

[English]

The Lok Sabha reassembled after lunch at eight minutes past Fourteen of the Clock.

[MR. DEPUTY SPEAKER in the Chair]

DEMANDS FOR GRANTS, 1987-88

Contd.

Ministry of Petroleum and Natural Gas—*Contd.*

[Translation]

SHRI SHYAM LAL YADAV : Mr. Deputy Speaker, Sir, I was speaking on Oil and natural Gas. In this connection, an important thing is that there has been increase in the oil reserves during the past five years. This has been possible as a result of exploration done by the Commission. The exploration has been done throughout the country and in the sea, and it is still continuing. A number of announcements have been made, I do not want to repeat them. I understand that its capacity has increased from 32 crore tonnes to 45 crore tonnes during the last five years. But if you view the year-wise achievement the picture does not seem to be very encouraging. The oil reserves in 1983 were 48 crore tonnes ; in 1984 these reserves were estimated at 46 crore tonnes and in 1985, it fell to 45 crore 96 lakh tonnes. Thus, there has been a fall in it. It needs to be seen how this fall has taken place. This is true that oil exploration is like a gamble and nothing can be said for sure about it. But there is no doubt that our capacity and resources have increased as a result of the work done by the Commission.

Sir, in the last year of the Sixth Plan, i.e. 1984-85, the gross annual income of the Commission had registered an increase as compared to the past year and this increase was maintained in the subsequent year too. In 1984-85, the total earnings were Rs. 882 crores which increased to Rs. 923 crores in 1985-86. The increase in the earning is not as a result of increase in oil production ; it is due to the increase in the price of oil effected by the Government from time to time. In 1980-81, the total profit was Rs. 46 crores 54 lakhs

which rose to Rs. 375 crores 54 lakhs in the next year, thereby registering an 8 fold increase. This too is not as a result of increase in oil production. Instead, it is due to three fold increase in the oil price. Earlier, the price was less than Rs. 400 per tonne which later on increased to Rs. 1180 per tonne. Similarly, the profits increased even in 1982-83, the year in which the production in Bombay High fell, because the price was raised to Rs. 1380 per tonne. Likewise, the operational cost of the Commission has increased recklessly. I would like to request the hon. Minister that it needs to be looked into seriously. It is essential to check the reckless increase in the expenditure of the Commission. The operational cost was Rs 450 crores in 1982-83 which increased to Rs. 1100 crores in 1983-84. Perhaps, it has risen to Rs. 1400 crores now. I feel there is need to check the increase in the expenditure in order to salvage the Commission from the present situation.

Among other things, one point which I want to raise is that we had hoped that when there was indianisation, the machinery, etc. would be produced indigenously. It did take place in the beginning, but the purchases from the Indian industrialists till 31st March 1986 which amounted to Rs. 2342 crores, fell from 69% in 1981-82 to 41 per cent in 1985-86. The efforts to maximise utilisation of the item manufactured by the Indian industrialists was a commendable step on the part of the Commission. But the recent years have witnessed a decline in the utilisation of their items which has caused distress among the Indian manufacturers. The Hindustan Shipyard at Vishakhapatnam is facing a big crisis on this score. There has been an abrupt slump in the oil production in the world. The business houses of the world are not prepared to sell their products below the cost price. As a result thereof, the ancillary industries of the O.N.G.C. are on the verge of closure. This must engage your attention.

Today, oil steel and other raw material is so costly in the world market that we manufacture products at a competitive cost. Japan, England and U.S.A. have sold their

[Shri Shyam Lal Yadav]

machinery to the Indian industries and have charged a heavy price therefor.

Therefore, the Oil and Natural Gas Commission should bring about some changes in its policy. A number of industries, that had been set up in the public sector, are not getting even half of the orders for rigs which they used to get earlier. The Hindustan Shipping Yard and the Mazgaon Dock are also facing a big crisis. Therefore, I would request the hon. Minister to think over it seriously. We have allowed price preference upto 15 to 35 per cent but even then the Indian Market can not compete with the market for making supplies because there is a slump in the world and rig machines are no more needed. Now they want to dump rig machines in this country and want to destroy the basic industry of this country. In this connection your role has been successful. Therefore, I would like to say that there is a need to review the pricing policy and I think, you will have to allow price preference upto 25 to 30 per cent. At least, this price will not do. You can keep them in reserve if the Indian suppliers can supply. The hon. Minister may constitute a Committee at his level or at the level of some officer which can review the matter and I hope this will be very beneficial.

I would like to say that it is our privilege that Shri Brahma Duttji is in charge of this department. He is a very hard working and intelligent Minister and I know him for the last many years. He understands the problems quickly and he tries to take decisions promptly. I hope this Ministry will gain from his capability and whatever the shortcomings are there, will be removed.

I want to say on thing more in regard to the efficiency of companies, like the Bharat Petroleum, the Hindustan Petroleum and the IBP which were taken over by the Petroleum Ministry from the foreigners. I would like to say that they are a model for all the industries in the country. Even today if we go to their refineries, we will find that the maintenance of their

refineries is worth seeing. There the work is carried on very smoothly. Probably these are the companies in the Public Sector where professionals have some regard. An ordinary salesman, who became a regional sales officer is today a Chairman, Managing Director of the HPC. I.A.S. officers have taken charge in the entire public sector. I am afraid lest they take charge of these companies also? (Interruptions) You should avoid appointing them in these companies otherwise the work culture there will be adversely affected. I would even suggest that the people in other public undertakings should be sent there for training and also do show how the work is carried on there with honesty and dedication, which is exemplary for them.

