

everyone in the country is exercised over this issue.

[*English*]

MR. SPEAKER: Mr. B.N. Reddy.

SHRI B.N. REDDY: Question No. 1.
(*Interruptions*)

[*Translation*]

MR. SPEAKER: Kumari Mayawati, I am asked you again and again to sit down. I am not entertaining any requests during the Question Hour. Let the Question Hour continue.

[*English*]

MR. SPEAKER: Mr. Gurupadaswamy.

(*Interruptions*)

MR. SPEAKER: Will you please take your seats?

[*Translation*]

SHRI RAM LAL RAHI: You should listen... (*Interruptions*)

MR. SPEAKER: I have not refused. I shall listen to it only at the proper time, not now.

(*Interruptions*)

MR. SPEAKER: Please sit down. I would like to repeat that I shall listen to your request only after the Question Hour and not now. Now Shri Gurupadaswamy is giving his reply.

(*Interruptions*)

SHRI HARISH RAWAT: Sir, it is regrettable that atrocities are being committed on Harijans in U.P., Bihar and Madhya Pradesh. This is a very serious matter. It is a heartless Government which is completely unconcerned.... (*Interruptions*)

SHRI RAM LAL RAHI: Sir, the Hon. Prime Minister should have been present in the House at the moment. How is the business of this House going to be conducted in this situation and who will listen to us in his absence?... (*Interruptions*)

MR. SPEAKER: Please sit down.

(*Interruptions*)

[*English*]

THE MINISTER OF FINANCE (PROF. MADHU DANDAVATE): The hon. Members has complained that the Prime Minister is not in the House. Today is his Question Hour in the Rajya Sabha. He is replying to the question in the other House. ... (*Interruptions*)

ORAL ANSWERS TO QUESTION

[*English*]

Consumption of Petrol and Petroleum Products

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*1. SHRI B.N. REDDY:
SHRI SANAT KUMAR MANDAL:

Will the Minister of PETROLEUM AND CHEMICALS be pleased to state:

(a) the specific steps taken by Government for curtailing the consumption of petrol and petroleum products;

(b) whether the views of general public, industrialists etc. were invited and considered before taking decision in this regard;

(c) if so, the details thereof;

(d) whether any appraisal of petrol and petroleum products regulations issued recently has been made in regard to its consumption; and

(e) if so, the outcome thereof?

THE MINISTER OF PETROLEUM AND CHEMICALS (SHRI M.S. GURUPADASWAMY): (a) A statement is laid on the Table of the House.

(b) No, Sir.

(c) Does not arise.

(d) and (e). It is too early to assess the impact of the various measures taken recently, on the consumption of petroleum products.

STATEMENT

The measures taken by Government to curtail the consumption of petroleum products include reduction in consumption of petrol and diesel in vehicles of Central/State Governments, local bodies and public sector undertaking. Bulk consumers like State Road Transport Corporation, Railways and Power Houses have been advised to reduce consumption by 10%. Restrictions have also been placed on overall supply of some other petroleum products. Allocations of Kerosene to States have been restricted to a 4% increase for the Monsoon Block 1990 (July–October) compared to the increase of 7% permitted last year. Retail outlets are to remain open only from 7.00 A.M. to 12.00 Noon on Sundays and have been asked to observe working hours from 7.00 A.M. to 7.00 P.M. on other days. All retail outlets located within the limits of Municipal areas and within a radius of 20 KMs from the limits of Municipal areas are covered by the guidelines as above.

SHRI B.N. REDDY: When such an important matter on the question of prices was raised, they should have taken the public opinion and prices of petrol and petroleum products have really gone up to a great extent. We are facing a very big problem today due to rise in prices. I would like to know as to why the Government has not taken the view of the general public and the industrialists as far as the rise in prices of petrol and petroleum products are concerned.

SHRI M.S. GURUPADASWAMY: The question does not refer to petroleum prices at all. Petroleum prices have been hiked because of the duties imposed by my hon. friend the Finance Minister and that does not arise from this question.

SHRI B.N. REDDY: No details have been furnished which I have asked for. Would you please furnish the details asked for?

