

(viii) **Need to grant early clearance to the Muhane dam and Punpun Irrigation projects in Bihar.**

SHRI RAMASHRAY PRASAD SINGH (Jahanabad): Madam Chairman, I want draw the attention of the Central Government to the fact that Bihar is a backward State. It is lagging behind in the matter of agriculture and education. There has not been uniform development also. For the advancement in agriculture, irrigation is necessary.

Two big irrigation projects—one Muhane Dam Project and the other Punpun River Irrigation Projects—have been pending with CWC for the last 10 years for final clearance. Both the projects should be sanctioned and included in the Seventh Five Year Plan and allocation should be made for them so that 2 lakh hectares of land may be irrigated regularly. This will not only increase the national income, but also solve the problem of unemployment to some extent. Therefore, the Central Government should sanction the two aforesaid projects urgently.

[*English*]

(ix) **Need to take appropriate steps to set up the proposed spinning mill at Aliganj in the district of Etah, Uttar Pradesh for the upliftment of people in this backward area.**

SHRI MOHD. MAHFOOZ ALI KHAN (Etah): The Uttar Pradesh Government had in June, 1985 decided to set up a spinning mill at Aliganj which is a backward area in the district of Etah. It was considered that setting up of a mill in Aliganj would not only generate employment opportunities for Aliganj people but also for the people from the neighbouring areas. It will improve their economic conditions and would solve the problem of growing criminal tendencies among the youth because of unemployment. This laudable decision was welcomed by all.

A survey team visited Aliganj sometime back and was shown vast track of unused land around Aliganj Dhatingra Road and Aliganj Saraighat Road which could be used for the purpose. It is now feared

that the spinning mill may now be set up at some other place in which case it would prove detrimental to the interests of Aliganj people and the very objective of the upliftment of this backward area would be frustrated. Therefore, Sir, through you and this august House I would request the Central Government to take appropriate steps to ensure that there is no deviation from the well considered decision of the Government and it is implemented for the betterment of the people of Aliganj.

DEMANDS FOR GRANTS (GENERAL), 1986-87

[*English*]

MINISTRY OF PETROLEUM AND NATURAL GAS—*Contd.*

MR. CHAIRMAN : We will now take up Item 13, and continue further discussion on the Demands for Grants under the Control of the Ministry of Petroleum and Natural Gas. Shri Vijoy Kumar Yadav to continue.

[*Translation*]

SHRI VIJOY KUMAR YADAV (Nalanda): Madam Chairman, I was submitting that the Government by increasing the prices of kerosene oil, diesel, petrol and gas have put a heavy burden on the poor, the farmers and the middle class. The people who had already been suffering because of the soaring prices have been put in a serious situation and their reaction is also forthcoming. The price rise of this type is not only harmful for the people of the country but also to the stability of the Government. I would appeal that you may reconsider the matter and withdraw the price hike.

It is said that the price hike has been resorted to on account of the resource constraint. There can be other ways to mobilise resources. It is not proper for a democratic Government to mobilise resources by burdening the poor and the farmers of the country in this way. You

[Shri Vijoy Kumar Yadav]

should find out other ways and means which may put the burden of the price rise on the affluent section of the society. Every effort should be made to give relief to the common man.

It is a fact that in the recent past oil and gas has been explored and the country has made progress and marched forward. The technique of exploring oil and gas is quite advanced in the country. What is required is that more attention should be paid towards it. In Bihar, exploration work is being carried out at many places but I think this work should be extended to many more places.

Yesterday, an hon. Member was saying that the possibility of oil is greater near hot water springs. In Bihar, in Nalanda, Navada and several other districts there are hot water springs. Efforts should be made to explore oil in these areas. I want to say that Bihar is the most backward district of India. Be it petrol, diesel, gas or kerosene oil, Bihar is supplied lesser quantities than other States. The hon. Minister himself belongs to Bihar but being from Bihar he is hesitant to give more to Bihar... (*Interruptions*). But its due share is also not being given to it, particularly diesel, gas and kerosene oil which are part of the daily life of the common man. Therefore, what is needed is that keeping in view the population of Bihar and needs of the State, the diesel at the time of sowing of the crops should be provided in adequate quantity to the farmers. Diesel pumps and petrol have not been set up there even at Sub-Divisional Headquarters. I am not talking of Bihar alone, I am talking of a general principle that there should not be a single Sub-Divisional Headquarter in the country which may be without an LPG agency. I would say it should be available even at a lower level because other sources of fuel have become costly and it is also not in the interest of the country. Therefore, more and more people are going in for LPG. There should not be any Sub-Divisional Headquarter, particularly in Bihar, which is without an LPG agency. Petrol should be available even at the Zonal Headquarters. As diesel is connect-

ed with agriculture and agricultural development and helps in a big way, there should not be any area where it is not supplied. During the season its demand increases manifold. Therefore, there should be proper arrangement for its supply.

Kerosene oil is supplied in such a short quantity that the people who badly need it, *i.e.* the Harijans, the Adivasis and the poor do not get it in the villages on fair price. The hon. Minister should, therefore, evolve a machinery in this regard to monitor its distribution properly. If this arrangement cannot be made at lower level then at least a monitoring cell for supply of petrol, diesel and kerosene oil must be set up at district level so that the complaints by the people against the dealers, about non-availability of gas or under-weighting of the gas cylinders or about the adulteration in diesel or black-marketing in kerosene oil etc. could be enquired into. What is happening at present is that the matter being related to the Centre, even Collector is unable to do anything. The result is that there is no such place where people can lodge their complaints relating to distribution of petrol, diesel and kerosene oil. Therefore, a committee should be formed at district level where people can complain and their complaints are heard. This committee should include the representatives of the people besides people from other walks of life. I would submit particularly regarding kerosene oil that the wholesalers indulge in large scale bungling and are not providing kerosene oil to the common man. Either their number should be increased or kerosene oil should be distributed through fair price shops.

With these words I conclude.

[*English*]

SHRI MURLI DEORA (Bombay South) : Mr. Chairman, I rise to support the Demands for Grants presented by the hon. Minister. It was in early Seventies after the Israel-Arab War, when the world realised what vital role the oil has in the world economy, and remember, our cost of oil which we used to import at the rate of Rs. 17 a barrel, went up to nearly Rs.

300, and rightly the Government of India took steps to explore more and more oil throughout the country, both on-shore and off-shore. Thanks to these programmes. Today we produce nearly 30 million tonnes of oil—two-third off-shore in Bombay High and one-third, that is, about 10 million tonnes on-shore. The maximum extraction ratio of oil today, out of the total 500 million tonnes of reserves, is 1 : 17. I would like to draw the attention of the hon. Minister that the emphasis which we are giving on the oil and gas production today has never been given in the past ten years. The hydro-carbon reserves in our country are almost 50 per cent oil and 50 per cent gas but hardly much work has been done on the production of gas as well as on using it very effectively and scientifically. I will give you one example. In Bombay High, about seven million to eight million cubic metres of gas is produced every year but for years together, one can see, in Bombay High the gas is being flared up. Nearly three million to four million cubic metres of gas was flared up or burnt everyday. After so much time, the first terminal for the pipeline was constructed at Oran and this is handling nearly seven million cubic metres a day, which has really become a boon to the State Electricity Board gas turbines and the Tata gas turbines and which is giving vital energy to the city of Bombay. But unfortunately, of late, the Maharashtra State Electricity Board and the Tata Electricity Board, which have already installed the gas turbines at Oran, are not getting enough gas. The reason is not that the gas is not available; the gas is available but the carrying capacity of gas to Oran is not there. So, I would like to request the Minister that he should come up with the programme very soon when the second terminal at Oran and the second pipeline to Oran is installed which will carry further gas to the city of Bombay for power generation and which can also be used for domestic and industrial fuel.

Several Members have expressed the problems about LPG gas cylinders. I would like to bring to the attention of the Government as to why they are not thinking on having the gas supplied through pipes, both to industries as well as to

houses. The same is done in big cities in Europe and America. In Bombay, gas pipes are already laid in part of the city. These pipes can be improved. We have now more than 12 cities all over the country with a population of one million or more. The problems of distribution, bottling and selling of LPG gas cylinders can be solved only if these big cities, these big urban conglomerates are supplied gas through pipe system by, what we call, Urban Gas Corporation. Ten years back, the Bombay Municipal Corporation had put up a proposal to the Government of India, Department of Petroleum, and the ONGC had agreed to give 0.8 million cubic metres of gas per day, unfortunately, this Gas Corporation which is now being constituted, is still not ready. I would request the hon. Minister that as has been done by the Bombay Municipal Corporation, in other big cities also, such as, Delhi, Calcutta and Madras, their corporations, local authorities or NDMC, etc. should come out with such proposals, whereby they can have the gas distributed through pipelines.

Today we are getting water in our homes and apartments through taps. It is just like supplying water through drums. But what is being done for the LPG cylinders? If this project is considered, even though it will cost lot of money at the initial stage, but later on it will pay the real dividend. Gas cylinder is selling around Rs. 70 or Rs. 75 and I am told that nearly 75% of the value of the gas cylinder is in the cost of bottling transport, container, etc. Only 25% is the value of the gas. All this will be totally eliminated if it is supplied through the pipeline gas distribution system.

In the 7th Plan, the allocation for oil exploration has gone down from Rs. 17,500 crores to Rs. 8,800 crores. We thought that at the end of 7th Plan, that is 1990, India will be selfsufficient in oil. But unfortunately due to resource crunch, the Planning Commission has curtailed the allocation. Against the plan demand of Rs. 3 lakhs crores the allocation has been only Rs. 1 80 lakhs crores. The same resource crunch is applicable to oil exploration. As in the case of NTPC, Indian Telephone industries, etc. the Government

[Shri Murli Deora]

should issue Public Bonds in order to mobilise the resources. Money is lying unutilised among the public in this country; the stock exchanges are booming. So, in this way, extra resources can be mobilised. I request the hon. Minister to consider this suggestion.

Then, my next point is this. In 1976, the largest gas reserve was found at South Basin off-shore Bombay; but unfortunately 10 years have passed and they are still not being utilised. 30 million cubic metre of gas is available per day there. Even though decision is taken about HBJ pipeline it will consume only 20 million cubic metres per day. I don't know why Government is delaying it. Government should take immediate steps to give this contract of HBJ pipeline to whomsoever they like is the correct party and they should not delay it any more. Gas is still not being utilised at South Basin. Even after consuming 20 million cubic metres per day through HBJ pipeline nearly 10 million cubic metre per day is available and the pipeline should be set up to transport it to Bombay and other areas.

As you know the problem of gas cylinders is always there in all the big cities like Delhi, Bombay, Calcutta and Madras. Especially in Bombay people are not coming forward readily to set up gas agencies. Government should collaborate with the local municipal corporations to set up City Gas Corporations. I would request the Minister to fix the time and date on which the gas cylinders can be distributed on the road sides. They can be taken in truck and distributed and empty cylinders can be taken back, so that this will ease the LPG cylinder supply position very much. Only on the 18th, the Minister stated that, according to the work done by the Petroleum Conservation Research Association, an amount of Rs. 350 crores has been saved in our foreign exchange, due to conservation. Even though in 1971 there was the Kashyap Committee report on energy conservation, Government has not done much on that report. There is now the Kapoor Committee report which is still not presented in the House. Government must

come forward with a definite plan to conserve energy; they must come with a plan to encourage people who can manufacture fuel efficient equipment which could be very helpful in the long run. I would request the Minister through you, Madam Chairmain, to do the needful because the real solution to the LPG cylinder distribution problem especially in big cities is to establish City Gas Corporations to supply the gas through pipeline. I hope the hon. Minister will consider it. With these words I conclude.

SHRI BRAJAMOHAN MOHANTY (Puri) : Madam Chairperson, at the outset I support the Demand and I am sorry that the Minister in charge of the Petroleum Ministry comes from an area where a drop of oil has not been explored. I do not know whether there is any possibility. I also represent a place where there are offshore and onshore facilities, but not a drop of oil has been located so far. This is our difficulty and these are also the grievances of the people of the locality.

I would only confine to some points relating to the crisis that the country is facing in the field of oil and gas. Now, it is projected that by the end of the Seventh Plan the production of gas will be increased by 2.5 million tonnes. And so far as ONGC is concerned, they have the difficulty. I would place before the House a portion of their Report, *i.e.*, *The Status Paper on Oil & Natural Gas Commission*. On page 31 they say :

“In the western offshore while there is a possibility to increase production of gas, the utilisation of the produced gas had to wait for long lead times of the commissioning of the downstream facilities. Similarly, in the eastern region due to lack of industrialisation, it has not been possible to make use of total associated gas being produced. There is a vast potential of gas production in Tripura area where again the utilisation possibilities are low. Even in Krishna-Godavari area developing the users of gas will take a long time.”

On the basis of these observations they came to the conclusion, they evolved a strategy on how to utilise the gas and they have said that they have to develop a national grid. It is stated in the *Status Paper* :

“The conceptual plan for a National Gas Grid envisages implementation in three phases.”

I am not quoting the phases, but the proposal has been submitted to the Government, but the Government's reaction is not reflected either in the Annual Report—I do not know whether the Minister would be kind enough to enlighten us on what the reaction of the Government is about building a National Gas Grid.

I would also invite the attention of the hon. Minister to what would be the purpose so far as ONGC is concerned. It is stated on page 32 of the *Status Paper on Oil and Natural Gas Commission* :

“It is expected that with the commissioning of the total national gas grid it would be possible to provide gas, to meet, to a great extent, the requirement of chemical, industrial, power and agricultural sector to ensure optimal utilisation of gas and to reduce regional imbalances.”

It is all right, but my submission would be : What happens to the poorer sector ? What about the poorer people living at places where fuel is scarce and very costly ? Why not diversify it and give them some benefit of utilisation of gas ? My submission would be that the objectives of the ONGC must be modified accordingly and during the Seventh Plan period, the increased production of gas should also be given to the poorer strata of the society for using it for fuel purposes.

Next, I would place another thing. The hon. Minister in charge of this Ministry stated something very recently. But one thing is that by the end of the century the requirement of oil and oil equivalent gas will be around 100 million tonnes. The present production, if I am

correct, is 29,000 million tonnes. That means, by the end of the century, in another 14 years, could you pick up production to meet the requirements ? What is the perspective plan of the Ministry, of the Government till 2,000 A.D., when the country would be needing 100 million tonnes of oil ? Today we are running short of more than 14 million tonnes of crude oil. We are importing it. Of course, on account of fall in prices in the international market, we are managing it. I am looking at the paper. I think, we would be benefited by Rs. 1,000 crores. But how would you meet the posterity ? This is the challenge. This is the most crucial area of our economy and it should be very carefully looked into. Let there be a perspective plan evolved by the Government so that we can meet the challenge of the situation.

Now, I will come to another thing. So far as the Ministry's own statement is concerned, during these periods, we have not explored absolutely in big areas of hydro carbons. Then, wherefrom we expect production of more oil ? Minor things and explorations will be there here and there. That is all right. Another aspect is, the Bombay High has reached the platform. We have reached the maximum level in Bombay High. How would you meet this crisis ? This is the most important problem with which the nation is confronted.

Another thing is conservation of petroleum products. My submission would be there should be something substantial in this regard. Of course, the idea is under debate, under discussion and seminars are being held, and some TV programmes are being organised. May I know what concrete proposals have been made ?

MR. CHAIRMAN : Hon. Member's time is up.

SHRI BRAJAMOHAN MOHANTY : They have permitted 10 minutes for me. I will be very short in my speech. Another 5 minutes may be given.

MR. CHAIRMAN : You have taken 8 minutes.

SHRI BRAJAMOHAN MOHANTY :
So far as conservation of the petroleum products is concerned, my submission would be fiscal measures alone would not be sufficient. It requires total demand management. But so far as the annual report is concerned, last year only some stray things were done ; some machinery replacement was there for fuel efficiency. But besides that, what comprehensive demand-management has been emerged so far ? I would urge upon the hon. Minister that he must concentrate on conservation of petroleum products. Otherwise you cannot face the crisis.

Another thing is about the technology. Really we are proud of our advancement in technology. I am only placing one piece of literature from the ONGC. This is really a very very illuminating and exciting experiment. The title of the literature is : The BHN Platform—More Offshore Power to India's Natural Gas. But I am reading from the literature, how they have done it.