I am, therefore, of the view that the profit which is being shown by the public sector is because of the fact that the undertakings under the Petroleum Ministry whether they are the ONGC or Bharat Petroleum or Hindustan Petroleum or IBP, are making profits and it is due to this that the profit in the public sector is increasing and inefficiency in other public undertakings is thus being covered up. I hope the same work culture and the same standard will be maintained under the leadership of Shri Brahma Duttji and this department will show good results. My contact with this department is very old. When I was first elected to the Parliament, I was a member of the Advisory Committee of the Defence Ministry. I have seen the work of all the Ministers from Shri Malviyaji to Shri Brahma Duttji and I think, that you have the capacity to rescue us from the present crisis. If we produce more oil, our economic condition would become excellent and matchless in the world over. A lot of competition is going on in the world in the production of oil. You are seeking much cooperation from the foreign companies. You may seek cooperation from them but the material or the machinery to be used, should be indigenous. Materials from the foreign countries should not be dumped in this country. The sea and land of India should not be made a dumping ground for foreign materials. We must take advantage of the knowledge and the achiev-

ements of the people of foreign countries but it would be more beneficial if we utilise good quality rigs and other machinery being manufactured here in our country.

With these words, I support the demand for grant pertaining to this Ministry.

[English].

MR. DEPUTY-SPEAKER : Mrs. Sheila Dikshit, do you want to say something ?

THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRIMATI SHEILA DIKSHIT) : Sir, certain hon. Members have requested that 13th of April be declared a holiday for Parliament. I would like to put the request for your kind consideration.

MR. DEPUTY-SPEAKER : I hope the House accepts the proposal of observing 13th of April as holiday for Parliament.

SOME HON. MEMBERS : Yes, Sir.

MR. DEPUTY-SPEAKER : 14th of April is our Tamil New Year's Day and on the eve of that, I send our greetings to all of you.

SHRI AMAL DATTA (Diamond Harbour) : Sir, I thank you for giving me the opportunity to speak on the Budget and to have a glance on a very important subject. Today in the world, oil has been the most important source of energy since early part of this century and it has become more and more important as decades have passed.

Unfortunately although India has become dependent on oil for quite a long time and India had, in fact, pioneered, in one or two cases at least, in exploration and drilling of oil by having a Government Undertaking in this field in 1959, yet, it is most unfortunate and regrettable that we have not yet determined what is going to be the place of oil in our total energy requirement and production. In other words, we do not have an integrated energy policy, showing the place of oil in the

integrated policy. This is a major defect in the functioning of the Government and unfortunately this defect is lingering and we do not see any signs of such policy even being formulated.

I would request the hon. Minister who is present and who is known for his ability and dynamism, to take up this matter in hand immediately so that an integrated energy policy on oil is immediately reformulated at least. The reformulation of the policy may at least be started. It will take some time. Then there is also no oil policy as such. So far as oil is concerned, what are the uses to which India is going to put it, how to go for exploration of oil, how to go for production, how to go for consumption, distribution and a balanced development and all that requires a separate policy for oil itself. That also has not been done.

This grant is not for a very large amount compared to many other Ministries. It is for Rs. 445 crores. But this is rather a tip of an iceberg because in this Department, the major part of this Budget is going towards the Gas Authority of India Ltd. and a very small part of it is going to the Ministry and several other small concerns under it known as capital outlay etc. This Ministry controls a number of public undertakings which have got the highest revenue and the highest capital outlay which, of course, is not brought into the Budget. It is also not in the Grant and it is also not shown in the Budget, the total Budget of these public enterprises under the administrative control of this Ministry, ONGC, IOC, Bharat Petroleum and Hindustan Petroleum and all that. These are very large concerns earning very large revenue, income, expenditure and capital outlay. Only small portion of that comes from the Budget. In fact, total capital outlay proposed in this Budget in these public undertakings will be something to the tune of Rs. 3,700 crores out of which the budgetary support will be only Rs. 770 crores. So, the entire portion comes from rather internal resources or from loans. Here I have a slight objection that these loans¹ apparently are being taken from outside, from hard currency areas. It appears that ONGC's credit-worthiness is being used by the Government to procure more loans than

[Shri Amal Datta]

ONGC in fact requires and the Government is utilising the money. This is something which ought to be put a stop to particularly when the petroleum Minister also is the Minister of Finance. He should put a stop to this. I should say that it is rather unsavoury practice on the part of the Government. (Interruptions) Then, Sir, let me come to a very important subject politically. It is the duty of the Government to see that all regions of the country—in fact the particular States of the country—develop equally. There should not be regional imbalances. There is already regional imbalance so far as the refining capacity is concerned. Out of the total refining capacity in India of around 45 million tonnes today, about 23 million tonnes is in the West Coast—Maharashtra and Gujarat. The rest is in the East, North and South. In fact, again the Government's eyes are on the North. North is going to go up; it is going to shoot up its capacity. Whereas, Assam which produces oil, has a very low refining capacity. Much of the Assam oil, in fact...

MR. DEPUTY SPEAKER : How much it is producing ?

SHRI AMAL DATTA : Assam is having a very small capacity of about 2 point and something... This imbalance has to be replaced. I do not come from Assam. I have no parochial interest in that. But people who are producing the oil, their oil goes out to other States and gets refined there. This should be put a stop to. So far as the State from which I come, I must plead for it also because I am told that there was a scheme for expanding the capacity of the Haldia refinery from the present 2.5 million tonnes to 5 million tonnes. But that scheme seems to have been scuttled. Whereas the refining capacity is being increased right and left in the West Coast. New refinery is proposed to be put up in Karnal. Only the other day, the Prime Minister laid the foundation-stone for that, which was reported in the newspapers. It is going to be a huge and gigantic project of having 600 million tonnes capacity. Mathura refinery's capacity is going to be increased in the North. But so far as the East is concerned, there is no proposal at

present on the part of the Government to increase any refining capacity. This is most unfortunate. It will lead to more imbalances, more unrest in the country and the Government should take a second look at this policy.

