

MR. CHAIRMAN: He said the number was eight.

#### COCHIN SHIP-BUILDING YARD

\*10. { SHRI JOSEPH MATHEN†:  
SHRI PALAT KUNHI KOYA:

Will the Minister of TRANSPORT be pleased to state:

(a) whether the final agreement for the Japanese collaboration in the case of the Cochin Ship-building Yard has been signed;

(b) if so, what is the progress of the work;

(c) when the Ship-building Yard is expected to start production; and

(d) what will be the capacity of the Yard as per the agreement?

THE MINISTER OF TRANSPORT (SHRI RAJ BAHADUR): (a) Negotiations were conducted by an official delegation that visited Japan in June last with the Mitsubishi Heavy Industries Ltd, on specific terms and conditions demanded by the Japanese and notes stating respective positions taken by either side thereupon were exchanged.

Representative of Mitsubishi Heavy Industries later came to Delhi in August when negotiations were advanced further and a written reply is now expected from them shortly. It is hoped that an agreement will be concluded and signed soon.

(b) Work on the project would be started soon after the agreement is concluded.

(c) The Ship yard is expected to go into production in 1967 according to the Scheme offered by the Japanese.

(d) Four ships of 63000 GRT per annum as per this Scheme.

†The question was actually asked on the floor of the House by Shri Joseph Mathen.

SHRI EBRAHIM SULAIMAN SAIT: May I know the terms and conditions that were proposed by the Japanese to the Government of India for the construction of this ship-building yard at Cochin?

SHRI RAJ BAHADUR: It will not be advisable to disclose the details of the terms at this stage when negotiations have yet to be completed.

SHRI EBRAHIM SULAIMAN SAIT: What will be the total cost of construction of this Ship-building Yard and what is the proportion to be shared by the Japanese firm?

SHRI RAJ BAHADUR: The estimated cost of the Ship-building Yard is about Rs. 8 crores, as estimated by the Japanese.

SHRI EBRAHIM SULAIMAN SAIT: What will be the share of the Japanese firm?

SHRI RAJ BAHADUR: It is one of the terms and conditions to be settled.

SHRI NIREN GHOSH: May I know whether this Ship-yard is going to be a Government-owned concern, and, if so, whether there is going to be private foreign capital collaboration or investment in that concern?

SHRI RAJ BAHADUR: It is going to be a Government-owned Ship-yard but we have invited the Japanese firm Mitsubishi Heavy Industries Ltd. to come and join in equity participation especially with a view to ensuring the building of ships at economic and competitive prices so that they may have an actual state in the whole enterprise.

SHRI M. P. BHARGAVA: May I know whether the negotiations have been finalised or they are still under negotiation?

SHRI RAJ BAHADUR: I have stated the position clearly that the terms and conditions were discussed, notes were exchanged thereon and then

they came here; the terms and conditions given by them were subjected to scrutiny by a Negotiating Committee of Secretaries consisting of Finance Secretary, Cabinet Secretary and others because we have got to weigh the various implications of the terms and conditions. That has been communicated to them and now a final reply is expected from them shortly.

#### 'CONCORDE' AIRLINERS

\*11. SHRI BIREN ROY: Will the Minister of CIVIL AVIATION be pleased to state:

(a) what are the terms of the agreement signed by Air India to obtain priority delivery positions in respect of two Anglo-French Supersonic Concorde airlines;

(b) as Air India has now booked delivery position for both Anglo-French Concorde and the US—SST what concrete steps have been taken for the training of personnel and modernisation of equipment to safely and successfully usher in the 'supersonic' transport era in and over India; and

(c) what is the estimated price difference between the Concorde and the American SST?

THE MINISTER OF CIVIL AVIATION (SHRI N. KANUNGO): (a) to (c) I lay a statement on the Table of the House.

#### STATEMENT

(a) The principal terms of the Letter of Agreement signed by Air India with SUD Aviation British Aircraft Corporation for reserving delivery positions for two Concordes are as follows:—

(i) The Concorde is being designed for a cruising speed of Mach 2.2 with an operating range sufficient to permit non-stop operation across the At-

lantic and with a payload of not less than 20,000 lbs. inclusive of passengers, baggage and cargo.

(ii) Air India has been allotted positions 46 and 54 in the delivery schedule.

(iii) Although SUD/BAC cannot at present guarantee or commit as to delivery dates it is anticipated that the production deliveries of the aircraft would commence in 1971.

(iv) The purchase price per aircraft would be \$ 13.00 million plus escalation on labour from the date of the Agreement.

(v) Air India to pay an initial deposit of \$ 1.00 million half of which (\$ 500,000) has been paid on signing the Letter of Agreement on 15th July, 1964. The balance will have to be paid at the time of signing of the Definitive Agreement some time in 1968 by which time the first flight of the first prototype aircraft is expected to occur.

(b) At the moment, no training of personnel or modernisation of equipment is possible because no concrete data in respect of the performance and other engineering aspects of the aircraft is available. The developments are, however, being keenly watched.

(c) The anticipated price of the Concorde is \$13.00 million plus escalation on labour from the date of the Agreement. No firm estimates of the price of the American SST are available but preliminary reports suggest that the price may be about \$ 30.00 million. The American SST is expected to be bigger and faster than the Concorde.

SHRI BIREN ROY: I see a confusion from the answer to part (b) in the statement and from the statement