The order was placed in March, 1979. The basic engineering was done at New Orleans. The BHN jacket was fabricated in Dubai. Top-side equipment like living quarters, etc., were fabricated in the Philippines. The 2 MOL pumps were supplied by M/s. Solar Engineering of U.S.A.

Now, my submission would be, it is all combination of borrowing technology. But I want to be assured that in future programmes, we shall not have to be looked for outside technology and we shall have to evolve our indigenous technology so that, for future platforms, we can do it ourselves.

Now, I come to exploration technology. Is it the most upto-date exploration technology that we are employing ? I am afraid it may not be. Of course, we are definitely adopting the most advanced technology. But it is not the most upto-date technology and perhaps if we compare ourselves with China, they are also borrowing the technology. The exploration technology that they are employing is perhaps superior technology than that of ours.

Regarding kerosene, I am receiving a number of distressing letters from my State. In my State, Orissa, the power shortage is stated to be more than 400 MW. People need more kerosene. I have discussed with the hon. Minister. He had promised that 7% or 8% of kerosene supply will be increased. But that is not adequate.

The hon. Minister must take into consideration the special needs of the States where power shortage is very acute. I am told that Mathur Committee was constituted to look after the distribution of kerosene. They have submitted the report. I have not been able to find out the recommendations of the Committee. My submission would be that the recommendations should be immediately considered. Along with it should be considered the backward States where the entire economic activities are almost in a standstill. In that case, some special consideration should be made to allot some extra kerosene to those States.

Another point relates to export of technology. This is the last point. No doubt, we have developed a lot and among the countries of the world, we are advanced. We are exporting to other areas. But our efforts to export the technology of exploration are very poor. We have some contract with Tanzania or some other Gulf countries. But it has not been done.

My submission would be, let the hon. Minister take a positive step through diplomatic channels, through bilateral negotiation for the export of our technology, the technology available with us and promote these exports.

With these words, I thank you.

SHRI KADAMBUR JANARTHANAN (Tirunelveli) : Sir, I thank you for the opportunity given me to participate in this discussion. According to the statistics given to me, the consumption of petroleum products is 41.54 million tonnes during 1985-86 and the consumption growth rate is 8% per annum according to the break-up percentage of consumption given by the Ministry. The consumption by the

common man of LPG is more and more increasing in this country and I have to submit through you that I am very sorry to say that the petroleum products which are used by the common man, have become costlier even before the Budget was presented. This price hike during the pre-Budget period is not at all justifiable. The use of wood, coal and cow dung cakes in the rural areas is now slightly replaced by gas by the common man. None of these fuels is either efficient or convenient for the poor man. Therefore, they want to make use of this gas. But either looking to the cost analysis or looking to the global prices, even in the OPEC countries, diesel barrel which was selling at 32 dollars, is now being sold at 14 dollars. That we have come to know. So, there is no justification for the price hike in our country in the price of gas.

On the cost analysis, to take on the public undertaking side, all non-oil public undertakings are making huge losses. Only the oil producing public undertakings are making huge profits. This clearly indicates that there is no justification to raise the price of the petroleum products.

You say that, to control the consumption of the petroleum products, you have increased the price. There is a proverb in Tamil saying that "You should not cut foot according to the measurement of the shoe but you should select a shoe which will fit the foot." But our government is making such a thing and along with my colleague I am really sorry to say that looking at the cost analysis the price hike is not at all justifiable. In to-day's papers—*Hindustan Times* and *Times of India* we are having a glad news, as the previous speaker has said—though the Minister is coming from an area where there is not a drop of oil—"Some of the major achievements were the oil and gas discoveries at Narsapur at Kaza structure in Krishna-Godavri and in Narimanam in Cauvery basin." They have estimated the reserves at 30 million tonnes. I am very glad that the Central Government is having various interesting and increased activities in the Cauvery basin and I request the Central Government to establish a full-fledged office of ONGC either at Tiruchi or at

Thanjavur as requested by the Tamil Nadu Government. At this stage the Cauvery basin clearly indicates that there are prospective oil belts near Kacha Thivu within or our limit. Therefore, I request the Central Government at this stage as our Chief Minister has requested, that the Sethusamudram project should be taken up which will certainly help in finding new oil reserves near the Cauvery basin. There are enough proofs and even the Russia Russian experts are stating that the Cauvery basin is floating over oil. So I request through you the government to consider having a full-fledged office either at Tiruchy or at Tanjore and also include the Sethusamudram project in the Seventh Plan. You are saying that you are short of resources. There is a definite source here near Kacha Thivu within our limit. There are prospective oil fields. So I request you to consider this also.

Coming to LPG supply to the common man, now mostly the urban people are having this facility. I come from a village where the population is 4000 and only four households are having LPG connection. So not even a fraction of the rural population is having this LPG facility. You are now giving one agency of LPG in a taluk. Please consider having one LPG agency for every Panchayat union so that it may help more rural people to have LPG facility. In transporting the cylinders also the common man is having a lot of difficulties. I request the Minister to make sufficient local arrangement so that the common man can have the cylinder easily lifted from the godown to his house which is 4 to 5 miles away from the depott.

Now we are going to the 21st century and the man who is to-day riding a bicycle will now ride a scooter and the two-wheeler man will go in for a four-wheeler. But petrol has become costly. But petrol for the common man has become a must for transportation. Therefore, if you go on increasing the price of petrol and diesel at this rate, we cannot imagine how the common man can make both ends meet. Now petrol costs Rs. 8.04 per litre where it was selling at Rs. 7.35 just 3 to 4 months ago. During the recent Panchayat elections we were put to a lot of trouble

[Shri Kadambur Janarthanan]

because of the hike in petrol prices. It causes inconvenience to the poor common man and to public men also.

The farmers who are using diesel for their agricultural pump sets are not able to get diesel. You are having the diesel pumps near the urban areas. You must select proper sites for the diesel pumps so that the agriculturists can draw diesel easily. They should be very close to the villages. This is my request also. Therefore, to make us use less petroleum products is not a possible thing in India now, because we are nearing the 21st century. Everyman needs better transport facilities. Therefore, I once again request the hon. Minister, through you, Mr. Chairman, to re-consider the hike in petroleum. Atleast kerosene, LPG and diesel prices have to be reduced.

MR. CHAIRMAN : Are you concluding, Mr. Janarthanan ?

SHRI KADAMBUR JANARTHANAN : I will take a few minutes. Before I conclude my speech, Mr. Chairman, I would once again request the hon. Minister to take my suggestion to have one agency for one Panchayat Union and about the Sethusamudram Project. I hope more oil resources can be found in that area. Just to increase oil resources, increase in petroleum products is not justifiable. Therefore, I would again request the hon. Minister, on behalf of the poor peasants and ordinary people, to re-consider the increase in the prices of petroleum products.

With these few words, I conclude.

[Translation]

*SHRI G.S. BASAVARAJ (Tumkur) : Madam, Chairman, I am very happy to support the demands for grants of the Ministry of Petroleum and Natural gas. Our country is producing more and more

petroleum products like many other countries. I am very proud to say this and the credit should go to the workers. ONGC is doing a commendable job in oil exploration. In many places of Assam, Gujarat and in Bombay High we are taking out oil. We have oil in Kaveri basin, Godavari basin and Krishna basin. All these resources have to be exploited to the maximum extent. Repeated surveys have to be taken up in these basins. The survey work that has been conducted in the above mentioned basins so far is not satisfactory. Modern equipment and advanced technology has to be adopted while conducting the survey.

There was a heavy loss due to fire in the Bombay High. Such wastage should not be allowed at any cost and hence proper precautions should be taken.

Licences for the manufacture of gas cylinders should given at the rural and at the taluk level. This will help the unemployed rural population. Gas agencies in the rural areas should be given. Each and every village should have the facility of L.P.G. agency. Gas cylinders and other equipments should be manufactured in our country. We should not import these cylinders.

The dealership is going to the hands of a few rich people. This has to be checked and the common people should be given the dealership.

In the rural areas petrol pumps should be opened. Farmers should be able to get the required quantity of diesel without any trouble. The recent price hike in kerosene and diesel has hit the farmers throughout the country. I would be grateful to our hon. Minister if he decreases the prices of diesel and kerosene. Farmers should also be apprised of modern technology in agriculture.

Some dealers cheat the customers in the measurement of oil. About 5 to 10 litres of oil or diesel would be less in 100

*The speech was originally delivered in Kannada.

litres of oil or diesel. This has to be put to an end once and for all.

Adulteration of petrol and diesel should also be stopped. Kerosene is mixed with petrol and diesel. Our Government should take immediate steps to identify the persons involved in adulteration and they should be punished severely.

I am very sorry to state that no progress has been made with regard to setting up of Mangalore refinery. We have all the infrastructures in our country. Earlier the former Minister of Petroleum had said that the refinery would be set up in Karnataka. Similarly there is no progress with regard to Vijayanagar steel plant of Karnataka. Our late leader Prime Minister Smt. Indira Gandhi's dream was to set up this steel plant. She laid the foundation stone for this steel plant about 14 years ago. But there is no provision in the present budget for these important projects. Our people in Karnataka are pressing us to do something in this regard. I am afraid if these projects are not taken up by our Central Government the people of our constituencies may force us to resign our membership in this august House. Therefore my humble request to the hon. Minister is to set up Vijayanagar steel plant and Mangalore refinery in the 7th Plan.

Madam, I thank you for allowing me to express my views and with these words I conclude my speech.

14.00 hrs.

[MR. DEPUTY SPEAKER *in the chair*]

SHRI RAM RATAN RAM (Hajipur) : Mr. Deputy Speaker, Sir, I support the demands for grants of the Petroleum and Natural Gas Ministry. While supporting, I also agree with those hon. Members who expressed their views regarding hike in the prices of diesel, petrol, gas and kerosene oil. So far as diesel is concerned, I would like to draw the attention of the hon. Minister to the fact that ours is a predominantly agricultural country and the demand for diesel has doubled because the implements used for agricultural production are now more advanced. Every-

where we require diesel, be it tractors or small scale industries. Today, it is necessary that if prices of foodgrains are to be controlled then we must increase our production. Diesel has an important role in the matter of food production and as such I would request the Minister to consider at least reduction in diesel price next year so as to provide relief to the farmers.

Our hon. Minister belongs to Bihar which produces maximum coal. Now it is used in heavy industries and not in homes, cottage and small scale industries. Today everybody is dependent on gas whether he belongs to middle class or lower class. So, if we wish to provide relief to the poor we must reduce the price of gas.

Similarly, you should pay attention towards kerosene oil also. All villages are not yet electrified and, therefore, the poor in the rural areas are dependent on kerosene oil. If you want to provide relief to the rural poor, you must provide them kerosene oil at reduced rate. Therefore, we wish to draw Government's attention towards it.

We thank our hon. Minister that he is taking interest in the exploration of petroleum products and our country has made sufficient progress in this field. We hope that the investment being made on it would bear fruit in the coming years and we will be able to reduce our import of petroleum products to a great extent.

So far as gas bottling plant is concerned, Government of India had assured that it would be set up at Ranchi, Jamshedpur or Bokaro ; but even after inspection, it has neither yet been set up at Jamshedpur nor at Ranchi. Therefore, I would like to draw the attention of the hon. Minister that if the bottling plant can be set up there, it would obviate the need to import gas cylinders from other places and in this way the need of the people would be fulfilled very soon.

In respect of kerosene oil, petrol pump and gas you have made provisions for reservation in the allotment of agencies and

[Shri Ram Ratan Ram]

dealerships to the schedule castes and the poor, which is a good step. The committee constituted by you to avoid bungling consists of a judge and other Members but in the absence of the representatives of the schedule castes and schedule tribes persons belonging to the weaker section are allotted gas agencies at places where the income is insignificant. The poor sell their land and houses to raise money for this purpose but when they do not earn enough from it they have to bear a heavy loss. And the agencies which promise good income are allotted to the influential and affluent people. These weaker sections should get agencies at places where there is good income so that they may be benefited.

With these words I thank you once again for presenting the demands for grants and I support them.

[English]

DR. A. KALANIDHI (Madras Central):
Sir, at the outset I express my thanks to you for having permitted me to participate in the debate for Demands and Grants of the Ministry of Petroleum and Natural Gas. The hike in administered prices of petroleum products is to yield a sum of Rs. 2000 crores. All this money is going to be collected from consumers of petrol, gas and kerosene. It is inexplicable that while the international price of petrol is declining by 15 dollars a barrel, we are increasing the price of petrol. It seems that we do not have experts to advise the Government on the spot purchases of oil through which we can save 40% of foreign exchange. We are wanting to observe international morality by sticking to old contracts for the purchase of crude oil.

Sir, at the rate of Rs. 500 per cylinder from two crores of consumers the oil companies have collected Rs. 1000 crores in deposit, on which the interest accruals are utilised by the oil companies, but still there is frequent increase of price of LPG which has no cost of production as it is a byproduct. Further kerosene has substituted fuel for cooking purposes. All tall talk of ecological balance will be futile if

the price of kerosene become beyond the reach of common people in the country whose average per capita daily income is just 75 paise. You were encouraging people from gas to kerosene and now to fire wood. Probably this is what our Prime Minister means by pushing the country to 21st century. Kerosene price increase must be withdrawn if the Government is committed to eradicate poverty by 2000 AD. You have already burnt your finger by this pre-budget taxing. Now don't lose your hand. Your image is coming down. Please try to avoid steep fall.

There is step-motherly treatment to Southern region in oil exploration. Narimanam-I in Thanjavur district has got the finest oil which will come under commercial exploitation at the earliest. I do not understand the delay in the commercial exploitation of Narimanam-II well and also the exploratory efforts in Nagore and Nagapattinam areas. It seems we are afraid of Sri Lanka's reaction if we start exploration in Palk Straits which is floating on oil. Why should we not do this on our territorial waters?

Sir, ONGC's registered office at Madras has been bifurcated. Half has been shifted to Tiruchirappalli and the other half to Rajamundry. No gas has been struck on Krishna basin. The ONGC staff is still placed in Rajamundry. Cauvery basin is floating on oil according to Russian experts. There is no staff to cope with the increasing workload there.

Sir, our priorities are topsy-turvy. For ONGC's officials hopping trips the Helicopter Corporation has signed an agreement with a dying British company for the purchase of helicopters whereas ONGC is paying 800 dollars a day as hire charge for each oil rig taken on hire from foreign companies. ONGC does not want to go in for the purchase of oil rigs whereas they have purchased helicopters. This is the paradox of ONGC's functioning. Madras refinery has been expanded. What is the hesitation in starting petro-chemical industry near Madras? Why do you think of Baroda always? In the recent civic poll people of Tamil Nadu have rejected you. So, do not give room to the people

of Tamil Nadu to raise the slogan 'North is flourishing and South is deteriorating'. Don't forget that Tamil Nadu is on the industrial map of India.

There are a lot of complaints that petrol dealers are adulterating petrol with kerosene, LPG dealers are indulging in black marketing, underfilling of cylinders and compelling consumers to buy costly hot plates on which there is a huge margin money. I would request the Government of India to take firm steps and give deterrent and severe punishment to the offenders who indulge in these sorts of offences. If necessary, the Government should cancel their licences.

With these words, I conclude.

[Translation]

SHRI KEYUR BHUSHAN (Raipur) : Mr. Deputy Speaker, Sir, I support the demands for grant of the Oil and Natural Gas Ministry. I would like to draw the attention of the House towards some points. All of us agree that petroleum products are not everlasting like water, air and sunshine. Its reserves would dry up if not now say after a hundred years. We must not use this precious mineral in a way that it gets depleted. We must use it prudently and there should be no wastage.

Secondly, we shall have to make its right use and save it. Thirdly, we shall have to use other sources of energy also and make their proper distribution. You will have to pay attention towards these four points.

Production is increasing for which I congratulate you and also your scientists, employees and Research institutions. I would like to draw your attention towards the saving schemes and state that you cannot take all the farmers and the country on the path of progress only on the basis of tractors or trucks which consume diesel and petrol. Although we are going towards 21st century, yet we have to develop our technology especially rural technology as per our requirement. There also we have sources of energy, which can be put to

use. If we look at our traditional sources, we find that even today bullock-carts are needed more than the trucks. These are being used in transporting goods to distant places. Tractors are useful for big farms. But the farmers having 3 to 4 acres of land cannot utilize it. In Punjab, mostly tractor is used for agricultural purposes. Even a farmer who is having two acres of land, hires a tractor under compulsion. The reason being the total extinction of cows and bulls of Sahiwal breed, in Punjab and Haryana. Due to tractor the small farmer has not only become dependent but has suffered economically also. You should try to save them, but sources other than bulls cannot save them.

