

up shortly with our proposals to see that greater attention is paid to backward area development, if necessary by even changing the licensing system.

Utilisation of Capacity in Wagon Building Units

*288. SHRI S. N. SINGH DEO: Will the Minister of INDUSTRY AND CIVIL SUPPLIES be pleased to state:

(a) the reasons for slow progress in wagon building units;

(b) the action taken by Government to utilize the capacity fully in wagon units during the last three years; and

(c) the result achieved?

THE MINISTER OF INDUSTRY AND CIVIL SUPPLIES (SHRI T. A. PAI): (a) to (c), Absence of adequate progress in the wagon-building units is principally attributable to unremunerative orders, under-utilisation of capacities, uneven supply of certain components and resultant paucity of working capital. Government has been trying to ensure that the level of orders on the Industry is kept at the minimum sustenance level and increased progressively to a level at which the operations will be viable. Government has also been trying to rationalise the wagon prices. The wagon units have been trying to diversify their production in order to achieve greater utilisation of installed capacity. As a result of these steps, there has been increase in wagon production in the first nine months of 1975-76 as compared to the relative period in 1974-75. As a result of diversification, the units are also able to sustain themselves despite contraction of wagon orders in relation to installed capacity, although they are finding it extremely difficult to do so.

Strenuous efforts are being made to procure export orders for wagon and coaches.

SHRI S. N. SINGH DEO: No doubt Government has taken some action to

utilise the un-utilised capacity in the wagon building units, but the achievements so far are not up to the mark, or rather disappointing. This would be quite evident if we compare the production figures of the units in recent years with the figures before 1968 after which the recession started in railway orders. As a result, some of the units have closed down, some are on the verge of closure and some are working much below their utilisation capacity and are suffering heavy financial loss. So, I want to know from the hon. Minister what further concrete steps they have taken or are going to take in this connection, so that the units might work to full capacity and a lot of people who are apprehending retrenchment may be saved.

SHRI T. A. PAI: Sir, we had till 1958 imported all wagons in this country. When the wagon industry came into existence, the installed capacity was 31,000 wagons per year. I am sure that the production all these years would have saved the country about Rs. 950 crores by way of import. Since the monopoly buyer is the railways, the needs of the railways have been varying depending upon their financial resources. At present, our capacity for wagon industry is being utilized only to the extent of 33 per cent. Though we have been trying to get orders for export, it is not so easy, because the freight charges from India are extremely heavy. Under the circumstances, since the majority of the wagon units are in the public sector, we are trying to coordinate with the railways to secure maximum orders and utilize this capacity, and the surplus capacity, we are trying to diversify into other products.

SHRI S. N. SINGH DEO: So far as I know, Government, in order to overcome the present difficulty and to utilize the capacity of wagon building units, to which I have already referred,

has entered into some contracts for the supply of wagons to foreign countries like Yugoslavia and Poland. I want to know what is the outcome of these contracts, that is, whether the contracts are executed; and whether any profit has been derived out of such contracts? We find in some of the newspapers that instead of profit, we have incurred heavy losses. So, I want to know why this sort of bargain was entered into, why the supply of wagons is so unremunerative and why they cannot be supplied to foreign countries at a profit? What is the amount of such heavy losses incurred by these units?

SHRI T. A. PAI: We have fulfilled the contract for export to Poland. With Yugoslavia, we got into some difficulty, because, at that time, we had power shortage in West Bengal where most of these units are located. We have secured these orders with the result that we could not keep up our commitment in time. There was no escalation clause in the agreement, because it was not anticipated that there would be oil crisis and the prices went up. We had negotiated with Yugoslavia to give up the order, because we were losing by exporting heavily or fulfilling these commitments. We have succeeded in getting this cancelled also substantially. From all these point of view and in the light of the experience of the past, we cannot rely very heavily on export of wagons unless we take all these factors into consideration in future.

SHRI R. S. PANDEY: This is a very happy news.

(Interruptions)

The hon. Minister has said that we have stopped the import, so far as wagons are concerned.

SHRI T. A. PAI: I was saying that till 1958, we used to import. Now, we are capable of making them.

SHRI R. S. PANDEY: Apart from the countries which he has mentioned, may I know how many countries have placed orders including Russia and what is the position of the supply?

