

The motion was adopted.

THE DEPUTY CHAIRMAN : We shall now take up clause-by-clause consideration of the Bill.

Clauses 2 to 4 were added to the Bill

Clause 1, the Enacting Formula, and the Title were added to the Bill.

SHRI PABAN SINGH GHATOWAR : Madam. I beg to move :

"Thai the Bill be passed."

The question was put and the motion was adopted,

**I. STATUTORY RESOLUTION
 SEEKING DISAPPROVAL OF THE
 OILFIELDS (REGULATION AND
 DEVELOPMENT) AMENDMENT
 ORDINANCE, 1993**

**II. THE OILFIELDS (REGULATION
 AND DEVELOPMENT) AMEND-
 MENT BILL, 1993.**

THE DEPUTY CHAIRMAN : You have got one hour and thirty minutes for it

जैन साहब, आप इसको भी मूव करेंगे ?

डा० जिनेंद्र कुमार जैन (मध्य प्रदेश):
 जो आपका हुकुम होगा ।

and after thai we have something else.

THE DEPUTY CHAIRMAN : Why do you want to oppose everything ? In any case, you can speak if you like.

DR. JINENDRA KUMAR JAIN : Within one and a half hours ?

THE DEPUTY CHAIRMAN : The total time is one and a half hours including your moving the Resolution, its disapproval and reply and tha; will definitely cut everybody's time including the Member who is speaking from your party.

DR. JINENDRA KUMAR IAIN : Madam, don't you trust my obedience ? Every time, you say, "I obey."

THE DEPUTY CHAIRMAN : You will obey, I know. So, please withdraw it. Don't move.

DR. JINENDRA KUMAR IAIN : Madam. I beg to move :

"That this House disapproves of the Oilfields (Regulation and Development) Amendment Ordinance, 1993 (No. 19 of 1993) promulgated by the President on the 30th January, 1993."

Madam, before I rose to move this Resolution, I had a lot of hesitation for personal reasons. Captain Satish Sharma who is moving the Bill and who is the Minister is a good person. He belongs to this House. He has become a Minister for the first time and this is his first (Bill that has come to this House. I wanted to congratulate him and I wanted to compliment him . . .
(Interruptions)

SHRI V. NARAYANASAMY (Pondichany) : By moving the Resolution ?

DR. JINENDRA KUMAR JAIN : And that was the hesitation I had as to how I would still get up and move a motion of disapproval for such a good friend of mine. But in the national interest, Madam. I have got up and I want to place before you and for the consideration of my dear friend. Captain Satish Sharma, whom I respect very much, and for the consideration of this House some of the points that I have before this legislation is enacted.

Madam, there is a relationship between Parliament and Government and it has been well set. The relationship is that Parliament makes a law. The guidelines in accordance with the law are then issued by the Ministries and the officials function as *per* those guidelines. This is the settled understanding. Madam, what has happened in this legislation is the reversal of this relationship and that has pained me. And if we see the Statement of Objects and Reasons, the whole thing has started with the Government taking a decision on 21st December 1990 that they should revise the price of crude oil for a certain period. They set up a Committee and this Eswaran Committee made some recommendations and the Government considered these recommendations and accepted them. After accepting the recommendations, the Government realised that this cannot be done as per the provisions of the Act. So,

they took Parliament for granted, issued an Ordinance and sought to implement whatever they thought was the right decision. Madam, I am not going into the merits or demerits of the recommendations made by that Committee which were sought to be implemented by the Government by issuing this Ordinance. That is a separate issue altogether. But I must point out to the parliamentarians that our role is so much reversed. This House of Parliament is being so much taken for granted that a Committee of bureaucrats could decide whatever they thought fit. They thought that whatever they decided, that would be the law and if the existing law did not permit, (hey would issue an Ordinance and Parliament would have no option but to pass it. I am pained at this reversal of roles between this Parliament and the executive. This has pained me and motivated and inspired me to move this motion of disapproval.

Madam, I need one clarification. There is an increase in royalty that one of the regulations of this Bill has provided. It is their decision. But I would like to know from the hon. Minister as to who will share this incremental burden. Prices of petroleum products in our country are already among the highest in the world. I would like to know whether you are going to pass this incremental burden on to the consumer or who will share this, who will bear the brunt of the decisions of yours, of your Government.

Madam, I want to raise another issue which is very to the State of Madhya Pradesh that I represent here. I know the hon. Minister also, before he went to contest the Lok Sabha seat from Ametfai, represented the State of Madhya Pradesh in this House and he must be equally concerned with the poverty of States like Madhya Pradesh, Bihar and Orissa who do not have much in their hands but a lot of wealth underneath their lands and they get money only from the extractions out of their lands. What do they get as royalty? This issue of payment of royalties to the States is a very vital issue. Although it may not be the direct responsibility of the Minister of Petroleum, since some other senior Minister of this Government are sitting here, I am sure they will understand what I am trying to say and

I the issue of royalty and the principle involved in it are very, very important issues. Here they are going to decide the royalty of the mineral oil but there are other minerals to which royalties have to be paid. In order to illustrate my point, I will just give one example, iron ore, which has 60 to 65 per cent ferrous content. The export price of this iron ore is \$30 per ton. That means, about Rs. 600/- per ton. What is the royalty that is given to the States? Only Rs. 10/- per ton, that means, the State gets 1.66% only. I am very happy that here is a great Minister who thinks that this royalty could be to the tune of 20%. These States have to be given more.

Madam, as far as the issue of Centre-State relations is concerned, I would like to know why this Government does not take a policy decision in the matter of royalty to be paid to the States like Madhya Pradesh, Bihar, Orissa, West Bengal—the poverty belt of India—keeping in view the past injustices and past inequities done to these States. Their entire economic development depends largely on the decision of this Government in regard to the rate of payment of royalty which these State Governments would get to the mineral wealth that is extracted from their lands. I want to make this plea to the Government at this time. I wish to request the hon. Minister of Petroleum to let the Prime Minister know, the other Ministers know, that there is a need to decide this royalty issue. And, Madam, let some principle decide what kind of royalties would be given to the States and let there not be any free or arbitrary decision. I am sure that if this Ministry accepts these suggestions, it will find that the States deserve to get a higher royalty. And, then, why only in mineral oil? Why not on other minerals also? This is my request.

There is one more point which, I think, is very much important and which is also a political issue that needs to be discussed on an intellectual plane. But I am not criticising the Minister for this. But I am trying to take a total and collective view of this. This Government of Shri P. V. Narasimha Rao is talking of a free market and a free economy. Now, this freedom is allowed only to the world

forces or you are willing to give this freedom to the States also ? Would you consider this proposal that instead of the Central Government arbitrarily deciding the question of royalty fixation, you give the freedom to the States ? And, as per the currents of the free market and depending upon the supply and demand, let the States decide their own royalty. The market forces are not generated by the Government of India alone. Now the Government of India has the sole authority to fix and pay royalties to the States. But, under the new system, royalties will come from the international giants who are buying iron ore and so many other things which the States are having. Why does the Government want to act as a middleman or a broker or whatever it is to decide the royalties ? If you are thinking of freedom, give that freedom to the States and let them interact directly with the international market and take the price that they can extract from them. It will be good for India and it will decentralise the power which again is another slogan of this Government and it will give power to the State Governments so that they can make their own efforts to improve the quality of life of their people. It will also reduce the workload of the Government of India.