Energywise, villages can be made self sufficient ; you need not supply gas-cylinders to the villages. Gobar-gas Plants can play an important role in making villages self-sufficient in the field of energy. You can also utilize organic matter, solar energy available in the villages. You should provide grants to the farmers on the condition that they would keep bulls and cows and conserve cow dung. Moreover the cows should be protected by you.

Once again I would draw your attention not from religious but economic point of view. Today, in Punjab, bulls of Sahiwal breed have become extinct. Such bulls are not available even at a price of Rs. 8000. This forces him to opt for a tractor, as it is more profitable. Therefore, you will have to protect the cows as also the bulls from being slaughtered. There are two States in this country where cows and bulls are being slaughtered. In Devnar of Bombay, even law cannot prevent the slaughter of aged bulls and cows. Because of corruption even cows and bulls of good breed are declared aged by piercing their eyes and are slaughtered. If this killing goes on how can you make the country progress. Can you increase the food production with the help of tractor alone. Never. I, therefore, request that the law should be amended.

I can say with authority that manure is better than the fertilizer. The dung of animals, cow's urine and the human excreta can be put to good use which is at present being discharged into Ganga there-

[Shri Keyur Bhushan]

by polluting it. These will help in meeting the requirement of energy. You must pay attention to it. In order to earn foreign exchange, you trade in meat products. This trade costs us the cattle, cows and bulls of the best breed. You should stop this trade and encourage the breeding of cows, bulls and calves. In this way you can solve the energy problem of the country. The use of petrol should be limited to the aeroplanes only. You should also reduce the prices of oil and diesel. Had we raised the prices of foodgrains, before raising the petroleum prices, the opposition parties would not have been left with any justification to organise bandhs.

I would also like to submit that the agencies allotted by your Ministry, should not be allotted on the sole motive of profit. You are requested to allot agencies only to the people who belong to the lower strata society such as Adivasis, scheduled castes, disabled and freedom fighters and no one else should be allotted these agencies.

SHRI UMAKANT MISHRA
(Mirzapur) : Mr. Deputy Speaker, when India started making progress rapidly, there was a natural spurt in the demand for petrol and diesel because energy is the basis of development. With the increase in demand of petrol and diesel, the oil producing countries converted oil into a political tool. As a result, our country had to spend enormous foreign exchange on oil. Mrs. Indira Gandhi realised its importance and decided to make India self sufficient in the matter of oil. There is no doubt that under her leadership, O.N.G.C. worked sincerely and in a dedicated manner and now the country has achieved self sufficiency to the extent of three fourth of its total oil requirement. We have seen the report. In 1970-71 the oil production of our country was 6.822 million tonnes, in 1975-76 it rose to 8.448 million tonnes, in 1980-81 it was 10.507 million tonnes, in 1983-84 it was 26.20 million tonnes and in 1984-85 it was 28.920 million tonnes. It shows an increase of 3.75 times and now our dependence on import has been reduced to one fourth of

the total requirement. This is a significant achievement. It is estimated that during the year 1985-86, our consumption of oil would be 41.54 million tonnes and the production will be 27.21 million tonnes. Hence we shall have to import 14.3 million tonnes, as mentioned in the report. So, we have reduced our import and we have become self sufficient to the extent of 70-75 per cent of our requirement in the field of oil. For this we are grateful to the Government and Mrs. Indira Gandhi. For this rapid progress, the credit goes to her and we feel proud of it. It is because of her that we have made progress in every field, be it industry, agriculture, science or technology and India is proud of it. When opposition was in power, the foreign exchange as well as gold reserves were depleted and the buffer stock of foodgrains was exhausted. I am saying the facts based on the figures.

Sir, in this regard I thank this Government as well as our undertaking and hope that in the Seventh Five Year Plan they will fill the gap of 14.3 million tonnes oil, which we shall have to import and I also hope that we shall try to be self-sufficient in the next five year plan. I hope that under the leadership of Shri Rajiv Gandhi, this country would become self sufficient in the field of oil.

Today, diesel is not only required for the Railways, automobiles and machines but also for agricultural purposes. Recently, when there was a hike in the prices of diesel, oil and kerosene, there was strong resentment and reaction to it. The people said that the price should not have been raised as the commodities were used by the common people. I am happy to know that Shri Rajiv Gandhi intervened in the matter in his capacity as the President of the congress party and reduced the prices. Therefore, he is to be congratulated for it. It is true that we have to mobilise resources. India is now strong enough to mobilise resources within the country. Economically, India is one of the advanced and strong countries of the world.

[English]

I am speaking in Hindi. I am not speaking in English. So, you are cutting my time

MR. DEPUTY SPEAKER : Whatever be the language spoken, time is time. I do not differentiate.

[*Translation*]

MR. UMAKANT MISHRA : Therefore I request that leave the price-hike aside ; diesel is very much needed in rural areas. It is needed there for tractors, threshers, pumping sets and other jobs. Diesel pumping stations should be set up at every development block. Where it is not possible, retail outlets should be opened, so that the farmers may get diesel at fair price and in time. You should make such arrangements there so that they may not have to wait. Kerosene is used by the common man and the poor. It lights the lamps of the poor. You are not able to provide electricity all over the country and in the villages, where electricity has been supplied, it has not reached the jhuggis because the poor are not in a position to get an electric connection. Therefore, kerosene oil is used in these jhuggis. It also helps the poor to cook their food besides lighting their jhuggis. I am not talking about the price hike but at least you should make arrangements to ensure regular supplies in the villages. When kerosene oil is not available in the open market, the poor people have to buy it from the black market. This leads to the exploitation of the poor. Steps should be taken to ensure that kerosene oil is available in the rural areas and also in small towns. Provision for the supply of kerosene oil in the rural areas has to be made either through the opening of more retail shops or by other methods.

Sir, firewood has for long been a source of fuel in rural areas, but this source is getting depleted. How will the food be cooked in rural areas in the absence of firewood as a source of fuel ? Everyone cannot get the L.P.G. gas cylinder and there is no possibility of its being available to everyone in the near future as its production is not yet adequate to meet the demand. Therefore, we desire that kerosene should be made available to everyone, as it alone can meet the fuel demand for domestic purposes.

In the end, I would like to make just one more request. I had read an article by a geologist in which he had written that the underground sources of energy, namely oil and coal are not perennial sources and would get exhausted within a period of hundred years. That is why the scientists and the engineers of our country will have to think about the future without oil. To meet this crisis, they will have to explore alternative sources of energy. This search for alternative sources must begin now because petroleum and coal are not everlasting sources of energy. To a certain extent we shall have to depend and make use of rural sources and technology to meet our requirement of energy. In order to explore alternative sources of energy we shall have to make efforts from now itself.

With these words I support the demands for grants of the Department of Petroleum.

SHRI MOHD. MAHFOOZ ALI KHAN (ETAH) : Mr. Deputy Speaker, Sir, today the subject of discussion is kerosene oil, petroleum and diesel in connection with the demands for grants of the Ministry of Petroleum and Natural Gas.

(*Interruptions*)

Here I have to say that the poor people who are already crushed have been hit hard due to the increase in the prices of the three commodities just before the presentation of the Budget. Kerosene oil, for example, is consumed by a vast majority of people in this country ; it is a source of domestic fuel in rural areas, small towns and also in our cities. But it is not readily available. Today kerosene oil is being sold at Rs. 5 per litre. The reason for this high price is that the department which is responsible for its distribution is very corrupt and the ration cards that it has issued are fake in many cases. Kerosene oil is not available in many areas and the poor people have to buy it from the black market. Firewood, which is another source of fuel, is rapidly getting depleted. There is little use in slogan shouting of the Twenty-Point-Programme, when there is continuous indiscriminate felling of trees. The result is that trees are

[Shri Mohd. Mahfooz Ali Khan]

becoming extinct. Earlier, forests were the main source of firewood for the poor people. This source has also been exhausted by the Government. Today, there is indiscriminate felling of trees which you can see for yourself.

Now we come to petrol as a source of fuel. The hike in its prices forced the people to discontinue the use of cars. The cars were replaced by scooters. But with the recent hike in the prices of oil I think people will not like to travel in scooters even, and will prefer to ride bicycles or walk.

AN HON. MEMBER : The hon. Minister would surely travel in a car.

SHRI MOHD. MAHFOOZ ALI KHAN : The Minister will not be affected. He would use the Government vehicle.

THE MINISTER OF STATE OF THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI CHANDRA SHEKHAR SINGH) : You will also get some benefits.

SHRI MOHD. MAHFOOZ ALI KHAN : We shall accept them with great pleasure. As regards L.P.G., the people who have applied for fresh connections do not get them whereas in Delhi people approach us for recommendation to get a new connection. There also a lot of irregularities are being committed. A common complaint about the cylinders is that they are underweight. The dealer harasses the consumer if approached for the replacement of cylinder and is told to go to the godown and collect it for himself. The godowns are located at a great distance from the residential areas and naturally cause a lot of inconvenience. The dealers are having a heyday ; during the recent price hike, they withheld the supply of cylinders and made huge profit by selling them at the increased price.

As per the information given to me, towns with a minimum population of twenty thousand will be allotted an agency. In my opinion, this number is too large ;

a town with a population of ten thousand should get an agency so that people there can get a gas connection.

Some members have just said that the people belonging to the schedule castes and schedule tribes are allotted agencies on a priority basis. But I can assure you that this is not so. These agencies are allotted to the members of the schedule castes and tribes only on paper as the actual benefits are reaped by the rich and the influential people who provide the capital. Hence, the allotment of agencies to the scheduled castes is only a facade, as the real owners are some rich and influential people. It should be enquired into as it is totally wrong. It should of course be checked whether the schedule caste person has sufficient financial resources to run the agency.....(*Interruptions*).

SHRI KEYUR BHUSHAN : He should get some grant.

SHRI MOHD. MAHFOOZ ALI KHAN : I would like to say that it is only on paper and some millionaire or multi-millionaire uses the scheduled caste person as a facade.....(*Interruptions*). Wherever any agency is allotted to a person belonging to a schedule caste, it should be confirmed whether he has enough capital or not.....(*Interruptions*).

SHRI RAM PYARE PANIKA : Banks should be asked to assist them.

SHRI MOHD. MAHFOOZ ALI KHAN : You are right. I would also like to say that generally kerosene oil wells catch fire because of negligence. Some safety measures should be taken in this regard. There are huge reserves of mineral wealth and oil in the bowels of earth. You must think about their exploitation. In Arab countries gold and oil are found in large quantity, that is why they are affluent countries. But in our country, in this regard no such research is being carried out. If we carry out exploration work, we can also find enough kerosene oil and petrol reserves in our country. I fail to understand one thing that prices of petroleum products are declining in the international market but increasing here and

we are still dependent on them. We produce it, have huge reserves and have also struck oil at various places but in spite of it we are still dependent on foreign countries. In the end, I request you to enquire about the financial position of the schedule caste people who have been allotted LPG agencies or they may be assisted by the Banks as suggested by Shri Panika. It should not be so that the allottee is Ganga Ram and the actual owner is Mahfooz Ali Khan. As regards adulteration in kerosene oil and petrol, district level committees may be formed to find out how adulteration is being done. With these words I conclude my speech.

SHRI RAM PUJAN PATEL (Phulpur) :
Mr. Deputy Speaker, Sir, I am grateful to you for allotting me time to speak on the demands for grants of Petroleum and Natural Gas Ministry. The Demands reflect the imagination of the hon. Minister and I hope that these will take the country on the path of development. Besides, I would also like to give a few suggestions and I hope that the hon. Minister would consider them seriously and show due consideration to the poor and the farmers of the country. When prices of petroleum products are increased, the prices of all other items automatically increase. Last month, prices of petroleum products were increased but were later on decreased by forty per cent on the intervention of our Prime Minister and the people heaved a sigh of relief. But the plea advanced in support of price hike that it would curb the consumption of petroleum products does not hold water. In the international market, petroleum prices are crashing. But prices of petrol are increased every year on the plea that their prices are increasing in foreign countries. But this year the plea is that it would curb the consumption. It is true that if in our country, the consumption of petrol and diesel is reduced, we shall be able to control pollution also. But it is possible only when we reduce Government expenditure. We must make utmost endeavour to reduce Government expenditure. And if we are not able to do that we can neither reduce the consumption of petrol and diesel nor control pollution. In addition to it, every day new vehicles are coming in the market and the people are purchasing them and

they are also moving on the road. So we need petrol and diesel for them also. If we do not restrict these things, all our efforts would be meaningless and it will create so many other problems also.

This hike has affected the farmers who use fertilizers and the village school going children who study in the light of kerosene lamp. The farmers will now get fertilizer at enhanced rates. A reduction in the application of fertilizer, will reduce agricultural production. Therefore, I request the hon. Minister to reconsider the price hike of fertilizers, because it is a must. The position of kerosene is so bad that it is not available in our villages even at the enhanced rates. The farmers have to pay as much as Rs. 5 per litre and when we highlight this fact here it is generally ignored with the comment that it is a common complaint. But we have to take it seriously and arrangement should be made to make kerosene oil easily available in villages.

I will conclude my speech in one or two minutes. Today, we have to pay more attention towards the adulteration in petroleum products because adulterated petrol or diesel is harmful to the engine and reduces its life which causes a heavy loss to the owners. Mobile oil is being highly adulterated and is sold openly. I request the Minister to consider this problem seriously. There should be frequent surprise checking and one who is found guilty of adulteration, should be severely punished and strong action should be taken against him.

I would also like to say a few words about L.P.G. There is an acute scarcity of cylinders in our country and because of it huge quantity of gas is burnt and we are not in a position to make use of it. I would request the Minister through you to look into this matter seriously and take an early decision. We should issue licences for manufacturing gas cylinders, so that gas supply can be increased. The main reason for it is that in the urban areas, gas has become the sole fuel. Wood or other fuels are not easily available and the price of wood has reached Rs. 35 per maund. Therefore it is necessary to take

[Shri Ram Pujan Patel]

immediate steps to provide more and more gas-cylinders, so that we may make use of the gas which is being burnt at present. I hope that the Minister will pay attention towards these suggestions and take suitable action in public interest.

[English]

MR. DEPUTY SPEAKER : The Minister will reply at about 4 O'Clock. So, the Members are requested to be brief.

[Translation]

SHRI MANOJ PANDEY (Bettiah) : I rise to support the demands for grant of the Ministry of Petroleum and Natural Gas. Sir, we cannot produce petroleum at will since it is a gift of nature. So far as its exploration is concerned, we struck oil at various places and at other places drilling is going on. So far we have succeeded in producing 30 million tonnes crude oil, out of which 20 million tonnes was produced from off shore sources and a little more than 9 million tonnes from on-shore sources.

Sir, if we have no control over the production of petrol, we should either conserve it or reduce its consumption. We are left with only these two alternatives. A number of programmes have been taken up for the conservation of petrol. We want to conserve petrol in the public sector as well as the private sector. In this connection we have seen a slogan— "Save every drop of petrol". We should not take it as a mere slogan ; rather it should be put into effect in letter and spirit.

Mr. Deputy Speaker, Sir, along with other hon. Members I had put forward a suggestion in regard to the conservation of petrol. In our country there are about 343 sugar factories. Generally, the sugar produced in the country is not sufficient to meet the demand but next year we will produce sugar in accordance with our demand. The molasses, which is the by product of sugar, can be used for making alcohol. In Gulf countries a product gasohol made by mixing 65 per cent gaso-

lene and 35 per cent alcohol is being used in place of petrol thereby reducing the consumption of petrol. For this, it is necessary that we give incentive to cane growers in the agriculture sector and announce remunerative price for them. If we use gasohol in our country in place of petrol, we will be able to reduce the consumption of petrol and make available petrol to the people at cheaper rates. In this way petrol, which is imported, can be substituted by this product of the agriculture sector.

Mr. Deputy Speaker, Sir, the production of Maize in our country is quite substantial but its consumption is very little. It can be substituted for cornel oil and if it is used as an oil we can reduce the consumption of petrol.

