

12.17 hrs.

APPROPRIATION (RAILWAYS) NO.
5 Bill, 1960

The Minister of Railways (Shri Jagjivan Ram): I beg to move:*

"That the Bill to authorise payment and appropriation of certain further sums from and out of the Consolidated Fund of India for the service of the financial year 1960-61 for the purposes of Railways, be taken into consideration".

Mr. Speaker: The question is:

"That the Bill to authorise payment and appropriation of certain further sums from and out of the Consolidated Fund of India for the service of the financial year 1960-61 for the purposes of Railways, be taken into consideration".

The motion was adopted.

Mr. Speaker: The question is:

"That clauses 1 to 3, the Schedule, the Enacting Formula and the Long Title stand part of the Bill".

The motion was adopted.

Clause 1 to 3, the Schedule, the Enacting Formula and the Long Title were added to the Bill.

Shri Jagjivan Ram: I move:

"That the Bill be passed".

Mr. Speaker: The question is:

"That the Bill be passed".

The motion was adopted.

12.19 hrs.

SUPPLEMENTARY DEMANDS FOR
GRANTS (GENERAL), 1960-61—
contd.

Mr. Speaker: The House will now take up further consideration and voting on the Supplementary Demands for Grants in respect of the Budget (General) for 1960-61 together with the cut motions moved.

Three hours have been allotted. The time taken already is 30 minutes. Shri T. B. Vittal Rao who was on his legs last time has taken 6 minutes. He may continue.

Shri Braj Raj Singh (Firozabad): Will it go up to 3 P.M.?

Mr. Speaker: All right.

Shri T. B. Vittal Rao (Khammam): Yesterday while speaking on Demand No. 129, I wanted to know the party or parties who are going to carry out the hydrographic survey in the Gulf of Cambay. I have spoken enough on that and so I go to the next cut motion.

12.20 hrs.

[MR. DEPUTY-SPEAKER *in the Chair*]

This cut motion is with regard to the delay in setting up a refinery in the Cambay region and the delay in the matter of procuring drilling rigs from Rumania resulting in delay in the drilling operations in the Cambay region. We are told that this drilling work in the Cambay region has been accelerated. There has been a reduction in the number of days for drilling a well; at one time, we used to take two to three months for drilling a well; now it has come down to 27 days. But a lot of time is taken for testing the oil that is got from these wells. In view of the fact that this work has been accelerated and enough resources have been placed at the disposal of the Oil and Natural Gas

*Moved with the recommendation of the President.

Commission—sufficient foreign exchange has been given—we would like to know what is the delay and what are the impediments in expediting the drilling of wells in the Cambay region. From this explanatory note we do not find anything. It is not a comprehensive note. There is a demand for such a huge sum of money of Rs. 6,50,00,000.

During the last session we were told that drilling in the 8th well is going to be completed and testing also will be done. But, when, in this session, I put a question, we are still in the stage of testing only—about the 8th well. Some energetic steps should be taken and effective measures should be adopted to expedite the sinking of these wells.

I cannot understand why we have not been able to plan with regard to getting these drilling rigs from Rumania. We already know that we cannot have those rigs until and unless the Coal mining machinery plant that is to be set up at Durgapur comes up. We have to import these rigs. So, there seems to be some flaw in the method of planning with regard to procuring these rigs. The hon. Minister cannot complain of any foreign exchange difficulty because the Oil and Natural Gas Commission have all the resources placed at their disposal and approval has already been given. But these delays are occurring.

The hon. Minister might say that these are technical things and it is very difficult to fix a target date and keep up to it. We know very many technical things also and how they could be expedited. We have had enough experience in the drilling of wells in this country.

Now, I come to the other point with regard to the seismic parties. In the Annual Report for the Ministry, for the Department of Oil and Mines, it was stated that there are 12 parties

working in our country. Now, I find in the note that has been given to us that the parties are going to be increased from 10 to 13. I want to know whether this increase will be concentrated in the Cambay region. Are these 10 parties working in the Cambay region? What about the other 2 parties which were mentioned in the Annual Report? Where are they working and what priority has been given? I would very much like that these parties are concentrated in the Cambay and Ankleshwar regions where we have discovered that there are commercial possibilities of getting oil.

I want to draw attention to the delay in planning to set up a refinery at Cambay. This Cambay refinery has to be set up at any cost. Even assuming that we are not going to get commercial quantities of oil at Cambay and Ankleshwar, yet we require another refinery. During the Second Plan period itself the consumption has increased threefold—of petroleum products—and it has come up to 6.6 million tons. Therefore, in addition to the refineries that are already working and those which will be commissioned at Nunmati and Barauni, we require another because the consumption of petroleum products during the Third Five Year Plan, due to industrialisation and other things, is going to be increased to an enormous extent.

I find there is some sluggishness or lethargy on the part of Government in going ahead with this campaign. Even before we thought of any refineries in the public sector, there was a party who wanted to set up a refinery at Bhavanagar in collaboration with French experts. We find that there is need for setting up a refinery in the Cambay region. I am afraid the hon. Minister is hesitant because he wants to send the oil to the Bombay refineries. Otherwise, having taken a decision, why should there be any delay? I would suggest that we should not refine this Cambay region oil at the

[Shri T. B. Vittal Rao]

Bombay refineries. We know what a lot of trouble they have been giving. First, there was a proposal, which has not been categorically denied for the expansion of the capacity of the Bombay refineries from 2 million tons to 4 million tons per year. Then they were asked to submit a modified proposal. That amounts to saying that there is some sort of approval being given for the expansion of the capacity—I mean of the Burmah Shell Refinery. This refinery should not be allowed to expand its capacity. Why I say so is this. Because they already handle petroleum products to the value of Rs. 150 crores per year. We cannot entrust to a foreign company such a huge refinery. Therefore, I want the hon. Minister to say categorically that he will not allow any expansion of the capacity of the refinery at Trombay.

He may say that there are difficulties. Let him take the House into confidence and say what are the steps taken for the setting up of this refinery at Cambay, whether he is going to collaborate with any foreign experts in the matter, and, if so, who are the experts and from where they are coming. It is not a difficult thing. During the Second Plan period we had taken the responsibility for the setting up of 3 steel plants. In the First Five Year Plan we could not think of even one; but, in the Second Plan we have been able to put up 3 plants. So, there will not be any difficulty, technical or otherwise, in putting up another refinery. Therefore, I would urge upon the Minister to see that the refinery at Cambay comes up as quickly as possible.

श्री रघुनाथ सिंह (वाराणसी) : उपाध्यक्ष महोदय, मैं सदन का ध्यान एक बहुत ही महत्वपूर्ण विषय की ओर आकर्षित करना चाहता हूँ और आशा करता हूँ कि सरकार इस पर अवश्य विचार करेगी। ईस्ट पाकिस्तान और वेस्ट पाकिस्तान के बीच में रेलवे लिंक के संबंध में जो समझौता हुआ है, वह हिन्दु-

स्तान के लिये घातक सिद्ध होगा। पहली बात यह है कि जो तर्क दिया जाता है...

उपाध्यक्ष महोदय : माननीय सदस्य किस हेतु पर बोल रहे हैं ?

श्री रघुनाथ सिंह : मैं जेनरल डिमांड पर बोल रहा हूँ।

उपाध्यक्ष महोदय : इस वक्त सप्लीमेंटरी डिमांड्स हाउस के सामने हैं। इसलिये कोई खास चीज होनी चाहिये, जिस पर माननीय सदस्य बोलना चाहते हैं। माननीय सदस्य बरा इसको देख लें। अगर वह चाहेंगे, तो मैं उनको बाद में बुला लूंगा।

श्री हेम बरूमा।

Shri Hem Barua (Gauhati): Sir, I speak on Demand No. 125. A demand is made under the Ministry of Irrigation and Power for payment of some amounts to Pakistan according to the provision of the Indus Waters Treaty. This is part of the total payment that the Government proposes to make to Pakistan on account of this Treaty, namely Rs. 82.75 crores. The Demand which is presented to Parliament today is only a *fait accompli* and Parliament is expected to give *post facto* approval to an expenditure to which the Government had already committed this country. This matter involves two aspects: one constitutional and the other, moral.

Now, Sir, article 266(3) of our Constitution lays down specifically that "no moneys out of the Consolidated Fund of India or the Consolidated Fund of a State shall be appropriated except in accordance with the law for the purposes and in the manner provided in the Constitution." No expenditure could be incurred by the Government unless and until a Supplementary Demand is presented to the House. In acting in the manner in which they have done, they have tried to circumvent the provisions of article 266(3) of our Constitution.

There is the moral issue also because this country promises to give to Pakistan a huge sum and the representatives of the people in this sovereign forum of the nation should have been consulted before this was agreed upon. I do not want to say that they are being neglected but I would positively say that here is an instance when the Government have treated the chosen representatives of the people with scant regard and involved the country in huge financial commitments without consulting the representatives of the people. When they are brushed aside like this, it is a dangerous portent to democracy itself. I am not challenging the treaty making powers of the Government. I say that this is a huge financial commitment which would bind the country for at least ten years to come, if not more. My question is whether the Government is morally competent to bind the nation and betray the interests of the people in this manner without consulting Parliament and whether it can decide the destiny of the future generations of this country in this way. It is also a fact that this dispute has been an exasperating thing with us and it has strained the nerves of our leaders. It is also a fact that our engineers have been trying with all their energy and intelligence to solve this problem. As I have said, I do not want to challenge the Treaty but I want to know whether we have won the battle in this dispute. I feel that we have not won the battle but it is Pakistan which has won the battle and not only the battle but the trophy also.

The Explanatory Note says that the Government of India have agreed under Article V of the Treaty to make a fixed contribution of approximately Rs. 82.75 crores towards the cost of replacement works to be constructed by Pakistan. I do not understand on what basis this computation was made, involving the country in such huge financial commitment. I do not understand what moral or legal claim Pakistan has on this country to make

enactment of such a provision in this Treaty. The Treaty lay down that this payment will be due in Pounds Sterling or in such other currency or currencies as may from time to time be agreed upon between India and the Bank. This country is experiencing a foreign exchange crisis and some of our construction programmes had to be abandoned for want of foreign exchange and our Finance Minister has to roam about the world from one end of the globe to another in quest of financial help. I do not understand how there can be an agreement to pay a huge sum of Rs. 82.75 crores in Pound Sterling in the context of national difficulties as far as foreign exchange is concerned.

I hear that the U.S.A., U.K., Canada, West Germany, Australia, New Zealand and the World Bank propose to offer financial assistance for building up of these replacement works to Pakistan an aggregate sum of Rs. 333 crores. These are grants and not loans. What about us? The World Bank is offering us Rs. 15 crores and the U.S.A., about Rs. 13 crores altogether Rs. 28 crores. These are not grants but loans. It seems that Pakistan has more friends than we have, in spite of all that the Prime Minister says.

Our Prime Minister has on a previous occasion said that this matter is not to be viewed in any narrow minded spirit because according to him this treaty is a good treaty. I have never tried to look at this treaty in a narrow minded way: I tried to look at it as dispassionately and objectively as possible without any prejudice or passion in my mind. The question arises in my mind: what has India gained out of this Treaty? It may be said—friendship. I would come to that later on. As I look at the Treaty I find that Pakistan is building up a tower of strength and prestige at India's sacrifices. We have promised to offer Rs. 82.75 crores and at the same time we are dividing the waters of the Indus.

[Shri Hem Barua]

system in the ratio of 80 : 20. Pakistan owes India Rs. 500 crores as partition debts. On the other hand in the conferences the Pakistan's claims go on mounting. At present it claims Rs. 180 crores as partition debt from India. It is a fact that Pakistan owes Rs. 300 crores as partition debt to India. The value of the properties that the Hindus had left at Pakistan is computed to be Rs. 500 crores as against Rs. 100 crores that Pakistan claims from India because of Muslims leaving this country. Now, cannot these sums which total to about Rs. 800 crores be adjusted against the payment to be made to Pakistan?

Now, about friendship, I would say just one word. General Ayub Khan turned to the newspapermen at the Lahore Airport, when Shri Nehru's plane was still in the airport and said—after this treaty that was calculated to promote friendship between India and Pakistan was signed “All this would be nullified if the Kashmir dispute is not amicably settled.” That is the type of friendship which is exhibited.

When the Prime Minister advised us not to look at things in a narrow minded spirit, I have a feeling, rightly or wrongly, that the Prime Minister has a tendency, whenever our country is involved in some sort of a dispute, be it a border dispute or any other dispute with a neighbouring country, Pakistan or China, to conduct himself in the manners of an umpire in the cricket match, rather than as one of a country that is involved in the dispute over whose destiny he has the honour to preside. That is what I find. About this matter, Sir, these are the simple comments that I have to make.

There is another Demand on which I would like to speak a few words if you, Sir, will kindly allow me a few minutes more. This is concerning the Ministry of Steel, Mines and Fuel. I would say that the Oil and Natural Gas Commission is engaged in doing a fine

piece of job. The work of exploration of oil is now being more and more entrusted to this Oil and Natural Gas Commission. It is a very good thing. It is also a fact that exploration of oil is something like the game of bagatelle where only one can stick at a time and that which depends purely on chances. Whatever that may be, it is engaged in a fine piece of job and there is no doubt about it. But at the same time I would request the hon. Minister to see that more and more efforts are made so that exploitation of oil might be made a State business and it might be entrusted entirely to this Oil and Natural Gas Commission.

Sir, it has transpired of late that two Italians are proposing to visit this country in order to engage themselves in the exploration of oil. I will say that this monopoly that is getting itself concentrated in the hand of western oil monopolists must go, must be liquidated, or else there is an apprehension of the history of Middle East being repeated in this country which would be a tragedy for this country.

