Hon. Members know the procedure in such matters. If they find that these incidents, dacoities, etc., have become very common and that immediate steps ought to be taken and a discussion ought to be held in this House, they know what to do and how to invoke the aid of Parliament for the purpose of having a discussion. The hon. Minister may place the statement on the Table of the House. It will be circulated if necessary.

Shri Shah Nawaz Khan. I beg to lay the statement on the Table. [See Appendix I, annexure No 82]

12.19 hrs

STATEMENT ON OIL

The Minister of Mines and Oil (Shri K. D. Malaviya): The rapidly rising consumption of petroleum products is a clear index of the pace of industrialisation of the Indian economy. From two million tons in 1947, the total consumption is already about six million tons. Authoritative forecasts based on present trends and the likely size of the third Plan, are that consumption would increase to 14 million tons of crude oil equivalent by 1966, and at that rate, 25 million tons by 1971.

India's annual oil import bill (including crude oil for the three coastal refineries) is already of the order of Rs 100 crores per year. Lest the increasing foreign exchange cost of oil imports for the maintenance of the developing economy handicap the third Plan, the search for and production of oil within the country will be given the topmost priority in the third Plan as, for instance, steel was given in the second Plan.

Indigenous production of crude oil is hardly 0.5 million tons at present;

with the exploitation of the new oil fields in Assam, jointly by the Government and Burnmah/Assam Oil Companies, the reserves already established are expected to yield about four million tons per annum by 1965. Therefore, new reserves have to be established quickly enough to sustain by 1965 additional production of at least 10 million tons if not more.

Fortunately, recent efforts have exploded the myth that the country has no oil potentialities. India has 400,000 square miles of potential oil-bearing sedimentary areas, spread over (from the east) Assam, Tripura, Manipur, West Bengal, Ganga Valley, Punjab, Himachal Pradesh, Jammu and Kashmir, Rajasthan, Cambay and Cutch, the eastern and western coastal tracts (in Madras, Andhra Pradesh, Orissa and Kerala) and the Andaman and Nicobar Islands. In August 1956, Government set up the Oil and Natural Gas Commission (converted in October this year into a statutory Commission by an Act of Parliament). The Commission has already carried out extensive geological and geophysical surveys in far-flung areas. Oil sands have been discovered at various places. Oil having been struck in the Cambay area, further deep drilling is in progress there to find whether reserves exist in commercial quantities, deep drilling is also in progress in two areas in Punjab and in one area in Assam. Government have decided that the Commission will continue rapid exploration of the areas where it is actively engaged in production, if oil is found.

But large-scale oil exploration programme must be undertaken involving expenditure of great amounts of foreign money in a comparatively short time if we have to attain the target of producing about 14 million tons of crude oil by 1966. Government have, therefore, decided to invite foreign oil explorers also to join in the quest for oil in India subject to mutually acceptable terms for exploration and also assuming that such arrangements with foreign oil explor-

ers fall generally within the ambit of India's Industrial Policy Resolution. With a view to creating these conditions, the Government have finalised their new Petroleum and Natural Gas Rules and they are being published immediately.

The new Rules consist of two portions, one deals with licences and leases for oil exploration and production and sets out the terms and conditions for such licences and leases. The former concept of 'petroleum concessions' and the grant of licences and leases upon application is being replaced by the provision that negotiated agreement will be followed by licences and leases. The new Rules provide that the term of a licence shall ordinarily be four years with two-yearly renewals and the area covered by it shall ordinarily be 3,000 square miles. The four stages contemplated by the Petroleum Concession Rules, 1949, have been reduced to two stages of the Exploration Licence and the Mining Lease. The Rules relating to conservation and development have been kept as simple and as few as possible.

Shri Narayanankutty Menon (Mukandapuram) The hon. Minister of Oil has got the habit of coming to Parliament and first telling about a certain policy. You will remember for the last two years

Mr. Speaker: What does he want?

Shri Narayanankutty Menon: This House has been discussing the negotiations which the Ministry had with the foreign oil companies regarding prices of oil. Last time an *ad hoc* agreement was reached. Now we read in the papers that another agreement has been reached with the oil companies. He did not tell the Parliament so far whether that is the final agreement and how far money has come out of the oil companies. May I seek a clarification whether he is going to state to Parliament what is the nature of the agreement reached, to what extent money has come from the oil companies and whether this is

[Shri Narayanankutty Menon]

going to be the final agreement, closing the chapter of negotiations regarding reduction of oil prices?

Shri Narasimhan (Krishnagiri) May I know whether the hon Minister can give an idea as to the extent to which the new facilities transferred to foreign companies are going to be availed of and what are the major concessions that have been offered to foreign oil explorers?