It is often claimed that a sum of Rs. 2,000 crores is being given as subsidy on fertilizers. There is no objection to it because farmers have to pay Rs. 14 to Rs. 20 more per bag of fertilizer which is on the high side. Besides fertilizers, the hon. Members have raised the issue of kerosene oil. There is widespread resentment everywhere due to the phenomenal increase in the prices of kerosene, diesel and fertilizers. But we cannot overlook the compulsions of the Government also. Kerosene oil, fertilizers and diesel are generally used in the villages ; as such their prices should be reduced. And when we visit our constituencies, the people may be able to say that the Government have conceded our demand and reduced the prices of these commodities.

Sir, I had to raise a number of points but you have allotted me very less time, So I conclude my speech.

SHRI PRATAP BHANU SHARMA (Vidisha) : Mr. Deputy Speaker, Sir, I would like to say a few words in favour of the Demands for Grants pertaining to the Ministry of Petroleum and Natural Gas. As is evident from the speech of the hon. Finance Minister, an amount of Rs. 3387 crores has been earmarked for this Ministry for the year 1986-87. It definitely shows that an alternative source of energy i.e. of petroleum products and natural gas is being developed in the country and we are

making efforts to become self-sufficient in this respect. It is a matter of pride for us that we have achieved 70 per cent self-sufficiency in the matter of petroleum products in the Sixth Five Year Plan whether it relates to new sources of oil struck in Bombay High or extracting petroleum products and natural gas by drilling new oil wells in the south basin.

The contribution of ONGC in the last 5 to 6 years has been highly commendable. The petroleum production has increased in our country and we have conducted a number of experiments based on natural gas whether it concerns increased use of cooking gas in homes through L.P.G. or establishment of 7 to 8 new gas based fertilizer factories. Taking into consideration the work done by ONGC and Oil India, it is necessary that we should motivate them to adopt new technology and new system in the coming years whether it is computerisation or developing modern rig or conducting survey for intensive exploration or locating new fields. The field of ONGC should be expanded further.

Our Prime Minister and the hon. Minister in the Ministry of Petroleum and all concerned deserve congratulations for the constitution of the Gas Authority of India in 1984. Keeping in view the availability of gas in large quantity, the Authority has decided to construct a 17 km long gas pipeline called HBJ line in the country to establish the infra-structure. It is being delayed due to some economic and technical hurdles. I hope that these hurdles will be overcome immediately and this gas pipeline will be laid from Hazira to Jagdishpur so that we may be able to commission gas based factories whether it is in Guna, in Jagdishpur, in Sawai-Madhopur or in Hazira.

The Gas Authority of India has also given preference to fertilizer factories. We can expand this petrochemical complex which includes LPG bottling plant and other fractions based on natural gas like C-1, C-2, C-3, C-4 which are known as Methane, Ethane, Propane and Butane respectively.

More than 50 per cent stretch of the H.B.J. pipeline passes through Madhya Pradesh. Besides the fertiliser factory

being set up near Guna in Madhya Pradesh, it would better if a petro chemical complex based on LPG bottling plant and different fractions of gas like C-2 and C-3, which are fractions of hydrocarbon, is set up there.

If this Petro-Chemical Complex is included in the Seventh Five Year Plan and is set up near Guna or at some other place in Madhya Pradesh, an additional sum of about Rs. 1400 to Rs. 1500 crores will be required in this respect and about 30 to 35 thousand persons will get employment thereby.

15.00 hrs.

In the end, I would say a few words about energy conservation. We had to raise the price of petroleum products but instead resorting to it if we conduct survey in this regard and give attention towards its conservation, we can certainly effect 10 to 15 per cent saving in its consumption. This is the need of the hour. Our Prime Minister had appointed a Scientific Advisory Committee in 1985 to give advice in this respect and to give scientific advice as well as to make available latest modern technology to the Ministry of Petroleum and Natural Gas. I would suggest that the experts on the conservation of the petroleum products or energy should formulate a national policy in this respect.

As regards power plants, I would like to say that natural gas is very helpful in generating energy. If gas based power projects are set up in Madhya Pradesh, Gujarat and Rajasthan, we shall be able to get energy in the form of power. We should, therefore, welcome it.

[English]

SHRI D. B. PATIL (Kolaba): Mr. Deputy-Speaker, Sir, for lack of time I will confine myself to the activities of ONGC and the step-motherly treatment meted out to Maharashtra because of animus against Maharashtra.

I may state the points only because there is not sufficient time.

[Shri D.B. Patil]

15.02 hrs.

[MR. ZAINUL BASHER *in the Chair*]

Resources are scarce in our country and it is an admitted fact, but these resources are being burnt by ONGC indiscriminately. I will give one example. In 1984-85 at Bombay High the ONGC has burnt gas to the extent of 2200 million cubic metres. The total production for the year 1984-85 was 4400 million cubic metres, *i.e.*, 50 per cent of the gas produced at Bombay High was burnt by the ONGC. Gas is a scarce commodity and you are burning gas, and this is sheer wastage and it should be looked into. It is only because of lack of unimaginary planning and short-sightedness.

The second example I will give in this connection is that because of hurried exploitation at Bombay High the production of crude oil has resulted in decline in the output. This fact has been admitted by the Chairman of the ONGC as well as by the then Union Minister of State for Petroleum, Shri Nawal Kishore Sharma, in his letter to the Government of Maharashtra stating that the requirements of Maharashtra could not be met in full because of the shortfall on this account. (*Interruptions*).

The Maharashtra State Electricity Board has invested Rs. 2 crores at Uran Gas Turbine. But gas is not supplied in sufficient quantities. On the contrary gas produced at Bombay High is to be supplied for production of electric power in Gujarat, Madhya Pradesh and Rajasthan. The Central Government has asked the Government of Maharashtra to purchase power from Gujarat and Rajasthan where the power will be generated on the supply of gas from Bombay High. I do not understand the logic behind it.

Then, Sir, the sanction has not yet been given to the proposed Southern Oil and Gas Terminal of ONGC at Usar. It is requested that the sanction should be given immediately. The total requirements

of gas in Maharashtra for ongoing projects, projects under implementation, projects approved and projects under consideration is 32 million cubic metres per day. It is requested that while allocating gas from Bombay High to the other States, the requirement of the Government of Maharashtra should be taken into consideration.

Then, I come to the last but not the least point. The gas supplied to Gujarat State Electricity Board is charged at lower rates than what is charged from the Maharashtra State Electricity Board for supply of gas. I would like the hon. Minister to clarify this point. I am not in a position to understand the different rates charged from the two State Electricity Boards.

The Government of Maharashtra is badly in need of gas which is produced at the Bombay High. That gas ought to have been supplied to Maharashtra on priority basis. But it is not being supplied to Maharashtra and instead it is being diverted to Madhya Pradesh, Rajasthan and Uttar Pradesh. I have no objection to diversion of gas. But until and unless the requirement of the Government of Maharashtra is fully met, it should not be diverted to other States.

[*Translation*]

SHRI DILEEP SINGH BHURIA (Jhabua): Mr. Chairman, Sir, I rise to support these demands for grants and I would like to mention specially two or three things. A few days back the hon. Minister had stated in the House that the Government would be able to provide 9 million gas connections by the end of the Seventh Five Year Plan. It means that even by the end of Seventh Five Year Plan, cent per cent demand of the people for gas connections would not be met. All the areas which were covered by forests in our country are turning into desert. In these circumstances if denudation of forests is not checked and network of LPG connections is not spread, it would adversely affect the climate of our country and it would affect our health as well. At present you are providing LPG connections in cities only. But in view of denudation

of forests in the rural areas you should see to it that LPG connections are also provided to the poor Adivasis, Harijans and backward classes so that these people could cook their food with the help of cooking gas.

All the gas manufacturing companies are being paid a price which was fixed by your Department. There are many industries at present which are engaged in such manufacturing work and there is one such unit in my district Jhabua, which could be assigned that work relating to the manufacturing of gas cylinders. I would like to submit that if you invite tenders for this purpose, these cylinders would cost you much less. At present you are purchasing these cylinders at a rate of Rs. 550/- or Rs. 400/- per cylinder and if you invite tenders it would cost you Rs. 200/- or Rs. 250/- per cylinder.

Thirdly, gas from Bombay High is being supplied to Guna and other places in Bihar and U.P. I would like to request that a gas based Power Station be set up at Jhabua so that other power-based industries could be set up there. Arrangements should be made to supply gas through this pipeline to Vado-dara, Ratlam, Bhopal, Indore and other places. When we talk of moving fast like New York, Tokya and London, we should also see how gas is supplied in those cities. The hon. Minister and the officers incharge of supply of gas should pay a visit to these places. In my view gas should be supplied to each and every house through pipelines so that all the people could get gas easily.

Fourthly, you want to curtail the huge consumption of petrol on the one hand but on the other hand subsidy is also being given to set up automobile industries. The number of vehicles, whether cars or two wheelers, is growing at such a fast pace that after some time a situation may arise when pedestrians would find it difficult to move on the roads. You should look to this aspect also. You should put a ban on cars and taxis etc. You have provided matador for bringing M.Ps. to Parliament House; similar arrangement could also be made for the Ministers and officers. At present we have seen that a lot of money

from the Government exchequer is spent on these vehicles. There should be some check on such type of expenditure. There would be a lot of saving for the Government and petrol could also be saved. At present when a person is appointed as Chairman or Managing Director, first of all he demands a vehicle for himself. Therefore, if you do not pay attention to all these things, the bureaucrats would misuse all the Government funds and on the other hand the poor, who do not get a seat in a bus or public transport are forced to travel on the roof of the bus. Therefore, the Government should give a serious thought to all these things and formulate a plan under which a good transport system for the country could be provided.

With these words, I support the demands for grants which have been presented in the House and thank you for giving me an opportunity to express my views.

SHRI NARESH CHANDRA CHATURVEDI (Kanpur) : Mr. Chairman, Sir, while supporting the demands for grants of the Ministry of Petroleum, I would like to submit a few points. Our country has to make a lot of progress and for the development of any country, the first and foremost requirement is that there should be electricity, petroleum, steel and cement. It is not possible to curb price rise in a country where there is no check on the prices of these four things. Therefore, the foremost requirement for checking the price rise is to control the prices of all these four commodities. This task is not impossible for the Government as it enjoys near monopoly in these commodities. I was surprised to see that during a period of only one year, the prices of petroleum products had increased so much. The first increase was effected in the Budget and the second increase was effected on the eve of the Budget.

As I have been elected from a city, I would restrict myself to my area only. I am surprised at the argument which has been put forward regarding consumption of petroleum products. In my view this argument is ridiculous that the prices of

[Shri Naresh Chandra Chaturvedi]

petroleum products have been increased to curb their consumption. In this age, reduction in the consumption of the petroleum products is not possible. I would like to submit that the increase in the prices of petroleum products is not going to benefit the general public. Government itself or big companies of the Public Sector Undertakings are the bulk consumers of petroleum products. The expenditure incurred by the companies is set off by the Government against Income Tax. I do not think that this increase would have any effect on the development of the country.

On the one hand you talk of reducing the consumption of petroleum products and on the other hand the number of automobile Units is being increased and Air Buses are also being imported. This means that you are increasing the production of items which would increase the consumption of petroleum products. Yesterday or day before yesterday I was reading in the newspaper that 19 Air Buses are arriving in the country and orders are being placed for some more Air Buses. The number of three wheeler scooters is increasing and it is a fact that when the metropolitan cities expand and the number of cities increases, for how long would people travel on rickshaws and bicycles. If people cannot go by cars, and cannot afford to go by scooters, what would they do? Auto-rickshaws run on petrol and some other vehicles run on diesel which is quite expensive. The poor people do not get wood as also soft coke to cook their food, as these things are very costly now and on the other hand you are increasing the prices of cooking gas day by day. It is surprising that earlier you popularised the cooking gas and at that time the price of a cylinder of 15 kgs. of gas was Rs. 18 and a few paise, but within a period of few years, the weight of the gas in a cylinder was reduced to 14 kgs. and its price was increased to Rs. 66 per cylinder. Earlier, the rate of gas per kg. was around Rs. 1.25 but its rate has now been increased to Rs. 4.50 or Rs. 4.75 per kg. How would people pull on? Such a huge increase has been

effected by you. On the one hand you ask the people to use modern facilities and on the other hand the prices of modern facilities is being increased. Is the income of the poor also increasing in the same proportion? If their income is not increasing in the same ratio, how would they meet their minimum requirements? How would the consumption be reduced and how would the requirements of the people be met? Is it not a very strange thing that the LPG content in a cylinder was reduced from 15 kgs. to 14 kgs. and price of the cylinder was raised from Rs. 18 to Rs. 66. When the weight has been reduced, the price of one kg. may also be added to it to assess the price rise because the reduced weight means more increase in the price. And on top of it a cylinder received from a dealer does not contain more than 12 kgs or 12.5 kgs. of gas. You may just imagine the rate per kg. of gas, when a cylinder containing 12 kgs. or 12.5 kgs. of gas is sold for Rs. 66/-. Its rate would be Rs. 5.50 p. per kg. you should, therefore, consider this matter also.

The Department of Petroleum has made a lot of progress for which I would like to congratulate them. But as one of our colleagues has also said, for the purpose of allotment of agencies, you have formed various categories; like freedom fighters, Harijans, backward classes and ex-servicemen. Though licences are issued in their name, but the actual business is done by some other person. I would like to submit that if other persons have to run the agencies, then what is the use of allotting them to these categories of persons. By making a payment of Rs. 500/- Rs. 700 or Rs. 800 per month, these persons earn thousands of rupees. On the one hand there is monopoly of the Government in the distribution of these products and on the other hand the rich people corner the entire benefit in their capacity as the dealer of the agencies.

I had been returned from Kanpur where the dumps of these products are located. I do not have time to dwell on the bungling being indulged in filling the tanks from these dumps. You have rung the bell, I do not have much time to go

into the corruption prevalent there. Much time would be required to go into the detail of the corruption there. For you this hint is enough that you examine the products supplied through these tankers. Kerosene is being mixed with petrol in the tankers. You should look how petrol is being used there. When you go into all these things. You would be surprised to find a horrible picture of corruption there. I know that our Petroleum Minister is very competent, honest and a man of integrity and the future of this Department is safe in his hand. In case he orders an inquiry many more such things would come to his notice.

I would like to make one more submission that we must look to the interest of the general public in the matter of petroleum products. It is all right that the prices of cars have been increased from Rs. 5000 to Rs. 15000 and the people who use the cars would continue to use them and cars would continue to be run by petrol. There is an all round increase in prices, but it would not benefit 95 per cent of our population at all. You are making this progress for only 5 per cent of people who could lead a comfortable life. The rich and the well-to-do people are harming the country very much with the help of blackmoney. But if 95 per cent of the population of the country, whether living in villages or in cities continues to suffer and remains in distress and if you do not pay attention to them, I think your claim to development is hollow.

With these words I support the demands.

SHRI RAM SINGH YADAV (Alwar):
Mr. Chairman, Sir, I support the demands for grants of the Petroleum and Natural Gas Ministry. I also thank the hon. Minister that the Petroleum and Natural Gas Department is making significant contribution to the development of the country and its contribution in the growth rate during the Seventh Five Year Plan will be invaluable. The contribution of the Department will step up the pace of development in the country.

Sir, so far as the gas-based projects are

concerned, their implementation has been accelerated after the hon. Minister took over the Ministry of Petroleum. This gives the hope that the gas based fertiliser projects, which are quite ambitious projects and which will benefit specially states like Rajasthan, Madhya Pradesh, Uttar Pradesh and Gujarat, would also contribute significantly in the nation's development. I hope the hon. Minister will sanction scheme of laying LPG pipeline which is estimated to cost Rs. 1700 crores and necessary action will be taken to implement the scheme.

You also propose to set up natural gas based power projects. The completion of these projects would not only assist in reducing the shortage of power in the country, but will also constitute another significant contribution of your Ministry in the advancement of the country.

You have entrusted to NTPC the work of these gas based projects. These are located in Kavas in Gujrat, in Anra in Rajasthan and in Auria in Uttar Pradesh. An estimate of Rs. 1,342 crores for construction of these projects has been prepared by NTPC out of which an amount of 520 million dollars will be spent in foreign exchange. The World Bank has offered an amount of 400 million dollars. I hope the hon. Minister would be able to mobilise the remaining requirement of 120 million dollars from other international financial institutions with his own efforts and contribute actively in implementing these projects.

Out of this estimated expenditure, Rs. 700 crores will be spent in rupees. I hope that the hon. Minister will be able to arrange for these Rs. 700 crores also because the prices of petroleum are coming down in the international market and if there is no increase in their prices, there would be a saving of Rs. 1000 crores in the import bill of petroleum products. This profit will accrue this year itself. If out of these Rs. 1000 crores, we invest Rs. 700 crores on these projects, our nation will benefit a lot.