The production of crude in this country has been rather stagnant for the last few years. When we met with the oil crisis in 1973, following the oil price rise in 1973, there was an admirable spot of energy shown by ONGC and the new oil-field in the Bombay High was located in 1975. Since then, apparently no strike of any substantial capacity has been made and as a result of which today the projection is that not only now it has been stagnant for three years but it is going to be more or less stagnant for the next three years also. In other words, at the end of the Seventh Five Year Plan we are going to have a production capacity which is only 3 million tonnes more or 4 million tonnes more of what we have today—a 10 per cent rise over a period of 5 years. Whereas our consumption is shooting up particularly because of not having an Oil Policy. We are encouraging all kinds of devices, automobiles and everything using petrol and petroleum products; we are going in for petro-chemical projects—of course, we have to do it. But there should be an Oil Policy with regard to that. Without that, what we now expect is that our self-sufficiency in oil is going to come down from the present level of around 73 per cent—correct me if I am wrong—to around 61 per cent—a 12 per cent drop in self-sufficiency in five years' time. When all other countries are going ahead with increasing the production in spite of the fall in oil prices, where are we going? It is because of a lack of policy, lack of direction on the part of the Government, this is happening. Apparently, again this is due to the fact that the Petroleum Ministry is not quite aware of their own responsibilities and obligations to the nation in this respect. It is absolutely unthinkable that this Ministry is not asking the Public Sector Undertakings under its control.....

(Interruptions)

Sir, I am not saying anything. This much of criticism they cannot tolerate.....

(Interruptions)

I am only explaining it. The Minister is present there.

MR. DEPUTY SPEAKER : Mr. Acharia, I will take care of it.

(Interruptions)

MR. DEPUTY-SPEAKER : Mr. Amal Datta, please try to conclude. The Private Members' business is also there today.

SHRI AMAL DATTA : I am quoting from the Report of the Committee on Public Undertakings of this august House which has come to this conclusion, which has said that the Petroleum Ministry has not been alive to its responsibilities, it has not followed the Bureau of Public Enterprises' guide-lines, it has not alerted the Public sector undertakings under it to formulate their obligations and objectives, to formulate their corporate plans, although this has been insisted upon since 1960—it was done again in 70s and again in 1980s. It did so only after the COPU report on Bharat Petroleum brought it to the attention of the Ministry. The Ministry had not performed its obligations at all in this respect ; it was only after that, the Ministry has done it. Still, at the moment, none of the public sector undertakings under this Ministry, including the ONGC, the biggest one, has not formulated its obligations and objectives, has not got any corporate plan...

MR. DEPUTY-SPEAKER : Please conclude.

SHRI AMAL DATTA : Since you are not giving me much time, I am winding up in two minutes.

The difficulty has been that we in India have been working on the basis of the sedimentary basins, that is, oil-producing areas, which had been surveyed only between 1858 and 1920. Will you believe, it, Sir ? At the end of the Twentieth Century, no survey has been made of sedimentary basins existent in India after 1980, when all this sophisticated technology has become available. That technology has not been used to demarcate the basins. Again I am quoting from the COPU Report. If

the COPU Report is wrong, then I am wrong ; otherwise, I am right. This is the position that the modern technology has not been used to locate further sedimentary basins and COPU has directed the Ministry to do it. I do not think that that has yet been taken up. In fact, we have concentrated only on three basins, three basins of the first category, which means, the category which has already proven resource of oil, and all the others are producing practically nothing. These there are producing all the oil that the ONGC and Oil India together are producing and all the other ten on which they are working are producing point-something percentage. In fact, we are now using up, so far as our knowledge goes, the proven oil resources very fast. We have got projections only upto 1988-89. But after that the oil production will decline unless new sources are found. So, more resources have to be found. Resource constraint must not be allowed to stand in the way of further exploration of oil. For that reason, they must not go and invite foreign companies to come and survey in India. Because they have given the reason why exploration activity has gone down. They have given one reason to COPU that there is a backlog in processing the seismic and other data which have been collected by them. The backlog has come because the Defence Ministry has made an objection to sending out data from sensitive areas to foreign sources for processing. We do not have, indigenously, the processing ability. This is a very sad picture on the part of a big organisation like the ONGC that they have not got the processing facility. Apparently, they are waiting for a computer for which an agreement has been made in 1983 but the American supplier has not yet given the clearance. So, we are waiting for the computer. In the meantime, the data are piling up. So, they have practically stopped the exploration work also. This should not be done. Methods must be found for processing ; if necessary, from other countries, computer, or whatever is required must be obtained. The Soviet Union may be approached in this connection because they have got a lot of experience in this. We must go on with the exploration work. We must have new oil strikes. Otherwise, the future of this country is going to be very bleak because there is, as

[Shri Amal Datta]

yet, no alternative to oil being used for various purposes and particularly petrochemicals are becoming more and more useful. I request the hon. Minister to desist from awarding contracts to foreign bidders. This should be done only by the ONGC, but if you require the technology, if you require the equipment, you buy from outside.

At throw-away prices today you can get them because of the oil slump. Take advantage of that and do everything indigenously. You also associate the public-sector companies. Don't just go on blaming them. Your Ministry and the ONGC have been blaming the public sector industries for delay and all that. But there is no advance planning made. No advance intimation is given that this will be your requirement over the years. So, because of the lack of coordination in this, our indigenous industries have been failing to keep up with the supply schedule and they are blamed. But really the fault lies with your Ministry with your public sector undertaking. Kindly correct this.

Thank you, Sir.

[Translation]

*SHRI R. JEEVARATHINAM (Arakonam) : Hon'ble Deputy Speaker, Sir, I would like to express certain of my views while I rise in support of the demands for grants relating to the Ministry of Petroleum and Natural Gas for the year 1987-88.

Since 1984, the crude oil production in our country has not exceeded the annual production target of 30.2 mt. It is stagnating at that level. Govt. must take steps to increase the production of crude oil. Oil exploration is now confined to onshore, offshore and river beds. We must extend our survey for oil, using the seismic technique, to mountainous terrains, plains and forests.

During 1984-85, we imported 13.6 mt. of crude oil. We have spent Rs. 3480

crores of foreign exchange on this import. During 1987-88, we have planned to import 17.3 mt. of crude oil. We should not squander our foreign exchange this way. Foreign exchange reserve are the right indicators of the health of an economy. We must not, therefore, waste it on crude oil imports. Instead, we must explore and drill the oil wealth available in the country.

At this juncture, I request the Govt. to expand the drilling operations in Nari-manam in Tamil Nadu. Govt. must also tap the gas reserves in cauvery basin.

I welcome the Govt.'s decision to set up refineries in Karnal and Mangalore. Oil refinery facilities must be made available in India itself and our crude oil, in no case, be got refined from foreign countries.