Now I come to the question of oil refineries. I agree with my hon. friends when they say that there should be an oil refinery at Cambay. The short note here says that the Cambay field can be made productive during the next financial year, but the pity of it is that the progress of refining oil is being slowed down and the Government have not yet taken a firm decision to set up an oil refinery. As a result of that the Government have come to an understanding with the Burmah-Shell Refinery in Bombay for the refining of the crude oil that is available in Cambay. This is not a good arrangement, in view of the fact that these western companies are interested only in reaping a rich harvest of profits. They are not inspired by the national needs and aspirations of the country, or else when the Russian crude oil was being negotiated for sale by Oil India with the Bombay

Electric Supply and Transport Undertaking STANVAC would not have appeared on the scene and offered a lower tender and thereby push us out of the business. So far as distribution of oil in this country is concerned, they hold the monopoly to the extent of 80 per cent. When they hold a monopoly like that, that monopoly augurs ill for the country.

In this connection, Sir, I might say something about the laying of pipeline and all that in the Gauhati refinery. The arrangement made for the laying of these pipelines and the pipelines for the Naharkatiya oil-fields is like this. 1140 kilometres of pipeline would be laid. The India Refinery Limited entrusted that work to the Oil India Limited, the Oil India Limited entrusted that job to B.O.C., the B.O.C. in turn has entrusted that job to an Italo-German firm, and there goes on this process of sub-letting of contracts. This does not speak well of this wing of administration of the Government. I would request the Minister in charge of mines and Oil to see that this monopoly is undermined, to see that the monopoly of the western oil monopolists in this country is stopped and to see that more and more exploration of oil and other things are being consolidated into one pattern. At present there is a proliferation of work, one department doing exploration, the other engaged in sale of oil and a third one engaged in the setting up of refineries. There is thus a diversion or division of work which should have been entrusted to one single organisation or one single institution. I would, therefore, request the hon. Minister to see that this proliferation comes to an end and there is a consolidated body, consolidated institution, a consolidated pattern of administration so that oil might be explored, produced, refined and marketed in a consolidated manner.

Shri Oza (Zalawad): Mr. Deputy-Speaker, Sir, I want to pinpoint the attention of the Ministry of Mines and Oil only on one point. The country
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and the House are happily aware that we have discovered rich deposits of oil in the region of Cambay, Baroda and Ankleswar. We are all happy about it. Although the Minister is cautiously optimistic about it we all know that there are very rich deposits of oil in this region. The Minister visits this area off and on. He was also kind enough to address a meeting of the members of the Gujarat State Assembly and he promised the people there that he was going to put up a refinery very shortly in that area. But in reply to a question here, however, he seemed to be more cautious about the whole thing, and he said that the Government was thinking "if possible" to put up a refinery off, say "one million tons". We are rather perturbed about this reply because there is the qualification "if possible" and the refinery is only to be of the capacity of one million tons. It is both a surprise and a matter of pain to us, because according to our humble opinion if the refinery is not of a capacity of at least 2½ million tons it would not be an economic affair at all. When we are almost sure that the deposits of oil are very rich, why should we have a refinery of only one million tons? Sir, that is beyond my comprehension. I am sure the Minister will take up the matter and see that the capacity of the refinery to be put up there is in consonance with the quantity of oil that is to be discovered there. We know that rich deposits are there. We all know now that not only these regions but other regions in Gujarat also have very rich potential of oil.

The Minister has also said: "if possible". I was wondering why he used the expression "if possible". We know that the Government have decided to put up refineries even in areas where the deposits are not so rich. Why, then, should there be a qualification clause "if possible" when this area has got very rich quantities of oil? That also requires to be cleared up.

I hope, Sir, when the country badly needs to save the foreign exchange

[Shri Oza]

which we are spending on petroleum and petroleum products the Government will immediately take steps to see that a refinery of a proper size is put up in this area as soon as possible. It may be that there is a proposal to take oil by pipeline to other refineries—say, Bombay. But before that is done, I think it is the duty of the hon. Minister to see that a refinery with a suitable size is put up there. If even after doing that it is found necessary we may undertake this plan of taking oil by pipelines to other refineries or to Bombay.

Sir, we are directly concerned with this. As I said in the beginning, we are perturbed at the reply of the hon. Minister where he has used the expression "if possible" and where he has said that it will only be a very small refinery of one million tons. Not only from that parochial angle, viewed from the larger angle also it is necessary. The country, as the previous speaker pointed out, is very badly in need to save the foreign exchange which we are spending on petroleum and petroleum products. Therefore, we should go ahead and put up as many refineries as possible commensurate with the deposits that we discover. I hope the Minister will take into consideration the views expressed in this House and will give an unqualified promise that a refinery of a suitable size will be put up in that area as soon as possible.

Shri Chintamani Panigrahi (Puri): Mr. Deputy-Speaker, Sir, I refer to the Demand No. 125 dealing with the Indus Water Treaty. I am not going to discuss in detail the Canal Waters Agreement because it was discussed in this House a few days ago. I only want to draw the attention of the hon. Minister to three or four points for elucidation. The House knows well that when Pakistan wanted to construct Mangla dam, people in India and, naturally we in this House, expressed concern over the construction

of the dam by Pakistan, and the Government of India also protested through the Security Council against this construction by Pakistan. After the signing of his treaty, India is not in a position to question further the construction of the Mangla Dam in a site which we claim to be ours. I think by this treaty we have given up the right over the site in which the Mangla dam is going to be constructed for long. Now, Pakistan is free to carry out its construction after the treaty is signed.

Secondly, according to this treaty, India has agreed to contribute more than Rs. 82 crores towards the cost of replacement to Pakistan. My hon. friend have argued that this should have been in rupees instead of being in terms of foreign currency in which India is very short. We should have asked the Pakistan Government and also the World Bank to accede to our request and accept the money in terms of rupees. I think that should have been to our advantage.

Thirdly, according to this treaty, India has conceded 80 per cent of the waters of the Indus system to Pakistan and India has abandoned important irrigation projects on the channel in Himachal Pradesh and Rajasthan. Further, the treaty provides for the unhindered flow into Pakistan of all the western rivers including those flowing through Kashmir. In all these respects, to my mind, by this treaty we have conceded more to Pakistan than we have gained.

Naturally, as the Prime Minister pointed out the other day, in questions of dispute between different nations, somebody should give in something and somebody should get something more. In cases of international disputes, one can understand that, and there must be adjustments between two nations. If only for the friendship between India and Pakistan, India has gone to the extent of acceding to the demand of Pakistan. But

I would request that the Government of India should also try to get some concession from Pakistan in other sectors. After the canal waters treaty was signed, reports appear in papers in Calcutta that the Government of India is not in a position to undertake the scheme of construction of the Farakka barrage about which so much discussion had taken place in this House. Reports indicate that Pakistan is not willing to allow its construction. If in the western sector, India has conceded so much to Pakistan by this treaty, because of the friendship which has to be developed between the two countries—really, two neighbours should be friends—India must expect that India can execute this Farakka barrage in the eastern sector without any hindrance from Pakistan. But the report that appears in the newspapers says that Pakistan is objecting to it. There was some conference between the officers of the Government of India and the Government of Pakistan so far as the disputes about the eastern rivers was concerned. We would like to have some enlightenment about this point.

My submission is that after the signing of the canal waters treaty, India should go ahead with regard to the construction of this important project in eastern India and we should not wait for the concurrence or approval of the Government of Pakistan so far as this project is concerned.

I shall mention one more point and then finish. With regard to the demands of the Ministry of Steel, Mines and Fuel, I have one submission to make. I think after Mossadeq in Iran, the only one Minister now in the Government of India who is subject to much criticism in the Indian press is the hon. Shri K. D. Malaviya. I do not know how far he has been able to explore oil in this country. But the press—especially the *Eastern Economist, Capital and Commerce*—is constantly criticising our Minister of Mines and Oil to the effect that he is guiding this country, so far as the oil policy is concerned, in a wrong direc-

tion. We would like to know from the Minister what is our oil reserve. I have asked this question many times and the answer is that the Government are still estimating it. So, far, whatever drilling has taken place, we want to have at least an idea as to what is the oil reserve in this country and how much do we expect; also what is the total estimate so far made and whether the Minister has been able to assess it.

With these words, I conclude.

Shri Aurobindo Ghosal (Uluberia): Mr. Deputy-Speaker, Sir, I would like to speak on three or four Demands very briefly. Regarding Demand 134, which is concerned with the manufacture of teleprinters, we understand that a teleprinter factory is going to be set up in collaboration with an Italian company called Olivetti and that about 1,000 teleprinters will be manufactured per year, worth about Rs. 40 lakhs to Rs. 50 lakhs. I do not know if this factory will manufacture other machinery like printing perforators, auto-tape transmitters and so on. I want to know the number of teleprinters that the country is in need of—no doubt we are immediately in need of them—and also whether the factory will be required to supply teleprinters that will be needed in future also.

Secondly, I understand that the company has been permitted to transmit the royalty of Rs. 2.5 lakhs abroad over a period of ten years. I want to know whether any attempts were made to get any other tenderer or to place any other contract with other foreign companies and whether better terms were offered by them.

Regarding Demand 106, the factory is going to manufacture raw films. This factory is more important than the teleprinter factory because we are greatly in need of raw films since we have got a huge indigenous market in India. Not only that. This industry is also an earner of foreign exchange. Naturally we should try to speed up

[Shri Aurobindo Ghosal]

measures for setting up this factory and we should also see that the factory goes into production at the earliest time.

Regarding Demand 84, I find that compensation is being awarded by industrial tribunals to the employees and also compensation is being awarded by arbitration to the contractors, etc. But all this compensation arises owing to the gross negligence of the officials in charge.

I shall give one instance that has come to my notice, in my personal experience. For the last eight months, my personal telephone is being surreptitiously used by another man and I am paying the bills which are coming to me. The trunk call bills are coming to me and I am paying them, but my number is used by somebody else in Calcutta. In the last three months, I have written letters to the General Manager, Calcutta Telephones. I sent even a registered letter on the 30th November, but there has not even been an acknowledgement received by me. This is the efficiency of the department. Naturally, the result will be that whenever any man comes to the court and demands compensation for illegal dismissal or illegal action, which are being encouraged and abetted by officers like the General Manager, Telephones, naturally the courts would

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[MR. SPEAKER in the Chair]

award compensation and it will be paid from public funds. Most of the dismissals, according to me and many others, are illegal and if those employees are not taken back, they would go to the tribunals and courts. Awards will be given and in future Government will be responsible to pay those compensations.

Lastly, I agree with Shri Panigrahi that when the Indus water treaty was signed, all the water disputes should have been discussed at one time and

resolved. Regarding the Farakka Barrage, it is a great issue agitating not only the people of Bengal, but of India as a whole for the last so many years. Government are giving promises and assurances for so many years in different ways, but no practical step has yet been taken. When the Indus water treaty was made, easily this could have been raised and the Farakka Barrage problem could have been solved at the same time. I hope that this Farakka Barrage also will be taken up along with the implementation of the Indus water treaty.

Dr. Samantsinhar (Bhubaneshwar): Mr. Speaker, Sir, while speaking on Demand No. 84, I would draw your attention and through you that of the hon. Minister that more than Rs. 24,000 have been provided in this Demand for being paid to a clerk whose dismissal was held invalid by the court. I do not know why the poor clerk was punished, and why not the supervising officer. Not only in postal department, but everywhere in Government departments, nowadays there is less supervision by the higher officers. They are not properly following the departmental rules and they are not taking proper steps according to the rules for supervision when due action is necessary. Due to this, there is loss of public money. When some cases like this come up, the lowest people like the clerk or the peon are punished and the officers escape. This is an instance of that kind.

While speaking on this demand, I also draw attention to the negligence of the postal department towards my State. In 1946, Orissa was given a minor postal circle being separated from Bihar. Then there were only 5 to 6 districts in Orissa and there were about 600 posts offices. But after 1948, when the States were integrated, the number of districts in Orissa have been increased to 13. The postal divisions also have increased with number of post offices but still Orissa is not given a major postal circle. Also, in

the P. & T. office in Cuttack, there are not sufficient hands, as a result of which both the public and departmental work suffer.

There is another thing. Some of the telegraphic and telephone services though situated inside Orissa are controlled by Bihar, Madhya Pradesh and Andhra. To calm down criticism, they on the so-called administrative grounds and administrative efficiency, do not transfer them to Orissa circle. So, I request that these telegraphic offices and telephone exchanges that are inside Orissa boundary should be under the Orissa circle.

The same is the case with some RMS sections in Orissa; Y-14, Y-19, F-17 and F-21 which are inside Orissa are still controlled by outside postal circles. There is much negligence towards expansion and providing proper service to the people. Hence my request that they should be transferred to Orissa soon.

After 1951, no inspector in Orissa circle has been promoted to Class II Superintendent's post. These posts are invariably filled up by inspectors promoted from outside. This matter should be looked into.

Regarding Demand No. 106, I congratulate the Ministry that they have now been able to establish the Hindustan Photo Film Manufacturing Company Limited, because in this company, besides other things, there will be manufacture of X-ray films. For want of X-ray films, patients in the country are put to too much difficulty and many cases are not being attended to. So, I thank the Minister for this enterprise. I hope the plant will be established soon and production started. While saying this, I wish to submit that the loans incurred for the establishment of the plants and projects which are now also being established should be met out of their income. The reason why I say this is our expenditure charges are gradually increasing, whereas the income is going down in some cases. So, this aspect should also be visualised and

due steps should be taken in this matter.

Regarding Demand No. 125, much has been said, and I do not think there is much for me to say. Still, I thank the persons concerned and the Government of Pakistan and India. Whatever it may be, they have come to some conclusion. We are now giving Pakistan Rs. 83 crores. There might have been a little less or more, but what has been done, has been done in a good cause. For that, I congratulate all those concerned. I also request the Minister kindly to see whether Rajasthan can be irrigated through some channels that are going through Pakistan, in the light of our present relations with the Pakistan Government.