THE VICE-CHAIRMAN (SYED SIBTEY RAZI) in the Chair]

Sir, though there is the point of Centre-State relations in what I am saying, my concern is that there is another important principle involved and it is this : Has the Central Government used this power of royalty fixation as an instrument of political leverage and patronage ? Sir, we are passing through a new phase. There was a time when one party was ruling at the Centre and also in the States. Now, different political parties are ruling in the States and yet another party is ruling* at the Centre. Communists have still "got control of two States, the Janta Dal has got two States and the BJP also had control over four States. So, the people of India have derided that they will give chance to different political parties to show their administrative acumen and" try their policies of administration and governance in different ways. Even at the Centre, there was a different party at the

and Congress(I) Governments in different States. So, the politics has to change qualitatively and such laws, such provisions, under which the Central Government can use royalty issue as an instrument of political leverage or patronage must go, and this is the reason for my disapproval.

Sir, since the time is short and I had promised the Deputy Chairman before you occupied the Chair that I would be brief, I would leave the other points to be made by the other honourable Members. But I am sure that the honourable Minister will give answers to the points that I have raised. Some of them are very practical and some of them are, of course, on the intellectual and theoretical plane of politics. But this country has to take decisions on these vital issues and if we can satisfactorily resolve these issues, we will certainly help in building a new and better India. Thank you, Sir.

THE MINISTER OF STATE OF THE MINISTRY OF PETROLEUM AND NATURAL GAS (CAPT. SATISH SHARMA) : Sir, I beg to move :

"That the Bill further to amend the *Crude Oil Fields (Regulation and Development) Act, 1948*, as passed by the Lok Sabha, be taken into consideration."

Sir, royalty in respect of mineral oil is payable under the provisions of Section 6A of the *Oilfields (Regulation and Development) Act, 1948* and the *Petroleum and Natural Gas Rules, 1959*, made thereunder. The Government had last revised the rate of royalty for crude oil for the period 1-4-1987 to 31-3-1990 to Rs. 314 per tonne. At the same time, it was decided to set up a Committee to examine the issue of fixation of the rate of royalty for the period beyond 31-3-1990. Accordingly, a Committee headed by Shri V. B. Eswaran, was set up on 9th April, 1991. This Committee submitted its report in October, 1991.

Sir, in the meantime, the Governments of Assam and Gujarat had been representing on the adequacy of the rate of royalty.

Sir, royalty on crude oil according to the Act is to be calculated on the actual well-head price of crude oil paid to producing companies. However, the Govern-

ment did not raise the price of crude oil payable to the ONGC and the Oil India Limited until 1st September, 1992 when the price was raised from Rs. 968 per tonne to Rs. 1506 per tonne. Rs. 1506 per tonne was the weighted average cost of production plus reasonable return for the three year period 1-4-1990 to 31-3-1993. However, since this price was not given with effect from 1-4-1990 royalty on this price could not be calculated from that date. Royalty calculated at this rate had worked out to Rs. 481 per tonne and the agreement reached with the representatives of the Governments of Assam and Gujarat was that the Government of India would fix royalty for this period at this level. To give effect to this decision, the Government would have to exceed 20 per cent of the actual price paid to the producing companies. It was calculated that Rs. 481 per tonne would amount to 24-52 per cent of the weighted average of the sale price for crude oil actually paid to producing companies. Hence, an amendment was necessitated in Section 6A of the Act¹ to provide for this higher rate of payment of royalty for the period 1-4-1990 to 31-3-1993 as a one-time measure.

Sir, the State Governments of Assam and Gujarat, both of which were facing a severe resource problem, were pressing the Government of India to take an immediate decision regarding fixation of the rate of royalty on crude oil and also to pay immediately the arrears of royalty due to them for the period 1-4-1990 to 31-3-1993. Since this payment could be made legally to the State Governments only by making the necessary changes in law and since the Parliament was not in session, it became necessary to promulgate an Ordinance, and, the Oilfields (Regulation and Development) Amendment Ordinance, 1993 (19 of 1993) was promulgated on 30-1-1993 empowering the Central Government to enhance the rate of royalty payable in respect of crude oil produced during the period 1-4-1990 to 31-3-1993 to 24.52 per cent of the sale price of crude oil at the oilfields or the oil well-head, as the case may be. Accordingly, the rate of royalty for this period was fixed at Rs. 481 per MT of crude oil.

Sir, a Bill called the Oilfields (Regulation and Development) Amendment Bill,

1993, to replace the Oilfields (Regulation and Development) Amendment Ordinance, 1993, was introduced in the Lok Sabha on 1st March, 1993, and has been passed by the Lok Sabha on 22nd March, 1993.

Sir, I would request the House to kindly take the Amendment Bill into consideration and pass the same.

The questions were proposed.

श्री अनन्तराज देवशंकर दब (गुजरात) : सर, अभी जो माननीय मंत्री जी ने यह बिल मूव किया मैं उसका विरोध कर रहा हूँ और डा० जैन ने जो बातें यहां बताई हैं और जो मोशन मूव किया है, मैं उसका समर्थन कर रहा हूँ। महोदय, गुजरात सरकार केन्द्रीय सरकार से रॉयल्टी कम मिलने वाली बात पर हमेशा कहती रही है और इस पर हमेशा विवाद रहा है। आपने स्टेट-मेंट आफ ऑब्जेक्ट्स एंड रीजन्स में कहा है कि इस्वरन कमेटी की रिपोर्ट पर आपने यह सब कुछ तय किया है। तो मुझे बड़ा दुःख हो रहा है। मैं आज लाइब्रेरी में गया था इस्वरन कमेटी की रिपोर्ट देखने के लिए। लेकिन अभी तक लाइब्रेरी में रिपोर्ट नहीं आई है। लाइब्रेरी वाले कहते हैं कि अभी तक यह रिपोर्ट नहीं मिली। दुःख की बात तो यह है कि गुजरात में बड़ी मात्रा में वहां से जो नैचुरल गैस मिली है और ऑयल मिला है, और लम्बे समय से गुजरात अपनी रॉयल्टी की रकम बढ़ाने के लिए केन्द्र सरकार के पास अपने तथ्यों के साथ बात रख रही है, तो भी केन्द्रीय सरकार आज तक जितनी मात्रा में उसकी रकम देना चाहिए वह नहीं देती है। क्यों नहीं दिया, उसकी कोई रीजन नहीं बताती है।

मान्यवर, मैंने 1992 में इस हाउस में एक सवाल किया था और उसमें मैंने पूछा था, इसके ए, बी, सी, डी, और ई पार्ट में, वह मैं आपको पढ़कर बताऊंगा

मिनिस्टर साहब उसका ही जबाब दे देंगे तो मुझे संतोष हो जाएगा। मेरा सवाल था 1467, जो 1992 का सवाल है—

- (a) What is the current rate of royalty on crude oil per tonne paid to Gujarat;
- (b) Whether it is a fact that this rate to Gujarat is lower in comparison to the other States;
- (c) Whether it is also a fact that the Centre has not taken any decision on this issue;
- (d) The details of outstanding amount of royalty paid to Gujarat during the last three years;
- (e) Whether Eswarai Committee Report has been sent to Gujarat and whether it is a secret report;
- (f) Whether Government proposes to frame specific formula on crude oil royalty; and
- (g) What steps are being taken by the Government on royalty issue for Gujarat?"

