

RAJYA SABHA

Wednesday, the 12th August, 1992/21st
Shrawana 1914 (Saka)

The House met at eleven of the clock.
The Deputy Chairman in the Chair.

ORAL ANSWERS TO QUESTIONS

Decontrol of Oil Lubricants

*501. SHRI KRISHNA KUMAR BIRLA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state.

(a) whether it is a fact that Government have decided to decontrol oil lubricants in the country;

(b) if so, whether the prices of oil lubricants would go up substantially as a result thereof;

(c) whether Government propose to adopt any strategy to check the rise in prices of oil lubricants after decontrol; and

(d) if so, what are the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS WITH ADDITIONAL CHARGE OF THE MINISTER OF STATE IN THE MINISTRY OF DEFENCE (SHRI S. KRISHNA KUMAR): (a) While major part of the lubricants is already outside any price control, no decision has been taken regarding further de-control.

(b) to (d) Do not arise.

THE DEPUTY CHAIRMAN: I am looking at the thinly populated House. The Minister for Health should be happy that the population is reduced... (Interruptions)...

THE MINISTER OF HEALTH AND FAMILY WELFARE (SHRI M. L. FOTEDAR): I would not like the reduction of population in this way... (Interruptions)...

THE DEPUTY CHAIRMAN: Q. No. 501.

SHRI KRISHNA KUMAR BIRLA: Madam, I have noted the Ministers' reply and I have also noted that no decision has been taken regarding further decontrol. Madam, when it is said that no further decision has been taken, it means that the question regarding further decontrol of the prices is under consideration and my question in that context is: I am a firm believer in free market economy. But the elementary principle behind free market economy is that there should be adequate supply to meet the demand as also to induce competition amongst various producers. If the supply is short, obviously competition is eliminated which would only boost the prices. My first question is, what is the total demand of oil lubricants in the country? How is this demand met from indigenous sources and by imports? And if the supply is not adequate, how would the Government propose to control the price situation in the case of decontrol?

SHRI S. KRISHNA KUMAR: Madam, the demand for lubricants in 1992-93 is 920,000 metric tonnes, the production is 520,000 metric tonnes and the gap is expected to be met by imports of 400,000 metric tonnes. At the end of Eighth Five Year Plan the demand, production and import will be 1150, 830 and 320 thousand metric tonnes respectively. There is no shortage of lubricants as such in the country as the gap is met by imports. Moreover, as per the new policies of the Government, the import of new base oil and lubricants has become decanalised which means anyone can import under the OGL. The private sector has already imported 5000 metric tonnes, they are at liberty to import more if they so desire. The National Oil Companies produce the lubricants from imported base stock in the refineries and base-stock is given to the private sector at a subsidised price. The question of subsidy and pricing deserves to be looked into in the new context when import is liberalised and this is under examination of the Government.

THE DEPUTY CHAIRMAN: Second supplementary, or are you satisfied?

SHRI KRISHNA KUMAR BIRLA: The answer is quite satisfactory but my second supplementary is... (*interruptions*)... by way of clarification. My second query is that oil lubricant is used by all the industries and any increase in its cost would have cascading effect on the economy of all industries and that will disturb the market economy. Has the Government applied its mind as to what they propose to do in case of undue rise in the prices of oil lubricants?

SHRI S. KRISHNA KUMAR: It is keeping this point in view that about 20 grades of lubricants, whose sales volume is about 50 per cent of the total consumption and sales in the country, are under price control. It is only the other lubricants, which are free products, which there is no price control. As I said earlier, Madam, there is a subsidy on lubricants which is costing the Government Rs. 36 crores a year and which is debited to the Oil Pool Account. The cost of the important lub-stock comes to Rs. 26,000. It is being given both to the public and the private sectors at about Rs. 13,000. It is a historical thing which has been going on for many years. Therefore, it can be seen that the Government is keeping the price low at a cost of Rs. 36 crores to the Oil Pool Account.

THE DEPUTY CHAIRMAN: Mr. Vidhuthalai Vjumbi. I think the Minister has given a full reply and there is nothing left in it. But it is quite slippery with a lot of lubricants.

SHRI S. VIDUTHALAI VIRUMBI: I would like to know whether the gap between the demand and supply is being adjusted only through imports. Considering the financial situation, I would like to know from the hon. Minister as to what action the Government of India is taking to reduce the imports as well as the keep the supply in order.

SHRI S. KRISHNA KUMAR: Madam, obviously, the imports can be reduced only through the expansion of our exist-

ing capacity. Our present capacity is 8,27,000 MT. The HPCL, Bombay, will have an additional capacity—the project is under implementation—of 1,10,000 MT which will be completed by 1994; the MRL, Madras will have an additional capacity of 1,30,000 MT to be completed by 1993; the IOL, Haldia will have 60,000 MT by 1993. Thereby there will be an additional capacity of 3,00,000 MT within the next two years and imports can be reduced to that extent.

