

**SHRI NIRMAL KANTI CHATTERJEE:** My question is this. May I know whether or not the high interest rate is responsible for this industrialisation. This is Part 'A'. There is a mention of demand recession. Why is this demand recession caused? Is it because of large scale retrenchment or deterioration in the conditions of living of the people in the country? This is Part 'B'. Is it true that partly this demand recession follows from external sector also. Because of this, our export opportunities have come down? This is Part 'C'. And what is the contribution of FERA companies and MRTP companies in the reduction in the growth rate of industries? This is Part 'D'.

**MR. SPEAKER:** I expect the Minister to reply to Part 'A' only.

**SHRI NIRMAL KANTI CHATTERJEE:** Sir, all these are questions. With your permission, I have asked the questions only.

**MR. SPEAKER:** I have disallowed three questions.

**PROF. P.J. KURIEN:** Part 'A' is about high interest rates. It is certainly high. It is because, our industry has got certain problems. They have sent their representations also.

**MR. SPEAKER:** You have to reply to only one question. If you like to elaborate it, you can do so. But I have allowed you to answer only one question.

*(Interruptions)*

**SHRI NIRMAL KANTI CHATTERJEE:** He also feels that he should consider it.

**MR. SPEAKER:** You will have the opportunity to discuss this.

**SHRI SUKH RAM:** Sir, he said, it is merely growth. It is not merely growth that is important but the nature and content of growth is more important for the national economy.

So, in this context, I would like to know from the hon. Minister:

What is the growth of the elitist goods, such as cars, air conditioners, refrigerators, etc. and what is the rate of growth of goods which are meant for the common masses such as cycles, sugar, textiles etc.? In case there is a decline in the growth rate of such articles or goods, then, will the hon. Minister assure this House- if it is not possible for him to give an assurance at the moment - that he will consider relaxing the credit and import curbs because the BOP position has become quite comfortable?

If there is any shortfall of such goods which are meant for the common masses, will he consider accelerating their production so that the people of this country do not suffer?

**PROF. P.J. KURIEN:** It is true that this sector of the industry is showing a declining trend. I agree with the hon. Member. The consumer durables have shown a growth rate of 11.7 per cent. Also the automobile especially the passenger car has shown a negative growth rate. So, these two show that the impact is more on the consumer durables and luxury items.

At the same time, as I have already mentioned in the first part of my written answer, there are many sectors which are useful to the common man where the industrial production is on the positive side.

#### **Nuclear Power Plants in Maharashtra**

\*22. **SHRI ASHOK ANANDRAO DESHMUKH:** Will the PRIME MINISTER be pleased to state:

(a) whether the Government of Maharashtra has requested the Union Government to set up some nuclear power plants in the State to augment its power resources;

(b) if so, whether any decision has been taken in this regard; and

(c) the details of the sites selected and the plans, if any, drawn up for the same?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS (SHRIMATI MARGARET ALVA): (a) Yes, Sir.

(b) and (c). Project financial sanction has been accorded by the Union Government in January, 1991 to set up additional 2 x 500 MW units at Tarapur, Maharashtra. Commencement of plant construction works at site is awaiting availability of funds.

[*Translation*]

SHRI ASHOK ANANDRAO DESHMUKH: Sir, the hon. Minister has given the right reply and the Government has accorded sanction to the project for which we are thankful. But they have only given an assurance without mentioning the amount. No action can be taken without finances. This project is so good that we can get foreign aid for the same. From where is the Government providing funds? Is there any project on the anvil to increase the targetted production of electricity from 5700 MW to 10,000 MW.

[*English*]

SHRI MARGARET ALVA: I would like to inform the hon. Member that the work of the preliminary kind has already started. Advance project sanction of Rs. 1000 crore was given in stages for six 500 MW units which were to start in different parts of the country; two of them are the Tarapur ones. And I must also tell him that we have already started acquiring land. Besides that, we have also invested in critical equipment and components and long delivery items so that the project can stay on schedule. Unfortunately, money was not available last year. But we are hoping that this year in the Eighth Plan necessary fund - may not be all the Rs. 2000 crore which was envisaged - at least the required amount to do substantial work will be made available.

[*Translation*]

SHRI ASHOK ANANDRAO DESHMUKH: Sir, of the four atomic power plants the one in Narora... (*Interruptions*)

MR. SPEAKER: Please restrict yourself to Maharashtra. There is no need to talk about Narora.

SHRI ASHOK ANANDRAO DESHMUKH: Four Plants were set up - one each in Maharashtra, Narora, Kota and Madras. These plants are not showing capacity utilization. This does not mean that the plants which were set up or purchased were already damaged or were taken in return for illegal gratification.

[*English*]

SHRIMATI MARGARET ALVA: It was not like that. We did have some thing problems in certain plants. But I want to assure the hon. Member that the generation has improved over the last year and that all the plants are showing improved capacity utilisation and production of the electricity if you compare statistics over the last five years. (1985-90).

SHRI PRITHVIRAJ D. CHAVAN: This question relates to nuclear power in Maharashtra. The Tarapur Unit I and II were commissioned in 1969 and they had useful life of 25 years which ends in 1993. Tarapur III and IV which have been sanctioned are likely to be completed only in the year 2001, that too provided we make adequate financial provision for those units. These Tarapur III and IV units are of new design entirely, which has not been installed in India earlier. In view of this fact will the Tarapur I and II units be de-commissioned in 1993 or will they be run beyond their economic and design life of 25 years that is 1993? If they are closed in 1993 there is going to be a serious crisis for power in Maharashtra it has already been de-rated from 420 to 320 MW.