मान्यवर, उनका जबाब भी उन्होंने मुझे दिया है। लेकिन मैं यह कहना चाहता हूँ कि जो रकम गुजरात सरकार केन्द्रीय सरकार से मांग रही है, वह आपने क्यों नहीं दी? गुजरात के चैंबर ऑफ कामर्स एण्ड इंडस्ट्रीज, गुजरात स्माल स्केल इंडस्ट्रीज एसोसिएशन, गुजरात इंडस्ट्रीज एसोसिएशन, सब लोगों ने मिल कर यह बात कई बार डेलिगेशन के रूप में, मेमोरैंडम के रूप में केन्द्रीय सरकार के पास रखी। यहाँ मिनिस्टर को मिलकर और प्राइम मिनिस्टर को भी हमने मेमोरैंडम दिया था। लेकिन जैसे जैन साहब ने कहा, अभी सतीश शर्मा जी आ गए हैं, हमें पूरा भरोसा हो गया है कि जो गुजरात के साथ अन्याय हो रहा है, उनकी जो जैम्बूइन डिमांड है, उस को आप कई सालों से देना रहे हैं, मैं चाहता हूँ कि सरकार

जो कुछ ईस्वरन कमेटी ने तय किया है उसके बारे में बताए कि उसका क्राइटेरिया क्या है? आपने कौन सा क्राइटेरिया दिया है? ऐडवांस निर्णय लिया, आपने दे दिया तो आप के पास कौन सा बेस था। आपने क्या बेस बनाया कि इतनी मात्रा में रायल्टी दी जाए। गुजरात का जो केस सेंट्रल गवर्नमेंट के पास रखा है उस पर क्लॉक से कहा है कि हमारा यह दावा है, इसकी रायल्टी हमें किसकी चाहिए। लेकिन हमारी एक भी बात उन्होंने अपनाई? आपने कुछ बढ़ोतरी की है। मैं ऐसा नहीं कहना चाहता कि आपने कुछ नहीं किया। लेकिन जो हमने माँगा है उससे बहुत कम दिया गया है। मेरा कहना यही है। एक बात और मैं कहना चाहता हूँ कि हमारे यहाँ के सदस्य बायसबाल जी ने 1991 में एक सवाल पूछा था उसमें जो स्टेटमेंट दी गई थी उसमें यह बताया गया था कितना सैल सेंट्रल गवर्नमेंट के पास आ रहा है और कितना वह दे रहे हैं। उसमें जो आंकड़े बताये गये उस पर आपका ध्यान खींचना चाहता हूँ। उसमें कई गलत-समत बातें कही गई हैं। मैं आप से कहना चाहता हूँ कि अगर ये आंकड़े गलत हों तो सुधार दीजिए। उस दिन जो सैल की अमाउंट बताई गई उसमें गुजरात के लिए 1988-89 में 112.59 और 1989-90 में 127.55 बताई गई। यह रायल्टी की है। जो मैंने सवाल पूछा था उसमें 1992 में जो रकम बताई 1989-90 में वह 115.61 बताई। पहले जो रकम बताई वह कुछ और है और मुझे जो रकम बताई वह कुछ और है। मैं जानना चाहता कि आपके पास तो रिकार्ड है उसको वैरीफाई करके आप क्यों गलत इम्फरमेंशन हाउस को दे रहे हैं। एक बात मैं यह भी कहना चाहता हूँ कि हमारी जो डिमांड है,

गुजरात की जो डिमांड है वह 782 रुपये की है। यह सरकार ने और ओ० एन० जी० सी० के लोग जो वहां पर काम कर रहे हैं उनके साथ मिलकर और एक क्राइटेरिया फिक्स करके यह अमाउंट मांगी थी। लेकिन जो कुछ दिया गया है वह बहुत कम दिया गया है। गुजरात में कई बैकवर्ड जिले हैं और बार्डर पर भी जिले हैं। मैं यह कहना चाहता हूँ कि जितना सैस आपके पास, गवर्नमेंट के पास आता है उतना तो दे दीजिए, उससे ज्यादा मत दीजिए। उतनी रकम भी हम को नहीं मिल रही है। मैं आपसे कहना चाहता हूँ कि जब आप यह बिल लाये हैं जो आप कृपा करके तीन साल की रकम तो कम से कम दे दें, एकमात्र रकम आपने दी भी है। 31 मार्च 1993 को उनका वर्ष खत्म हो रहा है इसलिए यह बिल पास होना जरूरी है। क्योंकि जब रकम आयेगी तब ही कोई काम आगे बढ़ेगा। इसलिए मैं कोई आपत्ति नहीं उठा रहा हूँ। लेकिन जो गुजरात का दावा है वह गुजरात को तो मिलना ही चाहिए और वह आपको देना चाहिए। जो असेसमेंट आप रायल्टी के बारे में लाये हैं यह ठीक है बहुत छोटा सा असेसमेंट है। लेकिन हमारी डिमांड यह है कि एक कमेटी बैठा दें। कमेटी बैठकर रिपोर्ट को सदन के सामने लाइये। आपके पास जो कुछ है उन तथ्यों को अगर आप देखें तो मैं दावे के साथ कहता हूँ कि गुजरात के साथ बिल्कुल अन्याय हो रहा है। असम के साथ अन्याय हो रहा है। यह नहीं होना चाहिए। इसी वजह से कह रहा हूँ कि कमेटी बैठकर पूरी जानकारी लेकर इस रायल्टी की रकम को फिक्स करिये। जल्दी में ऐसा कुछ करने की कोई जरूरत नहीं है। ईश्वरन कमेटी की जो रिपोर्ट है उसकी भी चर्चा इस हाउस में होनी चाहिए। यही मेरी डिमांड है। उन्हीं

शब्दों के साथ जैन साहब ने जो रजॉल्यूशन पेश किया है उसको सपोर्ट करता हूँ और आपके बिल का विरोध करता हूँ।

THE VICE-CHAIRMAN (SYED SIBTEY RAZI) : Shri S. S. Ahluwalia. He is not here. Shri Vishvjit Singh.

SHRI VISHVJIT P. SINGH (Maharashtra) : Mr. Vice Chairman, Sir, I am grateful to you for affording me the opportunity to support the Oilfields (Regulation and Development) Amendment Bill, 1993. I would not, originally, have gotten up to speak on this Bill and I expected that this House itself would not discuss this Bill because this is a very innocuous Bill. In fact, it is for the public good. I expected my good friend Mr. Jain—Dr. Jain, I am sorry—to support this Bill. Instead, he came out with a lot of fallacious arguments and I think I need to set the record quite straight.