Shri Panigrahi (Puri) The statement does not disclose what is the total reserve of oil potential of India which has been discovered so far

Shri Nagi Reddy (Anantapur) This statement should be circulated to Members of Parliament along with the rules that the Government has newly framed, because this is a fundamental change in the oil policy of Government and I think Parliament should be able to study and discuss this problem by the time the session is over

Shri K D Malaviya. Shri Menon has raised the question of agreement between the Government of India and the oil companies with regard to prices of petroleum products That is an entirely separate matter This relates to the statement with regard to oil exploration I will be quite willing to place before the House, whenever you desire, information with regard to the points raised by Shri Menon for oil prices

Shri Narasimhan referred to the nature of conditions that we envisage for inviting any foreign oil company to search for oil in India Some of them have been described in the new petroleum concession rules They are just under print and I suppose they will be available tomorrow for hon Members to see Perhaps a copy or two will be made available even today Tomorrow I will place them on the Table of the House

Shri Narasimhan: I wanted to know whether Government have any broad

idea of the extent to which this new offer will be availed of by foreign oil companies

Shri K. D. Malaviya: I am not at all in a position to say what response will be there, to our asking companies to come and consider whether they are willing to explore here That depends on their own assessment of the rules and regulations and the facilities that they think will be available here It will take a little time before we can say whether the response will be good or not

Regarding Shri Panigrahi's suggestion that the estimate of reserves should be indicated by me, I wish I could do it Had I known that there are large reserves discovered, perhaps I would start producing oil at once and give the information to my hon friend Any quantities of reserves of oil are only found when intensive prospecting of oil is completed In Cambay, we are quite well advanced in establishing the quantity of oil and in the next budget session, I hope I will be able to give some idea of the quantities that could be produced from Cambay With regard to the other areas, more work is needed

Regarding the suggestion about an opportunity to discuss this matter, I leave it entirely to you No fundamental change in our policy has been envisaged A certain size of increased programme is envisaged with a view to intensifying the oil exploration programme

Mr. Speaker Some notifications and rules framed under certain statutes passed here are laid on the Table of the House for such modification as may be necessary and there is a clause in that particular Act to that effect Do these rules come under that head?

Shri K. D. Malaviya: Yes; these rules are being notified tomorrow They will be placed on the Table tomorrow

Mr. Speaker: So, hon Members will have an opportunity to modify, amend, alter or even reject those rules

Shri Narayanankutty Menon: This question relates to concessions as far as oil exploration is concerned I want that the whole question of oil policy should be discussed

Mr. Speaker: That is another matter Hon Members cannot ask me to decide it now

Shri Narayanankutty Menon: The Minister himself may move this House for taking this matter into consideration

Shri K. D. Malaviya: No evasion from the existing oil policy is contemplated The Industrial Policy Resolution envisages association with oil explorers under conditions which are acceptable to them within the framework of the Industrial Policy Resolution

Mr. Speaker: Let hon Members look into the rules and then we will decide whether it is necessary to have a discussion

Shri Nagi Reddy: The rules may be circulated

Mr. Speaker: I am not going to circulate them I will have some 4 or 5 copies of the rules made available

Pandit Thaker Das Bhargava (Hissar): If any Member wants a modification, a modification will be necessary here Otherwise, the rules will come into force by themselves

Mr. Speaker: Hon Members will look into the Act So far as the rules are concerned, I will ask him to place four copies in the library If more copies are wanted by any hon Member, I shall try to supply them

Shri K. D. Malaviya: I will give a larger number of copies, say, 50

268(A) L.S.D—4.

Mr. Speaker: They will be placed in the library.

Shri Narayanankutty Menon: The rules themselves will come into force immediately Unless amendments are made, there is no discussion Our suggestion is, before the Minister notifies the rules, we should have a discussion here and the whole oil policy should be considered by the House

Mr. Speaker: Has he answered all the points?

Shri Nagi Reddy: He has not answered the point that he should have brought this rule here for discussion, when there are such fundamental changes

Mr. Speaker: I saw him shaking his head, not in approval of this procedure The hon Minister is entitled to frame such rules as he thinks necessary and bring them here for discussion, otherwise, the discussion will lead us nowhere

12.30 hrs.

STATEMENT RE RELEASE OF GERMAN ASSETS

The Minister of Commerce (Shri Kanungo): In September 1939, all the German assets in India amounting to Rs 296 lakhs were vested in the Custodian of Enemy Property in India Later, this amount was allotted to India as a part of German reparations In view of the present happy state of India's relations with the Federal Republic of West Germany, it has been decided to release the vested assets to the West German owners after checking their title to them The amount actually released will be the net amount after retaining Rs 70 lakhs, which is the total value of the Indian claims against Germany The release will be subject to the condition that the amounts of the claims whose value exceeds Rs 5,000 will not