SHRI M.S. GURUPADASWAMY: Sir, some details have already been given. On 21st June, a notification was issued by the Ministry detailing the various measures to curtail consumption of petroleum products. We have restricted the hours of working of petrol bunks. They are now open from 7 AM to 7 PM... (*Interruptions*)... There is partial closure of petrol bunks on Sundays. Besides this, various measures have also been taken by the Ministry. We have requested all the Central Ministries to cut down the consumption by 20 per cent. In particular, we have asked the Railways to cut down the consumption by 10 per cent. Similarly, we have asked the State Governments to cut down the consumption by 20 per cent. We have said that 10 per cent cut should be applied for road transport and Electricity Boards. We have been examining the impact of these measures and it will take some time to assess the impact of the various measures.

SHRI SANAT KUMAR MANDAL: How does the Petroleum Ministry now propose to compensate not only for the spurt in the prices of crude oil and petroleum products in the international markets in the wake of OPEC raising the target price by three dollars a barrel and the likely disruption of supplies consequent of Iraq's invasion of Kuwait on the main supplier of petroleum products to India but also effect a saving in consumption here?

SHRI M.S. GURUPADASWAMY: It is true that recently the OPEC countries have hiked the petroleum price upto 21 dollars per barrel. As a result of this hike, the gross foreign exchange requirement has been

worked out by my Ministry, and it comes to about Rs. 9500 crores for meeting the demand. But the Finance Ministry has restricted the foreign exchange availability to us to Rs. 6400 crores, which was the figure for the last year. If we have to adhere to this figure, we have to restrict the consumption of petroleum products much more than now. The Ministry has taken up this matter with the Finance Ministry. We are making a request for higher allocation in foreign exchange. We are watching the situation everyday and I am afraid, the international oil scenario is very difficult and volatile. I am afraid, we may have to take more strict measures to cut down the consumption of petroleum products... (*Interruptions*)

MR. SPEAKER: No interruptions. You cannot get the reply from the Minister like this. You will get your chance. Let the Minister reply. Please take your seat.

SHRI M.S. GURUPADASWAMY: The rate of growth in demand last year for petroleum products was 8.2 per cent and for petrol itself, it was about 14 per cent. If this rate of growth is continued this year also, we do require about Rs. 8800 crores of foreign exchange. The Finance Ministry has allowed us Rs. 6400 crores of foreign exchange this year. As I said, the overall growth in demand last year was 8.2 per cent. If I have to adhere to this foreign exchange limit made available to me by the Finance Ministry, then instead of meeting 8 per cent growth in demand, there has got to be a cut in demand, a negative growth of 1 per cent. This is the picture that is now emerging.

SHRI P. CHIDAMBARAM: This Government has deservedly earned the reputation of acting first and then putting of its thinking cap. With great flourish, they announced that the petrol pumps would be closed on Sundays, and would open from 7.00 a.m. to 7.00 p.m. on other days. Firstly, at least they should do one thing. They should not have taken two aircrafts to Maldives, when the Prime Minister visited that country. Aircrafts, I presume run on petrol. While we support these measures to con-

serve petroleum products and petrol and consume less, does the Minister know that by the unthinking decision that they have taken, there is a flourishing blackmarket in petrol after 7.00 p.m. everyday? There is a flourishing blackmarket on Sundays and auto-rickshaws and taxis rightly or wrongly, fleece customers after 7.00 p.m. Instead of these gimmicks, will they come forward with a well thought-out programme to conserve petrol and petroleum products?

SHRI M.S. GURUPADASWAMY: : We are not indulging in any gimmick. I would like to assure my friend that we are quite serious about it. It is a very serious national problem.

About the specific question regarding black-marketing, I would like to say that we are all aware that in a situation of scarcity, there is bound to be some malpractice and black-marketing. (*Interruptions*)

MR. SPEAKER: Please order, order. Mr. Minister, you please address to the Chair.

SHRI M.S. GURUPADASWAMY: We have visualised this situation and we are monitoring the entire distribution. We are not allowing the black market to flourish. We have taken all measures to see that black marketing do not occur.

[*Translation*]

SHRI MADAN LAL KHURANA: Sir, the hon. Minister has said that they are quite serious about it. They are so serious that they did not deem it fit to consult any political party before its implementation..... (*Interruptions*)...they are not able to describe the kind of impact it has had during the last two months. It is this whimsical order that has encouraged black marketing. May I know from the hon. Minister if the Government is going to review the situation or hold consultations with various Parliamentary Parties on this issue?

