

for short distance passenger transport. The Railways, therefore, accord higher priority to long and medium distance intercity transport.

[*Translation*]

Project to Manufacture Aromatics and PTA at Saleempur In U.P.

7860. DR. BENGALI SINGH: Will the Minister of PETROLEUM AND CHEMICALS be pleased to state:

(a) whether a letter of intent has been issued for setting up of a project for manufacture of Aromatics and PTA at Salempur in Aligarh district of Uttar Pradesh:

(b) if so, when the work on this project is likely to start: and

(c) by what time this project is likely to be completed and start functioning?

THE MINISTER OF PETROLEUM AND CHEMICALS (SHRI M.S. GURUPADASWAMY): (a) Yes, Sir.

(b) and (c). The company has informed that they have taken necessary steps towards acquisition of land, site testing, tie-up of water, power, action for getting environmental clearance, selection of technology, financing of project etc. The party is yet to come up for approvals for foreign collabora-

tion and import of equipments etc. Normally it takes 4-5 years in completion of the project after getting all Government clearances.

[*English*]

Withdrawal of Subsidies

7861. SHRI J. CHOKKA RAO: Will the Minister of RAILWAYS be pleased to state:

(a) whether Union Railways Minister has issued a status paper on Indian Railways on 1 March, 1990 regarding some issues and options:

(b) whether there is any proposal to give up all subsidies, particularly on second class travel and reduce progressively the gross subsidy on freight to reduce escalation in cost of essential commodities: and

(c) what would be the gain to the Indian Railways in all the existing subsidies and concessions are given up and services are maintained cost based, service-wise?

THE MINISTER OF RAILWAYS (SHRI GEORGE FERNANDES): (a) Yes, Sir.

(b) No, Sir.

(c) The financial effect of social obligations on Indian Railways for 1989-90 has been estimated as under:

		<i>Rs/Crores</i>
Loss on Coaching Service	:	1763.47
Loss on low rated commodities	:	216.05
Total	:	1979.52

If the Railways are compensated for these social obligation, the Railways would get a relief of Rs. 1979.52 crores.