MR. SPEAKER: It is off the mark. I am

allowing it. If you have the information you can give.

SHRI PRIHVIRAJ D. CHAVAN: This is about nuclear power in Maharashtra only.

MR. SPEAKER: This question is about the new plant. This is not about the old plant.

SHRI PRIHVIRAJ D. CHAVAN: In view of these facts will the old plant be closed down? Will the new plant III and IV be speeded up and will priority be given to it over others?

SHRIMATI MARGARET ALVA: I may say that we are not expected to shut down the plant in 1994-95; life extension is anticipated and therefore we need not worry about its closure now.

#### Abolition of Freight Equalisation of Coal

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\*23. DR. SUDHIR RAY:  
SHRI VIJAY KUMAR YADAV:

Will the Minister of COAL be pleased to state:

(a) whether the Government propose to abolish the freight equalisation of coal;

(b) if so, the details thereof; and

(c) if not, the reasons therefor?

THE DEPUTY MINISTER IN THE MINISTRY OF COAL (SHRI S.B. NYAMAGOUDA): (a) There is at present no Freight Equalisation Scheme for coal.

(b) and (c). Do not arise.

DR. SUDHIR RAY: It is common knowledge that freight equalisation of steel and coal ruins the industrial prospects of the Eastern region States. The Minister says that there is no freight equalisation at present. I want to know from the hon. Minister

how coal is sold at the same price at different coal depots all over India. Secondly, when was it abolished? Thirdly, what is the Government's stand on coal cess which is major source of revenue of coal producing States?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRI P.A. SANGMA): There has never been freight equalisation as far as coal is concerned. Therefore, the question of abolition does not arise at all. Now, the rate of coal is fixed by the Government administered price which differs from grade to grade. That price is uniform.

As far as the freight is concerned, it depends whether the coal is transported by road or by rail and it also depends on the distance because the freight is calculated on the basis of per tonne per kilometre. So, it all depends what is the distance it is covering and what is the mode of transport.

DR. SUDHIR RAY: You have not answered the question. How is coal sold at the same price at different depots all over India and secondly what is the Government's stand on coal cess which is collected by different coal-producing States?

SHRI P.A. SANGMA: Coal is sold at the coal loading points from different collieries and the administered prices are fixed by the Government for different grades. So, the prices are equal. No doubt about it. But as far as transportation is concerned, it depends whether it goes by railway or by road.

SHRI NIRMAL KANTI CHATTERJEE: What is the railway freight?

MR. SPEAKER: You reply only to the main question.

SHRI P.A. SANGMA: As far as the railway freight is concerned, at the present rate I have collected the rates which are prevalent now - for 100 km per tonne at the moment it is Rs. 56.80, and it goes on. I will not quote all the distances. For 636 km and above the freight rate is Rs. 263 per tonne and for 1000 km it is Rs. 387 per tonne. For

1,500 kms, it is Rs. 551 per tonne. For 2,000 kms, it is Rs. 675 per tonne. It will go up from the first of April because yesterday in the Railway Budget, freight increase of four per cent has been announced. I am speaking as of today.

If you compare it by road, we find that the transportation cost by road is certainly much higher than the transportation cost by rail. I can give a comparative statement. For 600 kms and above, it comes to Rs. 263 by rail. And if the same is carried by road, it comes to Rs. 650. For 1,000 kms by rail it comes to Rs. 387.90 per tonne and by road it comes to Rs. 700 per tonne. Then, I go to the third one. For 2,000 kms and above, by rail it comes to Rs. 675.10 and by road it comes to Rs. 900. So, there is a difference and it all depends on the type of transportation.

**DR. KARTIKESWAR PATRA:** Mr. Speaker, Sir, I would like to know from the Minister that keeping in view of the increase in the cost of transportation, how freight equalisation in different parts of the country can be maintained. This is my first question.

The Minister has only expressed that freight rates are decided. I want to know from the Minister how has it been decided, whether by a Committee or certain terms of mileage or kilometer.

**SHRI P. A. SANGMA:** Since there is no system of freight equalisation, there is no question of bringing the freight on equal terms. That is not possible. Nor the Government has any intention of introducing the scheme of freight equalisation. That is the position.

As far as how freight rates are fixed by the Railways, I will not be able to answer this question because the Railway Ministry has to give the information.

[Translation]

### **Heavy Engineering Corporation Limited, Ranchi**

**\*24. SHRI RAM TAHAL CHOUDHARY:** Will the PRIME MINISTER be pleased to state:

(a) whether the Heavy Engineering Corporation Limited, Ranchi is running in loss;

(b) whether the Union Government have sent any team to probe into the causes thereof;

(c) the details of the report submitted by the team;

(d) the time by which the action will be taken on the above report; and

(e) the remedial steps taken/proposed to be taken to overcome the loss?

[English]

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (SHRI P. K. THUNGON): (a) Yes, Sir.

(b) No, Sir.

(c) and (d). Does not arise.

(e) Government have taken various steps to curtail losses in HEC which include providing plan and non-plan funds and guarantee for increase in cash credit limit with the banks to obviate the present liquidity crunch and providing funds for implementation of the Voluntary Retirement Scheme to rationalise the excess manpower.

[Translation]

**SHRI RAM TAHAL CHOUDHARY:** Sir, the hon. Minister has given reply in the affirmative to parts (a) and (b) of the question. My second question is regarding the reasons for losses incurred by the H.E.C.