The fact is, this royalty is paid to the States concerned and this is a major increase in royalty. The Act of 1948 categorically lays down a ceiling of 20 per cent. It does not allow payment beyond 20 per cent and the royalty earlier was fixed accordingly. Once the Government had decided that the royalty would be increased, the percentage of increase over the previous royalty paid is 53.18 per cent. Since the increase was 53.18 per cent, this increase amounted to a total eventually coming to 2-1.52 per cent which is over 20 per cent. That is the necessity for bringing this Ordinance and hence the Bill. The necessity for bringing the Ordinance was that the money had to be paid to the States. The idea was to disburse the money to the States before the 31st of March, 1993, as soon as possible.

SHRI ANANTRAY DEVSHANKER DAVE : Woa! you yield for a minute?

This 20 per cent ceiling limit is on a weightage or on the rate, on the price?

SHRI VISHVJIT P. SINGH : It is quite dear. The carrier Act says : Not to exceed twenty per cent of the sale price of the mineral oil at the oilfields or the

well-head, as the case may be, or enhance the rate of royalty in respect of any mineral oil more than once during any period of three years. This is what original Act says. It is just clear from the Statement of Objects and Reasons and there is no ambiguity as far as that point is concerned. Let us go a little farther.

Sir, this was the major increase announced by the Central Government. The Assurances Committee had submitted its report. The Ministry processed those recommendations and immediately decided that this must be done. Therefore, the intention of the Central Government was to disburse the funds to the State Governments as soon as possible. That is the reason why this Ordinance was brought and now this Bill. So, the matter is quite dear, and this does not mean that this is a final price. It is only up to 31st March. Beyond this again, as has been done in the past, it will be reviewed. Again there is going to be a review. It is not going to be the end of it. There is going to be a review, there is going to be another Committee. Again we will see the price and the Government will decide accordingly. And this is only dealing with the past three years. This is an enabling legislation.

Another point made by Dr. Jain was why not allow the States to deal with this matter themselves, allow the States to sell the oil or whatever mineral resources they have themselves. Doesn't Dr. Jain realise that in any kind of global market there are huge cartels being formed? People get together to gain strength. We are entrined in the global market. The European Economic Community has got together. The US has got together with Canada and Mexico to form, one market. You have got the OPEC. The oil producing and exporting countries have got together and formed a union of their own. If you allow the States to do it by themselves, they will suffer in the consequence. There will be great sufferings. An irresponsible Chief Minister of a State will turn around and sell the mineral products of the State as soon as possible, getting very little money in the process. The Centre is there to guard the interests of the people. We, the representatives of the States, are there to make sure that the interests of the

States are safeguarded, the interests of the people are safeguarded. It is a very irresponsible suggestion that we allow the States to do this by themselves. In the present economic climate in the world, it is important that we get together. Our late Prime Minister, Shri Rajiv Gandhi, was trying to get all our neighbouring countries together under the banner of SAARC and you are wanting that we should be further disintegrated, that the States should be allowed to do it on their own. I do not understand that. As far as royalty as "political leverage"—this was the phrase by Dr. Jain—is concerned, political leverage against whom? You see, once you fix a royalty, you have fixed it for all the world: it applies to all the States who are producing oil, in this particular case, or other products in other cases where the States are producing them. So, where is the question of political leverage as far as this is concerned? How can you pay less royalty to one State and more royalty to another? "Royalty" is very clearly defined as a percentage of the price. Sir, I frankly fail to see the relevance of such vague and irresponsible statements, especially in view of such a legislation which is on the right lines and which is purely an enabling legislation to allow the Government to pay more money to the States.

Sir, we, as the Council of States ought to unanimously welcome this and pass this Bill immediately. Thank you, Mr. Vice-Chairman.

SHRI M. A. BABY (KERALA) : Thank you, Sir, for giving me an opportunity. I am also in the same dilemma as Dr. Jain, that when the Minister moves his maiden Bill it is really difficult to oppose it.

So far as this particular Bill is concerned, my opposition is to the way in which this Bill has been brought—first promulgating an Ordinance and then bringing a Bill to legitimize it through legislation. Now this has been brought here as a Bill. This is one of the rarest of rare occasions when an Ordinance has been issued for a right purpose. Generally, Ordinances were being promulgated to put more burden on the people,

but' in this particular case it was to rush some share to the States by way of dividing the royalties. Therefore, the overall content of the Bill I do appreciate, but the way in which this Bill has been brought here, after promulgating an Ordinance, I have my serious reservations about it. Some part of that has already been dealt with by my hon. colleague, Dr. Jain, but the main disagreement I have is that the provision for the promulgation of Ordinances has been incorporated in our Constitution only to deal with extraordinary situations. But what is happening now is that every now and then the Government is taking recourse to promulgation of Ordinances. We know when a session of Parliament starts and when it ends. By and large it is well known as to when the Budget session starts and when it concludes, when the Monsoon session starts and ends; there would be changes only of a few weeks, if not a few days. Therefore, the Government should plan its agenda well in advance and properly as to the issues on which legislation is required. So, if the Government does its homework properly, then only, on the rarest of rare occasions the Government would be forced to take recourse to the unpleasant exercise of promulgating Ordinances and later on coming to Parliament. I wish that at least for future the Government would take note of this factor.

Sir, as has been rightly pointed out by another learned colleague of mine, Shri Vishvjit P. Singh, this Bill, in fact, is to increase the royalty which would go to the States. Therefore, I appreciate this. But what I would like to ask is whether the Government would consider similar enhancement or royalty in other cases also, for example, coal. What is the attitude of the Government? I think that our States should be given their legitimate share. This I underline further because, Sir, we know that there are many separatist, fissiparous and divisive tendencies coming up in different parts of our country. On many occasions they raise some divisive slogans, some separatist slogans, based on some genuine grievances of economic neglect, and also when their legitimate share is

not given to a province or a region.
5.00 P.M.

Very easily there can be dissatisfaction and frustration and exasperation as a result of that, which can be fanned among the people. I do not want to refer to the arguments of the Jharkhand Mukti Morcha or some other movements. Therefore, the Centre, by its action, not just through its words, should present itself as being highly legitimate in taking care of the interests of the States, distributing legitimate shares to different States. Therefore, I appreciate that the hon. Minister has come forward with this proposal for enhancing the royalty though this is only in relation to crude oil and mineral oil. I hope that the Government will also take care of other natural resources such as coal and other deposits.

Only for the sake of the record, I would just correct what Shri Vishvjit Prithvijit Singh has said. "OPEC" does not stand for "Oil Producing and Exporting Countries." "OPEC" stands for "Organisation of Petroleum Exporting Countries." This is one correction to put the record straight.

Another point I would like to raise is in relation to the general approach of the Minister of Petroleum and Natural Gas, though it does not come strictly within the purview of this Bill. There are efforts to privatise totally very high profit-making firms such as the ONGC. There are proposals for inviting foreign firms also to this field. I feel that this would be highly objectionable. These are our natural resources which should be protected. There are any number of firms, and our own scientists are capable of developing our oilfields and other natural deposits. Therefore, the thrust should be to promote and develop our own research and development so that without relying on foreign companies and foreign firms we would be in a position to explore the deposits that are available in our country.

With this observation, I generally support this Bill which is meant for taking care of the interest of the States.

Thank you.