SHRI T. A. PAI: The only countries to which we have supplied wagons so far are Poland, Iran, East African Railways, Yugoslavia and Malaysia. We have not received orders from others, though offers have been submitted or are under negotiation with a number of countries, including Poland, Sri Lanka, Nigeria, Philippines, Australia, Algeria, Indonesia, etc. While we may be competitive in making wagons, so far as costs are concerned, because of our available capacity, the freight charges make a lot of difference, and therefore, sometimes freight charges more than the cost of the wagons themselves.

SHRI INDRAJIT GUPTA: There was a similar question dealing with the same subject yesterday addressed to the Railway Ministry. As far as I could understand, the Railway Ministry complains that in spite of this under-utilisation of capacity here, they still find that the orders which they have placed on the wagon building units are not being fulfilled on time, that there is a back-log and, therefore, the Railway Ministry feels that it is not worthwhile placing very big additional orders unless the back-log is made up. Is this an answer, if I understood it correctly, not somewhat contradictory to what the Minister for Industry is saying when he admits and, I think there is a fact that there is a lot of under-utilised capacity. I would like to know from him what exactly is the position, whether there is really a big back-log of pending orders which these concerns are not able to fulfil in spite of there being under-utilised capacity.

Secondly, there was a proposal some time ago, and it was stated in the

House also that all the wagon building units were going to be integrated into a single wagon building corporation or something like that so that orders would be more equitably distributed between different units. But we are not hearing anything more about that. What happened to that proposal?

SHRI T. A. PAI: It is true that the wagon building industry has a back-log of 14,000 wagons for which the Railways had placed an order before 1972-73. But the Railways have not been willing to pay the escalated cost. Therefore, we are negotiating with them. There is no point in placing new orders unless we are able to see that we do not make losses. It is true that we have taken them in the public sector but we cannot afford to run them on a loss. We are negotiating with the Railways. There are small differences and, I hope, they will be settled. In the meanwhile, we are not stopping the wagon building

So far as the other question asked by the hon Member is concerned, the Wagon India has been constituted. It is supervising the work of all the wagon building units. Because most of the wagon building units today also have to do other types of manufacture, they could not be integrated in the sense that we would have one wagon building industry. We have the Wagon Corporation of India in the public sector which is supervising the placing of orders and getting them executed also.

Setting up of a separate Unit in the Central Electricity Authority for Power Distribution

*289. **SHRI K. M. MADHUKAR:** Will the Minister of ENERGY be pleased to state:

(a) whether Government have a proposal under consideration to set

up a separate unit in Central Electricity Authority for power distribution; and

(b) If so, the broad outlines thereof?

ऊर्जा मंत्रालय में उपरोधी (श्री क. म. माधुकर प्रस्ताव) : (क) और (ख) विवरण सभा-पटल पर रखा जाता है।

विवरण

(क) और (ख). विद्युत प्रणाली का अध्ययन करने के लिए और पारेषण व्यवस्था के सम्बन्ध में प्रणाली की योजना बनाने हेतु मार्गदर्शी सिद्धांत बनाने के लिए केन्द्रीय बिजली प्राधिकरण में हाल ही में एक पुस्तक संगठन बनाया गया है। यह संगठन क्षेत्रीय त्रिड प्रणालियों और क्षेत्रीय भार पारेषण केन्द्रों (ग्रीडन लोड डिस्चिज स्टेशनों) के प्रचालन लिए योजना तयार करेगा और क्षेत्रीय बिजली बोर्डों के कार्यों में इन बोर्डों का मार्गदर्शन करने में महत्वपूर्ण भूमिका प्रदा करेगा। इस विद्युत प्रणाली संगठन को चरण-चरण रूप में और सशक्त बनाने का प्रस्ताव है ताकि यह उच्च वोल्टता वाली पारेषण प्रणालियों और वितरण योजना के बारे में अध्ययन कर सके।

श्री कमला मिश्र 'मधुकर' : अध्यक्ष जी, मंत्री महोदय ने अपने जवाब में इतिवृत्त प्राणायाम करने का प्रयत्न किया है। मैंने स्पष्ट प्रश्न किया है कि क्या बिजली के वितरण की आवश्यकता को देखकर केन्द्रीय बिजली प्राधिकरण में बिजली वितरण की कोई अलग इकाई कायम