Diesel is in common use in vehicles for transportation. It is used in automobiles like cars, buses and trucks. Means of transport are essential for the growth of our country. I, therefore, urge upon the Hon. Minister to consider the reduction oil prices in the country. Prices can also be reduced by augmenting production of oil.

Nearly 65 lakhs tonnes of kerosene is distributed by the Central Govt. to States and Union Territories. The State Govt. is responsible for distribution of kerosene to districts. A committee consisting of MPs and MLAs in a district may be constituted, to monitor fair distribution of kerosene in that district. The committee must possess powers to issue instructions to the District collectors in regard to fair distribution of kerosene.

During 1987-88, the Govt. has proposed to appoint 317 new LPG distributors by which 17 lakhs of the public will get benefit. This is not sufficient considering a Nation of 75 crores of people. I, therefore, request the Hon. Minister to increase the generation of LPG and thereby increase the number of distributors. In this connection, I would like to point out that the full amount of natural gas tapped in Gujarat and Bombay is not being converted into LPG since we do not have that much installed capacity. The capacity for

*The speech was originally delivered in Tamil.

such conversion must, therefore, be increased so that the whole amount of gas tapped in those areas, is converted into LPG for consumption by public. In many areas, there is not even one distributor of LPG for every 50,000 persons. I request the Govt, to appoint at least 4 persons for every 1 lakh population.

During 1987-88, 352 new diesel and petrol distributors are proposed to be appointed. Diesel and petrol are indispensable for transport. Farmers in Tamil Nadu also depend upon diesel for use in tractors and other equipments. I, therefore, request the Hon. Minister to increase the number of distributors of diesel.

Next about the pilferage of oil Oil is pilfered, while it is being transported, with the collusion of truck drivers. The oil pilfered from drums is compensated by adding low quality oil. This adulterated oil spoils the mechanism of vehicles and the smoke emitted by the vehicles has dangerous potential of polluting the atmosphere. It is also hazardous to human health. Stringent punishment must be meted out to the pilferers. The truck owners should also be punished. I request the Hon. Minister to constitute a special task force to detect the pilferage.

Further, Sir, I request the Hon. Minister to reserve 15% of the appointments of dealers of LPG and petrol for freedom fighters and their wards. While considering the applications from freedom fighters for allotment of dealership, priority must be given to those freedom fighters who served longer terms in jails under the British.

There is a Selection Board for considering the applications for dealership of LPG and petrol. Retired persons and retired judges are nominated to this Board but their functioning is far from satisfactory and many complaints have been received about their functioning. I, therefore, request the Minister to reconstitute the Board with serving IAS officers and sitting judges. The Board must only recommend appointment of dealers and the final authority should vest in the Minister. I hope the Hon. Minister will look into this

suggestion of mine and do the needful. With this, I thank you, Sir.

[Translation]

SHRI SANTOSH KUMAR SINGH (Azamgarh) : Mr. Deputy Speaker, Sir, the achievements made by the Ministry of Petroleum to date are praiseworthy. It is true that Petroleum has become such an essential commodity that in the event of obstruction in its production, the development and the unity of the country can receive setback at any stage. Shri K.D. Malviya worked hard to fulfil the dream of Pandit Jawahar Lal Nehru. Now the Government is going ahead with further fulfilling that dream. But there has not been any significant increase in the production of crude oil. That has disappointed us. But the possibilities of the production and supply of the natural gas have increased. We are happy at this, but we have not been able to produce petroleum products in the country according to our needs. Therefore, the need is that the production of petroleum products should be increased in the country to the maximum. It is true that we lack resources but in spite of this the exploration of oil is increasing in the country day by day. We will have to march ahead to meet our requirements by using the resources available in the country. Last year, about 12.50 lakh consumers were registered for allotment of LPG connections and this year this target has been fixed at 16 lakhs. It is a commendable step. The Centre makes allotment of kerosene oil to the States affected by drought and natural calamities but this supply is not made keeping in view the requirements of those States. Therefore, while making allotment of kerosene oil to the States, their requirements should be kept in view. It should be seen what is the population of that State, what is its area and how many times it is affected by floods, droughts and natural calamities. For example, you can take Uttar Pradesh which is always affected by some or the other calamity. I would request the hon. Minister through you that quota of kerosene oil for Uttar Pradesh should be increased. The quota for each and every State should be fixed keeping in view the problems faced by them.

[Shri Santosh Kumar Singh]

It is true that exploration of oil is going on in many parts of the country. Even then there are a number of places in the country where there is a possibility of striking oil. If we have to take the help of foreign countries in this venture we should do so without any hesitation. However we find from the report pertaining to this Ministry that the Government is seeking the help of foreign countries in this connection but I would like to submit that, if need be, more foreign assistance should be taken so that we may become self-sufficient soon in this field. The use of petroleum products in our daily life is increasing and we have become increasingly dependent on it. Therefore, I would suggest to take steps in this direction speedily. Whereas on the one hand the use of indigenous equipments have increased, on the other hand we have saved foreign exchange as well. Although we are entering into foreign collaborations but there is need to speed up this effort. We are becoming more and more dependent on the oil day by day. Petroleum products are needed at home, in industries, in agriculture, in development works, in business and in meeting the needs of daily life. We are becoming dependent on it in every field. At the same time it has created an acute problem of pollution in cities like Calcutta, Bombay, Delhi, Madras, etc. The harmful smoke emanating from it is affecting the balance of environment. The Government should take appropriate steps to protect the environment. It is true that without petroleum products we cannot carry on our work but side by side we have to save our environment. We have not reached to such a stage when we can issue gas connections to every family in the village so that they may meet their need of fuel with gas and they have not to fell trees for this purpose. This is one of the reason that trees are being felled in large numbers. Even today there are a number of such villages where gas is not available, the people there have to forego their meal. Therefore, unless we take steps to encourage the production of gas and its supply to the sufficient number of people expeditiously, the people will not be benefited.