THE VICE-CHAIRMAN (SYED SEBTEY RAZI) : Mr. Narayanasamy.

THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRIMATI MARGARET ALVA) : There is a statement at five o'clock

THE VICE-CHAIRMAN (SYED SIBTEY RAZI) : I have only three more speakers on this Bill. So, if the House agrees

SHRI V. NARAYANASAMY (Pondicherry) : Yes, Sir.

THE VICE-CHAIRMAN (SYED SIBTEY RAZI) : ----- we should take up the statement just after the Bill is disposed of.

SHRI V. NARAYANASAMY: Clarifications. ... (*Interruption*)

THE VICE-CHAIRMAN (SYED SIBTEY RAZI) : I would like to inform the House of the position. After that we have another statement at 5-30 p.m. So, in continuation we will take up the two statements, if the House agrees. There are two, three speakers more. All the speakers have cooperated. They are taking less time. So, I think, if the House agrees, we should take up the statements later on.

SHRI V. NARAYANASAMY : Yes, Sir.

THE VICE-CHAIRMAN (SYED SIBTEY RAZI) : Okay. Yes, Mr. Narayanasamy.

SHRI V. NARAYANASAMY: Thank you, Sir, for giving me this opportunity.

As the young and dynamic Minister came to take over the Petroleum and Natural Gas Ministry, we expected a lot of improvement in the Ministry, and slowly he is improving the system.

Sir, in our House, hardly do we get an opportunity to discuss the Department of Petroleum and Natural Gas. Now the Bill has come. During the Question Hour only hon. Members used to put questions, and the Minister used to reply. But we had no opportunity in the last three, four years to, discuss

the Ministry of Petroleum and Natural Gas.

Sir, this is a simple Bill, to support the Bill. The purpose of bringing this Bill is to increase the royalty to 24.52 per cent, as demanded by various States.

Sir, it has been a grievance of various States like Assam, Maharashtra, Gujarat and various other States that for the crude oil that was being taken the royalty that has been fixed by the Centre was meager and that, therefore, the Government should increase the royalty. Our previous Prime Minister, Shri Rajiv Gandhi, and thereafter our present Prime Minister also, gave an assurance to the people of various States from which the crude is taken, that we would increase the royalty. On the basis of it the Bill has been brought. In the system as far as the Petroleum and Natural Gas department is concerned, a lot has to be done. First of all the crude production in this country is getting depleted. No doubt, the Minister is taking a keen interest in this. Crude reserve was more than 47 million tonnes. It came down to 37 million tonnes and is likely to go further down to 32 million tonnes, because the wells are being over-exploited, and no further wells are being drilled in order to increase their production. In the southern sector, plenty of oil is available at the Godavari and Cauvery basins. A Russian firm was given the charge. It had been doing the drilling work very well. They completed the drilling successfully in some of the areas at the Godavari and Cauvery basins. Abruptly they have stopped the work of drilling in those places. I came to know that global tenders are being invited for drilling operations in various parts of the country and the Government is going to have it in the joint sector. The hon. Minister personally told the Press that at more than 13 or 14 places drilling operation has to be undertaken. I would say that is not sufficient. When we go in for joint ventures, do it on a large scale. In India there is every potential for the crude being found out at various oil wells in the country.

I now come to another aspect which is worrying the people of this country very

much. It is about flaring the gas. The people want gas for industrial and domestic purposes, but the Petroleum and Natural Gas Ministry is not drawing up plans for their maximum utilisation. When Mr. Krishna Kumar was the Minister, he gave a categorical assurance that by 1994 the loss of natural gas in this country will be zero. I would like to know their action plan in this regard especially in the Bombay High, in Assam and also in Godavari and Cauvery basins where a lot of natural gas is being flared. A lot of industries are also coming up in those areas. The hon. Minister also knows fully well that a lot of applications are pending for natural gas connection for various industrial purposes. But, unfortunately, more than 60 per cent of the gas that is available is being flared. That is a national waste. This is the field where the hon. Minister has to concentrate and see that gas is utilised and not wasted and that the industry and other consumers are able to make maximum use of it.

SHRI M. A. BABY (Kerala) : Mr. Narayanasamy, what about the southern gas grid ?

SHRI V. NARAYANASAMY : Right from Bombay. Yes. The hon. Member has rightly reminded me. This was the question put before the hon. Minister for his maiden reply on the first day. I remember the hon. Minister gave an assurance that from the Bombay High up to Cochin by connecting three or four States a southern grid will be created.

SHRI M. A. BABY : Including Pondicherry.

SHRI V. NARAYANASAMY : It should be a time-bound programme. I don't want it for Pondicherry, because in Cauvery basin they are getting it. I want the Southern States which have been starved of energy and natural gas to be given sufficient protection by the Petroleum and Natural Gas Ministry. As far as Gas is concerned, there is a bureaucratic bottleneck in the Ministry of Petroleum and Natural Gas. The industries are applying for allotment of natural gas for their industries. They get a very standard reply that there

is no gas available and that they are not able to satisfy their demand. They give the same reply to everyone while people know very well that the gas is available. That kind of bureaucratic attitude has to be corrected by the hon. Minister. I know the hon. Minister is capable of doing that. There should be maximum utilisation of gas for various industrial purposes. When the liberalisation of the economy is being brought about, the Petroleum and Natural Gas Ministry should also be liberal. They should also help the industrialists to make use of the natural gas. This is what I wanted to submit before the hon-Minister.

Sir, today the hon. Minister has replied in this House about the amount of foreign exchange which we are losing on account of importing crude oil. Therefore, the area which the hon. Minister has to consider is proper use of petroleum products in this country. That is a very important aspect about which the hon. Minister is also very much concerned.

The number of vehicles on the roads are increasing by leaps and bounds. For importing petroleum products, we are spending a lot of money. We should encourage development of alternative sources of energy so that our dependence on petroleum products can be curtailed.

In this year's Budget, allocation of funds to the Ministry of Petroleum has been increased. But within the available resources, they have to generate their own funds.

The hon. Minister has announced that private companies will be allowed to import LPG and other petroleum products because of the foreign exchange constraint. It is a novel thing. I welcome it. After liberalisation of the economic policy, Government is not in a position to spend more money for getting petroleum products. I welcome the decision of the Government to allow joint venture companies to import LPG and other petroleum products into this country. But I want the Government to be very, very careful in that. They should monitor those companies which are coming over here. They should find out

their credentials as to how they are going to use it and how they are going to supply it to the consumers. Monitoring system should be perfect. A lot of criticism has come from the other quarters, especially from the Opposition side. I hope the hon. Minister will look into it.

SHRI SUKOMAL SEN : Sir, the statement will never come before 6 o'clock.

THE VICE - CHAIRMAN (SYED SIBTEY RAZI) : Mr. Narayanasamy, please try to conclude.

SHRI V. NARAYANASAMY : I am coming to the final point. Mr. Sukomal Sen did not...

SHRI SUKOMAL SEN : You have taken fifteen minutes.

SHRI V. NARAYANASAMY : I am not going outside the subject.

THE VICE - CHAIRMAN (SYED SIBTEY RAZI) : Let him speak. The Chair is concerned about the time. We have already agreed that the statement will be taken up after this Bill is disposed of ... (Interruptions) Don't interrupt like this.