Coming to Demand No. 129, I congratulate our Minister because it is through his efforts that something good is coming to the country. He started this work with some raw people. I have seen with my own eyes how these people are working in Cambay and other areas. There is no house for them and they get very little pay. In spite of hard condition they are working very sincerely, and that too without any previous training. So I feel that the whole country must be indebted to them. It is only due to the zeal and the personal interest that the Minister is taking that we have progressed so much in this direction. While thanking him, I would say that at least houses should be provided to our youngmen who are working in the fields. Side by side, the Cambay port, which is one of the very old ports, should be developed. I hope the hon. Minister will achieve his objective very soon.

Shri Tangamani (Madurai): I shall briefly refer to my cut motion Nos. 8, 9 and 10 to Demand No. 126, cut motion Nos. 12, 13 and 14 to Demand No. 134 and also cut motion No. 16 to demand No. 129, moved by Shri Warrior and, as far as possible, I shall confine myself to these three points.

Taking up Demand No. 126, this deals with the setting up of a raw

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film plant in Ooty. Several questions have been tabled in this House about the setting up of the raw film plant and we were told in this House that the location of this plant is going to be in Ootacamund in Madras State. As the House is well aware, in the first instance, negotiations were started by this Government with the Government of East Germany but after prolonged negotiations for nearly 12 months we were told in this House that the East Germany Government had refused to undertake such a project. When direct questions were put on this particular subject only evasive answers were received. I would like to know whether there were prolonged discussions and because of the delay we could not come to some kind of agreement with the East German Government, because the East German Government proceeds on a particular plan basis and our demand did not synochronise with their Five Year Plan period. Because of the delay in the negotiations, for reasons known only to the Ministry, that issue was shelved.

Subsequently, negotiations were started with a French Firm and we were told in this House during the budget session this year that an agreement has already been entered into and we were also given the terms of the agreement. But no steps were taken for carrying out the terms of the agreement. That, in brief, is the background of the history of setting up this raw film factory in this country.

We are happy to find that at least the Ministry is coming before us with a demand for Rs. 15 lakhs. In this statement they say that the question of setting up a raw film plant and also X-ray film plant were under consideration of Government for some years (page 7). That supplementary demand is only for this particular purpose, and the amount asked for is Rs. 15 lakhs.

We were told during the budget session that a certain agreement has been entered into with a French firm and when very pointed questions were put in this House whether this French firm had any experience in the production of films, we were assured that although its name is not very well known outside, so long as the French film industry is concerned, they take nearly 70 per cent of the films from the raw films manufactured by this concern.

At the outset I wanted to say that the coloured pictures are now becoming more or less the order of the day. But we find almost all the pictures produced in India are ordinary films. They are not Gavacolour or the other colours known to the film-goers. I would like to know whether this plant is designed to produce films which are suited to produce coloured pictures. Otherwise, if this plant goes into production by the end of the Third Plan period and we are only producing those films which are already out of date, they will be out of date much further. So, I would like to know whether we are already going to produce only raw films as is now seen in this country or we are going to produce films which can be used for production of colour films.

Mr. Speaker: The hon. Member might kindly resume his seat. I understand that Shri Naushir Bharucha has given notice of a cut motion that the agreement relating to the raw film industry has not yet been placed on the Table of the House. The hon. Minister has brought it to my notice that as early as June 1960 15 copies of the agreement were placed in the library. I have directed the Secretariat that as and when an agreement is received it should be given publicity in the bulletin. Also, in the notice board there will be a separate column hereafter for agreements received from the Ministries from time to time with their descriptions.

Shri Naushir Bharucha (East Khandedh): May I also suggest that in the supplementary demands, side by side some important terms might be mentioned so that a fuller summary is available immediately on the spot?

Mr. Speaker: In all cases where copies are not supplied along with supplementary demands, hereafter it will be mentioned that a copy is placed in the library.

The Minister of Industry (Shri Manubhai Shah): That we can mention. Sometimes they come to 40 to 50 pages and it is very difficult to put them in the body of the Demand. If the hon. Member is interested in it, we can send a full set of copies to him, over and above keeping them in the library.

Mr. Speaker: If the supplementary demands relate to some documents or agreements and if they have not been laid on the Table or placed in the library, a summary of them should be given along with the supplementary demands. Yes, Shri Tangamani may continue.

Shri Tangamani: Apart from the terms of the agreement, I would like to know from the hon. Minister the type of film which we are going to manufacture in this particular unit.

Mr. Speaker: Can this plant be switched over to coloured films?

Shri Manubhai Shah: The basic need is for black and white film, which is mainly required by the cinematograph industry, photographic industry and X-Ray industry. Colour films form a very small percentage of the requirement. It is a very difficult technique which can be evolved only after every country has produced black and white print, which is required in bulk. Then the higher techniques can be thought of. Even today India uses only a small percentage of colour films.

Mr. Speaker: What I want to know is whether this plant which is going to be established there can produce

colour films if some additions are made to it?

Shri Manubhai Shah: Yes, Sir; but it can be further considered after the technique is mastered to produce all the chemicals, ancillaries and the bases. It is our intention to do that once we master the technique of production of general films. What I am pointing out is that the hon. Member is not correct when he says that black and white film has become out of date. Most of the pictures even today are normally in black and white and high-speed prints rather than coloured ones.

Shri Tangamani: The only point which I would like to know is this. After this plant is set up we must be in a position to expand it because development of coloured film industry has reached a particular stage.

Shri Manubhai Shah: Let us make a beginning first in this very difficult line.

Mr. Speaker: There is great attraction for coloured films. All that he suggests is that if any company can produce machinery which can also be switched over to the manufacture of coloured films, why not enter into an agreement with that firm.

Shri Manubhai Shah: We are very keen about it. But the House will appreciate and you will also appreciate that even the making of photographic and cine films is one of the most difficult techniques. We are taking the first step. As we go along and get the experience we will see to that also. At present we have to import practically everything. Today we are importing Rs. 5 or 6 crores worth of ordinary films. This will be the first saving in foreign exchange. Marginal utilisation can always be considered later on.

Shri Tangamani: I welcome the fact that the hon. Minister has come before this House with a specific demand of Rs. 15 lakhs. In my cut motions I

[Shri Tangamani]

have referred to the delay in setting up this film manufacturing company for the manufacturing of raw film; the slow pace of implementation of Rs. 6½ crores project as per agreement with the French firm and the need for acquiring land early and the setting up of the film plant at Ooty as per agreement with the French firm. My purpose in moving these cut motions is that I want to know at least now from the hon. Minister whether the location has been firmly decided. I will be able to expand this point later when I speak on the other cut motions. When the Ministry of Transport and Communications is coming before us for expanding or setting up another plant, namely, for the manufacture of teleprinters, the hon. Minister is able to tell us that they have already acquired a plot of land from the Government of Madras. So I would like to know definitely whether any plot of land has been acquired for this film plant from the Madras Government; and what is going to be the location; because on several occasions we have been told that it will be located very near Ooty.

Mr. Speaker: Ooty is in Madras State, whatever might be the site.

Shri Tangamani: The point is this. They are now coming to us for Rs. 15 lakhs because in the note itself it is stated that as per the agreement some machinery is coming into the country and they will take delivery of it.

Shri Manubhai Shah: The place is Ootacamund where the hon. Member is very keen that it should be. It is in Ootacamund. Land belongs to the State Government. Work has already started.

Mr. Speaker: It is the experience in the case of various projects that are undertaken that the project is announced and subsequently land acquisition proceedings start, by which time the estimated cost goes up because the moment they know that a factory is going to be set up there prices shoot up.

Shri Manubhai Shah: Fortunately here it was the State Government's land. Otherwise what you have observed is quite correct. Usually what we now do is that we do not announce the exact location at all. Only the State is indicated for the information of the House. Then we issue the notification before the final announcement of the location.

Mr. Speaker: There are a few other hon. Members who also want to speak.

Shri Tangamani: On this itself, I want to say something more. I am speaking only on this demand as also on the one about teleprinter plant. About the Moghul Lines I will be very brief. But I would like to pursue this and the teleprinter plant.

Having said this, what I would like to know is this because things have appeared in the newspapers and one or two hon. Members have said in this House that this particular French firm has no experience in the manufacture of films. So I would now like to know from the hon. Minister as to what the experience of this French firm is and how we entered into this agreement. I would also like to know whether the various interests have been consulted, particularly the film producers and others, and what their opinion is. That will set at rest unnecessary gossip because I find that even now certain news items do appear in some newspapers that they have entered into an agreement with a firm which has no experience of manufacturing films. I do not say that because I do not know. But some people go to the extent of saying that the articles which are now coming are articles which they wanted to dispose of somehow or the other. When a plant like this is going to be set up and the House is voting this Demand—the House will be glad also to contribute the balance of Rs. 6 crores or whatever it is—I want a definite assurance from the hon. Minister about the details of the solvency of the company

and also about their experience in the manufacture of films. Since April some kind of lobbying is going on and directly or indirectly some news items do appear saying that it would have been better if the British firm or the German firm had been given this and what do the French know about photography. All this kind of thing is appearing. That is why I want to know this.

Mr. Speaker: What is the procedure adopted? There are film manufacturers throughout the world.

Shri Manubhai Shah: I will explain that when I speak while replying to all the cut motions together. I have explained on the floor of the House earlier also, but instead of answering questions, when I reply to the cut motions I shall explain this.

Shri Tangamani: I shall not develop this point any further.

Then I shall refer to my cut motions to Demand No. 134. This Demand deals with two major items. One is about investment in the Western Shipping Corporation of Rs. 2.90 crores and the other one is about purchase of shares of Hindustan Teleprinters Limited worth Rs. 8.80 lakhs. This is mentioned on page 15.

About the second item the hon. Minister of Transport and Communications has announced in reply to a starred question here that a teleprinter plant is going to be set up and that the Government of Madras have given a plot of land in Guindy. Now the Government has come to us with the Supplementary Demand for Rs. 8.8 lakhs for the purchase of shares of the Hindustan Teleprinters Limited which will be a new service. It is also mentioned that this expenditure for the current year 1960-61 will be Rs. 8.8 lakhs and for 1961-65 it will be Rs. 141.2 lakhs making a total of Rs. 150 lakhs. On the basis of this what I would like to know is

whether we are going to invest money and continue in the manufacturing process till the end of the year 1965; it is not quite clear. In the House the hon. Minister told us that within a period of three years or so we will go into production but before the end of the Third Plan period there will be self-sufficiency of teleprinters. Because the explanatory note is confusing, I would like to know from the hon. Minister as to by what time we expect the construction of the plant to be completed and by what time it will go into production. I would also like to know the capacity of this plant. The hon. Minister said in the House that by the end of the Third Plan period we will be self-sufficient on the question of teleprinters. That detail also I would like to know from the hon. Minister.

Then, has the land been acquired and preliminary work started? A statement on that also will be very helpful to us. In the note we find and in my cut motion also I have mentioned about the agreement with the Italian firm. I want to know whether that agreement will be made available to us and whether a copy will be laid on the Table of the House or will at least be placed in the Parliament Library so that we will be in a position to know how much we are going to give them for the consultants and about the know-how and what will be the cost for the production itself. I shall not deal with this matter any further.

Then I come to the last point and I have done. It is about the Western Shipping Corporation which has now acquired the ships which were run by the Moghul Lines. When the Select Committee on the Merchant Shipping Bill was discussing the Bill, some of the members of the Select Committee were privileged to go and visit the pilgrim ships which take the Haj pilgrims. In those days, these ships were managed by the Moghul Steamship Co. This sum of Rs. 2.90 crores which we have borrowed from

[Shri Tangamani]

the State Bank, we are going to make up. I would like to know how many ships are now under our control in the Western Shipping Corporation for the purpose of this pilgrimage. Because we found in the ships which we inspected, the entire berth arrangement was completely different. There was not much of moving space. Mostly Muslim women travel in them. There were good arrangements for Muslim women. The complaint that we received was that there were not enough water closets. They had to go a long distance. I want to know whether the same type of seating arrangement is maintained or whether there is a different design to be adopted. More or less, it is one class.

Another thing is, what is the present capacity of each ship? Since we have acquired them, what are the alterations that we have made? If we have acquired, I would like to know the number of ships which we have now acquired from the Moghul Steamship Co., and how many ships are on this particular route, and whether the new ships will also form part of a pool for Haj pilgrims. I submit, the letters which we have received—they have not appeared in the press—indicate that several things will have to be done for improving the comforts. They are very happy that the Government takes the full responsibility from the time they leave their place till they come back to Bombay. After the pilgrimage, they are safely landed back. It is more or less like a tourist agency which is undertaken by the Government. For that, they are very grateful to the Government. Still, they say they are being huddled not like human beings, and better arrangement is desired. Because I have myself seen, I can still picture the lack of moving space. Even with the limited space, certain designs can be altered. I would also like to know whether this matter is under the consideration of the Government. These are the three points that I wanted to emphasise.

Shri Naushir Bharucha: Mr. Speaker, I desire

Shri T. B. Vittal Rao: Has he not spoken as yet?

Shri Naushir Bharucha: I have not spoken.

Mr. Speaker: He spoke on the Railway Convention.

Shri Naushir Bharucha: At the outset, I may say that the House will be grateful to you for introducing some method for enabling the House to have fuller information about the various contracts in respect of which Demands are asked. It may be that the report has been placed on the Table of the House or in the Library. But, it is not possible for the Members to carry all the reports with them. I hope the suggestion that fuller details of the contracts should be incorporated in the Supplementary demands for grants will find favour with the respective Ministers.

In the case of Demand No. 106, . . .

Mr. Speaker: Essential particulars may be given. I leave it to the hon. Minister himself. So that, at a glance, without referring to the original documents, we may have an idea as to what exactly it is. For further details, they may refer to the documents.

Shri Manubhai Shah: We try to give as much as possible. More also could be given.

Mr. Speaker: I agree. What was happening was this. Hon. Ministers are not aware that in the previous regime, there were Standing Finance Committees for the departments of every Executive Councillor. During the year, whatever new services are undertaken, which could not be included in the Budget, full detailed statements with all particulars were given for the Standing Finance Committee to consider. It was open to

the Standing Finance Committee in those days to sanction. A token demand was placed before the House. Now, similarly, hon. Ministers may kindly refer to those books and give such particulars so that, at a glance they may be able to know what exactly the important terms and conditions are.

