

Plan period of about one and a half years?

SHRI O. V. ALAGESAN: We purchase also. It is not only from the Visakhapatnam Shipyard.

SHRI M. VALIULLA: How many ships have you purchased and at what cost?

SHRI O. V. ALAGESAN: I should like to have notice.

SHRI M. VALIULLA: The notice is there; it is in part (a) of the question, "the steps taken by Government to reach the target of 6 lakh tons for the Indian Shipping within the Plan period, and mentioned at page 15 of the Report of the Ministry of Transport for the year 1953-54".

SHRI O. V. ALAGESAN: It is in the statement.

SHRI M. VALIULLA: I have gone through the statement and it is not mentioned therein whether you are purchasing and how many ships are going to be purchased.

SHRI O. V. ALAGESAN: I require notice.

DR. R. P. DUBE: You have only given the names of the companies which were helped, but no tonnage has been given to show how much we have done.

(No reply.)

INDO-U. S. BILATERAL AIR TRANSPORT AGREEMENT

*382. DR. R. P. DUBE: Will the Minister for COMMUNICATIONS be pleased to refer to pages 11-12 of the Report of the Ministry of Communications for the year 1953-54 and state:

(a) the extent of traffic lost by the Air-India International during each year of the operation of the India-U.S. Bilateral Air Transport Agree-

ment of 1946 due to the inroads that were being made by the U.S. airlines operating to and across India in the legitimate area of operation of the Air India International; and

(b) whether the Government of U.S.A. have started negotiations for a fresh agreement for the operation of the U.S. air services to and across India?

THE DEPUTY MINISTER FOR COMMUNICATIONS (SHRI RAJ BAHADUR): (a) I lay a statement on the Table of the House.

(b) No, Sir.

Statement

There are at present 12 foreign airlines operating to or across India and the average number of air services per day to or across India each way is 10. Each of these services affects to some extent the traffic available for Air India International. The two U.S. airlines operating to or across India have a combined frequency of six services a week. This capacity is very much more than what is required to carry traffic flowing between India and the U.S.A. There is no restriction on the quantity or category of traffic that could be carried by the services. A scrutiny of the traffic carried by them has shown that a good part of it falls in the category of what is called "fifth freedom" traffic for the U.S. airlines and "third and fourth freedom" traffic for Air India International, that is to say, traffic between India on the one hand and countries other than the U.S.A. on the other. For its economic operation, Air India International depends chiefly on uplifting this traffic. The direct competition of the U.S. airlines for this traffic with their large capacities is what is affecting Air India International. I give below some illustrative figures.

The monthly average of "third and fourth freedom" traffic to and from India carried by the Pan American Airways during 1952 was of the order

of 129 passengers against 682 passengers per month constituting "fifth freedom" traffic handled by the airline. Of these, 338 passengers were to and from areas served by Air India International. The monthly average of "third and fourth freedom" traffic carried by Trans World Airlines during 1952 was 101 passengers against their monthly average of "fifth freedom" traffic of 347 passengers, of whom 113 passengers were from areas served by Air India International. During 1952, Air India International carried on an average 23 passengers per flight. During the same period Trans World Airlines carried to and from third countries 13 passengers per flight who either embarked or disembarked in India. These 13 passengers constituted "fifth freedom" traffic for Trans World Airlines but were "third and fourth" freedom traffic for Air India International. This is a very high proportion of the traffic actually carried by Air India International.

DR. R. P. DUBE: The Agreement expires on the 14th January 1955 and to the question whether you have started any negotiations you say, "No". When are you going to start negotiations?

SHRI JAGJIVAN RAM: We have given the notice. It is for the other party to approach us for a fresh agreement.

DR. R. P. DUBE: As the U.S. Government were not agreeable to restrict their traffic and as the negotiations in this direction were not fruitful, what were the Government doing about the inroads that were being made by the U.S. airlines?

SHRI JAGJIVAN RAM: Naturally the agreement will terminate at the expiry of the notice period and their services will have to cease.

DR. R. P. DUBE: What has been done about those inroads that they have made already? Has anything been done? The statement shows here

that they are taking "third and fourth freedom" traffic and are converting it into "fifth freedom" traffic.

SHRI RAJ BAHADUR: On the basis of "third and fourth freedom" traffic when they were entitled to one frequency they are having as many as 28. We were proceeding with discussions and negotiations with them to meet this situation. The negotiation, however, failed, and culminated in the issue of the notice from us to them and therefore whatever happened in the past has provided us with justification for issuing that notice.

SHRI M. VALIULLA: What are the conditions of the notice? What is the time given to terminate their service?

SHRI RAJ BAHADUR: The notice expires on the 14th January 1955.

SHRI H. C. DASAPPA: Did the Government consider the idea of opening an air service between India and America at the time of these negotiations?

MR. CHAIRMAN: That is a different question.

SUBSIDY TO AIR OPERATORS

*383 DR. R. P. DUBE: Will the Minister for COMMUNICATIONS be pleased to refer to page 11 of the Report of the Ministry of Communications for the year 1953-54 and state:

(a) the amount paid since November 1953 to air operators on account of arrears of petrol subsidy; and

(b) whether these arrears are now payable to the nationalised Air Corporations which have succeeded to the assets and liabilities of the private air operators?

THE DEPUTY MINISTER FOR COMMUNICATIONS (SHRI RAJ BAHADUR): (a) I lay on the Table of the House a statement giving the required information.