[*English*]

SHRI M.S. GURUPADASWAMY: May I

assure the House that we have taken all measures—we have built up the inventory—to meet the situation. There is no shortage of Petroleum product just now. We have taken steps to see that proper inventories are built up. We are meeting the demand. If still malpractices are emerging, we are taking all steps to see that these are curbed.

SHRI HARIN PATHAK: It is still there. What steps have you taken, we would like to know. Already three months have been passed.

SHRI M.S. GURUPADASWAMY: If the hon. Member brings to my notice any specific case, I will deal with it..... (*Interruptions*)

[*Translation*]

SHRI MADAN LAL KHURANA: Sir, no reply has been given to my question. My question is, whether the Government is going to hold consultations with political parties to review the situation? (*Interruptions*)

[*English*]

SHRI M.S. GURUPADASWAMY: Sir, we have taken these measures very recently, only on 21st June, 1990. We must wait for another two-three months to assess the impact of these measures.

So far as the other part of question is concerned, as far as possible we have consulted the political parties. (*Interruptions*)

MR. SPEAKER: I can understand your concern, but you please allow the Minister to reply.

SHRI M.S. GURUPADASWAMY: We will review the whole situation after two-three months. We will also study the impact of these measures. If there will be any need, we will certainly take the necessary action.

SHRI NIRMAL KANTICATTERJEE: I have no doubt in my mind that this is an area where by reducing Government expendi-

ture, you simultaneously tackle the problem of balance in external trade and deficit financing. I, therefore, feel that the cut in petroleum consumption should be heavier than that proposed by the Minister. I am told that half of the petroleum is consumed in the Government sector.

- (1) I want to know what fraction of the output or availability of petroleum is consumed by the Government and public sector units;
- (2) How much has it succeeded in reducing that consumption; and
- (3) Whether they are going to curb their own consumption first before asking others to curb the consumption.

To that extent, that they going to introduce rationing of petroleum consumption inside the Government and public sector units?

SHRI M.S. GURUPADASWAMY: These measure have been taken to create an awareness in the country about the serious situation arising in the oil sector. These measures have got to work for sometime and after two or three months, we will make an assessment of the whole situation and take appropriate measures... (*Interruptions*)

SHRI AMAL DATTA: It is a very important question. Let the Minister first understand the question before answering it.

MR. SPEAKER: Please, try to reply to the specific question.

SHRI M.S. GURUPADASWAMY: The Central Government proposes to take a lead in containing the demands for petrol and diesel by curtailing the consumption in Government vehicles by 20 per cent in 1990-91, over that in 1989-90. All Chief Minister have been requested to issue instructions to cut petrol and diesel consumption by 20 per cent over the consumption in 1989-90..... (*Interruptions*)

SHRI HARIN PATHAK: What is the real picture?... (*Interruptions*)

SHRI M.S. GURUPADASWAMY: He wants to know the real picture. The demand for petroleum products by the end of the Eighth Plan is 53.52 million. The demand in 1990-91... (*Interruptions*)

SHRI KAMAL NATH: What is this?

SHRI M.S. GURUPADASWAMY: You want the real picture. So, I am giving you the picture. (*Interruptions*)

SHRI JASWANT SINGH: Mr. Speaker, Sir, the hon. Minister has explained to us a combination of fiscal and physical measures to curtail consumption of petroleum products. I think the points made by my old and eminent colleague are very valid.

Roughly by my estimates, about 70 per cent of the total consumption of petroleum products is by the Government itself or by the Government undertakings. I could well be corrected about the exactness of the statistics. The hon. Minister now tells me, it is approximately 50 per cent. Now, my point is—without getting involved in the argument of the exact statistics—how much of this is Government consumption and how much of the burden is borne by private consumers? Now the hon. Minister says that it is 50% ; whether it is 60% or 70%, all these fiscal and physical controls hit us individually, directly. It hits the citizen independently, directly. So, I put it to you that whereas consumption by Government and Government undertakings is concerned, has any examination been made; what was their consumption pattern for the last six months, and also, what has been their consumption pattern in the last three months? If there is a mandatory reduction of 'X' percentage, has that 'X' percentage been actually implemented? This is one part. (*Interruptions*)

The second part is this: the hon. Minister informed us that he is asking the Railways to cut down their consumption. I think asking the Railways to do so is a dangerous

suggestion. (*Interruptions*) You ask the Railways to cut down, which means that there has to be congestion. Somewhere there has to be congestion, whether it is in goods traffic, or whatever. Would the Government clarify that?

