

## LOK SABHA

Thursday, March 20, 1980/Phalguna  
30, 1901 (Saka)

The Lok Sabha met at Eleven of  
the Clock.

[MR. SPEAKER in the Chair]

### ORAL ANSWERS TO QUESTIONS

#### Demand for Freight Equalisation

\*142. SHRIMATI GEETA MUKHERJEE: Will the Minister of SHIPPING AND TRANSPORT be pleased to state:

(a) whether Government are aware that the Eastern India's engineering product exporters are clamouring for freight equalisation between different export points in the country; and

(b) if so, what steps are being taken to remove the disparity between exporters from different regions in the country?

THE MINISTER OF SHIPPING AND TRANSPORT (SHRI A. P. SHARMA): (a) and (b). Yes Sir.

Certain measure of disparity in freight rates from export points in the Eastern and Western Regions of the country is bound to exist because of several factors which influence freight fixation by shipping lines and the longer distance. The Standing Consultative Committee on Freight and Shipping Services, constituted by the Government of India under the Chairmanship of the Director General of Shipping, is keeping a vigil on freight rates from

Calcutta and Bombay ports to the West Asia Gulf Ports.

SHRIMATI GEETA MUKHERJEE: The statement says that certain disparities are bound to exist. May I ask the Minister whether this 'bound to exist' can be circumvented? For example, in the case of steel, the railway freights were equalized, and the steel prices were equalized. And the eastern region had to suffer very much because of that loss. In the case of engineering industry, the eastern region is suffering. Why should it be 'bound to exist'? Cannot steps be taken both in railways and shipping?

SHRI A. P. SHARMA: As I have stated in answer to the question, there is a Standing Consultative Committee consisting of the Director-General, Shipping as the chairman, Additional Secretary, Ministry of Commerce, Additional Secretary, Department of Economic Affairs and the Joint Secretary of the Ministry of Shipping and Transport. This Standing Consultative Committee is keeping a vigil on this question of freight rate; and from time to time, they review the position. It is not possible to equalize the rate, because distance is the main factor. The distance from Calcutta to the Gulf countries, and the distance from Bombay to Gulf countries is almost double. Therefore, as I stated earlier, it is not possible; this disparity is bound to exist. But, as I stated, this Standing Committee takes a view of the whole question from time to time. As a result of that, I can say that in respect of certain commodities, the freight rate has been reduced. But it is not possible to remove the disparity altogether.

**SHRIMATI GEETA MUKHERJEE:** Once again, if in certain commodities it can be reduced, why can it not be reduced for engineering goods for eastern India? In the absence of this, in eastern India the entire engineering industry is suffering and a lot of unemployment is caused.

**SHRI A. P. SHARMA:** The hon. lady Member is specially interested about the engineering goods. It is exactly in these commodities like C.I. Pipes, fitting, wirenail, cast mainhoie covers nuts and bolts, ropes bicycles and parts in which certain exercises were conducted and some reduction has been made in the freight rate.

**SHRI SOMNATH CHATTERJEE:** May I know from the hon. Minister, while in the railways there is a system of freight equalisation as a result of which certain advantages are given to the products in Western India why that equalisation is not being enjoyed by the products in Eastern India? When a similar system the Government of India has been following for years with regard to railways freight equalisation, why that cannot be followed in the case of shipping freight equalisation?

**SHRI A. P. SHARMA:** As I said earlier, this question of equalisation has been gone through by a working group and it has given the reason as to why this cannot be done; and the main question is of distance; we cannot reduce the distance.

**SHRI SOMNATH CHATTERJEE:** This is not an answer. When a particular government is following a particular system in regard to railways, why that cannot be followed in the case of others? What is the good of referring to a particular report? What shall we do with that report?

**SHRI A. P. SHARMA:** I have already said, it is not a question of comparison between the railways and

the Ministry of Transport and Shipping. I don't think I can say anything more than what I have said that we cannot reduce this distance; and this disparity is on account of distance.

**PROF. MADHU DANDAVATE:** Is it true that on the question of freight equalisation, the Commerce Ministry and other concerned Ministries have differences of opinions; and whether in the light of view point of the Commerce Ministry the standing Consultative Committee is likely to revise its attitude about the problems of equalisation?

**SHRI A. P. SHARMA:** I have to find out whether there is any difference between the two; and if there is any difference, I would suppose this standing Committee will go through it and take necessary action.

#### Ship Building Yard at Paradip

\*144. **SHRI CHITAMANI PANIGRAHI:** Will the Minister of SHIPPING AND TRANSPORT be pleased to state:

(a) whether it has been finally decided to have the ship building Yard at Paradip; and

(b) if so, when the construction work is likely to start?

**THE MINISTER OF SHIPPING AND TRANSPORT (SHRI A. P. SHARMA):** (a) No, Sir.

(b) Does not arise.

**SHRI CHINTAMANI PANIGRAHI:** There are cases where the answer "No" ends in yes. So, I would like to know from the hon. Minister whether there was a techno-economic working group which gave a report and after that report, the consultants were appointed to look into these various cases; and the consultants have recommended that the Paradip is the best site for shipyard. After