In 1985-86 our liability in debt servicing has been of the order of 17 per cent.

[Shri Ram Singh Yadav]

Keeping this ratio in view we have to reduce our imports. Drilling work is going on in the country and there should not be any tardiness in the pace of work being done at present. I am aware that the experts in your Ministry are opining that the reserves of the crude oil in Bombay High will last only upto 2000 A.D. Its deposits will come to an end but no developing country can accept such opinion because the developing country has to be conscious of the fact that if this opinion is accepted and any negligence is shown in drilling, it will result in increased import bill which in turn will further disturb the balance of payment position in the international market to our disadvantage. As a result, the country will have to face a bigger economic crisis which is always looming large. I would like to submit here that the gas based power project proposed to be installed at Anata would generate 500 megawatt power. It will have three units of the capacity of 160 megawatt each. I hope that for a state like Rajasthan where there is acute shortage of power, where there is 75 per cent power cur for industries, particularly between November and March and where there is about 50 per cent power cut for agriculture also, this scheme will be finalised and implemented at the earliest so that the state is benefited and shortage of power is removed.

Mr. Chairman, Sir, with your permission I want to submit one thing more about the LPG cylinders. The nation is giving Rs. 150 crore subsidy on the Liquefied Petroleum Gas. Just now there had been a detailed discussion on this. Who benefits from that subsidy? It is mostly the income tax payers and those whose monthly income is more than Rs. 1000 or Rs. 2000 who are benefited. I would like to request the hon. Minister to have two categories of consumers - those who pay income tax and those who do not pay income tax. This should be shown on their cards and rates for both the categories of consumers should be different. No subsidy should be given to the income tax

payers whereas non-payers of income tax should be provided subsidy. In addition to this, there are 40 lakh persons who have been waiting for LPG connections but who are these persons? These persons are from urban areas. According to the present policy of the Ministry, agency will be provided to a place with a population of 20,000. I request the hon. Minister that it should be made available more and more in rural areas so that the poor may benefit from it.

With these words I thank you and support these demands.

*SHRI BAJU BAN RIYAN (Tripura East) : Mr. Chairman, Sir, if these grants which we are discussing could be properly utilised by the Government then the country could make significant progress. In our country there is about 17 lakh and 20 thousand square kilometres of oil bearing area, of which 3 lakh Sq. Km. is off shore area at a depth of 260 metres under the sea and approximately 14 lakh Sq. Km. is on-shore area. Our engineers after great labour and hard work produced about 2.76 billion cubic metres of gas out of that in 1979-80. They increased that production to 7.23 billion cubic metres till the end of 1984-85 financial year. But Sir, it is a matter of regret that the gas that is being produced with so much of toil and hard work, is not being fully utilised. About half of that quantity is being flared up and wasted. But there is a tremendous need of that gas in the country. It could meet so many requirements. Gas based industries could be set up in my State Tripura. Fertiliser plants could be set up. I may mention in this context that for a 10 mega watt thermal power project in Tripura gas was offered at the rate of Rs. 850/- per 1000 c.m. But Sir, the same quantity is available to Assam at the rate of Rs. 95/- only. Why this disparity and discrimination? The gas which is being produced now, if the whole of it could be utilised then it could also save lot of our forest wealth i.e. trees which is at present being used up as fuel by the people for cooking etc.

In Tripura, I have heard that some

4000 new gas connections are being given in the current year. But Sir, the existing consumers face a lot of difficulty in getting refills when one cylinder is consumed. They have to wait for 3 or 4 months before they can get fresh supply of gas. I am not talking of the V.I.Ps. For VIPs there are always reserve stocks. But ordinary consumers have to wait for 3 or 4 months. So far as I know, in the entire North Eastern region the capacity of the existing bottling plants is far short of the demand. I have heard that 'Bharat Tools' was given a licence to set up a LPG cylinder bottling plant of 1,50,000 capacity at Durgapur in Burdwan district of West Bengal. They have started work, infrastructure has been set up and workers have been appointed, all work is ready. But for want of Central Government's final approval they have not been able to start production. If they could start production, then the shortage in the North Eastern region could be eased to a great extent and the present waiting time of 3/4 months for refills of gas could be cut short considerably. Sir, the prices of kerosene, diesel and petrol have gone up. In the North Eastern region there is only road transport. There is no railway. Tripura is totally dependent on petrol and diesel. The students there are totally depend on kerosene for their study at night. Kerosene is also the main fuel. The hike in the price of kerosene, diesel etc. have hit the people and students very hard in that region. Hike in the prices of petroleum products have caused a rise in the prices of almost all commodities. I therefore demand that the Government should pay some subsidy to ease the impact of hike in prices both before and after the presentation of the budget. Sir, I regret to say that I have noticed that the State to which a particular petroleum Minister belongs, always gets the maximum number of new LPG connections. In the current year about 2 lakh new LPG connections will be sanctioned. From the figures available it is seen that the number of new connections in the entire North Eastern and Easter region right from West Bengal is much less than the connections to be issued in Maharashtra, Gujarat etc. Let us see what the new Minister does. These figures I have given, pertains to a period about six months back when the then Minister hailed from Maharashtra. I do not

want the new Minister to favour Eastern India. I want him to issue gas connections to the whole of the country according to the actual requirement of each area. I hope that the Government will be able to utilise our resources properly for taking the country forward. With that I conclude.

[English]

SHRI VIR SEN (Khurja) : Sir, I would like to shower praises on the Minister and the Department; but because of shortage of time I will not be able to do that.

PROF. MADHU DANDAVATE (Rajapur) : Leave out the pampering part.

SHRI VIR SEN : That is what I am doing. First of all I would like to talk about the distribution of dealership. There is a Committee. I am told that generally it is headed by a High Court judge. This is the Committee which makes selection of dealership. The minimum qualification is High School and the requirement is that the person should have at least, in most of the cases, Rs. 1,50,000/- to show. This is applicable in the case of Scheduled Caste people also. The result is that either you are making rich richer or you are making a poor person get the dealership when the actual beneficiary is a different person who is rich.

Now, Sir, I think that this policy is not a correct policy. What should be done is that a poor person with an income of less than Rs. 1000/- should be given preference. The procedure that is laid down for selection is a farce as a person can run dealership with ordinary intelligence and it does not require much intelligence. High school qualification has been laid down. This is a sort of a farce. I think that this Government should dis-continue this farce and Government should itself take into consideration and decide the dealership issue.

Sir, this selection board is only a farce. There is no criteria available to distinguish between hundred candidates of the same qualification as to which is better and

[Shri Vir Sen]

which is not better. The result is that there are direct and indirect influences. Sometimes monetary influence also plays in this selection. I have come in contact with many dealers who were sanctioned dealership and they had to grease the palms of the officers.

Sir, I want to give an example. An IAS officer has got a dealership in the name of his brother. I think that person could exert quite an effective influence on this board which is supposed to act impartially and fairly.

Sir, now a word about cylinders. It is said that cylinder grade steel is not available and the same is imported. I think this is not a correct plea and the steel plants can be asked to produce cylinder grade steel. Then there is so much wastage of gas. Many hon. Members have made reference to it. It is said that it is because of shortage of cylinders. If you allow the private industrialists to manufacture these cylinders and obtain ISI mark I think there will be no shortage and wastage of gas.

Sir, my next point is regarding bottling plants. I think at places where wastage of gas is going on the bottling arrangements should be made there or some sort of transportation system should be introduced so that this gas could be taken away to the point where it has to be distributed. As regards gas 'chullahs' one of the condition is that the consumer has to purchase the gas 'chullah' from the gas dealer. The dealer charges exorbitant price and makes a profit of Rs. 400 to Rs. 500 per chullah. Only within a few days of the sanction of dealership this man becomes 'lakhpati'. I think this should be delinked and the consumer should not be compulsorily asked to purchase the 'chullah' from the dealer.

Then, Sir, we receive complaints about blackmarketing in cylinders. Many hon. Members have referred to it. It seems we have no remedy for this. In Khurja a complaint was made against the dealer and he was found to have cylinders at his house. His agency has been sealed. The people of Khurja town have been suffering

for want of LPG for the last about a month. In such cases, the Government should take the responsibility of effecting deliveries to the consumers and the question whether the dealership has to be cancelled or not could be decided later on. I would, therefore, request the Hon. Minister to consider this question and make some arrangements so that people do not suffer.

The supply position of LPG cylinders in the districts is very bad. In Delhi, of course, as the hon. Members referred, if a cylinder is empty in the morning, you can get another cylinder by the evening, but in the districts, it is very difficult and sometimes it takes as long as two long before the cylinder is delivered. Sometimes, even in two months people do not get it. It is better not to issue any new LPG connections unless you can make arrangements to supply refill cylinders to already connection holders.

Then, the supply of LPG is very necessary in the hilly areas for conservation of forests. If you subsidise the supply of cylinders in the hilly areas, the forest areas, then it would be possible for you to conserve forests.

I hope, the hon. Minister will consider the points that I have made.

[Translation]

SHRI RAM PYARE PANIKA (Robertsganj) : Mr. Chairman, Sir, first of all I thank and congratulate this Ministry because the period of 2½ years to 3 years from 1980 onward, which was a period of difficulty for the people, has gradually been overcome and there has been a gradual development thereafter. Now we are producing 70 per cent of our requirement. The people have not forgotten long queues which used to be made to get kerosene oil.

Sir, I have been in the consultative committee for the last five years. I have seen how our officers and ONGC people work devotedly. I am also confident that our balance of payment also improved because of it. The Government had increased the prices of petroleum products.

to bring down consumption of petroleum products by 1.25 per cent. My submission is that you should write to the State Chief Ministers in this connection that they too should take economy measures in their States. Besides, Government offices should also take steps in this direction.

Sir, just now the hon. Minister has stated that with this increase there will be an income of about Rs. 450 crores. This will somewhat ease your difficulty. You have also reduced the prices a little. I request that, if possible, there should be some more reduction in the prices. This will further increase your balance of payment by Rs. 1100 crores and you will have to import oil.

Sir, barring two companies namely, Breeze and Rouf and V.K. and Lawrie, 13 companies are engaged in our country in oil exploration and all of them are doing good job.

Sir, I want to give one or two suggestions—much delay is taking place in Oil Selection Board. It should be decentralised and taken over completely by the Central Government and distribution should be made under your administrative control so that the poor, the backward classes are benefited and regional imbalances are removed. Sir, my second suggestion is that you should allot LPG agencies at every Block, Tehsil headquarters so that it may reach the villages also. In addition to Block and Tehsil headquarters, gas agencies should be allotted to the towns and industrial towns with a population of 20,000 and more.

Sir, people are facing hardship in Shaktinagar, Rihand nagar and Renukut. These three areas are in utmost need of gas agencies. About 3 to 4 years back there was a cooperative agency in Renukut which was cancelled subsequently with the result that people there are facing lots of difficulties. Application for that place has already been sent through the District Magistrate. Therefore, immediate sanction may be given for an agency for that place.

Now I want to say something about

the Scheduled Castes. At present you are not getting good candidates. The matter was discussed in detail here in the House. If at all a candidate appears in the interview he is not allotted the agency. If only one candidate has appeared in all the Selection Boards, he is told that he has been selected but for the last 3 years he has been waiting for a call. You should issue a general order that even if a single Scheduled Caste or a Scheduled Tribe candidate appears he should be given an opportunity. Regarding the selection system, I have already given a suggestion about its decentralisation.

I would like to point out another thing that making deposit for the petroleum dealership is a difficult task. Last time the hon. Minister had assured that he will arrange money for the Scheduled Caste and the Scheduled Tribe candidates from the banks, but to my knowledge it has not been done. You should issue a general order that condition of depositing money will not be there. Whosoever is eligible will get the dealership. You have prescribed high school qualification, you can increase it but condition of deposit should not be there. What is happening is that the rich are growing richer and dealership is obtained by big people. It has become the monopoly of the rich. After the constitution of the Oil Selection Board, the agencies for kerosene oil, diesel or petrol are being cornered by a select group in the entire country. God knows how do they manage all this—either they get 'benami' dealership or they adopt some other method. Even the Oil Selection Board has not been able to correct the situation. You will have to rectify it.

I would like to give one more suggestion. Just now Shri Vir Sen highlighted the difficulty about the hot plate. You should issue orders that there should not be any compulsion about purchasing a gas-stove. We have received a lot of complaints about it. I shall give in writing, separately about it. You will have to correct it.

With these words, I thank you.

SHRI K.D. SULTANPURI (Simla) :
Mr. Chairman, I wish to convey some

[Shri K.D. Sultanpuri]

points to the Government through you. First of all I wish to congratulate the hon. Minister and the officials of his Department.

SHRI SOMNATH CHATTERJEE : He deserves half of the congratulation and Shri Nawal Kishore Sharma the other half.

SHRI K.D. SULTANPURI : Shri Nawal Kishore Sharma as well as Shri Chandra Shekhar deserve congratulations.

AN HON. MEMBER : Shri Som Nath also deserves congratulations.

SHRI K.D. SULTANPURI : I wish to say that these days trees are being felled in our country. My State, Himachal Pradesh, being a hill State, should have more gas agencies. If more gas agencies are allotted to Himachal Pradesh, this cutting of trees and damage to the national wealth can be prevented.

Your criterion of giving a gas agencies to an area with a population of 20,000 should be relaxed in the case of hill areas. Hill areas have scattered population. The constituency from which Shri Namgyal comes, has twenty five thousand voters, but its area is more than the total area of Haryana and Punjab. You must pay attention to this aspect.

There are two places in Himachal Pradesh, namely, Jwalamukhi and Ram Shahar, where a lot of money was spent on oil exploration. I would request you to continue survey in Himachal Pradesh to explore oil and natural gas there.

I wish to say one more thing that tractors are used by the landlords and farmers and diesel used in them has become very costly. Although it is Finance Ministry's responsibility, still you should request them to give some concession for diesel used in the tractors, so that the farmers may be benefited. I support the suggestion made by Shri Panika and a former Minister that Scheduled Castes and Scheduled Tribes

should be represented in the Selection Board constituted by you so that the poor may get a place in the Board. Today, we see that only the influential people get the agencies. So much so, that their relatives have also been allotted the agencies. Once again I will say that all the high income-tax officers as well as big businessmen are holding these agencies. Shri Daga also belongs to the business community, but I am not speaking about him. Today, the backward classes in our country constitute a sizeable section of our population, as such we should pay them all attention.

Shri Panika had demanded that M.Ps. should get two gas connections in a month. I do not agree with him. It will create a headache for us. The clerks pester us to sign letters for a gas connection.

I suggest that in place of the judges appointed on the Selection Board, members of weaker sections should be appointed. I would like to inform the hon. Minister that there are some officers in your Ministry who charge Rs. 100 before filling the forms. And they do not send them even the interview letters. In Rajgarh, a person was interviewed four times, but he has not been selected. All the agencies in my constituency, which is predominantly a sheduled caste and Harijan area, were allotted to the big people and no Harijans could get it. I suggest that Punjabis should be given agencies in Punjab and Himachalis in Himachal Pradesh. It will minimise the chances of irregularity.

In the end, I would say that the hon. Minister must hear both the sides and then do what is right. Whatever we say here should be taken into account, otherwise all our suggestions are an exercise in futility. The hon. Minister is intelligent and honest, he will certainly consider the points revised by us.

[English]

SHRI M.R. SAIKIA (Nowgong) : Sir : I rise to speak on the Demands for Grants of the Ministry of Petroleum and Natural Gas.

Petrol is undoubtedly the most important source of energy. It is essential for the development of our economy. We must try to explore all possibilities to produce the maximum amount of petrol, so as to enable us to make our country self-sufficient. We have been importing oil, and this has created the problem of balance of payment, of foreign exchange.

Therefore, we must try to increase the production of oil and to reduce the consumption of petrol in various spheres. But is there any possibility of reducing the consumption of petrol? As we know, 60% of the total consumption is by various Government departments, including Defence. What steps does Government propose to take to curb the rate of consumption of petrol in its own departments? We have seen that the number of vehicles used in these departments has increased day by day.

There is a proverb, 'Charity begins at home'. May I ask the Government: To what extent has this been followed? The prices of petrol and petroleum products have been increased, but at whose cost? Is it not at the cost of the general people? Will it not lead to increase in prices of foodgrains and other essential commodities?