Shri Naushir Bharucha: We all welcome the fact that we are going to have an industry of major importance for the manufacture of the films. I should like the hon. Minister to make it clear, so far as the contract is concerned, that all training facilities for Indian personnel are being provided in it. I am not averse to importing foreign knowledge and learning foreign knowhow. It has been our sad experience in many of the major schemes that while foreign expert knowledge is invited here, Indian personnel is not trained to a sufficient extent. A few minutes ago, the hon. Minister for Industry made it clear that the question of manufacturing films for producing colour picture is not a very simple thing. It is a highly technical and difficult job. It is true that we will have to make first a beginning with black and white pictures. The point is, have we incorporated in the agreement a definite stipulation that Indian scientific personnel of the top class—I am not referring merely to the operators who work on films—will be trained and whether they will get the knowhow, so that, at a later stage, we will be in a position to start a new factory if desired. That is the important point which is applicable not only to this contract, but for other contracts as well.

I am aware that in page 8, para 2, the hon. Minister has said that according to the agreement, the detailed project report will be delivered to us, machinery and equipment will be delivered to us, supervision will be there, there will be assistance in construction, provision for consultation and technical services. I am not satisfied with this. We want that we

should be in a position to train our technical personnel. Our people must be trained in the construction of the project itself so that, at a later stage, we do not have to pay over and over again the price of foreign expert knowledge. That is one point.

The second point is with regard to deferred payment. Deferred payment is such an attractive phrase that we fall for it, because we do not have to pay for it immediately out of our pocket. I should like to know what are the deferred terms and when does the first instalment begin. I am afraid what is going to happen is this. And this is a point in which the Finance Ministry may be more interested. A time is fast coming when all deferred payments will mature for repayment within a particular period of six months or a year. I do not think the time will come perhaps before that. When it starts coming, the question of repaying foreign loans is going to be an extremely difficult one. First, because, we shall be placing orders for fresh projects for the Third Plan. Secondly, because, the deferred payments of the Second Plan will also become mature. Therefore, a peak load period in repayment will be reached when it will be extremely difficult. May I say that the Ministers who negotiate terms with regard to deferred payments should bear in mind the fact that everybody's payment does not mature during the same time. That is a fact to be borne in mind.

With regard to the rate of interest, I do not know. A question was raised and I was rather surprised at the conflicting statements made by my hon. friend Shri Tangamani. At one time, he said that this was a firm which manufactured the bulk of films which were purchased in France and other countries. At the same time, he said that this was not a firm of any standing. I really cannot understand all this. I have no doubt that the Minister in charge will have looked in this matter carefully.

[Shri Naushir Bharucha]

With regard to varieties of production, everybody has spoken about movie films. I am not very much interested in movie films. This country is not going to starve if there is a shortage of movie films. Most of it is wasted on useless type of pictures. I am more interested in X-ray films. Our country is terribly short of x-ray films. I do hope that if varieties of production could be regulated even at this stage,—that depends upon the type of machinery has been already agreed upon—the emphasis should be on the production of X-ray films.

Mr. Speaker: Will this machinery produce x-ray films?

Shri Manubhai Shah: In this agreement, all the varieties of films are given. The specifications have been given, the contrast, intensity, rapidity, speed, etc. The only question is, the hon. Members might go through the voluminous documents which we always take care, according to your instructions, to place before the House.

Mr. Speaker: I am happy. The hon. Minister will also see that a short question requires only a short answer. He should also help the House.

Shri Manubhai Shah: If you want, I will read out the whole thing. X-ray is there. All the varieties of x-ray are there.

Mr. Speaker: The hon. Minister knows A to Z. But, all hon. Members have to read. They are not in charge of one portfolio.

Shri Manubhai Shah: These are projects of national importance. Those friends who are taking great interest in them, should at least when they discuss such a matter, go through all the literature which is readily made available according to your instructions.

Mr. Speaker: I agree. Whereas the hon. Minister is in charge of one port-

folio, every hon. Member is in charge of all portfolios. He has to read everything.

Shri Naushir Bharucha: Another matter is, with regard to the Indus Water treaty. The first instalment will become due in a matter of days. We are going to pay Rs. 8 crores. I should like to know this from the hon. Minister in charge of Finance. Already our sterling reserves are down to about Rs. 144 crores. Where are these Rs. 8 crores going to come from? Is there any *ad hoc* arrangements made elsewhere as a result of which our sterling balances will not be depreciated?

The second point is—it was also raised by one of the Members—that nothing has been said with regard to the debt due by Pakistan to us. I should like to know whether in the course of the negotiations on the Indus Water Treaty any question of adjustment of any of the following instalments, instalments coming later on was discussed. Further, what will be the portion which will have to be paid in the form of foreign exchange, and the portion payable in the form of rupees? What the House feels is that apart from the rather excessive price which we have to pay,—if it has to be paid in the interests of amity between the two countries, it may not be too high a price—if the method of the payments is modified, the treaty may be more acceptable.

The third point is in connection with Demand No. 129 for the drilling machinery and other equipment for programmes to be included in the Third Plan. I have got a double grouse against the hon. Minister of Oil. We quite appreciate the fact that the Oil and Natural Gas Commission is doing a splendid job. We also feel that hon. Minister of Oil and the country have been very lucky in striking oil within such a short period and with comparatively small effort. It is more our luck that we have

struck oil. When first the demand came for Ankleshwar and Cambay oil at the time of the Budget, we said the provision asked for was too little. At that time he did not ask for more and now he comes forward with a supplementary demand. The objection is not to giving the grant; the objection is that the method and the manner of asking for this grant is such that people feel confused. Either we require the amount immediately, in which case, since the deposits of oil in Cambay, Ankleshwar, Broach and Baroda were known to you long back, you could have come forward with your demand much earlier and you did not; or, you are unnecessarily rushing through by way of supplementary demands because the Third Plan is still far away and you can wait till next February. I should like to know what the real position in this connection is.

Coming to Demand No. 134, I would like to ask a question which is rather from a totally different angle. Here we are going to acquire control of the Moghul Line by purchasing the necessary number of shares. I should like to know from Government whether this is a solitary venture in which we are indirectly, so to say, nationalising a particular concern, or whether it is part and parcel of Government policy to corner shares so that they acquire controlling interest without coming to the House for a discussion on the fundamentals of nationalisation, and thus indirectly nationalise other concerns. The issue is very important. I am not concerned with the amount that you ask for, it may be all right. The point is this. Is it the policy of Government to purchase shares in various other undertakings so that they acquire controlling interest, thereby virtually nationalising the concerns by executive act without coming before Parliament to discuss the merits, the pros and cons, of a particular concern? Or, is this a solitary venture where they are pressed by an emergency? My view is that Government should not make it a policy, or a matter of bare executive

practice, indirectly to nationalise concerns by buying controlling shares. If they want to nationalise it, by all means let them do it, but let them come before the House, let the House discuss the pros and cons of nationalisation of the particular industry and then go ahead. We have no objection.

We have been told that 80,000 shares of the face value of Rs. 100 each have been acquired at the price of Rs. 360 each. I should like to know the method and manner of acquiring such shares. It may be that the shares are quoted at a premium by reason of dividend payable or any other reason, but in all such cases, what is the method and manner of deciding the value of the shares? How are the shares procured? Obviously, if Government says that it will go openly to the stock exchange, the price may be put up immediately. On the other hand, there is always this fear that probably under-valued shares are being passed on to the Government at values far higher than those quoted on the stock exchange. Therefore, how was this value of Rs. 260 arrived at? Was it the quotation on the stock exchange the day prior to the one on which they decided to go in for it? Or, was it valued in any other way? Or, was it by negotiation with some private party, some big shareholders?

Incidentally, I may mention that in all such cases—and we shall have repeatedly to buy shares of companies for the purpose of acquiring controlling interest—the issue should be that the Government decides on some governing principles on which the valuation of such shares should be made, some governing principles, even if they may not be strictly applicable to all cases, so that the House knows exactly that when we buy a controlling interest in certain companies we are not paying out of the exchequer something much more than what is really due.

Mr. Speaker: Does the hon. Minister of Oil want to intervene now?

The Minister of Oil (Shri K. D. Malaviya): As you like.

Mr. Speaker: Or, would he like to hear any other hon. Member who may make some remarks?

Shri K. D. Malaviya: Most of the hon. Members who have to say something about my Demand have perhaps already spoken.

Mr. Speaker: I leave it to the hon. Minister.

Shri P. C. Borooah (Sibsagar): Some other Members want to speak on his demand.

The Minister of State in the Ministry of Transport and Communications (Shri Raj Bahadur): I may be allowed to speak, if no other hon. Member is going to speak on Demand No. 134.

Shri Heda (Nizamabad): The Minister may speak at the end.

Mr. Speaker: How can he anticipate that nobody will speak? An hon. Member may speak. It may also happen that they may not come prepared, but after hearing some hon. Member, they may want to speak supporting or opposing particular views. I am not going to call the hon. Minister now.

Shri Heda: I would like to refer to Demand No. 106 only. I congratulate the Ministry on undertaking this project. In fact, it was much needed and should have been undertaken much earlier.

The importance of raw films for both the film industry and photography cannot be exaggerated. They are much needed, and there has been much discontent in the past, and it persists even now, over the Government's import policy in this regard.

Our film industry plays a very important role, and I think it still stands second in the world. Japan, of course, is fast progressing, but I do

not know if it has surpassed us yet. If our film industry takes the third place in the world, it will be because this project was delayed. This could have been taken up much earlier, or the import policy could have been more liberal.

Our films are popular not only in our own country, but also in the neighbouring countries, and even those who are not acquainted with our languages are enamoured of them. In my travels, I had occasion many a time to get a word of appreciation about the development of our film industry, particularly acting in the Bengali films. Bengali films have made a mark in the portrayal of emotions.

So, the film industry not only gives us foreign exchange which is so very valuable, but also acts as a factor for creating friendliness between India and these countries. After this factory goes into production, the situation will ease to some extent for this developing industry. I am glad to find that in our country, this industry is developing very satisfactorily in the sense that even a small producer with a small capital is able to come up and also compete. I do not say that every film that is produced is good and healthy, but I do not agree with many of the Members who have occasionally aired their views that the films are obscene or something like that. It is true that some films may be objectionable, but that is not the topic before us now for discussion. I do congratulate the Ministry on their undertaking this new project, for, they would be doing a real service.

In regard to photographic goods also, I think we are experiencing a very great stringency. Whether you call it fair price, or open market price or blackmarket price, the price today is about two hundred to three hundred per cent higher than what it should have seen. In fact, when I went abroad, I got requests from the kids, 'Uncle, why don't you bring one roll of coloured film for me?' and so on.

They are not after anything else but film rolls, because they know that the price here in India would be about two hundred to three hundred per cent higher. As our economy improves, a greater number would come into the category of middle classes, and thus, there would be more and more flare for photography, for photography does really give joy in one's life. Therefore, the demand will become greater and greater.

Here, I have one complaint to make, namely that the plan that Government have made does not seem to be adequate.

Already, our imports are of the order of Rs. 4.78 crores, and our target of production is for the value of Rs. 5 crores. By the time we start production, the requirements would be far greater, and they may go up to about Rs. 7.5 crores, which means that we are not planning today according to our needs, and our plan is still behind our requirements.

There is also another aspect that we have to take into consideration in this connection, namely that as soon as we become successful in any industry in our country, we open new markets for the export of our products in the neighbouring countries. We have seen that even though countries like England and Japan are great competitors in engineering and other goods, India has also got a market for its products. I made some little study as to how our products fare in the export markets, and I was happy to note that in certain goods, we can compete very well with the other countries. For instance, in the case of ceiling fans, we can compete anywhere even with Japan; even in Hong-Kong we can compete with Japan, so far as ceiling fans are concerned. If we take this aspect into consideration, then we shall find that our requirements will be far greater.

Shri Naushir Bharucha was good enough to warn the Ministry about the deferred payments. He was expressing the apprehension whether all

these deferred payments may not get accumulated in a particular period, and we may not feel any stringency during that period. I think his apprehensions will not be well-founded, because here we would be saving in foreign exchange and that saving itself we would help us....

Shri Naushir Bharucha: The saving would be three years hence.

Shri Heda: The deferred payment would also start only afterwards. It will not start earlier than three years. My point is that we would be saving foreign exchange which would cover the gap between the present imports and the imports at the time the factory will go into full production. For, our target is to produce goods worth Rs. 5 crores. I do not think we shall be fulfilling the target in the first few years. Anyhow, even assuming that we start producing goods worth Rs. 5 crores by the target date, by that time, our requirements would have increased to Rs. 10 crores, which means that we shall not be actually saving anything by way of imports, because the imports will still remain of the order of Rs. 5 crores; thus, our savings will go towards the imports, and the question of making deferred payment out of the savings may not materialise. I hope this aspect will also be taken into consideration by Government. I once again congratulate Government on having undertaken this venture, and that too in the public sector.

Shri N. R. Muniswamy (Vellore): I wish, at the outset, to congratulate the Minister of Transport and Communications on the new venture that has been undertaken for the manufacture of teleprinters in our country. Teleprinters are very essential for the development of the country. For a very long time, we have been feeling the necessity of more and more teleprinters, but we have not been producing any teleprinters in our country so far.

At the time the Budget was presented, Government had intended to take

(General)

[Shri N. R. Muniswamy]

up the scheme of manufacturing teleprinters as a departmental undertaking by P and T but now, they have entered into a contract with an Italian company for manufacture as well as for getting the know-how and equipment and other materials. For this purpose, the original provision of 11 lakhs will be surrendered. In view of the Government-owned factory to be set up, a grant of 2 crores and odd is asked for.