You have installed pumps having electronic metres at those places where the possibility of pilferage of oil is more. But even now such pumps have not been provided in sufficient numbers at those places, where there is a possibility of pilferage of oil. I know, Unnao is an area in Uttar Pradesh where oil from the oil tankers is pilfered in the night and then it is adulterated. But there is no arrangement to stop such pilferages. Therefore, I would request you to look into this matter. Similarly, there are petrol pumps where short supply is made. The meter show the full quantity before the required quantity of oil is actually released. You should do something to check this practice so that the public is not put to harassment.

Mr. Deputy Speaker, Sir, there is need to reduce the oil consumption. If our resources are limited and we have to work more, we will have to reduce the consumption of oil. If we can not reduce the consumption, we have to face a difficulty. If you have to adopt a harsh measure in the respect, you should not hesitate to do so. Particularly we can check the use of such means where petrol is consumed more. You have opened an Institute to impart training to the drivers in such methods of driving in which oil is consumed less. This is a good thing but only imparting of training is not sufficient. You will have to put check on the consumption of oil also. You will have to formulate some system under which the consumption of oil should not be more than the minimum requirement. You will have to make efforts to save oil in both the private and public sectors.

Dealership is granted to the Scheduled Castes, Scheduled Tribes and the disabled persons. You should ensure that other persons may not take advantage of this facility in the name of these people and the intention of our Government to uplift these sections of the society is not sabotaged. In the end, I shall conclude by saying that the work of constituting the Selection Board should be resumed. You should take decision in this respect through your Ministry because the work is held up for a long time. The persons who are to be nominated are waiting anxiously due to the

indecision in this matter. Therefore, you should formulate some policy in this respect. You should constitute this Board early so that hardship is not caused to the people. This will ensure smooth supply. I hope the hon. Minister will pay attention to the suggestions given by me. With these words, I support the demand of the Ministry and convey my thanks to you.

[English]

SHRI N V.N. SOMU (Madras North) : Mr Deputy-Speaker, Sir, I thank you for giving me this opportunity.

With the international crude prices firming up to around 18 dollars a barrel, India will have to spend a sum of nearly Rs.4800 crores on imports of oil and petroleum products. It would be nearly Rs. 1800 crores more than the outgo of foreign exchange in the current fiscal year. That means, we have to spend Rs. 1800 crores more than the last year. Year after year, we are spending crores of rupees for importing oil. The Advisory Board on Energy has estimated a total domestic investment required in the energy sector over the next twenty years as Rs. 4,50,000 crores of rupees. It would be difficult to mobilize resources of this magnitude. Finding foreign exchange resources to import about forty to fifty million tonnes of oil every year will also present a serious problem, because as is expected, if the oil prices go up to forty-five dollars a barrel by the turn of the century, the oil import would be of the order of Rs. 20,000 crores per annum. Therefore, the Government should strictly adopt energy conservation measures.

It seems that the Advisory Board of Energy has suggested to the Government to give legislative support to energy conservation measures. The Government should think about it seriously.

Shri M.K. Raju, energy consultant says that energy saving efforts will help the industry avert Rs. 5 crores loss daily. He also said that the national goal must be Rs. 2000 crores annually to achieve a breakthrough on the energy front.

The expert Committee has opined that in Tamil Nadu there is a lot of oil in Kaveri basins on-shore and offshore. This Government should undertake exploration and production of oil in Kaveri basin. Also, there is abundant oil in Gulf of Mannar. The Ministry should take all possible steps immediately for exploration and production in Kaveri delta as well as in Gulf of Mannar. The Government should not hesitate to set up a refinery in Narimanam Oil fields in Tamil Nadu. The Government should allot adequate funds for rapid expansion of oil drilling and operations in Tamil Nadu.

A group of researchers in Japan have recently succeeded in developing a method for turning sewage sludge into a substance that is identical to heavy oil. The project which involves treating the sludge with sodium carbonate under pressure of nitrogen at 300 degree centigrade was undertaken by the National Research Institute for Pollution. If this oil conversion method can be put to practical use, then it is estimated that seventy per cent of the energy contained in the sludge can be utilized as fuel. The Japanese are trying to convert even the wastage into energy. I would request the Government to contact those experts in Japan and try to convert the sewage sludge into some oil. This will solve our petroleum problem to a great extent.

I read in some newspapers that legal action against forty dealers was taken by the Delhi Administration for short delivery of petrol using faulty meters. If this is the condition in the capital, what will be the position throughout the country? Stringent punishment should be given to these petroleum dealers.

There are complaints that the LPG dealerships are given on partisan basis. This should be avoided. In Madras also, most of the dealerships were given to the supporters of the ruling party. This should be definitely avoided. The scheduled castes and scheduled tribe applicants should be given preference in this regard.

A project for increasing the capacity of Madras Refineries Ltd., Lube Refinery, in North Madras, in order to produce additional 1.30 lakh tonnes of HVI grade

[Shri N V N. Somu]

lubes is under consideration. This should not only remain under consideration, this should result in immediate implementation. This project is doing best inspite of the drawbacks it is facing. Therefore, that should be developed at all costs.

15.00 hrs.

MR. DEPUTY SPEAKER : Mr. Somu, you have mentioned that dealership is given to most of the ruling party Members. If it is an allegation I will expunge it. I will go through the record. I am telling you, if at all that is the case.

(Interruptions)

MR. DEPUTY SPEAKER : He is in general telling 'ruling party'. I will go through the record, if it is objectionable, I will expunge it.

SHRI N.V.N. SOMU : With the indulgence of the Deputy Speaker, I can substantiate in my next opportunity, if it is so.

MR. DEPUTY SPEAKER : That you can do. For that you have to give in writing. You can say "partisan attitude" instead of saying "favourable to ruling party". You can change it to partisan attitude.

SHRI N.V.N. SOMU : Yes. This can be changed as "partisan attitude".

[Translation]

SHRI SATYANARAYAN PANWAR (Ujjain) : Mr. Deputy Speaker, Sir, I rise to support the Demand for Grant of the Ministry of Petroleum and Natural Gas. From the Report of the Ministry, it appears that the Ministry has made commendable progress. We are not able to make full use of the L.P.G. which is being produced. On the one hand, we find that there is a long waiting list for getting LPG connections and on the other hand, we are not able to make full use of LPG as our bottling plants do not have adequate capacity. Through you, Sir, I would like to request the hon. Minister to set up maximum number of bottling plants so that the requirements of the citizens

could be met by providing L.P.G. connections to the maximum number of people.

