

Chaudhary
(C. C. Desai)

C. C. DESAI, ICS Retd.

MEMBER OF PARLIAMENT (LOK SABHA)

6 Akbar Road,
New Delhi-11.

No. CCD/MSD/69

March 24, 1969.

25/4/69
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J. B. M.
Dear Dr. Triguna Sen,

The Members of Parliament from Gujarat whether belonging to the Swatantra Party or to the Congress are very anxious to know what the intentions of Government are as regards establishment of refineries in Gujarat to process the crude which exists and which has been discovered in the various oil wells in the districts of Kaira, Broach, Baroda, Gandhinagar and Ahmedabad of Gujarat. There is at present one refinery at Koyali near Baroda which would process something like 3 million tonnes of crude oil per year. I believe that would be the maximum capacity of that refinery. On the other hand, the crude that is available in Gujarat is very much more, possibly 5-6 million tonnes per year. Whatever is not processed in Koyali refinery will presumably be sent to the two refineries in Bombay, namely, Burnah-Shell and Esso. There is no reason why the Gujarat oil should not be refined in a second refinery in Gujarat, possibly at a place like Kalol or any other location which may be technically justified. I hope that you are not waiting until the Gujarat M.Ps go on a strike or threaten Dharna in front of your house before you would consider the proposal. That attitude is typical of the present Government but we hope that you would not wait until such a development takes place. Knowing Gujarat as you do, you will appreciate that none of us would flinch from the most extreme step to get justice at the hands of the Centre. You would not forget that the passive resistance movement originated in Kaira District in Gujarat in 1919. I do not have to remind you of the Dandi March of Gandhiji which again took place in Gujarat. The sacrifices made by the peasants of Borsad are too well known to need any reiteration on my part. Even the Koyali refinery would not have been set up in Gujarat but for the firm stand taken by the people of Gujarat to the effect that the oil from Gujarat must be processed in Gujarat and only the balance may be made available for being processed in Bombay. Now that there is sufficient oil to justify a second refinery, there is no reason why Government should not set up another refinery in Gujarat and use crude locally, being enough for a second refinery of 3 million capacity. It is only after these two refineries have been satisfied in regard to the crude and there is still some surplus left that such surplus

should be made available to refineries in Bombay or elsewhere.

2. We would therefore like to know what is the existing production of crude, what is the proved potential for crude in Gujarat and whether the crude that is available and can be made available is enough for two refineries each of 3 million tonnes input. Here I am only talking of crude and the refinery.

3. We would also like to know what is the total amount of natural gas that the ONGC has found in Gujarat and what are the intentions of Government as regards utilisation of this gas. Apart from power production at Dhuvran, the best possible use of natural gas would be the production of fertilisers as is the fertiliser factories using Sui gas in West Pakistan and the fertiliser factories using the gas of Sylhet in East Pakistan. Natural gas is the most economical raw material for the production of fertilisers and therefore where natural gas is available fertiliser production should be taken in hand so as to ensure that this vital raw material is not lost by being burnt away and that the country is assured of fertiliser production at the lowest possible cost. All facts and figures as regards natural gas that may be available with ONGC may be collected and supplied to us at an early date.

4. Finally, we would like to have an early opportunity of meeting you and discussing these matters of vital interest to Gujarat. The meeting however would be useful only after the data indicated above have been collected and made available to the M.P.s from Gujarat.

5. I am circulating a copy of this letter to all Members of Parliament from Gujarat whether occupying the positions of Minister or otherwise. I am also sending a copy to the Chief Minister of Gujarat and the leader of the Opposition in Gujarat.

With kind regards,

Yours sincerely,

(C. C. Desai)

Dr. Triguna Sen,
Minister for Petroleum & Chemicals,
Government of India,
Shastri Bhavan,
New Delhi.