The teleprinter project is an important project both for the Government as well as for the people. For not only do the departments of Government need them for telling us about the various activities that are going on in the country, but even commercial concerns and the press and various other agencies need them. Considering the swift way in which life is being conducted, and the fastness with which communication is developing day by day, in the absence of teleprinters, we may not be able to communicate news and information in time to other people. So, if we are going to have our own project for manufacturing teleprinters in our country, that is all to our good, and Government have done a good thing by going in for this venture.

Of course, Government are intending to hand it over to a fully Government-owned company. With regard to the management of the company, when it goes into production, various difficulties are likely to come up, which are the inevitable concomitants of Government-owned companies. I only hope that the experience that we have gained so far with regard to other Government companies, in respect of labour and other matters, will be borne in mind, before launching into this new venture.

I find from the Explanatory Memorandum that this factory will go into production in about three or four years, and the entire requirements of our country will be met by this. But

I would like to know when exactly it will start production, and how long it would take to go into full production. Ordinarily, what happens is that for want of staff, for want of equipment and various other things, we are not able to adhere to the target date. Though we enter into contract with another country that they will not only supply the equipment and machinery but also the technical know-how etc., yet we do not get them in time, and consequently we are not able to keep up to the target date. I hope that Government will take steps to see that the schedule is strictly adhered to in this particular case.

The other two Demands on which I would like to make a few observations are Demand No. 72 relating to expenditure on displaced persons and minorities and Demand No. 84 relating to the Indian Posts and Telegraphs Department. I am here dealing only with a question of principle. Ordinarily, we know that people fight in the court till the end; even though they may spend their entire wealth in litigation, they would not budge an inch, and they fight their case up to the end; and they even take up their cases to the Supreme Court, because they have got a right to do so. If it is a question of money value, then, there is a limitation of Rs. 50,000 or Rs. 10,000 as the case may be. But, so far as the other cases are concerned, people fight the case up to the Supreme Court. They are generally recalcitrant, they do not budge an inch, and they do not even listen to the advice of the lawyers. I do not wish that Government should also behave in that manner. From the Explanatory Memorandum, I find that two important cases have been referred to, where the decision of the court has not been in favour of Government. Individuals may fight their cases up to the end, but the role of Government is quite different from that of individuals. Government must behave in a magnanimous manner and not go on fighting till the end, unless

some question of principle or some question of law be involved, because if they leave it at the lower level, then that decision may be taken advantage of by somebody else and thereby Government may be put to a lot of trouble. But when there is only a question of some money involved, it is not proper that Government should fight out the case till the end. If it is a question of property etc. then certainly they can fight. But when it is only a question of recovery of some dues, Government should not put up such fights. Actually, however, I find that Government are also taking these cases up to the High Courts and the Supreme Courts, and sometimes, they file writ petitions also before the High Courts and the Supreme Court. Even in the writ petitions, they do get the sympathy of the judges because they are behaving exactly as ordinary citizens or ordinary individuals are behaving. After all, if a person claims some dues for services rendered, he is entitled to have them, and the dues must be conceded to him. Government should set up a good example which others might follow. I only wish that in respect of the cases involved in these two Demands, where the decisions were against Government—one given by the labour officer and the other by the court—they give up immediately without a hitch. After all, the amount involved is very small except in one case where a huge amount is due to be paid. I find that at one stage they even took up the plea of abatement of the case. The plaintiff died in the course of the trial, but his legal representatives have been brought on the record. Even then it was said that the case had abated because it is a purely personal remedy. We cannot distinguish the personal from the general remedy. It depends upon the way we look at it—a personal remedy or a general one. If a man dies, his sons or other legal representatives are entitled to the fruits of his labour.

14 hrs.

Therefore, I did not very much ap-
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preciative the type of defence such as limitation that Government have adopted in these cases. I only wish that as a matter of principle, they did not put up such flimsy fight; when the decision went against them, they should have shelled out the money, unless of course a matter of principle dealing with property or liberty was involved, they should not put up such fight.

I support these Demands subject to the observations I have made regarding cases in future.

Mr. Speaker: How many hon. Ministers wish to speak? I find five of them want to speak. I have to close the discussion at 5-30 P.M. There are three hon. Members who want to speak—Shri Assar, Shri Raghunath Singh and Shri P. C. Borooah. I will allow them five minutes each and leave the rest of the time to the Ministers.

श्री आसार (रत्नागिरी) : अध्यक्ष महोदय, मैं डिमांड नं० १२५ के बारे में यह कहना चाहता हूँ कि थोड़े दिन पहले ही इंडस वाटर ट्रीटी के बारे में यहाँ पर जर्नल हुई थी और उससे पता लगा कि जनता के अन्दर इस के बारे में कितना विरोध है। लेकिन इस विरोध के होते हुये भी इस ट्रीटी का पालन करने के लिये हमने पाकिस्तान को ८२.७५ करोड़ रु० देने का निर्णय किया है और इसके लिये हमने इस समय ८ करोड़, २७ लाख और ४७ हजार रु० की डिमांड रखी है। लेकिन इसके बारे में एक बात पर विचार करना आवश्यक है कि पाकिस्तान की ओर से हमारे करीब ३०० करोड़ रु० आने के होते हुये भी हमने इस पर विचार नहीं किया। इंडस वाटर ट्रीटी के ऊपर विचार करते समय इस ३०० करोड़ रुपये के बारे में चर्चा की गई या नहीं, इसके बारे में हमें कुछ पता नहीं लगा। एक ओर हम चाहते हैं कि हमारी विकास योजनायें सफल हों, और उसकी सफलता के लिये हम इस देश के लिये पैसे की मांग कर रहे हैं। हमारे वित्त

[श्री अ.सर]

मंत्री विदेशों में जाते हैं और अपनी विकास योजनाओं की जरूरत के लिये पैसे की डिमांड करते हैं। हम यह भी देखते हैं कि हमारी थर्ड फाइव इअर प्लैन में १६५० करोड़ रु० की कमी है, लेकिन दूसरी और इन सब बातों के होते हुये भी हमने ८२.७५ करोड़ रु० देने का निर्णय किया है। मेरी दृष्टि से यह ठीक नहीं है और चूंकि यह हमारे देश के हितों के विरुद्ध है, इसलिये मैं इसका विरोध करना चाहता हूं।

दूसरी बात यह है कि हमारे यहां भारत के वित्त मंत्री और पाकिस्तान के वित्त मंत्री की बातचीत हुई थी। इसमें भी पता नहीं कि इन ३०० करोड़ रु० के बारे में चर्चा हुई या नहीं। हम जानते हैं कि दो बार सिटिंग हुई, लेकिन ऐसी सिटिंग्स में जो अन्तिम निर्णय होता है वह फेल होता है, किन्हीं विशिष्ट परिस्थितियों में हमारी बातचीत एक निर्णय पर नहीं पहुंचती है। जब पाकिस्तान सरकार की नीति यह है तो हमारी नीति भी इस तरह रक्खी जानी चाहिये कि पहले हमारे पैसे के बारे में विचार किया जाय। जब तक इस पर विचार नहीं किया जाता तब तक केवल हम जो ट्रिटी पाकिस्तान सरकार से होती है उसको पूर्ण करने का प्रयत्न करें, और हर बार पाकिस्तान हमारा विरोध करे, यह ठीक नहीं है, इस दृष्टि से भी मैं इसका विरोध करता हूं।

मैं डिमांड नं० १२६ के बारे में एक बात कहना चाहता हूं, जिसके बारे में अखबारों में भी बहुत चर्चा चली है और जेरे मित्र श्री पाणिग्रही ने भी बतलाया है। हर रोज यहां यह बात आती है कि यहां तेल मिला, वहां तेल मिला, लेकिन जब सभी प्रश्न पूछे जाते हैं लोकसभा में कि कितने तेल का उत्पादन होगा और हम कितना प्रोडक्शन कर सकते हैं, तो उसका जवाब ठीक से नहीं दिया जाता। जब इस बारे में मंत्री जी की ओर से कोई निर्णयात्मक उत्तर नहीं मिलता तो जनता

के अन्दर इस संबंध में एक शंका का निर्माण होता है कि इस चीज में कोई सत्य भी है या नहीं या कि यह केवल प्रचार के लिये कहा जाता है। मैं माननीय मंत्री जी से अनुरोध करता हूं कि इसका वे जवाब दें।

डिमांड नं० १३४ का मैं स्वागत करता हूं क्योंकि बहुत दिनों के बाद हमारी सरकार ने यह टेलिप्रिन्टर कारखाना लगाने का निर्णय किया। लेकिन एक बात का हमें पता नहीं लगा। हमने सुना था कि यह टेलीप्रिन्टर कारखाना महाराष्ट्र में पूना के नजदीक लगने वाला था, इस बारे में महाराष्ट्र सरकार के साथ बातचीत चली थी, लेकिन पता नहीं क्या हुआ कि वहां से वह कारखाना हटा कर मद्रास में ले जाया गया। मैं जानना चाहता हूं कि इस कारखाने के बारे में क्या गड़बड़ी हुई, क्या इसके लिये महाराष्ट्र सरकार ने जमीन नहीं दी या कोई और बात हुई। इस चीज का पता लगना आवश्यक है कि यह कारखाना महाराष्ट्र से हटाकर मद्रास क्यों ले जाया जा रहा है।

डिमांड नं० ८४ के बारे में जान कर मुझे बड़ा आश्चर्य होता है। एक क्लर्क कोर्ट में जाता है और उसको हमें २४,६५३ रु० देने पड़ते हैं। जो हमारी लीगल साइड है सलाह देने के लिये आखिर वह क्या करती है? हमने एक क्लर्क को डिसमिस कर दिया तो उसे डिसमिस करने के पहले हमने जो हमारे पास लीगल एड थी, लीगल एक्स्पर्ट्स थे, उनसे कोई सलाह ली थी या नहीं? अगर उनसे सलाह करने के बाद भी हमें इतना रुपया देना पड़ता है तो इसमें कहीं पर कोई गलती है और इस पर विचार किया जाना चाहिये। यह डिमांड सिर्फ आज ही नहीं आई है। जब भी सप्लीमेंटरी डिमांड आती है तो उसमें एक या दो कैंसेज ऐसे रहते हैं जिन में सरकार कोर्ट में जाती है और वहां पर निर्णय हमारे खिलाफ होता है। जब भी हम इस तरह का कोई काम करते हैं तो लीगल एड लेकर ही करें और उसके बाद ही कोर्ट जाने का प्रयत्न

करें जिसमें निर्णय हमारे विरुद्ध होने की
'आशंका न रहे।

Shri P. C. Borooah: I will confine my remarks only to Demand No. 129 in which Rs. 6,50,00,000 are asked for for the Oil and Natural Gas Commission. At present, the Commission is working in the country on three fronts. In the western front, they have Cambay and Ankleshwar, in the northern front Hoshiarpur and Jwalamukhi and in the eastern front in Sibsagar and Rudrasagar.

So far as the western front is concerned, the position is all right. The Ministry has done very good work and we must not allow the work to suffer for want of rigs and other equipment. So we wholeheartedly support the demand he is making in that respect. We have to see that drilling is expedited and sufficient advance made in the production of crude oil in the country.

So far as the northern front is concerned, we have not heard about Hoshiarpur and Jwalamukhi for some time now. It is almost like 'All quiet on the northern front'. If we are going to have these explorations permanently closed, we must know what is the cost that we have incurred and how much we have suffered on this front.

So far as the eastern front—Sibsagar and Rudrasagar—is concerned, I have not the same words as I have about Cambay and Ankleshwar. Work in the Sibsagar area was started sometime in 1957. Only one well, well No. 1 was dug, which unfortunately is a failure. It cost Rs. 50 lakhs besides the capital expenditure. The second well—well No. 1 in Rudrasagar—is being dug and we do not know its results uptil now. The point is that just near Sibsagar at a distance of about 26 miles, there are the fields of

Naharkatia, Moran and Hugrijan, being worked by the Oil India Limited an organisation in which the Government of India have one third share and the BOC and AOC Combine have two-third shares. That organisation has, up till now, drilled about 86 wells of which only 12 have come out unsuccessful. Since 1959, each well dug up by the Oil India Ltd., in Naharkatia area has not taken more than 26 days. In 26 days' time a well has been drilled by Oil India Ltd. Against that, the Oil and Natural Gas Commission has taken a much greater time. So far as progress is concerned, the progress of the Oil India cannot be compared with the progress of the Oil and Natural Gas Commission, although the distance of the two fields are at a distance of only 6 miles. So far as the achievements are concerned, out of 86 wells, only 12 are unsuccessful in the case of O.I.Ltd. That means 88 per cent successful. So far as Sibsagar is concerned, one well has already proved a failure. This is 50 per cent failure; and the other 50 per cent. is doubtful.

The work of the Oil India Ltd. is carried out by the British experts while in the Oil and Natural Gas Commission's Russian experts are engaged. I do not know if there is any international affairs involved in it. But I hope the Ministry will look into this. They will explain why it has not been possible to achieve the same kind of result and the same amount of progress as the Oil India has been able to achieve. The distance is only 30 miles from one place to the other.

Mr. Speaker: Have any of these people got their own interests here, either the Russians or the Britishers?

Shri P. C. Borooah: Russians have no interests; they are only experts brought here by Government. I have to bring to the notice of the House that the working of the Eastern front is not as rosy, as that on western front.

[Shri P. C Borooah]

Sir, I should like to make another submission. At least in the matter of appointments and also in giving contracts, I think, the local people should be given preference over others. Even for unskilled work, some workers have been brought from outside. I think this is not good; and we should see that the local people get preference so far as unskilled work and contract work and other appointments are concerned, barring experts.

I would like to say a word about the township. A township was proposed to be built in Sibsagar long ago. The workers there are not being housed well; they are finding difficulty. I come from that place and I know their lot in this regard. I do not know why the matter has been delayed so far. It is a year since the township was to be completed there. But nothing has been done. I hope the Ministry would give some indication as to why this delay has occurred.