There is one more problem. Due to inadequate bottling capacity, the consumers who are already having LPG connections, have to wait for getting a refill for 15 to 20 days.

Secondly, there are gas agencies like the Bharat Petroleum or the Hindustan Petroleum etc. which grant dealership to the people. After the publication of advertisements by them, no decision is taken for 4 or 5 years and as a result, a lot of delay takes place and the persons who apply for such a dealership have to wait for such a long period and they cannot think of doing any other job. In this connection, I would like to submit to the hon. Minister that after advertisements for giving dealership, a decision should be taken at the earliest so that concerned people could start their business in time and the concerned area could also be benefited.

Similarly, priority is given to Harijans in giving the dealership of gas, but irregularities are committed in the selection of sites for them. The sites are not selected properly. They are given agencies at such sites where they are not able to recover even the expenditure incurred on the office and agency. When we want to uplift our poor Harijan brethren and we are providing such facilities to them, then they should be granted agencies at such places where they could run their agencies properly.

Ujjain is my constituency, there is a very long outstanding demand for sanctioning a Petrol depot there, because Petrol and Diesel to Ujjain is supplied from Indore. Ujjain is 86 kms. away from Indore and as a result, the dealers and the consumers have to pay a higher price for these Petroleum products. The present depot of Ujjain is very old and its capacity is very low. In such a situation, Ujjain should be sanctioned one more Petrol Depot. A survey in this connection has already been conducted and a demand for such a depot is pending for quite a long time. A lot of land is available near the Railway line. If the Government acquires that land and opens a depot there, the people would get much relief and the local people

would be benefited. Adequate land is available there. Petrol to Ujjain, Dewas, Shajapur and Rajgarh etc. is supplied from Indore and the depot at Indore is very old and its capacity is also very low. Petrol and Diesel to Indore is supplied through the Bombay-Baroda railway line *via* Ujjain. If a depot is opened at Ujjain, it would be very useful and petroleum products could be supplied to other places from this depot and it would definitely benefit the consumers.

At present H.B.J. gas pipe line is being laid from Hajira, Bijapur to Jagdishpur. This pipe line is passing through Ujjain at a distance of 20 kms. I would like to submit to the hon. Minister that a valve may be installed there so that if excess or surplus gas is available in future, it could be supplied in Ujjain city. Gas is being supplied to the consumers in Baroda through pipe lines. Similarly a survey report is being prepared by the Municipal Corporation in respect of Ujjain city so that pipe line could be laid in the city for supply of cooking gas. The residents of Ujjain would be benefited and shortage would also be removed. I would also like to suggest that dealership for L.P.G. should also be given in rural areas so that people in the country side could also get some facility. There are no gas agencies at Tehsil headquarters like, Varnagar, Tarana, Mohitpur, Unhel and Nagda in my constituency. Gas dealership should also be sanctioned at such places.

With these words, I again support the demand for grant of this Ministry.

SHRI BAPULAL MALVIYA (Shajapur) : Mr. Deputy Speaker, Sir, I rise to support the demands for grants of the Ministry of Petroleum and Natural Gas, I do not want to go into statistics, but I would like to put forward certain suggestions and I hope the hon. Minister will consider them.

In my view, today we require Petrol very much. We only say one thing that to meet our requirements, petrol should either be imported or extracted by drilling more oil wells, but I would like to suggest that it would be better if some other fuel is

found in place of petrol so that the use of petrol could be avoided. How long would petroleum reserves last ? We should make some research to find out some alternative fuel which could be used to run the vehicles. If such a research is made, it would benefit us more and we would be able to save the foreign exchange being spent on the import of petrol and petroleum products.

Some people have made efforts in this direction and some people have tried to run the engine with gobar gas and also with the help of a battery. The present system should have to be changed and some other fuel in place of petrol would have to be found out to run the vehicles.

I think, the prices of petrol are very high. We should supply petrol in our country at a rate which should not be more than the prices in the international market. Though the Government levies excise duty on petrol, but the excise duty should not be very high and it should not increase the price of petrol artificially. I would, therefore, like to suggest that petrol, should be made cheaper by reducing the excise duty on it.

I feel if the prices of petrol continued to rise, then the petrol driven vehicles, cars, scooters, motorcycles and mopeds would be adversely affected and only factories manufacturing vehicles, which consume less petrol, would continue to function. Such vehicles will also cost more. In this way the consumer would face difficulties in two ways. The vehicles consuming less petrol would cost more. It would have additional burden on the consumers. High prices of petrol would also put burden on the consumers. In this way, the consumer would be affected in both ways. Therefore, the hon. Minister should see to it that the consumers are not affected thereby. I am confident that the hon. Minister would check it.

There is maximum consumption of petrol in the cities, because motorcycles and autorickshaws etc. are used in the cities. But when we visit villages in the far-flung areas, we find only Diesel pumps on the way, because only trucks are run there and diesel is available there, but

[Shri Bapulal Malviya]

petrol in the villages is not available. On the way, pumps are situated at a distance of 40 or 50 kms. Alongwith diesel, petrol should also be made available there. Otherwise the persons driving petrol driven vehicles have to face great difficulty.

Petrol pumps are sanctioned to the persons belonging to the Scheduled Castes. Recently I found in my constituency that a petrol pump was sanctioned to a person belonging to a Scheduled Caste, but the petrol pump was sanctioned at such a place where he could not earn any profit. As a result, no person belonging to any Scheduled Caste is prepared to run a petrol pump. The intention of the Government is good, but I would like to suggest that with a view to achieve this good objective of the Government, petrol pumps to Harijans and Adivasis should be sanctioned at such places where they could earn some profit.