SHRI SUKOMAL SEN : We are concerned about the statement.

THE VICE - CHAIRMAN (SYED SIBTEY RAZI) : I have taken the permission of the House to dispose of the Bill first and then take up the statement. You were not there at that time.

SHRI SUKOMAL SEN : I was very much here.

THE VICE - CHAIRMAN (SYED SIBTEY RAZI) : Mr. Narayanasamy, please try to conclude.

SHRI V. NARAYANASAMY : I am coming to the final point. There is a problem for registration of LPG connections to the consumers in the country. The waiting list for the LPG connections is increasing. The Ministry of Petroleum is not able to meet the demand. Even

in" the rural areas also there is a demand for LPG connections. The Ministry of Environment has ordered not to cut the trees for fuel purpose. The people have to go in for LPG connections only. The dealers have stopped registering new consumers. The only persons whom they can approach are the Members of Parliament. Now MPs are the only targets for the consumers today. We are entitled to sanction only 48 LPG connections in the whole constituency, whether it is a Lok Sabha Member or a Rajya Sabha Member. The dealers are also advising the consumers that MPs alone will be able to get LPG connections. Now our problems have increased. Earlier it was not so. I will be very happy if the hon. Minister announces today on the floor of the House that a Member of Parliament will be entitled to give 100 LPG connections so that we will be able to satisfy the demands of the people of our constituencies.

With these words, I support the Bill and conclude.

SHRI BHADRESWAR GOHAIN (Assam) : Mr. Vice-Chairman, Sir, although I am an Opposition Member, I am supporting this Bill, but with a condition. It is said that it is a stop-gap arrangement. This practice should be stopped and permanent settlements should be made in regard to the increase of royalty. Digboi, the seat of the AOC headquarters till recently, is the place here the Britishers discovered oil in the early part of the 19th Century. Then came the Oil India Limited. When oil was struck at Duliajan, came the ONGC. Oil was then struck at Sibsagar, Lakwa, Galeky, Sadupather, Golaghat, etc. Now the ONGC is a gigantic establishment and its exploration network is steadily expanding. Since Assam produces a large ratio of crude oil, we are demanding an increase in the oil royalty. I submit that the present increase of 24.52 per cent is not at all sufficient. There was an agitation in Assam in the last decade. The demand for an increase in the royalty was part of the agitation. I would like to submit this for the consideration of the hon. Minister who has taken charge recently. This problem of

oil royalty should be set at rest. A permanent settlement should be given to us so that we cannot and need not agitate in this regard.

I would like to make a few submissions on this point. Earlier, I wanted to raise this matter through a special mention. But as, probably, the Chairman did not permit it, I could not raise it. The matter is a very serious one from the point of view of Assam. Recently, an advertisement has appeared in newspapers inviting tenders for operating and maintaining ONGC-owned work over rigs primarily in or around Rudrasagar, Lakwa, Dimulgaon, Lakhmani and Galeky in Upper Assam. Strong public resentments have occurred due to this decision of the Government to privatise the oilfields at the cost of national interests. Probably, this decision, taken by the Government or the ONGC, was at the behest of some big companies, either Indian or foreign. I urge upon the Government and the Minister that this move to privatise the oilfields, rigs operations and exploration of oil in Upper Assam should be stopped forthwith. I further urge upon the Government to reconsider the decision and to direct the ONGC not to float any tender and to cancel the tender notice issued already, immediately, in the interests of the nation. Otherwise, the ONGC workers' Association and the people of Assam will be compelled to oppose such a move by the authorities. Further, as Mr. Narayanasamy has pointed out, our heart burns when hundreds of thousands of cubic metres of natural gas are flared in Assam. Sir, I would like to have the attention of the Minister.

THE VICE-CHAIRMAN (SYED SIBTEY RAZI) : Yes. You carry on.

SHRI BHADRESWAR GOHAIN : In Upper Assam, there are rows and rows of gas flaring up like street light poles. Our hearts burn when we see the natural gas flaring like wild fire. Some gas-based industries should be allowed to be established there either from the Government side or from the private sector so that we do not see natural gas going waste.

This should be and must be considered by the hon. Minister. Thank you, Sir.

श्री छोडू भाई पटेल (गुजरात) : माननीय उपसभाध्यक्ष महोदय, हमारे माननीय मंत्रीजी ने यह प्रथम बिल सदन के सामने रखा है, इसका मैं स्वागत करता हूँ और समर्थन करता हूँ।

महोदय, देश में और दुनिया में इनर्जी एक बेसिक आयटम है, अहम बात है और बिना इनर्जी कोई भी देश तरक्की नहीं कर सकता है। इसलिए इनर्जी के बारे में हमारा देश, दुनिया चिंतित है, मैं भी चिंतित हूँ और इसलिए मैं कई बातें इसके संबंध में आपके सामने रखना चाहता हूँ। महोदय, 1989-90 में जो हमारा कूड आइल का प्राइक्शन था वह 34 मीट्रिक टन था जोकि अब 91-92 में सिर्फ 30 मीट्रिक टन रह गया है। इस तरह धीरे-धीरे प्रॉडक्सन में गिरावट आ रही है और जो हमारा इंडी-जिनस प्रॉडक्सन 84-85 में 70 परसेंट था, वह भी 1990-91 में 56 परसेंट और 1991-92 में 50 परसेंट रह गया है। इस तरह हमारा इंडी-जिनस प्रॉडक्सन घटता जा रहा है, लेकिन उपभोक्ता की जो मांगें हैं, वह बढ़ती जा रही हैं। इस तरह डिमांड एंड सप्लाय के बीच में जो एक गैप है वह बढ़ता जा रहा है। इस से बैलेंस आफ पेमेंट जिसे कि बी०ओ०पी० कहते हैं, वह काफी प्रभावित होता है। महोदय, हम इसे कई सालों से इम्पोर्ट कर रहे हैं और हमारा इम्पोर्ट रेट करीबन 11 परसेंट हो गया है। तो मैं आपके माध्यम से माननीय मंत्रीजी से कहना चाहूंगा कि इनर्जी के इंडीजिनस प्रॉडक्सन में गिरावट होने से देश को काफी हानि पहुंचा सकती है क्योंकि हमने नई इंडस्ट्रियल पॉलिसी जो बनायी है, उसको स्ट्रेंथन करने के लिए, उसको सुदृढ़ता देने के लिए हमें इनर्जी के बारे में ठोस कदम उठाने बहुत आवश्यक है।

