

and they are doing wonderful work through local labour. There is no reason why we should not depend on our own internal resources and build big and small canals and at the same time and annual the type of agreement which Mr. Chundawat referred to in this House and read out a few clauses from it. There is no reason why for raising food production and for raising our defence borders, the Rajasthan canal should not be taken over by the Government of India as a national canal. Because, once Rajasthan canal is completed, Rajasthan which is a land of desert will become a land of plenty and our self-dependence and self-sufficiency in food will increase. Therefore, this sectorial policy of State versus Centre must be given up in the national interest and such affairs which have inter-State impact should be taken over by the Centre and completed as national projects. This is how our finances can be used to raise our national income, to increase employment and solve the problems of poverty and ignorance.

THE VICE-CHAIRMAN (SHRI JAGDISH PRASAD MATHUR): Mr. Malaviya.

STATEMENT RE PROSPECTS OF CRUDE OIL PRODUCTION IN ASSAM

THE MINISTER OF PETROLEUM AND CHEMICALS (SHRI K. D. MALAVIYA): Sir, I rise to make a statement on the prospects of crude oil production from Assam with special reference to the demand made for the establishment of additional refining capacity in that State. I will also refer to such possibilities of further industrialisation of Assam that we can foresee on the basis of the State's resources of oil and natural gas.

On the basis of the presently established reserves, crude oil production of India and ONGC taken together, is expected to increase from 3.75 million tonnes in 1974-75 to 5.30 million tonnes in 1977-78. In our considered judgement the figure of 5.30 ; indicated for 1977-78 onwards should be

taken, for the present, as the availability for all purposes of planning.

The crude from Assam oil fields is now being utilised to the extent of 0.5 million tonnes in Digboi Refinery, 0.75 million tonnes in Gauhati Refinery and 2 million tonnes in the Barauni Refinery. Around 11/64-65, the potential of Lakwa and Rudra-sagar oil fields was established and it became apparent there would be slightly more than 1 million tonnes of crude oil from those two oil fields. Keeping this in view the Barauni Refinery was expanded by adding a capacity of 1 million tonnes. However, in December 1969, it was decided that 1 million tonnes out of productions of Lakwa and Rudrasagar fields would be reserved for a refinery incorporated with D.M.T. and polyester fibre petro-chemical complex at Bongaigaon in Assam. It has become apparent since February 1974, on the basis of further assessments made by ONGC, that the potential of Lakwa, Rudra-sagar and associated fields would be somewhat more than estimated earlier, and therefore, it will be possible to utilise the third unit at Barauni which had been lying unused. Our plans, therefore, are to proceed with the construction and commissioning of the Bongaigaon Refinery and petrochemical complex and also to feed the Barauni Refinery to the full extent of its existing capacity with crude oil from Assam. For this purpose, the crude oil pipeline is being expanded so as to carry additional crude required up to Bongaigaon and the pumping stations between Bongaigaon and Barauni are being strengthened to the extent required so as to provide security of operation for the transport of the 3 million tonnes required for the Barauni Refinery.

The work at Bongaigaon Refinery is in progress and I assure the House that it will be completed with the utmost expedition. We have decided that a coking unit and a coke calcination plant should be added to the refinery. Government are also determined to pursue the work on the Bongaigaon Petrochemical complex. We are also considering a proposal to establish a Polyester Film plant at Bongaigaon, which will be the first of its kind in India.

[Shri K. D. Malaviya]

What I have described so far is based on the established results of crude oil exploration. Honourable Members will appreciate that oil exploration is not only expensive, but »!su unpredictable. Soon we hope to in a position to say whether some more production can be developed, and on that basis we intend to take up the preparation of a detailed scheme to increase the capacity of Gauhati Refinery from 0.75 million tonnes to 1.10 million tonnes. Similarly we expect the Bongaigaon Refinery, which is planned for 1 million tonnes, to be capable of doing 1.15 million tonnes with some debottlenecking. As soon as adequate additional reserves are discovered, we would certainly consider the feasibility of expanding the Bongaigaon Refinery further.

Apart from crude oil, Assam has large reserves of associated and non-associated natural gas. There are already two major users of natural gas—the Assam State Electricity Board for its Namrup Power Station which is being expanded and the Fertilizer Corporation Plant at Namrup which is also being more than doubled in its capacity. The Assam State Industrial Development Corporation is implementing a project for manufacture of petro-chemicals from natural gas such as methanol, formaldehyde and urea formaldehyde glue and moulding powder. Oil India has already decided to extract about 48,000 tonnes per annum of L.P.G. which is an effective and efficient substitute of kerosene. The L.P.G. is proposed to be used preferentially in the Assam economic zone as a substitute for kerosene. I am glad to state that we have completed a technical study about the availability of natural gas and its possible end uses. We propose now to consider the development of various industries based on natural gas in consultation with Planning Commission and the Government of Assam.

The petroleum field needs large numbers of technically trained manpower. Among several other centres of education in this sphere, the Dibrugarh University of Assam also had a post-graduate course in Petroleum Technology. We propose to assist the University in developing this course suitable

Finally I would like to say a word about payment of royalty on crude oil. The present royalty of Rs. 15 per tonnes was fixed in accordance with an award made by the Prime Minister. Though this award is valid up to the end of the Fifth Plan, we are now in consultation with the Governments of Assam and Gujarat on their request for revision of royalty on crude oil. We hope to be able to take a decision quite soon.

Mr. Chairman Sir, I have tried to make as objective a presentation of the subject as I could. I have every sympathy with the aspiration of the people of Assam for the industrialisation of their State, and that is the objective I have kept before myself in presenting various ideas for new industries on the basis of natural resources in the petroleum field. I would be glad to do as much as I can to promote these ideas.

MESSAGE FROM THE LOK SABHA

The Tobacco Cess Bill, 1975

SECRETARY-GENERAL: I have to report to the House the following message received from the Lok Sabha, signed by the Secretary-General of the Lok Sabha:

"In accordance with the provisions of rule 96 of the Rules of Procedure and Conduct of Business in Lok Sabha I am directed to enclose herewith the Tobacco Cess Bill, 1975 as passed by Lok Sabha at its sitting held on the 5th May 1975.

2. The Speaker has certified that this Bill is a Money Bill within the meaning of article 110 of the Constiution of India."

उपसभाध्यक्ष (श्री जगदीश प्रसाद नाथूर):
सदन की कार्यवाही कल प्रातःकाल ११ बजे तक
के लिए स्थगित की जाती है ।

The House then adjourned at eleven minutes past five of the clock till eleven of the clock on Thursday, the 8th May, 1975.