Sir: The North-Eastern region, particularly Assam, is one of the most important sources of supply of oil. In the Assam Accord, it is mentioned that one more refinery would be established, to meet the growing demand of the economically backward people of the State but I am surprised to find that no provision has been made in the Budget for the establishment of the proposed refinery. Assam has been neglected since Independence. The people of Assam have to resort to an agitation even for the construction of a bridge over the Brahmaputra, for the installation of a refinery, the establishment of a University and for the establishment of our own high court and what not. How long will we be neglected this way?

Moreover, this backward State has limited scope for mobilization of resources. The people of Assam have been demand-

ing an increase in the royalty on crude oil from Rs. 61 to Rs. 336 per metric tonne, but no action has been taken. Therefore, I request the Minister of Petroleum and Natural Gas to increase the royalty on crude oil, so as to enable the backward State of Assam to increase its resources.

Moreover, the flaring of natural gas by Oil India Ltd. and the ONGC during the last 25 years is known in the region as a scandalous affair; this is done despite the outcry for more energy and power for the rapid development of the neglected State of Assam. It is learnt that the Assam Industrial Development Corporation has submitted a plan for the establishment of a Gas Cracker Complex in Assam to stop the criminal wastage of flared gas, the potential of which is 65 million cubic metres, out of which the recoverable gas is 19.74 million cubic metres. Of this, only 2.45 million cubic metres are used by a few industrial units. I, therefore, urge upon the Ministry to take immediate steps to stop this criminal wastage of gas, Gas Crocker and establish a Complex in Assam.

The youth, both educated and in-educated in Assam have been frustrated due to such step-motherly treatment by the Union Government. The Government of India speaks much about the removal of regional imbalances, but what practical steps have been taken to remove such imbalances in the case of Assam? Is it not one of the main contributing factors for the creation of tension and violence in different parts of the country?

Therefore, I request the Minister of Petroleum and Natural Gas to take some positive steps immediately for the establishment of one more refinery in Assam, which would provide ample avenues for employment to the youth there. Let the people of Assam enjoy the benefit of its own resources to a certain extent, along with the people of the rest of the country. Let the people of Assam feel themselves a part and parcel of the mainstream of our Mother India, and let them march along with others on the path of progress, peace

[Shri M.R. Saikia]

and amity for the attainment of the unity and integrity of the nation.

Sir : I also want to utilize this opportunity to point out some adverse impact on the environment of oil fields owned by the Oil and Natural Gas Commission in the Sibsagar district. The majority of oil extracing wells are located in Lakwa, Rudra Sagar and Gelaki in Sibsagar district of Assam.

Sir : During the drilling operations, inputs like clay, are required, besides recycling crude, water and saline water, and from drilling operation reject materials such as crude, water and clays are found. All such input materials should be kept stored or maintained in containers or in line pits and all reject materials should be put in pits instead of releasing these to the surrounding areas. But what we have seen at drilling sites in Sib Sagar is that no such arrangements have been made by the O.N.G.C. and as a result of spreading such materials over its surroundings, that causes huge damages to the agricultural crops, damaging its surrounding lands, destroying plants and vegetation and fibre producing worms specially rare worm which produces muga thread. It also causes damages to water and the quality of the soil due to such uncontrolled discharge of oil water in the surrounding areas. There is also a possibility of threat to the human health.

Therefore, I request you to direct the O.N.G.C. to improve its practices and keep these materials, both input and reject materials, required for drilling operations in a container and pits in order to avoid such damages caused by these materials.

[Translation]

SHRI KAMMODILAL JATAV (Morena) : Mr. Chairman, Sir, I rise to support the demands for grants of the Ministry of Petroleum and Natural Gas presented here. I would like to congratulate the hon. Minister that diesel and petrol are available in abundance everywhere but I would request that arrange-

ment should be made to ensure that there is no scarcity of these commodities in the ensuing season. What happens is that during the season the dealers stop making its supply for two to three days and store their quota somewhere else and thus make a bungling of lakhs of rupees.

My another request is that Government should evolve a process to make distinction between diesel and kerosene oil, so that diesel could not be adulterated with kerosene. The adulteration of diesel with kerosene not only makes it costlier for the poor but it also demanges the engines. Therefore, Government must take some effective steps in this regard.

You provide separate quota of kerosene oil and diesel for Harijans and Adivasis, but they do not have dealers of their own. Therefore I request you to increase the number of dealers for the Harijans and Adivasis so that they do not have to face any problem in getting kerosene oil.

16.03 hrs.

[SHRI SOMNATH RATH *in the chair*]

In Madhya Pradesh, every district has gas agencies, but there are no agencies at the tehsil level. The M.Ps, who come from these areas have gas-cylinders, and the Harijans and Adivasis gether to look at it out of curiosity. When I got the connection, a number of Adivasis came to see it. Hence, I would like to request the hon. Minister to allot the LPG gas agencies at the tehsil level. When others in the tehsil get the gas connections, the Harijans would also get it.

I would like to make a submission about the announcement made in regard to the setting up of a refinery at Morena, when Shri Sethi was the Minister for Petroleum. This announcement was also published in the newspapers but afterwards it was not known what happened to the project. I would request the Minister to clarify the situation so that I can go to my area and apprise the people of the facts.

Near the river Kuwari in Morena,

there is a village Bamsaulli, in tehsil Sobalgarh. Here, as I have been told, the earth emits a smell which indicates the possibility of kerosene deposits there. The hon. Minister may kindly note it and efforts should be made to explore it

With these words, I support the demands for grants of the Ministry of Petroleum and Natural Gas under consideration.

*SHRI V. KRISHNA RAO (Chikkaballapura) : Mr. Chairman, Sir, I feel privileged to support demands for grants of the Ministry of Petroleum and Natural Gas.

Sir, Petroleum products play a vital role in the progress of a nation. Most of the people use petroleum products in one form or the other but the recent price hike of these commodities has affected the people. I request the hon. Minister to review the prices of these commodities.

Gas connections are being given throughout the country, but there is no equal distribution among urban and rural areas. Most of the people in urban areas are getting this facility. This facility should be extended to rural areas also. Ex-servicemen should be provided L.P.G. connection on priority basis.

There is a rise in the price of diesel. Farmers are very much affected by this. They cannot run their tractors without diesel. Transport system in our country also depends upon diesel. Similarly kerosene is also a very important commodity. The poor people and middle class people use kerosene daily. Hence the price of kerosene has to be brought down. In fact I go to the extent of requesting our hon. Minister to give subsidy to kerosene. Petrol price has also gone up. More and more licences are being issued to the factories producing scooters, motor cycles and other vehicles. There is a great demand for petrol by the common man. Therefore, I plead with the hon. Minister to review the prices of these commodities.

Our country has abundant oil and gas

resources. If these resources are tapped properly then we can completely avoid the import of petroleum products.

Adulteration of petrol, diesel and Kerosene should be checked immediately. The persons involved in this activity should be identified and severe punishment should be given to them.

ONGC wants to buy helicopters. Instead of buying these helicopters I feel that we should buy rigs which are used for oil exploration. At present we are paying a large amount of money on hiring these rigs from foreign countries.

Mangalore refinery is a very long pending demand of the people of Karnataka. Similarly Vijayanagar steel plant is also pending for the last 15 years. Our late lamented leader Smt. Indira Gandhi had stated that both these projects would be set up in Karnataka. But I regret to state that nothing has been stated about these two projects in the report of the Ministry. There is no allocation of money for these projects in the budget for the year 1986-87. Therefore, Sir, I urge upon our hon. Minister to set up these projects as early as possible.

Sir, I thank you for giving me this opportunity to speak and with these words I conclude my speech.

DR. CHANDRA SHEKHAR TRIPATHI (Khalilabad) : Mr. Chairman, Sir, I support the demands for grants of the Ministry of Petroleum and Natural Gas I thank the hon. Minister for the fact that compared to the public sector undertakings, which are incurring heavy losses and are a curse to the Indian economy, the Petroleum Ministry is earning substantial profits. (*Interruptions*)

Sir, the recent price-hike of petroleum products cannot be justified. To justify the measure it is argued that it would help in curbing its consumption, and would also help in the development of alternative resources. In this connection I can only say that oil consumption would not be

*The speech was originally delivered in Kannada.

[Dr. Chandra Shekhar Tripathi]

curbed because the Government machinery accounts for 80 per cent of petroleum consumption in the country. Our Government officials consume petrol worth crores of rupees on the roads.

Sir, if they want to launch an economy drive, save foreign exchange and petroleum products, they must first effect a cut in the expenditure of the Government. In our country, 33 thousand by products of petroleum are produced, such as medicines, cloth, inputs for farmers. All these products are based on petroleum. The decrease in the prices of these products is indeed praiseworthy. But the prices should be decreased further, so that 50 crore poor people in this country are not affected by the price hike.

Sir, some hon. Members and our friend Shri Vir Sen has drawn your attention to the shortage of gas. I wish to humbly point out on the floor of the House that the judges appointed to hold interviews for allotting outlets to the candidates, have allotted outlets in our district to anti-social elements including the smugglers and underworld thugs and thieves, who are already owners of as many as 10 petrol pumps. What kind of judges are they? I have got several complaints in this regard. I would request that this system should be immediately scrapped and some other system should be introduced and the Members of Parliament should be consulted about the antecedents of a candidate, e.g. to which place he belongs, his moral character, his financial standing and usefulness to the area.

Sir, the shortage of gas is a frequent topic of discussion in the House. I would also like to draw your attention to this very fact. In India, gas worth crores of rupees is burnt away. I would request that some system should be evolved by which this wastage could be checked and gas agencies could be allotted in the areas where trees are being felled and cowdung is used as fuel; it is necessary to check it for the progress of agriculture and in the interest of ecology. Gas agencies must be

provided in Northern India because it is they who are facing shortage of fuel. You should pay your kind attention towards that.

Besides, I would like to draw your attention to the bungling committed while allotting gas connections. Today, in Uttar Pradesh there are four gas bottling plants under construction and incidentally one refinery is situated in the hon. Prime Minister's constituency. Sir, if projects are not planned and completed on time, then the burden of the increased or the escalated cost has to be borne by the 76 crore people of this country. I would request the hon. Minister to ensure that the projects undertaken during his tenure are completed in time, so that there is no undue escalation of costs and a project with an initial cost of Rs. 7 crores does not escalate to Rs. 17 crores. This gives rise to inflation and results in setback to our economy and the entire burden has to be shouldered by our poor masses.

A little while ago, I was reading the 1986 report of the Ministry of Petroleum and Natural Gas, in which I read about the measures that are going to be adopted to conserve petrol. It has been proposed that mobile vans would be sent to Uttar Pradesh, Bihar and Rajasthan to educate the truck and tractor owners about methods to be adopted to reduce the consumption of oil. I have read the report but have not come across any mobile vans that propagate methods to conserve oil. I would request you to ensure that there is absolutely no wastage of oil with a view to countering pollution, saving foreign exchange and for the development of our country.

With these words I would thank you and end by supporting the demands made by the Ministry of Petroleum and Natural Gas.

[English]

DR. V. VENKATESH (Kolar): Mr. Chairman, Sir, first of all, I want to question the Petroleum Ministry why the petroleum products are costlier in our country. It is a most unfortunate and

unprecedented practice to raise the prices of petroleum products only a few days before the commencement of the session. That means they are cornering the parliamentary practices. I do not know why this Government is following this kind of practices. When the prices of petroleum products in the entire globe have come down, why particularly in our country are they going up? I cannot understand the very policy of this Government. When I go to my constituency, the common men in the streets ask me this thing. They say, the present Government may be having underhand dealings with some contractors and that is why when the prices of petroleum products are coming down in the entire world, they are going up in India. The Government has already given some flimsy grounds for this. They have stated that in order to check the foreign exchange and all that, they wanted to curb the consumption of petroleum products. But what is the justification behind increasing the prices of kerosene? Do you mean to say that rich people are using kerosene? It is the common man who is using kerosene. You know pretty well that the farmer is using diesel for farming whereas petrol is used by both rich and poor.

The cost of transport has been increased like anything. You know it well that when the transport is affected, everything is affected. Transport has become very much costlier in our country.

I tell you that the entire country has reacted against this price rise. You know pretty well how the recent Bharat *bandh* call by the Opposition has reacted. In my constituency, when I was just going to see whether any violence had occurred and if so, to control that violence, people forced me to stop the ongoing trains for about one hour. They forced me to lie down on the railway track. That was the situation. Why I am telling you all this is that the common man is very much affected. It has been proved very much.

Now I come to my State, Karnataka. As far as Karnataka is concerned, it is being discriminated. I am telling you once again, I want to warn the Ministry

concerned through you, Sir, that the people of my State are very much affected on all counts from time to time. Take, for example, the Vijayanagar Steel Plant. What has happened to that plant? Similarly, what about the railway network? What about the Mangalore Refinery? Why I am bringing these things to your notice is that I cannot go and face my people in Karnataka. They are forcing me to get an answer to these things. I want an answer to these things, otherwise I will sit at *dharna* here itself. Unless the Ministry gives a positive answer regarding the Mangalore Refinery, I cannot go home. I cannot go to my constituency; people are forcing me to agitate. I am going to sit just now here in *dharna*. Otherwise the Minister should give a categorical answer. I want this categorical answer by the Minister when he replies. Sir, I am coming from a backward district, that is, Kolar district. Since number of years we have not seen rains. The hon. Minister should see to it that sufficient fuel is assured to Karnataka to have gas turbines to generate electricity. Successively for the last four years there have been drought conditions in Karnataka. I want him to at least provide sufficient fuel so that generation of electricity can be done by installing gas turbines by the Government of India. With these words I conclude.

[Translation]

SHRI JAGANNATH PRASAD (Mohanlalani): Mr. Chairman, Sir, I would like to thank the present Minister, the former Minister Shri Nawal Kishore Sharma, the officials and the employees of the Ministry for their combined efforts to bring self-sufficiency on the oil front and for their achievement of a great degree of success in this work. I would like to say a few words about the Selection Board. Lakhimpur Khiri is in the Tarai region of Uttar Pradesh and the total population of that area is around 80 thousand. There the Selection Board Selected a candidate for the allotment of the agency. There were a number of complaints against this candidate and after an enquiry his name was rejected. The candidate whose name was next in the list was allotted the agency for distribution after creating a fresh

[Shri Jagannath Prasad]

vacancy because the candidate whose name was at the top and was rejected, had filed a case in the high court and his case is still pending there. Shri P.C. Sethi had constituted another Selection Board consisting of members representing each of the 4 companies, one deputy secretary of the Central Government and one deputy secretary from the State. I do not doubt the intentions of the Minister. But I would say this much that the consumers do not get L.P.G. cylinders on time. There is no distributor in Lakhimpur Khiri and by creating a fresh vacancy this need can be satisfied. In the town areas, Palliakalan and Gola of Lakhimpur Khiri, there are agencies for the distribution of LPG, but there is no agency in Lakhimpur Khiri itself. Action must be taken as early as possible in this matter. I would like to draw the attention of our hon. Minister to the fact that LPG has been declared an essential commodity and as a result the officials in the district, (they may belong to the Government or any other category) control the distribution and the common people do not get their LPG cylinders on cash and carry basis. I would request that the procedure followed by the company must continue. I would conclude by congratulating the hon. Minister. I am also grateful for the time given to me to speak.

SHRI RAMASHRAY PRASAD SINGH (Jahanabad) : Mr. Chairman, Sir, before speaking about the demands of the Petroleum Ministry I would like to say a few words about the Government policy. The price of petroleum has increased in our country whereas it has decreased in the international market. His argument is that the prices have been increased to save foreign exchange and curb oil consumption. But this argument does not hold water. In this session Government have brought forward an amending Bill to remove the restriction on the movement of trucks or vehicles for transportation of goods throughout the country. Earlier, there was a restriction on their movement. Now that restriction has been removed and trucks and vehicles can move to any part of the country after obtaining a national permit. This proves that you want to increase the consumption of petrol

and diesel in the country and you do not want to reduce it. Therefore, your policy is not intended to reduce the consumption of petroleum products in the country.

Secondly, drilling is going on at many places in the country to find out the deposits of petroleum. Petroleum plays an important role in the development of the country and every country where petroleum products are available in abundance is considered to be an affluent country. There are many places in the country where petroleum deposits can be found, but we know that no survey work is being undertaken there. We want that Government should undertake survey in those areas also, where there is possibility of finding the deposits of petroleum so that production of petroleum products could be increased in the country.

