

PROF. G. RANGA: The ordinary shares also will be open for subscription by Indians—is it not?

SHRI K. C. REDDY: I should think not. Only the cumulative preference shares will be thrown open for subscription.

PROF. G. RANGA: What is the provision in the agreement in regard to that portion of the preference shares of Rs. 34 crores which happens to be unsubscribed or non-subscribed for a time by Indians? Will they lapse or will they be taken over by the Government or will they be kept in reserve till these are subscribed?

SHRI K. C. REDDY: It is expected that Indians themselves will take these shares. If it is not subscribed, I can't say what will happen.

SHRI C. G. K. REDDY: In view of the fact that the ordinary shares are not open for the Indian public, does not Government think that Indian nationals will have no share at all in the affairs of these companies?

SHRI K. C. REDDY: It is obvious.

SHRI C. G. K. REDDY: Is that desirable?

SHRI K. C. REDDY: That opens up a discussion of the whole question.

PROF. G. RANGA: Is it a fact that the Government will have their representatives on the Board of Directors?

SHRI K. C. REDDY: The Government of India do not propose to have their representatives on the Board of Directors.

SHRI V. K. DHAGE: Is there any difference in the rights of the preference shareholders and that of ordinary shareholders so far as management of the concerns is concerned?

SHRI K. C. REDDY: The difference in the rights of preference shareholders and that of ordinary shareholders is well known.

MR. CHAIRMAN: Next question.

SHRI. H. P. SAKSENA: May I know if the shareholders will be represented on the Board?

MR. CHAIRMAN: I have called the next question.

FALL IN INDUSTRIAL PRODUCTION

*644. SHRI M. VALIULLA: Will the Minister for PRODUCTION be pleased to state:

(a) whether there has been any decline in the production of Government owned and controlled industries in the year 1952-53; and

(b) if so, in how many cases and what are the reasons for the fall in production in each case?

THE MINISTER FOR PRODUCTION (SHRI K. C. REDDY): (a) and (b). Yes; in the following two cases: —

(1) Salt production at Government salt works in Rajasthan consequent on failure of rain fall in 1951-52 and

(2) Shipbuilding at Visakhapatnam shipyard owing to

(i) Lack of adequate planning before government acquired controlling interest in the shipyard.

(ii) Revision of some designs as a result of changes in Lloyds' rules.

(iii) Shortages in supply of steel which were aggravated by breakdowns in the Plate Rolling Mill of the suppliers.

SHRI C. G. K. REDDY: Before taking over some of these private industries by the Government, did not the Government examine the state of affairs in each concern before fixing the compensation? What I mean is before paying for it, did they not also look into the affairs of the company regarding lack of planning etc.?

SHRI K. C. REDDY: Does the hon. Member refer to the Hindustan Shipyard only or to other companies?

SHRI C. G. K. REDDY: I ask it in general, and with particular reference to this shipyard company.

SHRI K. C. REDDY: Surely the aspects mentioned by the hon. Member will have been taken into account by the Government before taking over these concerns.

SHRIMATI VIOLET ALVA: May I know why salt production has gone down? What are the reasons?

SHRI K. C. REDDY: I have given the reasons. I may point out that the production in Rajasthan alone has gone down; the over-all production of salt in the country has gone up. So far as the production in Rajasthan is concerned, it is because of the failure of rain. The drop in production is due to the shortage of rainfall, because the quantum of production in Rajasthan depends on the rainfall there and because there was a drop in the rainfall in 1951-52 there was a subsequent fall in salt production.

SHRIMATI VIOLET ALVA: May I know whether we import salt from Goa?

SHRI K. C. REDDY: Not to my knowledge. We are not importing any salt at present.

SHRI H. C. MATHUR: May I know Sir, whether it is a fact that the production in all the three different sources has gone down in Rajasthan? Or is it the position that only one source has failed?

SHRI K. C. REDDY: I have not got the figures; but there has been an over-all decrease of production of salt in Rajasthan.

SHRI H. C. MATHUR: Is it a fact that in spite of this reduced production from Rajasthan, there are huge stocks of salt left there not disposed of or removed?

SHRI K. C. REDDY: I would require notice to answer that question.

R.A.F. STATIONS IN NICOBAR ISLAND

•645. SHRI B. RATH: Will the PRIME MINISTER be pleased to state:

(a) whether the Royal Air Force has been permitted to have its air-stations in the Nicobar Island; and

(b) if so, what are the reasons for granting such permission?

THE PARLIAMENTARY SECRETARY TO THE PRIME MINISTER (SHRIMATI LAKSHMI MENON): (a) and (b). The R.A.F. have been allowed to have a staging post on an air-strip in Car Nicobar Island for carrying out the limited task of providing navigational aids and refuelling facilities to their aircraft flying across the Indian ocean and the Bay of Bengal. It is not a full-fledged air station.

SHRI B. RATH: Is it a fact that there is an air-strip in the Nicobar Islands which was developed after the year 1947 by British personnel?

SHRIMATI LAKSHMI MENON: Yes, Sir. It is so.

SHRI B. RATH: May I know how many landings have taken place there during the last year and of those landings, how many were by military planes or planes carrying military personnel to Malaya and how many by civilian ones?

SHRIMATI LAKSHMI MENON: Sir, this question does not arise from the main question.

SHRI C. G. K. REDDY: Why not?

SHRI B. RATH: Sir, I put this question mainly because this air-strip, as the answer itself shows, is mainly used by British personnel. It was developed by them and also used by them for carrying on a war in Malaya. That is why I specially put this question.