

LOK SABHA

Monday, December 9, 1968; Agrayana 18,
1890 (Saka)

*The Lok Sabha met at Eleven of the
Clock.*

[MR. SPEAKER in the Chair]

ORAL ANSWERS TO QUESTIONS

Shortage of Furnace oil Experienced by
Industries in Jamnagar (Gujrat)

*601. SHRI R. K. AMIN: Will the
Minister of PETROLEUM AND CHEMI-
CALS be pleased to state :

(a) Whether it is a fact that industries
in Jamnagar in Gujarat State suffer from
the shortage of furnace oil ; and

(b) if so, the steps which Government
have taken to mitigate the shortage of
furnace oil ?

THE MINISTER OF STATE IN THE
MINISTRY OF PETROLEUM AND CHEMI-

CALS (SHRI RAGHU RAMAIAH):
(a) Except in September, 1968, when
the tankers carrying furnace oil to Okha
could not secure timely berthing facilities
at the port, the industries etc. in Jamnagar
have been getting their normal require-
ments of furnace oil from Okha
installation.

(b) The State Government has been
requested to give priority in berthing to
tankers carrying furnace oil etc., to Okha.

SHRI R. K. AMIN : It is a well-known
fact that shortage of furnace oil occurs
from time to time at various places in
India, sometimes in Assam, sometimes in
Orissa, sometimes in Gujarat and some-
times elsewhere. I understand that it is
because of the fact that the Government's
policy is heavily inclined to give capacity

licences to Indian Oil and not to other
private sectors. Every month when the
meeting is held to decide the quota of pro-
duction of furnace oil, it is always given
more and more to Indian Oil and the quota
for the other private sectors is being
reduced. We do not mind from where it is
coming ... (interruptions).

MR. SPEAKER: He should put his
question.

SHRI R. K. AMIN: Will the Govern-
ment assure that, in future, whatever capa-
city is available with the private sector will
be fully utilised so that such shortages never
occur ?

MR. SPEAKER: He may answer only
the question.

SHRI RAGHU RAMAIAH: I want
to make it clear that the information given
by my Hon. friend is totally wrong. In
fact, the position is the other way. Due to
the Suez crisis, there have been greater
demands for furnace oil. In fact, the
Burmah-Shell and the ESSO are reducing
the production of furnace oil and are in-
creasing the production of H. S. D. oil
which is more profitable for them, and we
are trying to persuade them to increase their
quota of furnace oil. This is the picture.

SHRI R. K. AMIN: The answer to
the first question does not come up, Sir. I
asked, is Government's policy heavily
weighed to give more and more quota to
Indian Oil ?

SHRI RAGHU RAMAIAH: I have
said, We are willing to encourage anybody
to produce furnace oil. We need it. We
are importing it now. I am prepared to
encourage anybody to produce more and
more furnace oil.

SHRI R. K. AMIN: If it is so, if they
want to encourage everybody to increase
the capacity they should not have any
restrictions on quotas as they have done.

SHRI RAGHU RAMAIAH : It is not we who are asking them to reduce the production of furnace oil. We are not asking them to reduce it. We want them to increase it but because HSD is profitable to them they are decreasing furnace oil and increasing HSD.

SHRI N. K. SOMANI : There is an in-built refining capacity in each and every refinery including the public sector refineries. And the programme of marketing and production of each refinery is taken up in Bombay every month. In view of that, would the Government not allow and encourage them to increase the capacity by 5 to 10 per cent, so that these chronic shortages do not come up; so that there won't be shortage of industrial production and resulting in laying off of workers also ?

SHRI RAGHU RAMAIAH : General increase of or more input of crude will mean output of other things besides furnace oil which may be in surplus. The whole picture has to be taken into account. But in this case we have given additional crude to Caltex so that they may give more furnace oil.

We were willing to give it to Burmah Shell and others, but they were not willing to do so.

Shri N. K. SOMANI : What is the ultimate solution to this? Would the Government apply its mind because these shortages are going on from time to time? What is the solution to this ?

SHRI RAGHU RAMAIAH : When deficiency is there we have to import until and unless self-sufficiency is reached.

SHRI M.B. RANA : May I know what was the quota allotted to Gujarat and what was the shortfall ?

SHRI RAGHU RAMAIAH : If he wants for a particular State I do not have the exact figure.

DR. RANEN SEN : Is it not a fact that the refineries of Burmah Shell and ESSO are working beyond their agreed capacity with the Government of India and if so have the Government of India found out any means to see that they do not go beyond their agreed capacity ?

SHRI RAGHU RAMAIAH : I am not aware, Sir.

Hindustan Antibiotics Ltd.

*603. **SHRI PREM CHAND VERMA :** Will the Minister of PETROLEUM AND CHEMICALS be pleased to state :

(a) when the Hindustan Antibiotics Ltd. was set up and its aims and objects;

(b) whether the targets of setting up units according to project reports and their production and development targets were achieved and if so, when and how and if not, the reasons therefor;

(c) whether any foreign collaboration was involved in the setting up of the company and if so, the names of countries which collaborated, the terms of their collaboration and how much foreign exchange as aid was received;

(d) the items the company is at present producing and the extent of production and whether these products are upto international standard;

(e) the figures of production and sale during the last three years and how much of this was exported; and

(f) whether there are any difficulties with which the company is faced at present and how Government propose to remove them ?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND CHEMICALS (SHRI RAGHU RAMAIAH): (a) to (f). A statement is laid on the Table of the Sabha.

Statement

(a) Hindustan Antibiotics Ltd, was established on 31st March, 1954 with the object of setting up a factory in the public sector for the manufacture of antibiotics like Penicillin, Streptomycin etc. and to undertake other activities as enumerated in the Memorandum and Articles of Association of Hindustan Antibiotics Ltd.

(b) In the joint plan of operations entered into between the Government of