I do not want to take further time of the House. With these words, Sir, I give my whole-hearted support to this Demand and also to any other Demand with which the hon. Minister may come forward which will expedite the production of crude oil in the country and put a close to one of the outlets of foreign exchange going out.

श्र रबु : ब सिंह : अध्यक्ष महोदय, मंगल लाइन के जो जहाज सरकार ने लिये हैं इसके वास्ते मैं ट्रांसपोर्ट मिनिस्ट्री को धन्य-वाद और बधाई देता हूँ। इससे हिन्दुस्तान में पैसिजर शिप्स की तरक्की होगी। जो प्राइवेट सेक्टर है वह अपने फ्रेट में इंटरस्टेड है, और जो हमारे जहाज हैं वह कारगो जहाज हैं पैसिजर शिप हमारे पास नहीं हैं। इस वास्ते पैसिजरों के लिये जो यह मुविधा की गयी है इसके वास्ते मैं फिर से मंत्री महोदय को धन्य-वाद देता हूँ।

हज यात्रियों के लिये ये जहाज काम में आने थे, लेकिन हज की यात्रा बारहों मास नहीं होती। इस बारे में मेरा एक मुझाव है। आप देखेंगे कि मलाया में साउथ इंडिया की पापुलेशन १४ परसेंट है, सिंगापुर में आठ परसेंट है, पिनांग में १२ परसेंट है, बर्मा में करीब ८ परसेंट है। इतनी आबादी दक्षिण में रहने वाले लोगों की इन देशों में है और इस वक्त केवल दो जहाज हिन्दुस्तान से सिंगापुर की ओर जाते हैं। मद्रास, नागीपतनम, पिनांग और सिंगापुर, इस सरविस में एक तो वी० आई० पी० का जहाज जाता है और एक हिन्दुस्तानी कम्पनी का जहाज है। हमारा ख्याल है कि जो लोग कि सिंगापुर गये होंगे उनको अनुभव हुआ होगा कि जिस टिकट का दाम २०० रुपया है उसका करीब ३०० रुपया हिन्दुस्तानियों को देना होता है क्योंकि इन जहाजों में जगह की कमी होने की वजह से उसमें ब्लैक मारकेटिंग अधिक होता है। इसलिये मेरा निवेदन है कि इन चारों जहाजों को जिस वक्त कि हज का वक्त न हो उस वक्त मद्रास, नागीपतनम, पिनांग और सिंगापुर की सरविस में दिया जाये।

इसी तरह से कम से कम एक आघ जहाज और मद्रास, विशाखापतनम और रंगून सरविस में देना चाहिये ताकि वहां पर जो हिन्दु तानी लोग हैं उनको हिन्दुस्तान आने में सुविधा हो।

साथ ही साथ मैं एक बात और कहना चाहता हूँ। जो हमारे पैसिजर शिप हैं उनकी ड्राई डाकिंग सिंगापुर में होती है। कोई भी हिन्दुस्तानी जो वहां जाता है उसको यह देख कर शर्म होती है कि हमारे जहाजों का रिपेयर और पेंटिंग सिंगापुर आदि स्थानों में होता है। इसलिये मेरा निवेदन है कि विशाखापतनम में जो ड्राई डाक की स्कीम है वह पूरी की जाये। आप जानते हैं कि आज़कल शिप का कस्ट्रक्शन नये ढंग से होता है। ओपिन डाक का जो सिस्टम है वह प्राचीन सिस्टम

हो चुका है, और इंग्लैंड में इस बात का एक्स-पैरिमेंट करके देख लिया गया है कि ड्राई डाक में शिप का कंस्ट्रक्शन हो सकता है। इसलिये अगर आप विश्वासापतनम में ड्राई डाक बना दें तो उससे ड्राई डाकिंग भी होगा, रिपेयरिंग भी होगा और कंस्ट्रक्शन भी हो सकेगा।

इन शब्दों के साथ हम धन्यवाद देते हैं और आशा करते हैं कि जो साउथ इंडिया से सिगापुर की लाइन है इस पर ये हज जाने वाले चार जहाज जब खाली हों तो उनका उपयोग किया जायेगा।

Shri Raj Bahadur: Mr. Speaker, Sir, Shri Bharucha and Shri Tangamani raised some points. Shri Bharucha is not here and Shri Tangamani is here. Shri Bharucha raised a fundamental question about policy, and posed a query whether the acquisition of the majority shares in the Moghul Lines by the Government of India through the Western Shipping Corporation, is a part of the policy of nationalisation or whether it is merely to acquire some control. I should like to trace out in brief the background, why we had to acquire it.

Towards the end of last year it came to our notice that the P. & O Group of the shareholders in the Moghul Lines were going to dispose of their shares—to sell their shares—to a foreign shipping company, known as Concordia of Hongkong. They owned as much as 79.2 per cent of the total shareholdings in the Moghul Lines Company. It was obvious that if we wanted the smooth running of the pilgrim service to Saudi Arabia, we had to retain control over it because the intending purchasers of the shareholdings of the P. & O. Group were not quite interested in running this service or to continue this service for the pilgrims. Naturally, therefore we had to step in. We also came to know that intending purchasers had themselves

made an offer to the Sultan of Kuwait and also to one of our companies for the selling away of the shares they were going to acquire from the P. & O. Group.

In these circumstances, fearing that this service may be dislocated, we came into the picture and did what we could in the circumstances, in a proper and correct manner. We asked a Senior Accounts Officer of the Company Law Administration to make a valuation of the assets of the company. The P & O valuers also valued the total assets at Rs. 4.54 crores. The cash assets were valued at Rs. 2.4 crores and the fleet at Rs. 2.13 crores.

Mr. Speaker: How many steamers?

Shri Raj Bahadur: There were four ships totalling about 25889 GRT. They are passenger cum cargo ships that have been run on this service. Our experts valued the fleet at Rs. 2.13 crores and the liquid or cash assets at Rs. 2.4 crores; the total comes to Rs. 4.53 crores. After that another committee consisting of the Joint Secretary of the Ministry of Transport dealing with shipping, Joint Secretary (Finance), a representative of the External Affairs Ministry and also of the Economic Affairs Department and the Company Law Administration went into the whole deal and found that the shares whose face value was Rs. 100 were being sold to the Concordia at Rs. 403.78 per share. After that the negotiating committee dealt with the Moghul lines directly and they reduced the price to Rs. 360 per share—a net reduction of Rs. 44 per share.

Mr. Speaker: When there is an offer from a foreign company, how did they agree to reduce the price?

Shri Raj Bahadur: At that time, by coincidence, Mr. Delgarno who represented the P. & O. group happened to come here and we came to

[Shri Raj Bahadur]

know from him that they intended to deal with a foreign company and that the Reserve Bank had permitted the transfer of the shares to the foreign company. We requested the Reserve Bank to withhold that transfer which they kindly did. We were vitally interested in the whole thing and we proved to them that on the basis of calculations and on other grounds a reduction in the price should be effected.

Apart from that, there is one other aspect of which I would like this House to take special notice. It is that out of Rs. 2.4 crores of their cash assets as calculated by the Company Law Administration Senior Accountant, Rs. 1.26 crores is held in Pound sterling. So, against the valuation of the Company Law Administration placed at Rs. 4.53 crores and that of the negotiating committee at Rs. 4.11 crores, we have paid only Rs. 2.88 crores and there has been a saving so far as the total amount is concerned.

Shri Naushir Bharucha: You have paid only 80 percent of the shares.

Shri Raj Bahadur: Of course; that was the deal throughout. We have not lost even on that. The deal has been absolutely all right and it could be judged from any yardstick which is profitable to the country.

The next point that Shri Bharucha raised was about the larger question of policy. As the hon. Member must be knowing, it is governed by the Industrial Policy Resolution of 1956. Sea transport is in Schedule B, at item 12. As such it is for the Central Government to take initiative in respect of this matter. We could not have, therefore, allowed the service to stop.

Shri Tangamani asked for the number of ships and I have said that they are four. He also said that we should look after the comfort of the passengers. The board of directors took

over only in August 1960. Apart from that, there is the Haj Pilgrim Committee under the Ministry of External Affairs to look after these things. I am sure that both these bodies between themselves will try to improve the service and standards of efficiency.

I do not think that I should add anything more except to thank Shri Raghunath Singh for what he has said. But this question of having a dry dock does not arise out of these Demands here.

Shri Raghunath Singh: It arises for the repair of the ship. We have purchased the ships; where are we going to repair them?

Shri Raj Bahadur: Then the final question will come. If the ships had to be scrapped, where shall we scrap them? All these are hardly relevant now.

Mr. Speaker: There could be mention, likewise of their ships also that you may acquire.

Shri Raj Bahadur: But we can assure him that we shall try to take into account whatever he has said and benefit by that.

Shri K. D. Malaviya: Sir, questions ranging from oil exploration to refineries and the desirability of expansion of refinery capacities have been raised by the hon. Members and perhaps it may not be possible for me to deal with all those points comprehensively and some other occasion might be chosen by the House. I will try my best to deal with the important points that have been raised.

Mr. Speaker: Wherever there is a new service, the hon. Ministers would try to give the same attention as they would give during the Budget debate.

Shri K. D. Malaviya: There are new demands no doubt but I think

there is very little time at our disposal.

Mr. Speaker: It does not matter; Rs. 6 crores are being spent.

Shri K. D. Malaviya: I am prepared to deal with it more comprehensively. As the Explanatory Note indicates, we have asked for Supplementary Demands to the tune of Rs. 6.5 crores because oil was not discovered at Ankleswar at the time when our first Demand was made. Oil was discovered there only in June 1960. Therefore, we had to buy more rigs and more production equipment. If we had ordered for extra rigs previously, it would not have been consistent with the proper procedure of oil exploration. If oil is not discovered, they may lie idle.

14.28 hrs.

[SHRI JAGANATHA RAO in the Chair.]

When oil was discovered in Ankleshwar, a production mission was sent to the USSR in June to negotiate the purchase of additional equipment including drilling rigs because we thought that more rigs will be required to produce oil quickly. It is now proposed to procure nine additional rigs during the current financial year and contracts for six, including one from Rumania, have already been signed and these are likely to be received during the current financial year itself. Contracts for the remaining three are in an advanced stage of negotiation and are likely to be finalised shortly.

Several doubts have been raised by my hon. friends which I think it will be better for me to explain. Shri Borooah wanted to know from me why there has been so much delay in our work in his own State. I might correct him that the Sibsagar well was started not in 1957, but sometimes late perhaps in 1959. The first well in Assam under the Oil and Natural Gas Commission was started on 9th

June 1959 and it was completed on the 9th December 1959. It took six months to complete the first well which proved subsequently to be abortive. I think we should compare like with like. We cannot compare the operations of the Oil and Natural Gas Commission with the Assam Oil Company. The first well of the Assam Oil Company in Naharkatia was started perhaps in 1951 or 1952—I forget the date—and it took fourteen months for them to complete the first hole, and took much more than Rs. 50 lakhs to drill that well, although we have not spent as much as Rs. 50 lakhs on well number one. So the performance on the first well in Assam by the Oil and Natural Gas Commission is by no means worse than the performance in Assam of the Assam Oil Company.

The second well showed further improvement. The Rudrasagar well started on 29th May 1960 was completed on the 23rd October 1960. So in four months this well was completed and it was drilled to 3718 metres. I only wish to correct the impression of my hon. friend that these exploratory wells did not take as much time as is feared by my hon. friend and that there is a difference between the first discovered well and the subsequent wells which are drilled to produce oil. The first well is always known as the exploratory well and it takes an unusually long time, because we do not know where we are drilling, what is the nature of the rocks we are likely to meet and all those things. So everywhere throughout the world, it is a common experience of oil explorers that the first well is very tough and difficult job. Even the second well and the third well are not easy to complete. So in Sibsagar we have not delayed. It is a fact that the second well in Sibsagar was tested in about two or three months, in spite of the fact that several strata had to be tested. There again wells take pretty long time to complete the test. I might remind my hon. friend Mr. Borooah that although wells had been

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drilled by the Assam Oil Company in the past few months, still more than half a dozen still remain to be tested. Perhaps, it is not sometimes considered necessary to test all the strata. The moment they get oil in one strata they start producing it and leave the others.

Testing and drilling is a highly technical process where non-technical men cannot interfere too much, except when there are set technical conventions to be followed. I can only assure the House that our boys are doing the work very well. It is not only I who put their case before the House, but foreigners also have and seen their work and they are thoroughly satisfied with the progress made.

With regard to the other point raised by my hon. friend Mr. Barua about townships in Sibsagar, I may say that townships for locating people who are busy with exploratory work is not a very attractive proposition. Supposing wells do not give any oil, what shall we do with the townships? All over the world, wherever exploratory wells are drilled, the workers and drillers have to spend their time in hard conditions. There is no alternative. They have to face the difficulties; so long as oil is not discovered. Now in Cambay and Ankleshwar conditions have improved and we are now going to build townships, because we know that oil has been discovered and it will be produced for years to come; refineries will come and therefore workers' colony is necessary. In Sibsagar and Rudrasagar, workers' colony is not an established necessity and therefore I am afraid for some time to come our workers will be put to some sort of inconvenience.

Mr. Panigrahi wants me to tell him as to what the oil reserves are. I am afraid this is also a point which needs some clarifications. We get only some indication of the oil reserves when we discover oil. After that a large number of wells have to be drilled because the dispersal and the quantity of oil which is found in nature, under the

bowels of the earth, does not follow any uniform pattern. First, geophysics delineates the structure. If we discover oil by the first exploratory well, we say it is likely to yield so much oil. Afterwards it may be disproved. In Ankleshwar the first geophysical structure indicated that we would get one hundred million tons of oil reserves. Later on when we began drilling we found that it may not be more than 70 million tons. Actually when the drilling was completed and the area developed we may get only 60 or even less tons.

I would in this connection like to put the case of the Assam Oil Company, where even now the oil reserves have not yet been proved at Naharkatia and Hurjan. As the wells multiply in number the specific nature of the oil wells is known more and more. So, the estimates of these reserves are always revised and it is quite conventional for the oil explorers to go on revising their estimates. Now we have got some rough idea of the estimates of our oil fields which perhaps I had indicated some time back.

