

half a million jobs in the rural areas. Besides, the policy provides for several measures to improve the lot of the handloom weavers. The policy also provides for harmonious growth of all sectors.

Local Committees for Grant of Loans to Small Industries

*181. SHRI N. DENNIS : Will the Minister of FINANCE be pleased to state :

(a) whether Government propose to set up local committees for making recommendations for the grant of loans to small industries or trade particularly in rural areas ; and

(b) if so, the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) No, Sir.

(b) Does not arise.

Establishment of Economically Viable New Steel Plants

*182. SHRI V. SOBHANADREESWARA RAO :

SHRI NARAYAN CHOUBEY :

Will the Minister of STEEL, MINES AND COAL be pleased to state :

(a) whether Government have taken a decision that any new steel Units/Plant to be established should firmly meet the criteria of "economically viable units" ; and

(b) if so, the implications of this decision in regard to the Vizag Steel Plant ?

THE MINISTER OF STEEL, MINES AND COAL (SHRI VASANT SATHE) : (a) : It has been the policy of the Government of India to consider all aspects including economic viability of a steel plant before taking an investment decision for setting up of the project.

(b) So far as Visakhapatnam Steel Plant Project is concerned, the economic viability of the project was examined while taking the investment decision on the project. Recently, the Visakhapatnam Steel Plant has re-estimated the capital cost of the project. While considering this estimate also the economic viability of the project will also be examined.

Abolition of Freight Equalisation Scheme in Case of Steel and Coal

1602. SHRI Y.S. MAHAJAN : Will the Minister of STEEL, MINES AND COAL be pleased to state :

(a) whether Government have taken a decision to do away with the freight equalisation scheme in the case of steel and coal industries ;

(b) if so, the likely effect of such a move on the prices of steel items and coal and their availability in various parts of the country ; and

(c) the likely impact of this change on the performance and working of the Steel Plants and Coal India Limited and its subsidiaries ?

THE MINISTER OF STATE IN THE DEPARTMENT OF STEEL (SHRI K. NATWAR SINGH) : (a) and (b) On the basis of the recommendations made by the National Transport Policy Committee, Government have decided, in principle, to phase out the freight equalisation scheme in respect of iron and steel. This will, however, have to be done over a suitable period of time so that the industries concerned have sufficient time for adjustments in the prices. This will not however affect the availability of steel to consumers.

As for coal, the freight equalisation scheme has never been introduced and so the question of its withdrawal/abolition does not arise.

(c) There is likely to be no significant effect of this change on the performance and working of the steel plants as the freight is borne by the consumers of