महोदय, 22 सालों में हमने पेट्रोसियम प्राइसेस 20 टाइम बढ़ाए हैं, लेकिन अगर हम ग्लोबली देखें वर्ल्ड क्रूड आइल प्राइसेस को तो हमने आधे ही बढ़ाए हैं। पेट्रोल प्राइसेस हमने 13 गुना बढ़ाए हैं, डीजल के 7 गुना बढ़ाए हैं और किरोसिन व एल० पी० जी० के दाम 4 गुना बढ़ाए हैं। इस तरह धीरे-धीरे हम ये प्राइसेस बढ़ाते जा रहे हैं और इसका हमारा जो कन्वर्टिबल रूपी है, उस पर काफी असर होता है। इस लिए मैं आपके माध्यम से सरकार से कहना चाहूंगा कि हमारा जो टोटल एक्साइज कलेक्शन है जोकि 1970-71 में 22 था, 1980-81 में 46 था, अब 92-93 में यह 45.5 है। तो इससे देश में एक चिंता का वातावरण पैदा हुआ है और इसमें जो गिरावट आ रही है, इससे देश चिंतित है। महोदय, अभी-अभी हमारे कई साथियों ने भी कहा कि नेशनल गैस का जो फ्लेअर अप हो रहा है, वह 1991-92 में 11 मिलियन क्यूबिक मीटर था और 1992-93 में 7 मिलियन क्यूबिक मीटर गैस फ्लेअर अप हो रहा है। इसके बारे में हमें कुछ स्टेप्स लेने चाहिए। हमें अपना डोमेस्टिक क्रूड प्राइवशन बढ़ाना चाहिए, रिफायनरीज की कैपसिटी को बढ़ाना चाहिए और हमारे जो इनर्जी कंजर्वेशन हैं, उसके बारे में बाढ़ ध्यान देना चाहिए ताकि बैलेंस आफ पेमेंट की जो दर है उस पर ज्यादा असर न हो। वह ज्यादा प्रभावित न हो। इस बारे में मैं डिटेल् में नहीं जाना चाहूंगा, लेकिन महोदय आपके माध्यम से आदरणीय मंत्रीजी से कुछ चंद बातें पूछना चाहता हूँ कि —

How many oil blocks have been allotted to private companies so far? India is supposed to have crude oil reserves. Some tax concessions are to be given if private investment is to be attracted in oil fields development. Is it a fact that out of 72 blocks that were offered during the fourth round of oil bid, only 13 have been cleared? The response is not encouraging. There is no comprehensive policy adopted by the Government.

सर, इसके बाद मैं गुजरात के बारे में कहना चाहूंगा, जैसे कि कई आपत्तियाँ हमारे कई साथियों ने उठाई हैं। मैं यह कहना चाहूंगा कि काफी दूर से हम जो वहाँ के लिए आयल, गैस ले रहे हैं, जबकि खुद गुजरात में काफी यह हो रहा है और वहाँ गैस की उपलब्धि होने के बावजूद ही उत्तराण में, टिप्पा गाँव में कई गैस स्टेशन तैयार हुए हैं। बड़े-बड़े हमारे जी० बी० के पावर स्टेशन भी हैं, लेकिन उनको वहाँ गैस नहीं मिल रही है।

सर, अभी-अभी हमारे कोयले पर करीब 12 प्रतिशत दाम बढ़ाया गया है, फ्रीट चार्ज भी 12.5 प्रतिशत बढ़ा है, इससे भी गुजरात की इन्डस्ट्रीज काफी प्रभावित हो सकती है। तो मैं आपके माध्यम से कहना चाहूंगा कि —

The price of gas should be fixed on the basis of the thermal equivalence of the pitched value of coal.

सर, गुजरात की जो काफी असे से मांगें चली आ रही हैं, उन मांगों को पूरा करने के लिए हमारे आदरणीय मंत्री जी निश्चित कोशिश करेंगे, ऐसी आशा है साथ ही मैं उम्मीद करता हूँ कि जो गुजरात को न्याय मिलना चाहिए, वह न्याय मिलेगा। इन्हीं शब्दों के साथ मैं इस विल का समर्थन करता हूँ क्योंकि इस अमेन्डमेंट से हमारे इस डिपार्टमेंट को काफी सुविधा होगी। धन्यवाद।

DR. JINBNDRA KUMAR JAIN (Madhya Pradesh) : Sir, I am thankful to the hon. Members who took part in the debate. Many important points came out. Some of them were directly linked to the subject. Although some suggestions made by some hon. Members might not appear to have a direct relevance to the subject of my Resolution or the Bill, all the same, these were considered views expressed by the hon. Members of this House. I am grateful to them for expressing their views. As I said in the beginning, Sir, I have my personal reasons—and I know that the Minister is new but is a sincere man, I hope that he will seriously consider all the suggestions that have emerged during the

discussion and as a mark of respect to him and considering that I must congratulate and welcome him and give a goodwill gesture, I am happy to withdraw my Resolution of disapproval. I thank everybody once again for having responded to the debate which I had initiated.

THE VICE-CHAIRMAN (SYED SIB-TEY RAZI) : Thank you. Mantriji.

THE MINISTER OF STATE OF THE MINISTRY OF -PETROLEUM AND NATURAL GAS (CAPT. SATISH SHARMA) : Sir, I would like to thank the hon. Members who participated in the discussion and gave valuable suggestions. I would like to briefly reply to the issues that emerged during the discussion.

My friend, Dr. Jain, for whom I have the highest regard came up with some points. One of them was that the Government had accepted the recommendations of the Eswaran Committee but found that it could not implement them without change in law and hence Parliament was taken for granted and an ordinance was issued. Sir, the Government accepted the recommendations of the Eswaran Committee only with modifications. In fact, the recommendations of the Committee would have entailed much greater changes in the law. The Government wanted to achieve the objective of having a reasonable increase in royalty on crude to the States with minimum changes in law. Nevertheless, certain provisions of the law required to be amended and the State Government of Assam and Gujarat were facing a serious crisis of resources and they were pressing for immediate payment of arrears of royalty. This could be done only by issuing an ordinance. Therefore, to bail out the State Governments out of the resource crunch, the Government was forced to come with an ordinance, Sir. The second point that Dr. Jain brought out was whether the incremental burden on account of the royalty would be shared by the consumer. No, Sir. The consumer will not have to be burdened with this. I can assure Dr. Jain that. Hon. Mr. Dave had brought out a point. He wanted to know what the rate of royalty on crude oil paid to the Gujarat Government was and whether this rate was lesser than those paid to other States. Another

point that he raised was if a copy of the Eswaran Committee Report was being given to the Government of Gujarat. The rate of royalty on crude oil is the same all over the country. All the producing States are paid the same rate for the crude oil produced. For offshore production of crude oil the royalty is paid to the Central Government. As far as giving a copy of the report to the Gujarat Government is concerned, it may be pointed out that this was a Committee appointed by the Central Government to advise it in the matter. The Committee had considered the views of the State Governments including Gujarat Government. The report of the Committee was under the consideration of the Government and, therefore, there was no occasion to give a copy of the report to the State Government. Daveji had also mentioned that injustice had been done to the States of Gujarat and Assam. It is not true that injustice has been done to Gujarat and Assam. This Bill will provide for a hefty 30% increase in the rate of royalty on crude oil and substantially increase the revenue of these two oil-producing States. Hon. Mr. Baby had mentioned that the way in which the Bill had been brought after the promulgation of the Ordinance was objectionable though there was no objection to the contents of the Bill. In this case, the Ordinance had to be issued to make immediate payments to the various State Governments for the benefit of the States, particularly the States of Gujarat and Assam where the Governments were facing a severe resource crunch. He had also mentioned that the legitimate interests of the States should be looked after by the Centre and the Government should enhance the royalty for other minerals as well. Well, Sir, the other minerals do not come under my Ministry. The Government of India has certainly the interests of the States in mind and it was for this reason that we had to issue an Ordinance to make immediate payments to the State Governments. We have taken steps to enhance the royalty in respect of crude oil. As far as other minerals are concerned, no doubt, at the appropriate time appropriate action will be taken by the Government. The other point that Mr. Baby had raised was that privatisation of ONGC and other companies was objectionable. If foreign companies, multinationals, are not invited we cannot have progress. I may clarify that ONGC