I would like to draw your attention to one more point. Mr. Chairman, Sir, submissions have been made in the House about distribution of gas also and it is an undisputed fact that there is need to streamline the functioning of the Oil Selection Board. There are many irregularities in its functioning and the Board decides everything in an arbitrary manner. The rules are completely ignored. In this connection I had seen the Minister a week back and I had also given a written complaint to him about the allotment of gas agency in my area. I would request you to take an immediate action on that complaint, because the people are getting very rich today in this manner and are earning crores of rupees through gas agencies. There is democracy in our country and we also talk of raising the standard of living of the poor. Our hon. Minister comes from Bihar and he knows how backward the State of Bihar is. I would, therefore, request him that he should take immediate decision regarding allotment of gas agency at Masaudhi, Ghosi, Arwal and Kurtha so that the poor could be benefited and they could get some facility, because all of us want that the poor of this country could get some facility. If we simply continue to indulge in tall talk and do not implement it in actual practice, the poor would not be benefited and they would continue to

languish in poverty. But you have raised the prices of oil and as a result, it has become difficult for the children of the poor to study during the night. It is clear from this that you want to keep them poor. I want that you should bring about some radical changes so that the poor could be benefited and their poverty could be removed.

[English]

THE MINISTER OF STATE OF THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI CHANDRA SHEKHAR SINGH) : Mr. Chairman, Sir, I am happy that such a good number of hon. Members have participated in the discussions and this Ministry has got the attention and interest of the Members. I also must express my gratefulness to the hon. Members for their high appreciation of the good work that is being done by the Ministry and their awareness of the problems which confront us.

Sir, oil is a very vital input both from economic and strategic angles and our objective is to attain a high degree of self-sufficiency not only from the short-term angle, but in the long-term perspective also. And this is really a test for our production programmes, our management capabilities and the way we are able to steer ahead this very important activity.

A long time back man used to depend largely on renewable sources of energy, but we have moved fast from the increasing use of stones and fossils and a stage has been reached when there is an accent on greater use of renewable sources and development of such sources.

A very significance of the feature of the present phenomenon is that we are in a high energy-cost era. The present soft conditions in the international oil market are not a firm indicator or a long-term indicator. It is expected that this trend may last for some time but things may go back to the old level very soon. It, therefore, calls for adjustment in our demand-management, re-orient our economic policies to conservation programmes

and making the most optimal use of our available resources.

Quite a good number of hon. Members have referred to the fact that petroleum products have become vital for the common man. Nothing could be a better indicator of the economic growth during the past decade than this. Before the planning process began, petroleum products did not matter very much for the common man because it was outside their reach and the situation has been transformed during the past few decades. Hon. Members have also unanimously stated that we should try to curb consumption of petroleum products, although they have added that the price increase is not going to result in such a deceleration of consumption. They have also said that most of the petroleum products used are for Governmental or semi-Governmental work. I would like to point out to the hon. Members that this is hardly the situation. Even if 90% of the petroleum products are used by Governmental or semi-Governmental organisations, then, why should there be an outcry against price rise, when the burden would be on Governmental organisation or semi-Governmental organisation and others would not feel concerned about it? But this is not the situation. I have explained in this House that the price mechanism has been used in the past in all other countries as an instrument to curb consumption, although there is no straight correlation between the two. I would only like to make clear one point to all the hon. Members. Increasing use of oil and petroleum products is an indicator of economic growth. In the past several years, the correlation between the economic growth and the growth in consumption of oil and petroleum products is 1 : 1.8. It means, for one percent rate of economic growth, we are consuming 1.8% of oil and petroleum products. I would not like to make a comparison with developed countries where they have a fairly large cushion to bring down consumption. But the Planning Commission has assumed that this ratio should be brought down to 1 : 1.3 and the present attempt, apart from the compulsion of resource mobilisation, is also directed to this purpose.

[Shri Chandra Shekhar Singh]

Some hon. Members made an analogy of the foot and the shoe. The shoe should be made according to the foot, not the foot according to the shoe. Here the analogy is certainly wrong. There is fair elasticity.

PROF. MADHU DANDAVATE : If at all shoe is available !

SHRI CHANDRA SHEKHAR SINGH : Here it is available ! The foot is not inelastic, as it is after attainment of a certain age !

Here, we can match the foot and the shoe from both ends and that is what we are trying to do.

I have also stressed and I would like again to reiterate that we are not resting content with this. We are going into an indepth examination of how best we can conserve our resources and bring down our consumption and still accelerate our economic growth.

I have informed the hon. House that we have convened a meeting of the Secretaries. We have put forward concrete and specific suggestions for consideration of a number of Ministries. They are actively considering it from the angle of implementation and, by next month, we should be able to evolve a comprehensive package of conservation measures which would cover all our economic activities and take us forward in that direction.

I would like to explain the present scenario to the hon. House and while spelling it out, I would also touch upon the issues raised by the hon. Members. If some of the issues are not covered in my speech, it does not mean that it has missed my attention. I would like to assure them that every point that the hon. Members have raised, has and shall receive the fullest consideration and examination.

SHRI SOMNATH CHATTERJEE : There will not be guillotine !

SHRI CHANDRA SHEKHAR SINGH : No !

Oil production in the country which was 40.5 million tonnes in 1980-81, increased three-fold by 1985-86 and is expected to be 29.9 million tonnes during the current year. The production will increase further to 34.5 million tonnes by 1989-90. The Sixth Plan target of 93.4 million tonnes of fuel oil production was exceeded and the actual production was 102.8 million tonnes. This is the situation and this is our performance.

I would like to name the new finds discovered during the current year because Members are naturally interested in it. These are the structures : Narsapur, Kaza and Tatipaka in Andhra Pradesh—here there is a gas find—Nariman in Tamilnadu, Karjisan and Pakhajan in Gujarat, Tinkhong-Tinali and Rajgarh in Assam and B. 147 Panna East Oil and Gas and D.18 and D.172 in the off-shore areas.

Most of these areas are still being delineated. By the introduction of early production system, oil from Narimanam is being utilised by the Madras Refineries.

A significant find has been that in Gandhar-I in Gujarat which was made in April, 1984. Two more wells have been completed and the fourth is under drilling. ONGC feels that they are on the threshold of a significant discovery. The geological reserves are still to be adequately assessed. However, the expectation is that this may be of the order of 100 million tonnes.

The highlights for the current year include commissioning of SH platform compression facilities in Bombay off-shore which has reduced flaring significantly and flaring is minimal in the western offshore and Gujarat regions. It may continue for some time in the Assam oil fields because they are scattered over a wide area and also because the utilisation potential could not be developed in time although we made clear every time that gas would be made available to Assam for their development programme.

The House is aware that besides what-

ever exploration and production activity we can carry on on our own resources we are trying to involve other countries also in this important sphere. A protocol with USSR has been signed for exploration in the Cauvery and Cambay regions. We are going around with the third round of bidding and we shall be making offers to foreign oil companies for offshore exploration work. We shall get the benefit of the latest technology as also the availability of foreign risk capital and the joint venture would be in the sphere of not exploration, but in the sphere of exploitation after the discovery of oil.

We are also evolving new strategies to accelerate oil production. A more intensive strategy is being devised instead of spreading our resources thinly over a wide area. We have selected more prospective areas for intensive exploration work.

Enhanced oil recovery techniques are being made use of and we are putting fields on accelerated production programmes and in view of the resource constraint we are trying to strike a right balance between charter hiring of equipments and acquisition of capital assets. Both have to be pursued and a correct decision has to be taken in this regard.

We are also trying to see that the productivity of rigs as measured by cycle speed is improved. ONGC has increased the cycle speed from 565 to 628 during the Sixth Plan period and it is planned to increase it to 722 metres in the Seventh Plan period.

That way we are trying to accelerate our production and meet our requirements through domestic production as best as possible.

Some members from Assam and Gujarat raised the question of payment of royalty for oil to these two States. This has been pending since long. I would like to assure the Members that this issue is receiving the most sympathetic consideration at our end and we are going to take a decision very shortly in this matter.

SHRI BIPIN PAL DAS : We hope

that the decision would be rational. It must have some relation to the price.

SHRI CHANDRA SHEKHAR SINGH : It will always be rational. I hope it will be rational from your angle also.

SHRI S. JAIPAL REDDY (Mahbubnagar) : I hope it will be radically rational.

SHRI CHANDRA SHEKHAR SINGH : That is going to be too inconvenient to you.

(Interruptions)

Shri R.P. Das raised this question of exploration plan in the Eastern and North-Eastern regions. I would like to inform him that we are paying full attention to exploration work in the West Bengal Zone and the North-Eastern areas of Upper Assam, Tripura, Nagaland and Cachar. We are going to invest nearly Rs. 300 crores in the West Bengal Zone and an amount of Rs. 540 crores in the North-Eastern area. This is going to receive our attention in the best possible manner. The balance between our requirement and our domestic production has to be met through imports.

SHRI BRAJAMOHAN MOHANTY (Puri) : What about Mahanadi ?

(Interruptions)

SHRI CHANDRA SHEKHAR SINGH : I will tell you about Mahanadi also. I am not blaming all of them because I thought that it is included here, and I thought that the hon. Members are well aware of it. I have specifically referred to West Bengal, because the hon. Member has raised this question. I thought you are fully aware of our work being done in Mahanadi Basin and therefore I need not mention specifically.

(Interruptions)

So, during the year 1985-86, total value of net imports is of the order of Rs. 4500 crores. So far as export of crude oil is concerned, these have been reduced to a

[Shri Chandra Shekhar Singh]

very low level on account of enhanced refining and production within our country. During the year 1986-87 also, no export of crude oil is planned and henceforth no export of crude oil is going to occur. As a result, the quantity of petroleum products imported is anticipated to go down from 2.61 million tonnes in 1985-86 to 1.95 million tonnes in 1986-87. Our imports of crude oil will be going up from 14.85 million tonnes to 15.59 million tonnes. In terms of value of net imports expected to go down by about Rs. 4500 crores to about Rs. 4000 crores in 1986-87. We are taking full advantage of the current oil market and we are trying to get maximum advantage out of it. All the purchases which have been made between January—March to the tune of Rs. 3.2 million tonnes, will be on-the-spot prices. We are trying to enter into negotiations with the oil producing countries so that we get import of market-related prices and not official prices. I have explained to the hon. House that in spite of our best efforts our degree of self-sufficiency in oil will go down by the end of the Seventh Plan.

(Interruptions)

SHRI BALASAHEB VIKHE PATIL (Kopargaon) : Will it go down or go up ?

SHRI CHANDRA SHEKHAR SINGH : No, no, it will go down.

(Interruptions)

The degree of self-sufficiency during 1980-81 was 31.6 per cent. By the end of this plan, it reached 70 per cent. In the year 1985-86 it was 68 per cent. It is primarily due to the reason that we were able to strike the Bombay High structure. We have not been able to get any such highly beneficial structure and therefore the present projections are....

SHRI AJAY MUSHRAN (Jabalpur) : The Minister has said that the degree of self-sufficiency will go down. I think what he means is "more self-sufficiency."

SHRI CHANDRA SHEKHAR SINGH : No, no, absolutely not.

SHRI S. JAIPAL REDDY (Mahbubnagar) : The truth is much too unpleasant to the members of your own Party.

SHRI CHANDRA SHEKHAR SINGH : I meant what I said.

PROF. MADHU DANDAVATE : He feels that it is a statement from an Opposition leader. (Interruptions)

[Translation]

SHRI RAJ KUMAR RAI (Ghosi) : The truth is that people do not concede with grace and honesty. It is surprising that you have conceded.

[English]

SHRI CHANDRA SHEKHAR SINGH : I have explained the position some time back also in the House that the degree of self-sufficiency will go down to 61 per cent by the Seventh Plan period and this is most likely to occur unless we are able to strike something big in the coming years. About gas....

SHRI BIPIN PAL DAS (Tezpur) : Is it the policy of the Government to pursue a line of more conservation of this exhaustible commodity by importing crude which is now cheaper in the world market ?

SHRI CHANDRA SHEKHAR SINGH : That question was raised by Shri P.C. Sethi. But that option is hardly available to us. It is a suggestion that we purchase oil from abroad, we can store it, make use of it and restrict our production. But the balance of payments position is one factor. Storage and interest problems are another factor. Somehow or the other, the present international market is going to help us....

PROF. MADHU DANDAVATE : Do not import 'balance of payments'.

SHRI CHANDRA SHEKHAR SINGH : The balance of payments position is difficult.

So, we do not have that option available to us.

Gas is going to assume a very significant role in the coming years as reserves

of natural gas are likely to build up at a faster rate than crude oil. Over the last ten years, natural gas reserves of India have increased from 68 billion cubic metres to 479 billion cubic metres. It is a highly versatile hydrocarbon source and we are paying a lot of attention to it. The total production of gas which was in the range of six to seven million cubic metres per day in 1975-76 increased to about 22 million cubic metres per day in 1984-85. This production rate is expected to be more than double, to about 46 million cubic metres per day, by the terminal year of the Seventh Plan, 1989-90. With the anticipated increase in the production of natural gas in the Seventh Plan, it is expected that, on an annual basis, the production of fertilisers in the country will be enhanced by about six million tonnes, the production of petrochemicals will increase by about four to five lakh tonnes, and new power generation capacity to the tune of about 1300 to 1500 Megawatts will be added.

At this stage I would like to refer to HBJ briefly. I have stated only a few days back that there is every likelihood that the work would be awarded within 24th March. We are still trying to do it. If there is going to be some delay, it may be a delay of three or four or five days. But I would again like to reiterate that the award is going to be made very soon and the hon. Members will feel highly satisfied that we are going to take a decision in the larger national interest.

Shir Murli Deora referred to the necessity of having pipe gas supply to big cities.

I would like to assure him that we are looking into the matter and if there is any possibility, certainly we shall try to do that.

AN HON. MEMBER : What about Assam ?

SHRI CHANDRA SHEKHAR SINGH : I will come to that.

(Interruptions)

SHRI CHANDRA SHEKHAR SINGH : Hon. Member Dr. Vijaya Rama Rao who initiated the discussion referred to the necessity of splitting up the ONGC. The ONGC is not being split up. But a reorganisation is being effected and we are going to strengthen the regional organisations and try to get more authority and get accountability to the regional officers, thereby enabling them to come upto our expectations.

An effort is also being made to make use of Indian equipment in the exploration or production activity. I would like to tell the House that during the last five years the domestic coverage of our equipment has increased from 38% in 1980-81 to 54% in 1984-85 in so far as the ONGC is concerned and from 53% in 1980-81 to 64% in 1984-85 in so far as the OIL is concerned. (Interruptions)

Sir, I would like to go to the refining side and cover many of the points which the Hon. Members have raised. The present refining capacity in the country is 45.55 million tonnes spread over twelve refineries. The House is aware that during the last few years we have added Mathura Refinery. Expansion has also occurred at Bombay, Vizag, Madras and Cochin totalling 7.75 million tonnes. This is a very notable feature that our refining capacity is established and thereby we are now importing crude, refining them, processing them here and not importing products and thereby saving the valuable foreign exchange.

I would like to point out to the House that at the present rate of growth in the consumption which is of the order of 3 million tonnes per annum, every five years there would be a requirement of 15 million tonnes of products and we have to take note of it and increase our refining capacity further.

In our country the maximum consumption is of middle distillates and, therefore, our refining capacity added always ensures maximisation of the middle distillates. During the last five years we have added six new secondary processing facilities to maximise middle distillates.

[Shri Chandra Shekhar Singh]

Among the expansion proposals in the 7th Plan in which the Members must be interested, are the expansions of Bongaigaon Refinery or another refinery in Assam subject to completion of the techno-economic studies in this regard. This study report has reached us, we are examining it. The crude oil availability is of the order of one million tonne. We have to see whether it would be better to set up a new refinery in Assam or to expand the Bongaigaon Refinery. We will consult the State Government also in this regard.

SHRI PARAG CHALIHA : What about the expansion of Assam Oil Company ?

SHRI CHANDRA SHEKHAR SINGH : I am coming to it.

SHRI BIPIN PAL DAS : The Accord signed by the Prime Minister says that there would be a new refinery in Assam.

(Interruptions)

PROF. MADHU DANDAVATE : The Prime Minister did not sign. It was Punjab Accord that he signed.

