

Dr. K. L. Shrimali: No; we have only recently written to the State Governments.

Shrimati Renu Chakravartty: There are some States where the work of the Project Implementation Committees of the Social Welfare Board are being integrated with the work of the panchayats. May I know whether this is going to be done in all the other States?

Dr. K. L. Shrimali: This question does not arise out of the original question. I am prepared to answer it, but it would be better if the hon. Member tables a separate question.

Shrimati Renu Chakravartty: The Renuka Ray Committee has recommended that the Central Social Welfare Board and the State Social Welfare Boards should be retained. It has made certain suggestions in this regard. But in many States, specially in the rural areas, it is being handed over to the panchayats. So I wanted to know whether this is going to be the pattern.

Dr. K. L. Shrimali: In this matter, the decision has to be taken by the State Governments. In some of the States where democratic decentralisation took place, the State Governments felt that there was no need for separate project implementation committees, and that if any such committees existed, they should work under the panchayats. There was some difference of opinion between the Central Social Welfare Board and the State Governments, and naturally, the wishes of the State Governments prevailed.

Shri Harish Chandra Mathur: May I know whether the Central Government themselves have given any thought to this important matter and if so, what is their advice to the State Governments?

Dr. K. L. Shrimali: Is the hon. Member referring to the project implementation committees or the general recommendations of the Renuka Ray Committee?

Shri Harish Chandra Mathur: I am referring to this integration of the panchayat raj institutions and the Social Welfare Organisations and asking whether the Central Government have given any thought to this matter and given their advice to State Governments.

Dr. K. L. Shrimali: I am prepared to answer this question. But I would again submit that we are side-tracking the main question which is with regard to the recommendations of the Renuka Ray Committee in respect of which I have said that the constitutional and legal position with regard to the Central Social Welfare Board has been examined; we have sought the advice of State Governments, and necessary action will be taken as soon as we have received their advice.

Oil Industry Expansion in Private Sector

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*634. { **Shri Ram Krishan Gupta:**
Shri Agadi:
Shri M. Rampure:
Shri Nek Ram Negi:
Shri Kodiyani:
Shri Warrior:

Will the Minister of Steel, Mines and Fuel be pleased to refer to the reply given to Starred Question No. 1906 on the 4th May, 1961 and state:

(a) whether Government have considered the question of expansion of oil refinery capacity in private sector; and

(b) if so, the decision taken thereon?

The Parliamentary Secretary to the Minister of Steel, Mines and Fuel (Shri Gajendra Prasad Sinha): (a) Yes, Sir.

(b) Expansion will not be entertained in terms of the existing Agreements.

Shri Ram Krishan Gupta: May I know the names of the companies which have applied for expansion, and to what extent?

The Minister of Mines and Oil (Shri K. D. Malaviya): The expansion proposals which are being considered by Government have come from the Burmah-Shell and the Standard Vacuum Oil companies.

Shri Ram Krishan Gupta: What is the existing capacity, and to what extent they want to expand it?

Shri K. D. Malaviya: As a matter of fact, the existing capacity of Burmah-Shell is 2.8 million tons, that is, it has gone up roughly from 1.5 million tons to 2.8 million tons. As regards the Standard Vacuum, it has gone up from 1.2 million tons to 1.9 million tons. So they are continuously expanding, and at this limit we have put a stop to the expansion capacity, because we have taken an overall picture of the requirements of the country. As I have said, now no further proposal is likely to be accepted unless the terms of the existing agreements are radically changed.

Shrimati Renu Chakravarty: I would like to know whether this additional capacity which is being given to the private sector refineries is given because we are going to refine our crude oil for some time with them or because they will be importing more crude oil from outside.

Shri K. D. Malaviya: The additional capacity was given to them in the past three or four years. They have expanded their capacity to almost double. Now it has come to a stop.

With regard to the quantity of crude oil that they have agreed to take from the Oil and Natural Gas Commission, there is no additional expansion capacity going to be given to them. They will be able to do it within their present capacity.

Shri Kadiyan: In reply to the original question, the hon. Minister has stated that no request for expansion would be entertained under the terms of the existing agreements. May I know whether the oil companies that have approached Government have

expressed their willingness to enter into agreements on fresh conditions?