and other companies in the oil sector are not being privatised. We only intend to divest part of the equity of ONGC in order to raise more resources for this crucial sector. The majority shareholding in the ONGC and other oil companies is still being retained by the Government and, therefore, Government control will be retained. Hon. Mr. Narayanasamy has raised certain issues. The first was why drilling operations had been stopped in the Cauvery and Krishna-Godavari basins. The second was that private investment should be invited in a big way. The third was what the action plan was for reduction of flaring of natural gas. Drilling operations of ONGC are continuing in the Krishna-Godavari and Cauvery basins. Sir, the activities of the ONGC have not been stopped. Private investment has been invited to supplement the ONGC's efforts. We have invited this in a big way. The fifth round offering 45 blocks has quickly followed the fourth round. Discovered oil and gas fields have also been offered for development.

Mr. Narayanasamy has raised a question about the progress of southern gas grid. As he mentioned, the standard reply of the officers of the Ministry of Petroleum and Natural Gas is, natural gas is not available, even though gas is available. This bottle-neck has to be removed. Sir, the concept of gas pipeline from western offshore to southern region has been approved in principle by the Government. In our effort to make available supply of additional natural gas from the Middle-East—I also mentioned in this House earlier—we have signed an MOU with the Sultanate of Oman just a few days back. A sub-sea pipeline 900 miles long costing 4.5 billion dollars would be able to supply 50 million standard cubic metres of natural gas per day to our country. When that happens, it will dramatically change the gas profile of our country. I can assure you, when that happens, we will be able to complete the southern gas grid earlier than the projected date.

Mr. Gohain has mentioned about the privatisation of oil-fields in Assam and that it should be stopped immediately. As I mentioned earlier, the ONGC is not being privatised. Some discovered fields have been offered for joint production. Why

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has this come about? India does not have the kind of funds, resources which are required to intensify, on the one hand, exploration and on the other hand, production. That is why we are finding ourselves in a situation where we are not self-sufficient in oil. You are all aware that this is a matter of utmost urgency for the country because we have to spend a lot of foreign exchange for exploration. The fifth round of bids is going on and the end of June is the last date. Of course, after that it will be an ongoing exercise for exploration for the discovered oil fields. We have made a small beginning. Twelve medium fields and 31 small fields have been identified. Private investment for joint sharing has been invited for these discovered oilfields for which the end of this month is the last date. I am hopeful that the response will be very good. This will go a long way in helping us to become self-sufficient in oil.

Mr. Narayanasamy has requested for increased quota of gas connections. Sir, when I attended the first meeting of the Consultative Committee of Parliament, a similar request was made. The members of the Consultative Committee said that as they are attached to the Ministry of Petroleum and Natural Gas they should be the first ones who should have the benefit of increased quota. I agreed to that. I have given them the increased quota. Mr. Narayanasamy. I can assure you, I will definitely increase your quota also.

SHRI V. NARAYANASAMY : For all the Members.

CAPT. SATISH SHARMA : To what extent, I cannot say. Let me examine that. I assure all the Members that I will do it.

THE VICE-CHAIRMAN (SYED SIB-TEY RAZI) : Dr. Jain has agreed to withdraw the Resolution.

The Resolution was, by leave, withdrawn.

THE VICE-CHAIRMAN (SYED SIB-TEY RAZI) : I shall now put the motion moved by Shri Satish Sharma to vote. The question is :

"That the Bill further to amend the Oilfields (Regulation and Development) Act, 1948, as passed by the Lok Sabha, be taken into consideration."

The motion was adopted.

THE VICE-CHAIRMAN (SYED SIBTEY RAZI) : We shall now take up clause-by-clause consideration of the Bill.

Clauses 2 and 3 were added to the Bill..

Clause 1, the Enacting Formula and Title were added to the Bill.

THE MINISTER OF STATE OF THE MINISTRY OF PETROLEUM AND NATURAL GAS (CAPT. SATISH SHARMA) : Madam, I beg to move :

That the Bill be returned.

The question was put and the motion was adopted

STATEMENT BY MINISTER

Investigations abroad concerning suspects involved in Bombay blasts

THE MINISTER OF EXTERNAL AFFAIRS (SHRI DINESH SINGH) : Hon'ble Members will have ^v seen various reports in the media in India and abroad regarding the course of investigations concerning suspects involved in the Bombay bomb blasts case.

The External Affairs Ministry received the information from the investigating authorities that nine members of the Memon family, all Indian nationals, were in UAE or Saudi Arabia and requested us to seek the support of the Governments to apprehend them and make them available for investigation. The Ministry took up the matter with the Governments concerned immediately. Our request to the UAE was made before the departure of the suspects from UAE. Reports appearing in the media perhaps cautioned the culprits and six of them were able to flee just in time.

From the information so far available with us, there is confirmation that six members of the Memon family, namely, Abdul Razak Suleman Memon, Smt. Hanifa Memon, Yakub Abdul Razak Memon, Smt. Rahin Memon, Essa Abdul Razak Memon, Yusuf Abdul Razak have flown from Dubai to Karachi on March 17. We have sought the cooperation of the Pakistan Government in locating these persons and sending them back to India for questioning.

The suspects being Indian citizens, there is every expectation that all friendly Governments will cooperate in tracing such persons for questioning by our investigating authorities. The absence of any formal agreements with any other country regarding extradition is no impediment to international cooperation in regard to persons wanted for crimes such as terrorism. I would like to add that we have received a great measure of cooperation from the friendly Government of the UAE.

The criminal investigations are being conducted by the investigating authorities and are not the responsibility of the External Affairs Ministry except when foreign countries are to be approached.

It is not advisable, while sensitive investigation are in progress with the assistance of some friendly countries, to make any premature disclosure. We must also give an opportunity for quiet diplomacy to work through the normal channels. Disclosures and speculations in the media are not the course Government can adopt. It could be embarrassing to the countries which are trying to assist us. However, I wish to re-assure Hon'ble Members that the investigations are being pursued vigorously in all the quarters concerned, the requests for assistance have been made in a timely manner.

SHRI VISHVJIT P. SINGH (MAHARASHTRA) : Mr. Vice-Chairman, Sir, I am very grateful to you for giving me an opportunity to seek clarifications on the statement made by the Minister of External Affairs. I agree with the Minister in what he says, "It is not advisable, while sensitive investigations are in progress with the assistance of some friendly countries, to make any premature disclosure. We must also give an opportunity for quiet diplomacy to work through the normal channels. Disclosures and speculations in the media are not the course the Government can adopt. It could be embarrassing to the countries which are trying to assist us." But I would like to point out that here we have a situation where one of the horrific incidents in the history of our nation has taken place where, within a very short space of time, a large