(Interruptions)

SHRI SOMNATH CHATTERJEE : That was before the elections.

SHRI CHANDRA SHEKHAR SINGH : The Accord said :

“That the Government of India had agreed, to establish a Refinery in Assam. The Government will render all possible assistance in terms of institutional and Bank finance to facilitate the establishment of a refinery in the private sector.”

But the techno-economic possibility of it has to be examined and we are looking it from this angle.

SHRI BIPIN PAL DAS : This is besides the expansion of Bongaigaon Refinery. Isn't it ?

SHRI CHANDRA SHEKHAR SINGH : This refinery cannot be set up

from thin air. It has to process through *(Interruptions)* For expansion and setting up of new refinery we want crude oil. It cannot be established in any..... *(Interruptions)*

17.00 hrs.

SHRI BIPIN PAL DAS : Crude is available.

SHRI CHANDRA SHEKHAR SINGH : I will discuss it with you. We are looking into it.

Sir, in addition it is also proposed to expand the Mathura refinery from 6 million tonnes to 7.5 million tonnes. Secondly processing facilities are also proposed for Gujarat refinery in addition to raising its capacity from 7.3 million tonnes to 9.5 million tonnes.

Sir, modernisation of Digboi refinery is also being taken up. The Indian Oil Corporation is preparing a feasibility report for modernisation of Digboi refinery. It is under preparation. A sum of Rs. 50 crores has been allocated in the Seventh Plan for modernisation of this refinery.

Several hon. Members raised the question about Karnal and Mangalore. As regards Karnal the refinery is coming up and the total investment would be Rs. 1500 crores. As regards Mangalore I would like to point out that there is a clear reference about Mangalore refinery in Chapter 3 of this Report and I quote :

“Government is exploring the possibility of two grass root refineries at Karnal and Kanganore in the joint sector.”

Many hon. Members from Karnataka have raised this point and urged upon me to take immediate action in this regard. I would like to inform them that as regards Mangalore we are going ahead with speed in setting up the Mangalore refinery. Although Karnal and Mangalore are not being processed together yet I hope that both Karnal and Mangalore will be coming up simultaneously and there will be no effort lacking on our part.

As regards Haldia the hon. Members raised the issue of shortfall in throughput of Haldia refinery. The refinery at Haldia is based on imported crude and its capacity is 2.5 million tonnes per annum. From the present indications it is likely that Haldia my process 2.78 million tonnes exceeding their intake capacity. It is quite likely that in some months this throughput may be more while in others it may be little less. The overall position is that there will not be any shortfall in throughput in 1986-87. In fact, they will be exceeding the designed throughput. I think I have covered every point.

SHRI PARAG CHALIHA : You have not spoken anything about the discriminatory recruitment policy.

17.05 hrs.

[SHRI VAKKOM PURUSHOTHAMAN
in the chair]

SHRI R.P. DAS : What about expansion of Haldia Refinery ?

SHRI CHANDRA SHEKHAR SINGH : This has not been firmed up.

SHRI PARAG CHALIHA : What about the points raised by me ?

SHRI CHANDRA SHEKHAR SINGH : Regarding the employment, I want to make sure that the present policy to which you referred shall be implemented vigorously. We are all for recruitment of local people so far as Class III and Class IV employees are concerned ; only in the case of Class I and Class II technical staff, a general recruitment policy shall be followed.

SHRI SOMNATH CHATTERJEE : And intake through the employment exchanges.

SHRI CHANDRA SHEKHAR SINGH : Yes, it is there. The hon. Member, Shri Chaliha, referred to a particular instance and said that the intake of actual number of officers in Class I and Class II exceeded sanctioned strength, and that so far as Class III and Class IV posts

were concerned, it was below the sanctioned strength. The situation is not so as far as my information goes, but if you have any further information about it, kindly let me know and I will take note of it.

SHRI PARAG CHALIHA : I am absolutely sure of my statement.

SHRI CHANDRA SHEKHAR SINGH : I shall look into it....(*Interruptions*). I cannot say anything about the specific cases here.

DR. V. VENKATESH : What about the reservation policy ? It is not being implemented.

SHRI CHANDRA SHEKHAR SINGH : I will come to that I would now take up the marketing side of the activities. Marketing of the products is done by the four companies, HPCL, BPCL, IOC and IBP. So far as retail outlets for petrol, diesel, LPG, and wholesale for kerosene are concerned, the Oil Selection Boards were constituted in 1983 and they have been selecting the candidates. So far as the figures reveal, the OSBs have been clearing the pending cases much faster than the oil companies, when they were incharge. But the most important question that has been raised by so many hon. Members is about LPG coverage in the 7th Plan period and I would like to explain the situation to the hon. Members in this regard.

There are three stage synchronisations which have to take place ; the LPG availability, the bottling capacity and the cylinder manufacturing capacity. LPG availability on 1.4.1988 shall be 1.8 million metric tonnes, and on 1.4.1990, it would 2.38 million metric tonnes. The bottling capacity after completion of Phase 3 would be 1.60 million metric tonnes, which actually means that by the end of the year 1987-88, the LPG availability and bottling capacity would be almost evenly matched and there would be no difficulty about it. But so far as the 7th Plan period is concerned, if we do not augment our bottling capacity, we would be faced with difficulties and a gap would remain to be covered through increase in bottling capacity. We are looking into it and we are trying to devise

[Shri Chandra Shekhar Singh]

ways and means to overcome the resource constraint and how this can be done. I would like to assure the House that we would find a way to do it. We will not let this limitation, restriction of bottling capacity to operate upon us in any absolute manner and cut down our coverage of LPG.

SHRI SOMNATH CHATTERJEE : In Durgapur, a bottling plant has come in the private sector and they are waiting for the work to be given to them.

SHRI CHANDRA SHEKHAR SINGH : It was pointed out and we shall certainly see.

As already explained to the House, the customer population which was below one crore at the end of the Sixth Plan period is going to go up to two crores by the end of the Seventh Plan period. Thereby, we are going to cover a wider area. One hon. member from West Bengal rightly raised this issue that LPG availability is not of the same order in Calcutta and such other areas, as it is in Bombay, Maharashtra and Gujarat regions.

SHRI R. P. DAS : It is not available in the district town also.

SHRI CHANDRA SHEKHAR SINGH : I would like to tell the hon. member Shri Das that I shall examine the present situation and take corrective action and try to restore a certain balance between the requirements of the different areas, different zones and important cities of the country.

We shall also certainly be liberal so far as North Eastern Region is concerned and we shall try to see that a wider coverage is made in the North Eastern Region.

SHRI PARAG CHALIHA : What about a gasline in the Eastern Region ?

(Interruptions)

SHRI CHANDRA SHEKHAR SINGH : If it were not for the constraint

of time, I would like to satisfy each and every member by referring to those specific points raised by him. But I have already referred to that question and I told that flaring up of gas will continue for some time to some extent in Assam. We cannot eliminate it because of the associated gas. But I have made it clear to the Chief Minister of Assam that we shall make gas available to Assam for every developmental activity and I urged upon him that he should take steps to develop the utilisation potential in that area and try to develop industries in that area. No effort at my end would be lacking so far as Assam is concerned.

Shri Ram Ratan Ram referred to the necessity of a bottling plant in Ranchi and Jamshedpur. I would like to inform him that a bottling plant of 25,000 MTPA is included in Phase-3 project of Jamshedpur and it will be completed before March 1988.

Hon. members have stated that hotplates are being compulsorily sold by dealers. There is absolutely no compulsion and in fact we have issued instructions that in no case should they compel the users to purchase the hotplates. We are trying to see that it is fully enforced. If there is any complaint, we shall take stringent action against them. But completely delinking them is not desirable, because people want to have the hotplates there. We shall certainly see to it that no compulsion is exercised upon the users by the agents and dealers.

SHRI VIR SEN : Can you also arrange for a price control of these ovens ?

SHRI CHANDRA SHEKHAR SINGH : It is a competitive thing and we have to go into greater details so far as price mechanism is concerned.

A large number of hon. members have urged upon me that LPG coverage should be extended to sub-divisional towns and petrol and diesel outlets to *anchal* towns also. I shall look into it. But something else has also to be taken into consideration. The person, to whom we allot this business, should be able to get a reasonable profit out of it. It should be a viable

activity for him. Otherwise, he will resort to certain unfair practices.

Within this constraint, I will try to enlarge a programme as best as possible and cover as much areas as possible. Some hon. Members have asked for LSHS supply to the power projects in Karnataka. I would like to refer to them. The Chief Minister met me a few days back and I explained to him the position. At present, we have very marginal surplus of LSHS which will be completely eliminated within 2-3 months. But, if we import LSHS only for Karnataka, we shall have to import every year LSHS worth Rs. 80 crores. And there are similar requests from a good number of States. If we accede to the request of all the State Governments, the total outgo of foreign exchange for import of LSHS would come to Rs. 1040 crores. So, you can well realise that it is a very difficult proposition for us to accept. But I told him that if he were to make out a case—limited case for Karnataka—for some particular activity, we shall certainly look into it and try to help the State. Some Hon. Members from Rajasthan referred to the necessity of Kerosene oil or LPG coverage in the desert areas. Recently, on a directive from the Prime Minister, after his tour of the tribal areas of Rajasthan, this Ministry is undertaking a study about the scope of expanding LPG facilities in desert areas of Rajasthan to counter the felling of firewood. The Committee set up for the purpose has given an interim report where the following suggestions have been made. They have been accepted by the Ministry and communicated to the oil industry to implement in the ten identified towns of Rajasthan as an experimental measure. And these towns are :

1. Kota
2. Mount Abu
3. Pali
4. Sawai Madhopur
5. Udaipur
6. Dungarpur
7. Bundi

8. Jhalawar

9. Sirohi

10. Rawat Ghat

SHRI SOMNATH CHATTERJEE :
You are teasing Shri Mool Chand Daga.

SHRI ANANTA PRASAD SETHI :
What about Orissa ?

(Interruptions)

SHRI CHANDRA SHEKHAR SINGH : Other towns would be considered later. In the first slot, these ten towns are going to be covered.

SHRI ANANTA PRASAD SETHI :
The Prime Minister also visited Orissa.

(Interruptions)

SHRI CHANDRA SHEKHAR SINGH : In desert areas, the plantations.....

(Interruptions)

SHRI ANANTA PRASAD SETHI :
More tribal areas are there in Orissa. There are so many districts in Orissa—

(Interruptions)

SHRI CHANDRA SHEKHAR SINGH : Plantations are dire necessity for the desert area. That is why, we are giving higher priority to Rajasthan.

MR. CHAIRMAN : Please hear the Minister. Please take your seat. You cannot make such interruptions.

SHRI SONTOSH MOHAN DEV :
First time in his life Dagaji has thanked the Minister.

(Interruptions)

MR. CHAIRMAN : Order, order.

SHRI CHANDRA SHEKHAR SINGH : Sir, Mr. Ramoowalia is not here, but he referred to the inadequacies in the supply of diesel during harvesting of rabi

[Shri Chandra Shekhar Singh]

crop and sowing of kharif crop, to Punjab and opening of HSD dump at Sangrur. We have examined this question, compared to the availability of diesel last year, this year, there has been a 12 per cent increase. But I shall try to see that if there is any difficulty, so that the farmers of Punjab, particularly of that area, don't experience any trouble so far as diesel availability is concerned. We shall also consider opening of storage depot of petroleum products at Sangrur and we shall examine this suggestion and take necessary action.

I would now like to round up my reply with the presentation of our economic activity : how far it is profitable, and how far it has contributed to the Central exchequer. During the current year, the contribution of this sector to the Central exchequer is of the order of Rs. 5400 crores, covering royalties, cess, corporate tax, dividends, Customs, Central Excise and other taxes. In addition, the annual plan for the year 1986-87 of petroleum and natural gas sector has been fixed at Rs. 3300 crores, out of which Rs. 2766.88 crores have been earmarked for exploration and production, and the rest for refining and marketing, petro-chemicals and engineering units. Out of this, budgetary support is only to the extent of Rs. 337 crores, and the remainder is from internal resources, OADB assistance, public deposits, commercial borrowings and suppliers' credit.

Some hon. Members have suggested that we may try to raise resources through the issue of Public Bonds. We have been permitted so far as two Corporations are concerned ; and for the others, they are under the consideration of the Finance Ministry.

There are a total of 15 public sector undertakings under the control of this Ministry, apart from three institutions, viz. OADB, Oil Coordination Committee, and Petroleum Conservation Research Association. It is expected that all of these would make profits, except for the Cochin Refinery, the loss in which is due to some specific reasons which we are looking into, and trying to remove.

The plan for rehabilitation of Beeco Lawrie is also being drawn up to convert it into a profit-making unit. So, out of the 15 public sector undertakings, some 12 undertakings are making profit, and the rest shall also be brought to that level in a year or so. This is how the public sector undertakings are performing. (*Interruptions*)

DR. A. KALANIDHI (Madras Central) *rose.*

MR. CHAIRMAN : Dr. Kalanidhi, this is not the time for asking questions.

SHRI CHANDRA SHEKHAR SINGH : He is not attentive. I have replied to his point.

During the year 1984-85, the total profits for the petroleum sector were estimated to be about Rs. 2125 crores, and the actual achievement is Rs. 2104 crores, which is more or less on target.

I would like to take the hon. House into confidence and tell them that inspite of our financial and economic performance of this order, we are laying great emphasis on cost reduction methods, introduction of new strategies and new systems, so that our performance further improves, and we are able to say that with the present accent by the Prime Minister on cost reduction, we are also able to come up to his expectations.

Hon. Members have also raised the question about productivity efficiency. I would like to tell them that we lay great stress on this aspect of our work ; and in fact, every organization has been asked to prepare a productivity programme, so that the efficiency level of the entire sector is raised to a higher plane.

I would like to tell the hon. House that this Government is pursuing the socialist economic policies of the past Governments of Jawaharlal Nehru and Indira Gandhi ; and the only plus factor is that Rajiv Gandhi has been able to introduce one important factor, viz. that of efficiency to the present concept. This emphasis has been evident not only in our country. You will realize that even in the socialist countries like China and

Russia, their leaders are all out for introducing more efficient use of their resources. We are bringing about discipline in our activities, thereby taking the country forward.

Mr. Rajiv Gandhi, when he says that we shall take the country to the 21st century, he actually means that we have to attain higher standard ; we have to attain efficient level of use of resources ; we have to attain greater productivity ; we have to create more jobs ; we have to create a better world for all the people of this country as we reach the 21st century.

(Interruptions)

MR. CHAIRMAN : Order, order.

SHRI S. JAIPAL REDDY : The Minister is on an oily ground.

SHRI CHANDRA SHEKHAR SINGH : I would like to assure him that if he marches with us, he will never slip ; he will be on a firm ground and he will march ahead ; and this is the emphasis ; and members must understand only yesterday the Prime Minister explained how introduction of high technology, better and efficient use of resources is going to create more jobs and more economic activities and this concept we are trying to implement fully in the petroleum sector. I again thank hon. members for their correct and good appreciation

of the problems and I hope that the demand of this Ministry will receive their full support.

MR. CHAIRMAN : I shall now put all the cut motions moved to the Demand for Grant relating to the Ministry of Petroleum and Natural Gas to vote together, unless any hon. member desires that any of his cut motions may be put separately.

All the cut motions were put and negatived.

MR. CHAIRMAN : I shall now put the Demand for Grant relating to the Ministry of Petroleum and Natural Gas to vote : The question is :

“That the respective sums not exceeding the amounts on Revenue Account and Capital Account shown in the fourth column of the Order Paper be granted to the President out of the Consolidated Fund of India to complete the sums necessary to defray the charges that will come in course of payment during the year ending 31st day of March, 1987 in respect of the heads of Demands entered in the second column thereof against Demand No. 76 relating to the Ministry of Petroleum and Natural Gas.”

The motion was adopted

Demand for grant (General) 1986-87 in respect of Ministry of Petroleum and Natural Gas voted by Lok Sabha.

No. of Demand	Name of Demand	Amount of Demand for Grant on account voted by the House on 13th March, 1986		Amount of Demand for grant voted by the House	
		Revenue Rs.	Capital Rs.	Revenue Rs.	Capital Rs.
1	2	3	4		
MINISTRY OF PETROLEUM AND NATURAL GAS					
76.	Ministry of Petroleum and Natural Gas.....	21,38,000	1,26,30,79,000	1,06,40,00	21,32,29,40,00