

MR. CHAIRMAN: That is what I said; that is how I summed it up.

SHRI SUBRAMANIAN SWAMY: I want to know whether out of humanitarian consideration some special efforts will be made at least to open a visa office or to designate some Embassy in Tel Aviv which can issue visas for Indians to come and visit.

SHRI EDUARDO FALEIRO: Sir, as far as the position here is concerned for the benefit of Israeli citizens of Indian origin and others who want to go to Israel, we have extended recently the jurisdiction of the Israeli Consulate... (Interruptions) We have extended recently the jurisdiction of the Israeli Consulate in Bombay to Kerala also. As far as the specific question of the hon. Member is concerned, for the benefit of the Israeli citizens in Israel of Indian origin, we shall look into the matter.

MR. CHAIRMAN: Shri Ashis Sen.

SHRI SUBRAMANIAN SWAMY: How long will he be looking into it? That is not the answer. How can you be so lenient with the Minister, Sir?

MR. CHAIRMAN: If you want to know the meaning of 'looking into', you ask Yashwant Sinha ji.

SHRI SUBRAMANIAN SWAMY: That is precisely the culture I do not want, Sir. The question is: How long is he going to look into? He has been looking into it all this time.

MR. CHAIRMAN: He will look into it.

SHRI SUBRAMANIAN SWAMY: The question is whether the Minister is prepared to say that he would consider giving _____

MR. CHAIRMAN: He will consider .

SHRI SUBRAMANIAN SWAMY: Is that your assurance, Sir?

. ' MB. CHAIRMAN: Shri Ashis Sen.

SHRI ASHIS SEN: I would like to mention here that upgrading the diplomatic relations in a State is towards ultimate recognition of a State. In that context India's position vis-a-vis Palestine is quite clear that Palestinians are moving around the world without any homeland of their own. Naturally, it cannot be compared with what is happening with China's occupation of Indian territory and like that. They are trying to equate it—It is not a parallel situation. I would like to say here that till there is an amicable settlement between Israel and Palestine on the Arab land when Israel continues to occupy a sizeable portion of the Arab land there, and till there is a specific decision.. the Palestinians should be given a homeland of their own out of a negotiated settlement—I would like to have a clear-cut assurance from the Minister that no such upgradation of the status would be made. Let us wait till we see the outcome of that procedure.

SHRI EDUARDO FALEIRO: That I have already mentioned. Sir, we are waiting to see what is happening now in the bilateral talks. Therefore, let us wait and see the outcome, just 10 or 15 days from now.

MR. CHAIRMAN: Question No.43.

Proposal to wind up the Hindustan Shipyards Limited

*43. SHRI KRISHNA KUMAR
BIRLA: †

SHRI SURESH PACHOURI:

Will the Minister of SURFACE TRANSPORT be pleased to state:

(a) whether it is a fact that the Hindustan Shipyards Limited is proposed to be shut down by Government;

(b) if so, what are the accumulated losses suffered by HSL since it was taken over by Government in 1952;

†The Question was actually asked on the floor of the House by Shri Krishna Kumar Birla.

(c) what are the reasons for its not becoming an economically viable unit;

(d) what is the estimated labour-force of Hindustan Shipyards Limited at present and in which manner Government propose to utilise the same;

(e) what are the current commitments of HSL for ship building and how these are proposed to be met; and

(f) what remedial measures are contemplated by Government in this regard?

THE MINISTER OF STATE OF THE MINISTRY OF SURFACE TRANSPORT (SHRI JAGDISH TYTLER): (a) to (f) A statement is laid on the Table of the House.

Statement

(a) No, Sir.

(b) The accumulated losses of Hindustan Shipyards Limited since its inception in 1952 are Rs. 351.55 crores as on 31-3-1991.

(c) A number of factors contribute to the losses of HSL. The more important ones are: —

(i) The cost of construction of ships is substantially higher than the sale price of ships;

(ii) Long-time over-runs in completion of ships;

(iii) Huge interest burden arising out of borrowings;

(iv) Low productivity and overmanning.

(d) The total man-power as on 20-11-1991 is 6781. As mentioned in the answer to part (a), there is no proposal to shut down HSL.

(e) and (f) HSL has the following orders on hand:

Shipbuilding:

Hull No, 1130	.	.	.	.	.	.	(27'000 DWT bulk carrier)
Hull No, 1131	}	.	.	.	.	.	(42'750 DWT bulk carrier)
Hull No, 1132							
Hull No, 1163	}	.	.	.	.	.	(Offshore Patrol Vessels)
Hull No, 1164							

Offshore Platforms for ONGC:

Top side Docks 7 Nos.

A number of steps are under consideration of the Government for revival of the Shipyard. These include capital re-structuring, upward revision of Government subsidy payable for construction of ocean-going vessels, duty-free imports upto 50 per cent of the realisable price of vessel, authorisation to sell part completed vessels ordered by Shipping Corporation of India in the open market etc. These steps would also enable the

yard to complete the above vessels.

SHRI KRISHNA KUMAR BIRLA: Sir, the Hindustan Shipyards Limited has been suffering losses since its very inception. Causes are many. The Minister has replied in an able manner about the various reasons which are responsible for it. The Minister has dealt with the matter in a wide manner. My first question is (a) regarding Hindustan Shipyards

†The question was actually asked on the floor of the House by Shri Krishna Kumar Birla.

productivity and now it compares with international standards; in other words according to the answer given by the Minister the total number of workers was 6781. Compared to international standards, how many workers the Shipyard should have really employed for the same amount of production which it is having? Secondly, how does the Government propose to improve the productivity of the Shipyard? (c) What is the time-limit and time-table? (d) Is the Government hopeful that it will be able to make the Hindustan Shipyards a viable unit?