For instance, the Cambay-Lunej oil field structure is supposed to have an estimated oil reserve of about twenty million tons; it may be 10 or 15 per cent less or more. Similarly in Ankleshwar oil-field it is quite possible that we may have double or triple the reserves of oil. So, we cannot say exactly that the quantity of oil in the two oil-fields have been established or proved. Nevertheless, it is indicated and when a quantity of oil is indicated in an oil field sometimes it is established.

I now come to the question of refinery. Many hon. Members wanted Government to tell them as to what the size of the refinery will be; why it is not located soon; why there is so much delay and why more drills are not purchased. We cannot go on purchasing more and more rigs

because for an oil field, only a specific number of drills are supposed to be economic in order to drill economically. We cannot purchase a thousand drills to produce 20 million tons of oil. Similarly, we cannot purchase, and we should not purchase 10 drills in order to produce a million tons of oil. There must be a relation between the number of rigs, the money which we spend to the oil that we are likely to get. Unless we are sure that we are going to produce so much oil, we cannot conclusively and finally draw the picture, of our purchases. It goes on changing; it will go on changing.

I cannot give any assurance to the House and I am sorry to say that I cannot satisfy them on that point, because the position may change. All that I can say is that, No. 1, that we have proved a commercial quantity of oil in the Lunej-Ankleshwar structure; No. 2, that we are purchasing about a thousand rigs now to produce oil.

Now, we cannot produce oil overnight. It is a fact that our rate of drilling is improving, but still it has to improve. The only alternative for us is to get some experienced contractors from abroad and ask them to drill more fast. If we can drill a thing in 60 days, perhaps they may be able to drill in 50 days, 40 days or even 35 days. But many other questions come in. They will demand more money. If we spend about Rs. 10 for a certain quantity of work, for a norm of work, perhaps for the same norm of work, others might demand Rs. 20 or 25. So we have to weigh the entire condition of spending less, spending a little more time and learning the know-how. After a little time our boys become as quick and as efficient as any other boy found internationally.

With regard to refinery expansion, Sir, the quantity of oil that is to be refined in a particular refinery depends upon the availability of oil. We go on trying to make a firm estimate of oil that we shall get. All that I said sometime back was that a

medium size refinery was assured for Gujerat. I would personally like to make it a ten million tons refinery. If we can make it a ten million tons refinery, surely nobody will be happier than myself. I repeat that statement here, Sir, in this House, that the size of that refinery will be somewhat larger than a medium size refinery that I contemplated at the time of discovery of oil—it may be a million ton refinery or a 1.5 million ton refinery, I am sorry I cannot give the final size now.

Again, it is not correct to say that we are not planning for the refinery. We are planning for the refinery as fast as we can, but there are many questions like the transportability of oil from Ankleswar and Cambay . . .

Shri T. B. Vittal Rao: What are those many questions?

Shri K. D. Malaviya: There is the question of transportability of oil. Supposing we have it at Cambay, obviously we will have to bring the oil from Ankleswar to Cambay. To decide whether it is proper to mix the oil of Ankleswar and Cambay in order to get a particular blend of motor spirit, diesel oil or kerosene, we have to follow the result of the pilot scheme going on in Cambay, and it will take some time to find out whether commercially and economically it is better to mix the two oils. I am just giving one illustration. There are other similar points, and I would not like to take the time of the House on them.

Shri T. B. Vittal Rao: It is a very simple point.

Shri K. D. Malaviya: There is very little time available . . .

Shri T. B. Vittal Rao: We are prepared to sit for an hour more.

Shri K. D. Malaviya: I only want to satisfy my hon. friend on this point, that we are not yet quite clear on this

[Shri K. D. Malaviya]

point as to whether the refinery should be located in Cambay, Ahmedabad, Ankleswar, Baroda, Bhavnagar, Dahej or Vasad. There are half a dozen places to choose, but we cannot make a final decision unless we have a little more information about the quality of oil and about the quantity of oil; perhaps, I will be able to give you a better picture in the next speech I may make during the Budget Session in March or April, because it does not mean that by that time we will not have planned for the refinery.

Shri Oza: Is there a proposal before the Government to put up a pipeline for the same oil?

Shri K. D. Malaviya: I am coming to that. One question was raised by my hon. friend with regard to planning. We have already planned and selected a number of places. There are other points, much more important and specific points, which have to be finally eliminated with regard to the selection of a site. These points are always tackled by technicians. A technical committee is going to be appointed and they will tackle that question. This does not mean that there is going to be any loss of time. We have gained sufficient experience from our work in Assam, Gauhati and Barauni refineries. We are likely to take advantage of all that experience and mistakes we have made so that we may not commit those mistakes and we may thus save time for the Gujarat refinery. We hope that we shall be able to put this refinery into production in much less time than what we will be taking for Nunmati and Barauni.

With regard to transport of some oil from Gujerat to Bombay, there again, I am sorry, some other considerations are being put forward than the national interest of the country. There are one or two points which must be borne in mind. We are spending about Rs. 40 crores in foreign exchange by purchasing crude oil which is refined in Bombay. The Bombay refineries are going to stay there whether they are

foreign or national refineries, and every drop of crude oil that will have to be refined in the Bombay refineries will have either to be purchased or produced. If it is produced then, obviously, we must aim at supplying our own oil to the Bombay refineries. We cannot take a decision that if some quantity of oil is produced in Gujerat it cannot be sent out from Gujerat or if some oil is produced in Rajasthan it must be refined in Rajasthan and it cannot be exported out of Rajasthan. Government cannot accept that position because it is most inconsistent with our economic interest and not consistent with our national interest. Therefore, in principle, if we can export some oil from Gujerat to Bombay refineries in order to save foreign exchange, the Government is going to do it. The only question is whether we should do it today or tomorrow. Now we know that the Gujerat refinery will approximately be of a capacity of one million tons or 1.5 million tons or even two million tons. We know that we are likely to produce more oil. Therefore, a part of the oil produced in Gujerat had got to be sent to Bombay. As to when it will be sent to Bombay I am not sure, I do not know. I do not know when the pipeline will come. But the complex of the programme of disposal of crude oil that is going to be produced in Gujerat will be refining of that oil in Gujerat and also disposal of that oil by sending it to the Bombay refineries if possible economically and practically.

Shri Hem Barua: On a previous occasion, Sir, while discussing the report of the Indian Refineries Limited, and also today, I asked whether pending the establishment of a refinery the crude oil from Cambay was proposed to be refined in the Burmah-Shell Refinery at Bombay or not.

Shri T. B. Vittal Rao: There is one more point for clarification. Is not our demand going to increase? It has increased two-fold and three-fold during the Second Plan period. Therefore, our refinery capacity will not be a waste.

Shri K. D. Malaviya: The increase in demand or the increase in our consumption has been taken into consideration. So far as the Nunmati, Barauni and Gauhati refineries are concerned we have taken into consideration all aspects of expansion of our consumption and all that. Having considered all those points I make out that a quantity of the oil produced in Gujerat should be refined in the Bombay refineries. That is consistent with our national interest, and I do hope that all Members, whether they come from Gujerat primarily or from Bombay or from any other State, will agree with me and support the Government in this proposition of sending crude oil from Gujerat to Bombay if it is a practical and feasible proposition.

Shri Oza: There was no objection to this.

Shri K. D. Malaviya: With regard to Gauhati and Barauni, Sir, I want to submit that the question of expansion of the capacity of Nunmati refinery is also very much before the Government. There is no reason why if we find crude oil we should not expand the refineries. We hope to get some oil from Sibsagar. What shall we do with it? Obviously it has to be refined, and the nearest refinery is Nunmati. All these aspects will have to be taken into consideration. We know the quantity of oil that has been indicated to be produced in Naharkatiya and Hugrijan. That has also to be disposed of between Nunmati and Barauni refineries.

Shri Hem Barua: May I know whether the proposal of the Burmah-Shell for expansion of their refinery is linked up with our proposal to refine a part of the crude oil available in Cambay at the Bombay refineries?

Shri T. B. Vittal Rao: He said that it was not.

Shri K. D. Malaviya: What proposal?

Shri Hem Barua: The hon. Minister has admitted that a part of the

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

Shri K. D. Malaviya: So far as the expansion proposal of the Burmah-Shell is concerned, it has nothing to do with the merits. That is what I am saying. If the Burmah-Shell refinery has to be expanded, which I do not know, they can very well consume our oil; they have agreed to consume our own oil. I do not want to confuse the two issues. The expansion proposal of the Burmah-Shell can be considered quite separately on merits, when the occasion comes. But just now, there is the question that some oil is being consumed by the Burmah-Shell and Stanvac refineries. Our attempt is to reduce the quantum of import of crude oil from outside and it will be our effort to see how much we can do in that direction.

I have nothing more to add, except that the sum of Rs. 6.5 crores the demand for which is now being placed before the House is all meant for expansion of our organisation, production and for the intensification of our activities in the Cambay, Ankleshwar and other parts.

The Minister of Transport and Communications (Dr. P. Subbarayan): I would like to deal with some of the points raised by my hon. friends opposite. Shri Banerjee referred to the number of dismissals and our being vindictive. I think the figures will satisfy him. There is no vindictiveness on our part. We have done the best we could. He must understand that over 84,500 officials of the Posts and Telegraphs Department took part in the strike. Of these, 6,433 had been arrested, and out of these arrested, 855 have been convicted in courts of law.

[Dr. P. Subbarayan]

The department had to screen cases of all the strikers and then initiate departmental proceedings against those in whose cases such proceedings were considered necessary. The position with regard to the proceedings is as under: Total number against whom proceedings had to be taken....

Shri Rajendra Singh (Chapra): Is he reading what is written by his Secretary?

Dr. P. Subbarayan: I am giving the information. If the hon. Member does not want to listen, he has the freedom not to listen to it. Proceedings still pending: only 227. Total number of officials suspended, 13,020. Officials still under suspension, only 31. From 13,020, it has come down to 31. Total number of dismissals and removals was 958, according to the convictions that were given. The department has already completed the review of over 786 cases of officials who had been dismissed or removed on conviction and has also disposed of appeals from 115 officials who had been dismissed or removed on grounds other than conviction. As a result of the review, the decision on appeal, of extreme punishment, dismissal, removal, etc., has been set aside in 864 cases. So, you cannot call these vindictive by any means. The punishment has been confirmed so far only in 37 cases. The appeals from others—about 57 of this category—will also be disposed of as quickly as possible.

This sudden flow of substantial work had to be dealt with by officers of the Posts and Telegraphs Department at various levels without any addition to their strength. Naturally, people complain about the lack of supervision, etc., and my hon. friend from Orissa talked about it. Simultaneously, with their normal work-load, extra work was added upon them consequent upon the staff striking. There were thousands of cases dealt with and the problem has almost been liquidated, though we are still keeping some of them under review. In the compara-

tively short period of less than five months, I am sure hon. Members will admit that the officers have worked very satisfactorily, considering the number of cases that have had to be dealt with. I want to pay my tribute to the zeal and hard work of the officers concerned in getting down to so many cases and reviewing them and getting down the number of dismissals, promotions, etc., to a little, compared to the number of people who struck.

I am sure hon. Members realise this: if the staff in the public sector resign, the public have got to be served and the public get restive, and we have to do what we can, and unless we make an example of those people who have really been guilty of violence—as the hon. Home Minister put it—we cannot cope with the work that was to be undertaken. Further, hon. Members will realise that as far as telephones are concerned, we have got 500 per cent more than we had at the time of our Independence.

Shri Tangamani: Are we to take it that only those persons who were guilty of violence have been dealt with.

Dr. P. Subbarayan: You cannot take anything for granted; what is essential for the services is done. What you take for granted cannot be granted.

Shri Braj Raj Singh: Then it goes against the declared policy of the Government about the strike.

Dr. P. Subbarayan: There is no policy of the Government; we have got to take things as they come. The Government have laid down a broad policy. Within that broad policy, what I think necessary for the discipline of the department has got to be taken.

Shri Rajendra Singh: May I take it that he has something to say here and something else to do in the department?

Dr. P. Subbarayan: The hon. Member is very wrong in his premises, as he always is.

I will come to the teleprinter factory about which Shri Assar and Shri Tangamani raised some questions. The proposal to set up the teleprinter factory in India was taken up by my hon. friend Shri S. K. Patil some years ago and to examine the implications of the scheme, proposals were invited from leading teleprinter manufacturers for collaboration with the Government of India for setting up this factory. One hon. Member said that we have just taken it for granted. Nothing was taken for granted, because, the departmental committee went into this business, and they felt that Olivetti's offer was the best and therefore that was taken.

Based on this project report and the assessed manufacturing requirements of the teleprinter, the proposal was drawn up for the approval of the Cabinet on the 23rd March. The Cabinet accorded the approval in principle to the setting up of the factory in India under the Ministry of Communications and negotiating further with three companies, namely, Messrs. Creed & Co., London, Sigmens of Germany and Olivetti of Italy who were to submit their project reports. Subsequently, on a complete review of the project, difficulties of foreign exchange—it always comes, you know, like King Charles's head—were envisaged, and the proposal was accordingly re-examined in consultation with the Ministry of Commerce and Industry and the Department of Economic Affairs on the basis as to how best foreign exchange payments could be made to the factory year by year compared to import based on the values during the period after April, 1957 when foreign exchange restrictions were imposed by the Government. This re-examination revealed that the setting up of the factory would be justified. It was decided at a meeting attended by the Additional Secretary, Ministry of Finance, the Department of Economic Affairs,

Special Secretary, Ministry of Commerce and Industry and the representatives of the Planning Commission that further steps should be taken to finalise the project.