The third aspect: I would like the hon. Minister to inform us, how much percentage of our gas is being flared today, because gas, after all, is also a petroleum products. Flaring of gas is an unproductive consumption. Flaring of gas is denying the users of a possible petroleum product. Flaring of gas is simultaneously a loss in rupees and also in dollars.

The hon. Minister also said that it is a serious situation that we face. Would he please answer these three aspects, including the aspect of Railways?

SHRI M.S. GURUPADASWAMY: I will answer the last question first. (*Interruptions*) According to the latest estimate, the projected availability of gas will be 98.13 million cubic metres, in 1994; (*Interruptions*)...he has asked for it in the question—and 122.27 million cubic metres in 1999-2000; and in Bombay High itself, we are flaring about 17 million cubic metres of gas. (*Interruptions*) Please have patience. We have calculated that we are flaring to the extent of Rs. 1800 crores worth of gas in Bombay High alone. I have already said that it is a criminal waste, a national waste; and we are now drawing up a plan of action to see that there will be zero flaring within 4 or 5 years; and a plan is being worked out by my Ministry in this regard. When I took over there was no plan at all. It was neglected. I am taking steps to see that we should not flare gas in future, and we are making a plan of action, and to link it up with gas-based industries. We are working it out.

Regarding the other question raised by my hon. friend, he had said that cutting the consumption of Railways is wrong. We have suggested to the Railways a cut of 10%; and in respect of other Central Government undertakings and Central Government de-

partments, I have suggested a 20% cut. If there are difficulties, we are going to change it.

About the impact after these measures were introduced, we are assessing it. After 2 or 3 months, we are going to come to conclusions. May I remind the House that these measures are taken to prevent a future crisis in the oil sector.

I have already done this, and I am appealing to the people, so that there may be awareness. It is not my intention to see that the wheels of industry and agriculture stop. I do not want to see that the industry is affected in any manner by this. I want unnecessary consumption to go, superfluous consumption to go, and wastage to go. There is a tremendous wastage in oil consumption.

Therefore, I think the house will agree with me that we should avoid wastage of petrol, superfluous consumption, luxurious consumption (*Interruptions*)

[*Translation*]

SHRI BHAJAN LAL: Mr. Speaker, Sir, I would like to know from the hon. Minister whether the policy framed in regard to Petroleum would be reviewed. This policy has created an apprehension of shortage of petroleum in the near future, and in view of that probability everybody tries to make some alternative arrangement. Two months back the Government had announced that they proposed to go in for the rationing of petrol. Mr. Speaker, Sir, you know that the very word 'rationing' creates a fear in the minds of people. Then the Government laid down working hours for petrol pumps i.e. from 7.00 A.M. to 7.00 P.M. and Sunday has been declared closed. I would like to know the total consumption during the months of June and July in 1989 and in the corresponding period in 1990 and also the savings effected thereby and whether the apprehension that has been created in the minds of people will be removed and whether the Government proposes to review this matter.

[*English*]

SHRI M.S. GURUPADASWAMY: May I just give the figures as has been asked by the hon. Member. (*Interruptions*)

MR. SPEAKER: You reply to the last part of his question.

SHRI M.S. GURUPADASWAMY: In the year 1985-86, the consumption of petroleum products was 45.867 million tonnes; in the year 1989-90, that is last year, the consumption was 53.82 million tonnes; in the year 1990-91, it is estimated that the consumption will be 58.74 million tonnes. Then you had asked about the deficit. In the year 1990-91, the deficit will be 9.49 million tonnes; by the end of the Eighth Five Year Plan, it is expected to be 14.48 million tonnes. Then you had asked about the break-up of the figures. I do not have the break-up of the figures. I will supply you those figures later. (*Interruptions*)

MR. SPEAKER: Next question—Shri Chavda.

(*Interruptions*)

Late Running of Trains

*2. SHRI K.S. CHAVDA: Will the Minister of RAILWAYS be pleased to state:

(a) whether all the passenger trains running on Mehsana-Patan, Mehsana-Chanasma and Mehsana-Taranga Hill sections in Rajkot Division, Western Railway have become irregular;

(b) if so, the reasons thereof;

(c) to what extent the inadequate supply of coal has contributed to it; and

(d) the remedial measures taken by Government in this regard?

THE MINISTER OF RAILWAYS (SHRI GEORGE FERNANDES): (a) to (d). A statement is laid on the Table of the Sabha.