I think that electricity has been provided in each village. Even if electricity has been provided in each village, it is not necessary that it might have been made available to each and every house. I would like to tell you about Madhya Pradesh. There are many villages in the State where the poor has to light the earthen lamp. In the villages, there are very few houses where electricity has been provided and as a matter of fact, the huts of the poor have not been provided electricity. They require kerosene oil. They get very little kerosene oil. They get kerosene oil just to meet their requirements for eight or ten days in a month. I would, therefore, like to suggest that kerosene oil in the maximum quantity should be made available in Madhya Pradesh.

The objective of the Government behind giving gas agencies to Harijans and Adivasis is very good. But the Government should see whether the purpose of the Government has been served or not. The Government should examine whether the educated unemployed or the handicapped has got the gas agency or not. It should be enquired into whether the facility of gas agency is actually being enjoyed by them or not. If you enquire, you would find that gas agencies are being run by well-to-

do people. I can say about Madhya Pradesh with a challenge that no poor man has so far got any gas agency. You can conduct an enquiry to find out which poor man has got a gas agency or which Harijan or Adivasi is running a gas agency. You would find that rich persons are running all the gas agencies. I would, therefore, like to submit that deserving people should get gas agencies.

It is a matter of great regret that co-operative societies are semi-Government bodies. I have seen that whenever any marketing society or any other society asks for a gas agency, it is not sanctioned to it. Interviews are held and the name of the society is placed in the waiting list, I think, when any society enjoying a semi-Government status asks for a gas agency it should be sanctioned to it immediately.

With these words, I wholeheartedly support the demand for grant of the Ministry.

*SHRI A.J.V.B. MAHESWARA RAO (Amalapuram) : Mr. Deputy Speaker, Sir, the functioning of the Ministry of Petroleum and Natural Gas is not at all satisfactory. The Govt. has failed in exploring and extracting petroleum and providing it to the people. Sir, even to this day, we are depending heavily on imports of crude oil. We are importing crude oil to the tune of 30 to 35%. Since the day of our independence we could not develop our industries properly. Petroleum industry is one such in which we are lagging far behind. During the 6th and 7th Five Year Plan it was stated by the Petroleum Ministry that we could set up 2 to 3 refineries during each plan to process the imported crude oil. But this Ministry is not at all bothered to increase the capacity to process the imported crude by setting up more refineries. No steps have taken up so far to increase the capacity of refineries by adding new ones. Visakhapatnam in Andhra Pradesh is one of the major refinery centres in the country. There is a vast scope to expand the refinery at Visakhapatnam. I take this opportunity to request the hon. Minister to allot more

*The speech was originally delivered in Telugu.

funds for the development of oil refineries at Vizag and shape it as one of the foremost refineries in the country in view of its importance. There is a need to increase the storage capacity. Hope, hon. Minister would take steps in this direction soon.

Sir, there is a lot of wastage taking place during off-shore exploration. The wastage is to the extent of 10 to 20% as is clearly reflected in the demands of ONGC. This wastage in drilling can be found in my area where the exploration is now going on. The wastage is so much that where an expense of one rupee would suffice there they are spending one hundred rupees. At present drilling is going in 13 wells in my constituency alone. Many irregularities are taking place there. Sir, people consider ONGC as one of the most prestigious organisation. But the wasteful expenditure which is being incurred by the ONGC is making them to change their opinion. In order to keep ONGC as one of the most prestigious and one of the foremost organisations in the country, it is necessary to avoid the wasteful expenditure. The drilling is going on in the area for the past 5 to 6 years. So far no results have been achieved. People are apprehensive whether the drilling is going on on right lines and whether the drilling is actually going on at all. No proper monitoring is there to obtain results from time to time. I have brought it to the notice of the Ministry a couple of times through questions. One wonders whether the entire operation is proceeding on correct lines. This sad state of affairs should be brought to an end and a more dynamic approach should be evolved so as to get quick and good results. Similarly, the Petroleum Minister had announced earlier that pipe line will be laid to link Narsapur 5 to 6 with Rajoh 1 and 2. It has not materialised so far. Now people in the area are very much agitated over this issue. There Vasistha and Gouthami which are the tributaries of river Godavari flow through the area. No one knows whether the pipe line will be laid underground or a bridge would be constructed. Lot of uncertainty is prevailing there on this account. Hence the people are doubtful whether this linkage would finally come off or not. Sir, the soil in the area is very rich. ONGC starts drilling in

fields and before completion of the operation they abandon those sites and move elsewhere. As a result neither we are getting any oil nor allowing the crops to grow in that fertile area. Farmers are now earning lakhs of rupees by growing crops there. Hence speculation must be put to an end by carrying out seismological studies thoroughly and then specifically decide which areas bear oil and which do not. The unrest which is now prevailing among the people of that area will thus come to an end. Sir, constructing bridges over Vasistha and Gouthami are essential. In stead of laying pipelines it is better to construct bridges on these rivers. These bridges will help in improving transport facilities in the area. Vehicles both from Vijayawada and Vizag can ply to the sites quickly. It will contribute in quickening the pace of exploration activities in this area. Hence steps should be taken to construct bridges on these two tributaries of Godavari.

Sir, Andhra Pradesh has been demanding for the setting up a regional office in the State. At present it is located in far off Madras and for every minor thing has to be cleared from there. Hence I request that the regional office should be set up either in Kakinada or in Visakhapatnam. Since these two places are very near to the area of operation, it will boost our exploration efforts. It will also reduce wastage. I hope the hon. Minister would concede to this demand. Now, in an emergency situation the concerned officers are required to be flown from Madras. We can save both money and time if a regional office is set up at either Kakinada or Visakhapatnam.

Sir, during last October, an emergency situation prevailed in my area arising out of leakage of gas from one of the drilling sites. I personally supervised the rescue operation. People had to be evacuated to safer places. The officials had to arrive from Madras and everybody had to await their arrival for controlling the situation. Even police bandobust has to be requisitioned. Many a times flames spread to the neighbouring crops destroying them completely. Sometimes these flames engulf villages also. Hence, in order to prevent such losses and take measures to control the situation during

[Shri A.J.V.B. Maheshwara Rao]

accidents, it is necessary that the regional office should be located nearer to the sites. Hence once again I appeal to the hon. Minister to locate a regional office at Visakhapatnam or Kakinada.