Revised proposals were therefore called from the companies and in November, 1959, the representatives of the three companies were invited to India for negotiations. The negotiations with the companies' representatives were conducted by a high level committee, and a sub-committee thereof. I need not read all the names of the members of the committee as I think those names are already known to the House. As a result of those negotiations, the high level committee recommended to the Ministry of Transport and Communications that the Olivetti's proposal, as it had finally emerged from the negotiations be accepted, and further steps taken to finalise an agreement with the Italian company. Finally, an agreement with Olivetti was signed on the 26th August, 1960. The agreement sets forth the terms and conditions, and a copy of the agreement was placed on the Table of the House. Shri Tangamani wanted to know what the agreement was, evidently he has not read the paper that was placed on the Table of the House. It is proposed to form a fully Government-owned company under the Companies Act, 1956 known as Hindustan Teleprinters Limited with an authorised capital of Rs. 3 crores for carrying on the business as contemplated in the agreement. The factory will be set up in the industrial estate, Guindy, Madras. Land to the extent of 35 acres has been made available by the Government of Madras for meeting the full requirements of the factory.

15 hrs.

Shri Assar asked why it was not placed in Poona. We are getting 35 acres of land free of charge from the Madras Government. An acre today costs about Rs. 1 lakh there. So, the Member must realise that Madras was selected because the terms offered by

[Dr. P. Subbarayan]

the Madras Government were the best we could get. Shri Assar is wrong in thinking Poona was ever suggested. Poona was never on the map, if I may say so.

Shri Hem Barua: Poona is very much there on the map.

Dr. P. Subbarayan: I said, not on the map of the teleprinter factory.

Shri Hem Barua: The hon. Minister's sentence was not complete.

Dr. P. Subbarayan: I was talking about the teleprinter factory. (*Interruptions*). I was saying, Madras was chosen because the terms we got from the Madras Government were the best. Our advisers also thought of either Hyderabad or Madras. Madras was finally chosen because of the terms given by the Madras Government. After all, Poona has got so many factories, which Shri Assar will realise.

About supervision, which my friend from Orissa raised, our work has increased so much that we are really trying to see whether necessary supervisory staff can be provided because supervision is necessary, as he himself said. Of course, it all depends on the finance we can find. In fact, I am trying to redistribute the work so that there may be more supervision.

Shri D. C. Sharma (Gurdaspur): When will the sugar debate begin?

Mr. Chairman: We shall extend the time.

Shri Tangamani: There is a half-hour discussion also.

Mr. Chairman: We can complete this by 3:15 and take up the sugar debate.

Shri Manubhai Shah: Sir, I am grateful for this opportunity to place the entire project before the House, because it is in the nature of a new service. The House has supported this

very important project from all quarters. I may say at the outset that the Government considers the film industry as important and essential for the country. We are proud of our film industry, which ranks as one of the very good film industries of the world.

The consumption of raw cine film, photographic film and X-ray film is round about 6 million square metres a year. In this project, as the House will appreciate, we have included a capacity of 6½ million square metres—about 4 million square metres of cine film, 1½ million square metres of photographic paper and about ½ million to 1 million square metres of X-ray films. I am happy the House has very much appreciated the inclusion of X-ray film in this.

Regarding the efforts made by Government to establish this industry in both the private sector and public sector, I need not take the time of the House, because the House is fully aware of the continuous efforts made by all of us in the last three or four years. We contacted practically every leading manufacturer including Messrs Bauchet in France with whom we have contracted now, in Japan, America, U.K., East Germany and West Germany. None of the manufacturers excepting three came forward with any proposal to manufacture genuinely and basically photographic or X-ray or cine film in this country. It was our good luck that an East German enterprise, Messrs Bauchet and one factory of West Germany offered some terms of collaboration to us. As I have explained on earlier occasions, the East German contract was for delivery to begin somewhere in 1964 and production to begin in 1966. The terms were also not satisfactory. I do believe that the House would not like the project to be prolonged and the country to be allowed to suffer from dearth of film till then. This particular firm, Messrs Bauchet, is now 49 years old and going to celebrate its golden jubilee next year. It is a leading firm of France and more

than one-third to 40 per cent of the requirements of France are catered to by this firm.

Regarding the scope of the project, we have tried to include in it all aspects, as can be seen from the agreement which I had the privilege of placing before the House and in the library on 28th June, 1960. Here we have stipulated almost an investment of about Rs. 7 crores, with a production of 6½ million square metres of all the varieties of films I have already mentioned, of which Rs. 4 crores is the foreign exchange content and Rs. 3 crores will be the local cost in all aspects of rupee expenditure.

The land has been already taken possession of in Ootacamund in Madras. The land belongs to the State Government. So, there was no question of requisitioning or selecting, as Shri Tangamani had rightly pointed out. The land is already there and we have started work on it. A series of French experts came in the last six months and they have made all the necessary tests about the land, site, water and various other tests required for such an important factory.

As Shri Bharucha rightly emphasised, we have taken into account the aspect of training. In the agreement, there is a complete clause on all aspects of training. About 25 Frenchmen will be coming to this country and will train a large number of technicians in this country. About 3 Indian technicians are going very shortly to France to work as understudies even in the preparation of the project report. We do not want that every time in future whenever we have to prepare a project report, we should go to a foreign country for a turnkey job. It is rather degrading for a great and advancing country like ours to borrow every sort of technical help from outside, when our own boys and technicians are capable of producing good results. So, three top-class Indian technicians are going to France to work as understudies in the preparation of the project report. 20 more Indians of

leading technician type, will be selected and sent for other types of training. So, the training of top as well as middle management and floor technicians is being properly looked into, and the agreement has been entered into not merely as a goodwill measure, but as a matter of contract in this particular aspect.

Shri Heda rightly remarked that the capacity that we have envisaged here was rather on the lower side. That is true. What we have envisaged is to meet the country's present demands and not the growing demands. We have done it with a purpose. We do believe that this is a dynamic line in which new inventions and new techniques are developing every day. We would not consider self-sufficiency a very great objective in this matter. If we can save the major portion of the foreign exchange by indigenous production to meet a bulk of our requirements, we would like to continue to have new varieties of films produced all over the world, to cater to a part of our requirements.

Not only that. We would also welcome a few more projects for making raw film, X-ray film and cine film, so that we keep abreast of the new techniques available throughout the world. So, while we shall conserve a major portion of the foreign exchange by meeting the bulk of our requirements by indigenous production in this public sector project, we must continue to have certain importation and also have projects—small, big and medium-sized, using new techniques for producing film which are developing all over the world.

The other point Shri Heda mentioned was whether the outgoing foreign exchange is commensurate with the saving that we will be making. The House will be glad that the trial production of the project, which is going according to schedule, is going to begin in November, 1962. We hope that the first roll of cinema films will come out of the factory in December 1962 and, may be within another year or a year

[Shri Manubhai Shah]

and a half practically the full capacity envisaged for the plant will be reached, which will save us Rs 4 to 5 crores.

The House will be glad to know that according to the terms of the contract the first payment of foreign exchange, that is to say, the outgoing of foreign exchange would begin 18 months after the project goes into production, and that too at the rate of Rs. 60 lakhs to 65 lakhs a year, spread over five years. Therefore, the outgoing is going to be a very small percentage of the enormous saving that will accrue to us with the considerable amount of films produced here and when we take into consideration the future increase in demand for films, I entirely agree that it might be doubled in the course of the next few years. The industry is growing and we all wish god-speed to it and we want to extend it still further within the resources that we can afford.

There was a point made by Shri Tangamani that new types of films should be included in the project. There I submit that as far as the machinery and technique are concerned, the agreement itself envisages the production of even colour films because we do want to go further. But, before that, we have to ensure the highest possible production of very satisfactory type of films, because quality of this project is much more important than mere quantitative increases. We have got the films tested before we finalized the contract. We consulted the technicians of the industry and they were satisfied that the quality is of a satisfactory nature and then alone we finalized the contract. I can also assure the House that as we gain more and more knowledge of the technique of production we will certainly gradually try to cover the colour film and other varieties also.

Therefore, on all accounts of training, investment, payment of foreign exchange and deferred payment of

debts, about which the House rightly expressed its anxiety, all aspects have been properly considered in this matter and I am proud that this particular project, which is one of the most difficult projects, that we had contemplated in the public sector or in the industrial sector of this country, that the government of the day have been able to offer the leadership in order to establish it. Though we have been struggling for so many years, no other sector had been able to establish it so far.

Therefore, I hope the House will give its blessing to this project. As the time is running short, I will not take more time of the House. I think I have covered all the points that the hon. Members have raised and I hope they will approve the demands.

Shri Heda: I have only one question to ask.

Mr. Chairman: There is no time now. I am sorry.

The Deputy Minister of Irrigation and Power (Shri Hathi): Since many of the points were raised even earlier and had been replied to, I would not like to take more time of the House. I will only clarify one or two points.

One point is about the eastern rivers. A point was raised as to why we waited for the approval or consent of the Pakistan Government for the East Indian river projects. There is nothing in the treaty which imposes any obligation or any restriction on us, so far as the eastern rivers are concerned. So, we are not under any obligation to take any approval from them. The only meeting that we held during the last few months was with regard to the exchange of data, mutual exchange of data. It was only a procedural matter as to how the data should be exchanged; nothing more was discussed there and no decision was taken as to whether a project should be undertaken or not. So, on that account no restriction was

imposed upon us and we are not waiting for any approval or consent.

The other point, which was raised earlier also, is why we have given the money without the sanction of Parliament. Actually, we have not paid the money. We will give it only after the formal exchange of documents of Ratification is over. That has not been done. So, there is no question of violation of any rule.

The third point was why we pay Rs. 83 crores in foreign exchange. That point was amply explained and clarified by the Prime Minister. After all, we have to take into account the overall picture of the treaty. If we find that ultimately we are going to gain Rs. 100 crores annually by paying an amount of Rs. 83 crores, well, we have to agree to it, considering the overall picture of the whole settlement. It is not a question of one single item here or there; we have to take into account the settlement of the whole issue. It was on that account, as has been fully explained, that this amount has been agreed to. Moreover, the amount of Rs. 83 crores is not something which has been dictated by others. It has been found to be a reasonable sum by an estimate of our own engineers for the replacement works. So, the treaty as a whole is a fair one and is going to be in the interests of the country. Therefore, this payment of Rs. 83 crores is something which we should not grudge about.

Mr. Chairman: The Minister of Finance.

The Deputy Minister of Finance (Shrimati Tarkeshwari Sinha): I do not have anything to say as all the points have been covered by by colleagues.

Mr. Chairman: Then shall I put all the cut motions to the vote?

Shri Naushir Bharucha: I do not wish to press my cut motion Nos. 1 to 7.

Mr. Chairman: Has the hon. Member the leave of the House to withdraw his cut motions?

Some Hon. Members: Yes.

Cut Motions Nos. 1 to 7 were, by leave, withdrawn.

Mr. Chairman: I shall now put the other cut motions to the vote.

The remaining cut motions were put and negatived.

Mr. Chairman: The question is:

"That the respective Supplementary sums not exceeding the amounts shown in the third column of the order paper be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1961, in respect of the following demands entered in the second column thereof—

Demands Nos. 106, 125, 129
134."

The motion was adopted.

[The motions for Supplementary Demands for Grants which were adopted by the Lok Sabha are reproduced below—Ed.]

MINISTRY OF COMMERCE AND INDUSTRY

"That a supplementary sum not exceeding Rs. 15,00,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1961, in respect of Demand No. 106."

MINISTRY OF IRRIGATION AND POWER

"That a supplementary sum not exceeding Rs. 827,47,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1961, in respect of Demand No. 125."

MINISTRY OF STEEL, MINES AND FUEL

"That a supplementary sum not exceeding Rs. 6,50,00,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1961, in respect of Demand No. 129."

MINISTRY OF TRANSPORT AND COMMUNICATIONS

"That a supplementary sum not exceeding Rs. 2,98,80,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1961, in respect of Demand No. 134."

15.18 hrs.

MOTION RE: PRODUCTION, DISTRIBUTION AND EXPORT OF SUGAR

Mr. Chairman: The House will now take up the motion by Shri Rajendra Singh on production, distribution and export of sugar.

Shri Rajendra Singh (Chapra): I beg to move:

"That this House takes note of the present position in regard to production, distribution and export of sugar".

15.19 hrs.

[MR. DEPUTY-SPEAKER in the chair]

During the last decade the sugar industry has made a significant advance in matters of sugar production. There has been nearly an increase of 100 per cent during the last ten years, and this is quite a creditable achievement. But this achievement has been, I am afraid, at the cost of, mostly if not wholly, the peasantry of this country, who produce sugarcane.

Ten years ago the price of sugar in this country was Rs. 2 per maund. During this time much water has flowed down the river Yamuna or the river Ganges, and the prices of all commodities have registered quite significant increases, cost of living has also increased, but there has been decrease in the price of sugarcane so much so that even today the old price of sugarcane has not been resorted. Ours is a democratic country and the tradition we have to develop is that the wishes of the people have to be respected.

Two legislatures of this country, namely, that of Uttar Pradesh and Bihar passed unanimous resolutions saying that there should be increase in the price of sugarcane. But sometimes Delhi becomes rigid and does not respond to the democratic traditions howsoever rational and reasonable it might be. There has not been any effort so far on the part of the Government to find out the actual cost of production of sugarcane so that a reasonable price could be paid to the cultivators or producers of sugarcane. Every now and then it is said that since sugarcane acreage is expanding it is an indication of the fact that production of sugarcane is a profitable occupation and the prices are remunerating. I come from peasant stock and I know what it means to produce sugar. If the amount of labour, the amount of investment and many other things which are necessary for the production of sugarcane are taken into account, the price per maund of sugarcane just to cover up the cost only would come to Rs. 2-6-0.

In this country 80 per cent of the people are from the countryside. We pledged ourselves to build a socialist society but while we are so solicitous and careful in looking to the interests of the industries and of the highbrows in the country, we consistently refuse to look at the interests of the peasants. A few days ago, as you know, the favoured boy of sugar industry has been by a *firman* from here made the Chief Minister of Uttar