Shri K. D. Malaviya: We have generally indicated that the present terms under which they are functioning will not be suitable to us. Recently, we have received a proposal from the western countries where they have agreed to majority partnership in refining being given to the Government of India. I do not know what details are in their minds. But if these proposals are examined, perhaps a more liberal approach would be taken by the western oil companies or the western interests, who would like to come here and do the refining work. But as I said in an overall way, we are not likely to accept the present pattern of agreements going on between the Burmah-Shell and the Standard Vacuum and the Government of India.

Shri Damani: May I know what will be the total production of refined oil from the private sector and the public sector by the end of the second year of the Third Five Year Plan?

Shri K. D. Malaviya: By the second year of the Third Five Year Plan, the public sector refinery which will go on stream at Nunmati will be producing 0.75 million tons; by the end of the second year of the Third Plan period, the Barauni refinery will go into production so far as a part of it is concerned. The total may be about 1.75 million tons from the public sector. The production in the private sector will be 6 million tons, as is the case at present.

Shri Damani: What will be the percentage of our production to our actual requirements?

Shri K. D. Malaviya: By the end of the second year of the Third Plan, the total production will be about 7.75 million tons—roughly speaking. At that time, the total consumption will perhaps be about 8 million tons or slightly more.

Shri Hem Barua: In view of the fact that the additional capacity that has

been allowed to Burmah-Shell is proposed to be utilised in refining Ankleshwar and Cambay crude, may I know whether this agreement with Burmah-Shell is a permanent feature or is only an interim arrangement? If it is only an interim arrangement, for how long is it operative?

Shri K. D. Malaviya: The agreement regarding the quantity of crude oil that has been accepted by Burmah-Shell or is under negotiation just now at its final stage for processing by them, will be a permanent agreement. It is not on a temporary basis that we are negotiating with them.

Shri Hem Barua: May I know whether on this account, because the refining of the Ankleshwar and Cambay crude is under negotiation with them, Burmah-Shell has made a proposal to Government asking for permission to allow them to expand their capacity?

Shri K. D. Malaviya: Yes, they are desirous of having further expansion of capacity also on account of the additional intake of crude oil from Ankleshwar and Cambay. But we have not necessarily linked it up the two things—namely, allowing them expansion and allowing it on account of the oil which we are likely to supply—because they had already accepted in their previous agreement that whenever indigenous crude oil was produced, they would agree to undertake refining, irrespective of whether expansion of capacity was allowed to them or not.

Shri Harish Chandra Mathur: In view of our revised estimate of requirements from 10 million tons to 13 million tons in the Third Five Year Plan, may I know how Government propose to meet this requirement as regards refined oil?

Shri K. D. Malaviya: By the end of the Third Plan period, the total refining capacity in India will be more or less the same as our consumption plus the little quantity that we are compelled to import due to imbalance in

the production of the refineries. So there is no necessity at present for planning expansion of refining capacity over and above what we have already done till the end of the Third Five Year Plan.

Shri Hem Barua: May I know whether the present negotiations with Burmah-Shell for refining of crude oil from Ankleshwar and Cambay are undertaken under the terms of the existing agreement or independent of them?

Shri K. D. Malaviya: There is nothing from the old agreement which is likely to govern be relevant to the new negotiation; the only one condition in the old agreement is that when indigenous crude oil is produced in the country, they will have no objection to process it in their own refineries provided the prices are agreed upon and the quality is agreeable to them.

Shri K. D. Malaviya: All that we are doing at present is to negotiate a price agreement with them, and to satisfy them that the quality is quite all right and that they have no need of special investment for treating our oil. That is all. Probably they have agreed to all the terms, and it is only a question of a few days now for them to start taking our oil.

Decentralisation of Power and Resources

***635. Shri Harish Chandra Mathur:** Will the Minister of Education be pleased to state:

(a) whether Ministry of Education have considered the need for decentralisation in respect of amounts to be made available to State Governments by the Centre; and

(b) what funds provided for 1961-62 have already been passed on to State Governments?

The Minister of Education (Dr. K. L. Shrivastava): (a) and (b). The detailed procedure that would govern Central assistance to the States in the Third Five Year Plan period has yet