

PAPER LAID ON THE TABLE
AIR CORPORATIONS (AMENDMENT)
RULES

The Deputy Minister of Civil Aviation (Shri Mohiuddin): I beg to lay on the Table a copy of the Air Corporations (Amendment) Rules, 1961 published in Notification No. S.O.-1903 dated the 12th August, 1961, under sub-section (3) of section 44 of the Air Corporations Act, 1953. [Placed in Library. See No. LT-3170/61].

12:09 hrs.

STATEMENT RE. NEGOTIATIONS
WITH E.N.I. CONCERNING
PETROLEUM PROJECTS

Mr. Speaker: Shri K. D. Malaviya may make a statement regarding negotiations with E.N.I. concerning petroleum projects.

The Minister of Mines and Oil (Shri K. D. Malaviya): On an invitation from the Government of India, Mr. Enrico Mattei, President of the E.N.I. visited this country in December, 1960, when I resumed my discussion with him in connection with technical and credit assistance in the field of our petroleum industry. The President of E.N.I. appreciated the advance made by India in the field of oil and offered us a credit of 100 million dollars to cover the foreign exchange cost of projects covering several aspects of petroleum industry. Since this offer was made in December 1960, negotiations have been going on with regard to the details of arrangements for credit and technical assistance. These matters were further discussed with Mr. Mattei during my visit to Italy in June last.

I am glad to report to the House that accord on all points has now been reached and formal agreement will be signed with E.N.I. in the evening today. The Agreement which has now

been reached, will provide for a 100 million dollar credit being given by E.N.I. for public sector petroleum projects in two categories; the first category includes projects for which the general provision has already been made in the Third Five-Year Plan, such as transport pipe line for petroleum products from Barauni to Delhi and Barauni to Calcutta, gas fractionation plant, liquid petroleum gas bottling plant and distribution facilities, lubricating oil plant, supply of crude oil production equipments and also distribution equipments. Among the list of projects is also included contract drilling for any areas specified by the O&NGC. In the second category come additional projects like Petro-Chemicals and some others for which the Planning Commission and other Ministries have further to be consulted for concurrence and for which consultations have also to be made with E.N.I. in due course. Time schedule for projects under first category, however, is such as to enable them to be executed within the Third Plan period.

This is the first arrangement for collaboration with Italy for the development of our oil industry in India and I take this opportunity to convey the appreciation of our Government for the readiness with which the E.N.I. have come forward to help our petroleum projects. I hope this collaboration will be the forerunner of many more to come in the future.

In response to the Government's invitation for offers from foreign oil companies for joining us in the search for oil in India, there was also a proposal from the E.N.I. made in July 1960, for a participatory venture for exploration and production of crude oil in the Cutch area. After some discussion during my visit to Italy last June, this proposal has been substituted by an additional offer for a credit of 20 million dollars for collaboration with O&NGC in oil exploration. This collaboration, however, contemplates, *inter alia*, supply of specialised services including equipments. This