SHRI S. S. SURJEWALA: Thank you, Madam. The price of HSD is about Rs. 5 or something less than Rs. 5 per litre and the price of kerosene is about Rs. 2. So there is a difference of about Rs. 3. On account of that gap, there has been a widespread complaint about the adulteration in the HSD leading to a great loss to the farm machineries, particularly, the tractors and other things. There is a loss to the transport vehicles also. Madam, the prices of the farm machineries in the last few years have been sky-high and the farmers have obtained loans from the Government. And these Indian-made machineries which were to work for two years, have been working only for six months. There has been a widespread complaint about this. Similarly, there are complaints about spurious lubricants being made. Many bogus factories have been unearthed in Delhi and in many other States in the country. So I would like to ask the Government whether it will consider having two prices of kerosene, one for the poor people and one which is equal to the price of HSD so that adulteration in the HSD can be removed. I would also like to know...

THE DEPUTY CHAIRMAN: Please be brief because there are many questions and many people who want to ask questions. If you are brief, then it is much better.

SHRI S. S. SURJEWALA: I would only ask one question. I would like to know whether the Government will consider a change in the present policy and what steps Government will take to prevent the loss to the agricultural machi-

nery and to the transport vehicles arising on account of adulteration and spurious lubricants in sale.

SHRI S. KRISHNA KUMAR: Madam, the supplementary of the hon. Member has no relevance to the main question. But I may briefly state that the price of kerosene is highly subsidised. Kerosene is distributed through the public distribution system to the consumers at a highly subsidised price in view of the fact that kerosene is the main household fuel for lighting and other purposes of the common man.

But industrial kerosene is priced higher. The question of adulteration is a different question altogether. In view of the fact that kerosene is underpriced, there is the phenomenon of utilising kerosene for adulterating higher priced fuel and the Oil Ministry and its subordinate organisations have a programme of continuous checking to prevent these malpractices. A similar checking is also there about lubricants and spurious lubricants. Just because the possibility of adulteration is there, we cannot increase the price of kerosene which is used by the common man.

स्वतन्त्रता सेनानियों के पेंशन संबंधी मामलों को जांच करने के लिए समिति

* 502. श्री गोपालसिंह जी० सोलंकी

श्री विश्वासराव रामराव पाटिल :

क्या गृह मंत्री गयह बताने की कृपा करेंगे कि :

(क) क्या सरकार स्वतन्त्रता सेनानियों की पेंशन के उन आवदनों की जिन्हें राज्य सरकारों द्वारा भेजा गया था और जिन्हें पहले केन्द्रीय सरकार द्वारा रद्द कर दिया गया था, जांच करने के लिए एक समिति गठित करने का विचार रखती है;

(ख) यदि हां, तो उसका व्यौरा क्या है और यदि नहीं तो उसके क्या कारण हैं; और

सभा में यह प्रश्न श्री गोपालसिंह जी० सोलंकी द्वारा पूछा गया।

(ग) स्वतन्त्रता सेनानियों की मृत्यु के पश्चात् उनको विधवाओं को पेंशन दिये जाने संबंधी मामलों पर कार्यवाही करने की शक्ति राज्य सरकारों को दिये जाने पर सरकार ने क्या निर्णय लिया है?

THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS AND THE MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS (SHRI M. M. JACOB): (a) No, Sir.

(b) Rejected cases are not to be re-opened unless new strong evidence is adduced and it prima facie justifies re-opening of the case. Hence the question of constituting a committee to examine rejected cases does not arise.

(c) The State Governments are competent to process the applications for re-opening of rejected cases including from widows of freedom fighters and make their recommendation to the Centre.

SHRI GOPALSINH G. SOLANKI: Madam, I am not satisfied as the answers to (a), (b) and (c) are contradictory to each other. When this scheme was introduced to recognise the freedom fighters, the procedure was that persons who had undergone a sentence for more than six months were to be recognised as freedom fighters by the Central Government and who had undergone a sentence for less than six months were to be compensated with some pension by the State Governments. But at the same time there was a procedure which laid down that persons who went underground because of some non-bailable warrants or requirement in connection with some detention orders, they were also to be recognised as freedom fighters by the Central Government. But in many cases, the Centre and the States have rejected the plea of the applicants who went underground and whose whereabouts were not known. May I ask the hon. Minister, through you, the details of persons who had gone underground and whose whereabouts were not known for more than six months because of some non-bailable warrant or detention