Sir, there is enormous wasteful expenditure in ONGC. Steps should be taken to avoid wasteful expenditure. Fertile lands should not be spoiled without identifying oil bearing areas. Adequate compensation should be provided to the farmers who have lost their crops on account of ONGC operations. I hope hon. Minister would take these steps in this direction.

I thank you for providing me an opportunity to speak and conclude my speech.

SHRI RAM PYARE PANIKA (Robertsganj)— Mr. Deputy Speaker, Sir, first of all, I would like to congratulate the hon. Minister of Petroleum and the Officers and staff in this Department that since the question of growth of industries in the Key Sector arose especially after 1980, the officers and staff did a very important task in the oil sector. It is a fact that we are still importing crude oil from abroad and we have not been able to set up three or four refineries as envisaged in the Fifth Five Year Plan. The reason for not doing so is not that there is any laxity on the part of our Officers but it is because the Government is not providing sufficient funds to the Government Undertaking. Our officials are capable to set up refineries to save the foreign exchange being spent on the import of crude oil. I fully agree with Shri Yadavji and I would like to repeat that how our Undertaking has marched forward despite difficulties. At certain places, there is lack of co-ordination in the nationalised companies. Petrol pumps and LPG agencies are allotted by every company at one particular place. Therefore what is required today is that the hon. Minister should get a survey conducted throughout the country so that the imbalances which have been created, could be removed. When the question of industrial development arises, then three or four companies want to set up factories at a particular place.

This should not happen. It should be decided as to which company would set up a factory at which place. It would be better in the interest of the country. In respect of petrol pumps, diesel pumps and gas agencies, There is imbalance throughout the country. Last time, this policy was formulated that gas agency would be sanctioned in every town having a population of 20,000 or more. There are several towns in my constituency, where there is more than 20,000 of population. I am however, very fortunate that the hon. Minister has been looking into the problems in my constituency. (*Interruptions*) The hon. Minister is aware of the difficulties and problems prevailing there. There are twelve industries there, but the number of gas agencies is very few. You know that in Renukot there was a gas agency for a population of one lakh. This gas agency was being run by a co-operative society. Three years back this agency indulged in some irregularities. This agency is reserved for Scheduled Castes. Somebody indulged in irregularities. I said that this is a Scheduled Caste and tribal area, but even after two or two and a half years, no action has been taken. People are facing a lot of difficulties. We are very fortunate that you also represent a tribal area. You are aware that in the country tribal areas used to get 'right and concession' from the Forest Department but now you will have to change your policy. You are providing gas and making arrangements for solar energy in the urban areas but you will have to decide this also that in the case of far-flung villages in tribal areas gas agencies will be allotted in every block during the Seventh Five Year Plan and the dealership will be given to Harijans, and Adivasis. You should see that the backward people also get some benefits. This should be decided on the basis of population. In Uttar Pradesh population of the tribals is the maximum which is around 25 per cent. In places where 60 per cent of the population consists of these people as in Mirzapur gas agency should be allotted there. There is no shortage of kerosene oil. You should increase the number of dealerships there. At present there are 75 dealerships which should be increased to 100 to 150. Oil should be supplied with an economical point of view. There is no shortage of

oil but the entire responsibility has been entrusted to the State Governments. You have only one representative. He has no control there. What is required is that the representatives of the Petroleum Ministry should be posted in every State and they should see how the State representatives function because usually they do not work properly and the Centre is held responsible for that. Petroleum Department is functioning very well but what is needed is that a survey should be conducted in the country and arrangements should be made according to the labour belts. I am happy that of all the undertakings the Petroleum Department is functioning efficiently.

With these words I congratulate you.

SHRI MANVENDRA SINGH (Mathura) : Mr. Deputy Speaker, Sir, I support the Demand for Grant of the Ministry of Petroleum. Alongwith it, I congratulate the Ministry and its Officers that by dint of their hard work they have saved a huge sum of foreign exchange which used to be spent on imports of petrol. Now we have become capable of producing so much that we can meet our requirements. I want to give certain suggestions. To-day we talk of environments and forests. For that it is necessary that we should make available gas facilities to our Adivasi areas and hill areas by opening gas agencies in those regions. This will help in saving the forest wood from being used as fuel. You should see that gas agencies are allotted in the rural, Adivasi and hill areas. This will provide job opportunities to those people also.

In cities also the problem of shortage of gas cylinders is very common. In this connection I suggest that instead of giving this work to private persons, the Government itself should set up some industry where maximum number of cylinders may be manufactured, filling stations are established and gas filled cylinders are made available easily. The common complaint in the cities is that gas cylinders are in short supply.

My second suggestion is that improvement should be brought about in the functioning

of petrol pumps, diesel pumps and kerosene distribution shops. If you wish I can give you a list of those petrol pumps and diesel pumps which are now not with those persons to whom these were allotted. These are being I have come to know that this is being run by other persons done in collusion with the officials of your Department. I want that an enquiry should be instituted to find out how it has happened and who are behind all this. The enquiry will bring out all the facts.

[English]

MR. DEPUTY SPEAKER : You can continue on Wednesday... ..

(Interruptions)

MR. DEPUTY SPEAKER ; Now we shall take up Private Members' Business.....

(Interruptions)**

MR. DEPUTY SPEAKER : All these arguments will not go on record.....

(Interruptions)**

MR. DEPUTY SPEAKER : You can talk all this outside. Nothing will go on record. Why are you wasting your energy ?

Now, Shri Nand Lal Choudhary.

15.30 hrs

COMMITTEE ON PRIVATE MEMBERS' BILLS AND RESOLUTIONS

Thirty Third Report

[English]

SHRI NANDLAL CHOUDHARY (Sagar) : Sir, I beg to move :

"that this House do agree with the Thirty-third Report of the Committee on Private Members' Bills and Resolutions presented to the House on the 9th April, 1987,"

MR. DEPUTY SPEAKER : The question is :

"That this House do agree with the Thirty-third Report of Committee on Private Members' Bills and Resolutions presented to the house on the 9th April, 1987."

The motion was adopted.

**Not recorded.