SHRI JAGDISH TYTLER: The Hindustan Shipyards productivity is very very low compared to the international productivity. I am not feeling very happy to see that it has one of the lowest productivities compared to any international shipyard. We have taken certain measures to see that the Hindustan Shipyard is revived. No doubt, we have got very big manpower. Already Lovraj Committee has gone into this and has given some suggestions on a golden hand-shake. We may reduce the manpower. We have got certain financial proposals to revive the Hindustan Shipyard and they are under consideration of the Government.

SHRI KRISHNA KUMAR BIRLA: Sir, my question has not been fully (replied by the hon. Minister. But I would not question further at this stage. Probably when I will meet him I will ask whether he is hopeful of making the Hindustan Shipyard a viable unit or not. My second question is whether the Government has considered to lay more stress on ship-repairing—probably there is a wide and big demand—rather than shipbuilding as this step would give them immediate results and instant revenue.

SHRI JAGDISH TYTLER: Sir, we have already got a proposal to revive the Hindustan Shipyard. I have got information regarding the productivity compared to the other shipyards in

the world. The Hindustan Shipyard has got three hundred man-hours per steel tonne. Some countries have 80 man-hours per steel tonne. You can imagine the difference between our shipyard and others. We had had certain difficulties, financial difficulties, low productivity, orders not being enough. We have already got a plan to revive the Hindustan Shipyard I am very confident that once the Government accepts our proposals for reviving the shipyard, it will be a viable unit.

SHRI PARVATHANENI UPENDRA: Sir, the very same question was put in the last session also and almost the same answer was given. At that time, you remember, the Minister promised that he would visit Visakhapatnam to see for himself the condition of the shipyard, and meet the officers and the employees. But he did not do so: I do not know the reason. Sir, the condition is deteriorating day by day. There are seven thousand employees involved. There is no money to pay their salaries also. There is no work going on there, and the situation is very serious. As regards productivity and viability, it is no different from any other public sector undertaking. He cannot take that argument that because it is losing, we cannot do anything. The hon. Minister said that he has a plan to revive it. Will he spell out what is that Plan which he has?

SHRI JAGDISH TYTLER: I remember hon. Member had asked this question in the last session also and by that time I did not have the proposal in front of me. I will now read out the plan which I have got to revive the shipyard. This is also based on the recommendations of the Lovraj Committee and BICF. This relates to the work in all the shipyards in the country, particularly the Hindustan Shipyard and Cochin Shipyard. The plan is: Revision of price formula, that is, enhancement of subsidy from the present 30 per cent to 40 per cent; duty-free imports under OGL of capital goods up to 50 per cent of realisable price of vessels, then supply of

equipment and machines etc. to Indian shipyards by indigenous suppliers to be exempted from Central Excise Duty; finished products to be exempted from Excise and other Central levies; and lastly, to request the State Governments to write off demand for sales-tax arrears based on the public sector shipyards, and to grant waiver of the sales-tax for a period of five years.

Once these proposals are accepted, I am sure that our shipyards will not face the problems.

SHRI PARVATHANENI UPENDRA:
What about your visit?

SHRI SURESH KALMADI: Sir, there is a boom in the ship-building all over the world; but unfortunately, performance in Indian shipyards, and in the Hindustan Shipyard has been miserable. The Minister just said that they have got a package of revival plan. So far, all their diversification plans and restructuring plan have landed this shipyard in more of a mess than it actually was. Sir, the Government proposes to sink more money. The FCI has been pressurised to give more cash credit to this particular shipyard. There is no productivity. High cost, long delivery period, high interest rate etc. have made this unit totally uneconomic. So, by sinking more money in this bottomless hole on the part of the Government under this revival plan, the Government will land itself in more mess, because this will not be able to revive the unit. Will the Government consider privatisation at this stage as the only alternative?

SHRI JAGDISH TYTLER: I agree with the hon. Member on some of the things which he said, that the shipyard is really in a mess. But we are confident that with the revival plan which we have got, once the Government clears it, we will be able to revive the shipyard. As far as the second part of his question on privatisation is concerned, I am open to the proposal, on anything which comes up which can revive the ship-

yard, keeping in view our country's interest and the workers' interest, and we will have no hesitation in looking favourably at some of the proposals. But I am very sure, once the proposal for revival that we have is accepted, there would not be any need to do that.

SHRI SATYANARAYANA DRO-NAMRAJU: Mr. Chairman, Sir, Hindustan Shipyard is the first industry in Visakhapatnam. It was started by a private party 1952. Sir, Hindustan Shipyard built one ship called Jalausha which was inaugurated by late Jawaharlal Nehru. I entirely agree with the views expressed by the hon. Member, Shri Upendra. Now, an agitation is going on at Visakhapatnam. Nearly seven thousand workers depend on this industry. The Hindustan Shipyard requires at least Rs. 27 crores to revive the shipyard. Therefore, I would like to know from the Hon'ble Minister whether there is any proposal before the Government to allocate some finances to revive the Hindustan Shipyard at Visakhapatnam, and if so, the details thereof.

SHRI JAGDISH TYTLER: I have already given the proposal for revival.

SHRI SATYANARAYANA DRO-NAMRAJU: Is there any proposal before the Government?

SHRI JAGDISH TYTLER: Well, there are many proposals. Like what the hon. Member, Shri Kalmadi had said—putting in more money is leading us more in a mess. We have a very concentrated proposal which we expect to be cleared by this financial year. Once that happens, there will be some improvement.

Export of Textiles

*44. SHRIMATI MIRA DAS:†

SHRI SARADA MOHANTY:

Will the Minister of TEXTILES be pleased to state:

†The question was actually asked on the floor of the House by Shrimati Mira Das.