

**DEMAND FOR SUPPLEMENTARY  
GRANT (RAILWAYS)**

**The Minister of Railways (Shri Jag-  
jivan Ram):** I beg to present a State-  
ment showing Supplementary Demand  
for Grant in respect of the Budget  
(Railways) for 1960-61.

12.02 hrs.

**CALLING ATTENTION TO MATTER  
OF URGENT PUBLIC IMPORTANCE**

**SURRENDER OF DUTY PROTECTION BY  
STANVAC**

**Shri Raghunath Singh (Varanasi):**  
Under rule 197 I beg to call the atten-  
tion of the Minister of Steel, Mines  
and Fuel to the following matter of  
urgent public importance and I re-  
quest that he may make a statement  
thereon:—

Surrender of duty protection by  
Standard Vacuum Refining Com-  
pany.

**The Minister of Mines and Oil  
(Shri K. D. Malaviya):** May I lay a  
copy of the statement on the Table of  
the House?

**Shri Braj Raj Singh (Firozabad):**  
It should be read out.

**Mr. Speaker:** How long is it?

**Shri K. D. Malaviya:** Just one and  
a half pages.

**Mr. Speaker:** Hon. Members want  
to have it read out in the House.

**Shri K. D. Malaviya:** At the time  
the proposal formulated by the Stan-  
dard-Vacuum Oil Company for the es-  
tablishment of a refinery at Bombay  
was considered, the Company had asked  
for various assurances and also as-  
sistance from Government for the  
establishment of the refinery in Bom-  
bay. One of such assurances agreed  
to by the Government was that the  
existing duty protections on oil pro-  
ducts manufactured in India will be  
from the commencement of full scale

refinery operation or until 31st De-  
cember, 1965, whichever is earlier;  
and a provision to this effect was in-  
cluded in para. 6(10) of the Agree-  
ment. In effect this concession meant  
that the differentials between the im-  
port duties and the excise duties of  
petroleum products, as were preva-  
lent on the date of the Agreement,  
have to be maintained during the en-  
tire period the concession is to be  
availed of by the oil companies. On  
the date of the Agreement however,  
there was no excise duty on locally  
manufactured black oils and bitumen.  
Subsequently, however, the excise  
duties were levied on some of these  
items and in consequence the import  
duties on corresponding imported pro-  
ducts were also increased proportion-  
ately. In other words, the duty  
protection on these products amounted  
to the quantum of import duties pre-  
vailing on the date of the Agreement.  
For purpose of availing of this con-  
cession, the oil refineries used to pay  
the excise duties on these products  
whenever they were introduced but in  
their ultimate selling prices, they used  
to recover from the consumers, not  
the excise duties, if any paid by them  
(oil refineries), but the quantum of  
import duties levied from time to  
time by the Government of India.

2. The Standard-Vacuum Refining  
Company commenced operation on  
29.7.54 and attained full scale pro-  
duction with effect from 15.12.54. The  
duty protection on Motor Spirit was  
surrendered by the Company with  
effect from 1.10.1956. As a result of a  
further review, the Standard-Vacuum  
Refining Company have now volunta-  
rily offered to surrender the duty  
protection enjoyed by them in respect  
of furnace oil, High Speed diesel Oil,  
and Light Diesel Oil with effect from  
the 15th November, 1960. This has  
been accepted. A suitable mechanism  
for availing such an offer has already  
been evolved by the Central Board of  
Revenue when a similar offer made  
by Burmah-Shell for surrender of  
duty concessions with effect from  
1-7-59 was accepted.

3. The surrender of duty concessions on petroleum products of the Standard-Vacuum Refining Company would result in an additional revenue to the Central Government by approximately Rs. 144 lakhs per year for the next four years and one month i.e., in all Rs. 586 lakhs.

**Shri Narayanankutty Menon** (Mukandapuram): May I know whether the Government propose to bring forward legislation to implement this surrender of duty protection and, if so, whether it will be brought forward in this session?

**Shri K. D. Malaviya:** The mechanism had already been evolved, as I said in the statement, when the duties were surrendered by the Burma-Shell people.

REPORTED PARTIAL CLOSURE OF ORDNANCE  
 FACTORIES IN KANPUR

**Shri S. M. Banerjee** (Kanpur): Under rule 197, I beg to call the attention of the Minister of Defence to the following matter of urgent public importance and I request that he may make a statement thereon.

The reported partial closure of ordnance factories in Kanpur due to shortage of power.

I may add for your information that according to the intimation that I have got, this closure which has affected 17 big units including ordnance factories, covers also 101 small units. I may invite your attention to the fact that this subject relates to power supply, the Minister of Irrigation and Power may also be requested to let us know the position, apart from the Minister of Defence. I am submitting this aspect for your kind consideration.

**The Deputy Minister of Defence** (Shri Raghuramiah): We have received information that on the 25th November there was an interruption of power supply to four of our ordnance factories; three of them are seriously affected and one of them partially.

We ourselves are concerned about it because it affects our production. We are in touch with the Uttar Pradesh Government whose responsibility it is to supply power to these factories, and we are doing everything we can so that there is an early resumption of power supply.

**Shri S. M. Banerjee:** From the reports received—I was also in Kanpur—it is learnt that for the last 18 months, the Ganges has been receding and yet no action was taken. I request that the army people should take over the duties in this connection, as you remember, they did step in Delhi when such a scarcity was felt in Delhi. But, here, unfortunately no army was used. My contention is that when the people of Uttar Pradesh are growing tired because of power politics, there is also shortage of power in Kanpur and Lucknow. I request the Centre to intervene in the matter; and take the matter seriously, and this work should be handed over to the army men as was done in Delhi.

**Mr. Speaker:** Has the hon. Minister of Irrigation and Power anything to say? I find in the news that dredgers were referred to.

**Shri Tyagi** (Dehra Dun): It is really a matter of great concern for Uttar Pradesh. Uttar Pradesh has been reduced practically to a desert for want of power. There is no industry now in Uttar Pradesh. It is a matter of great concern.

**Mr. Speaker:** Has the Minister of Irrigation and Power anything to say?

**The Deputy Minister of Irrigation and Power** (Shri Hathi): As far as the power supply is concerned, it is a State subject. So, the State Government should look into the matter.

**Shri S. M. Banerjee:** What about dredging?

**Some Hon. Members rose—**

**Mr. Speaker:** Order, order. There was the question of dredging of the river, removing sand, etc.