

Short Notice Question and Answer**DISCHARGE OF WORKERS OF HINDUSTAN SHIPYARD LIMITED.**

Dr. Lanka Sundaram: Will the Minister of Production be pleased to state:

(a) whether it is a fact that 813 workers of the Hindustan Shipyard Limited, Visakhapatnam, were summarily discharged with effect from the 31st March, 1953;

(b) if so, whether there were prior consultations and agreement with the recognised Labour Union on this matter;

(c) the reasons for not giving the required notice under the trade union laws, so that the Labour Union could get this matter referred to the appropriate conciliation and arbitration authority or authorities;

(d) whether it is a fact that the Minister of Production gave assurances to the Labour Union and the Council of Trade Unions, Visakhapatnam, on the 8th July, 1952 that there would not be any retrenchment in the Yard;

(e) whether this retrenchment now summarily undertaken is planned to cover the costs involved in the engagement of the French firm of naval engineers, in respect of their commission, emoluments etc.; and

(f) whether the retention of these people would not come in handy for the construction of three ships at a time, for the purpose of which a third slipway is expected to come into operation in July this year?

The Minister of Production (Shri K. C. Reddy): (a) 813 workers employed by the Hindustan Shipyard Ltd. were served with a notice on 31st March, 1953, terminating their services because they were found surplus to requirements. They are to be paid 14 days' wages and dearness allowance in lieu of notice in addition to other benefits.

(b) There were consultations with the Labour Union in respect of retrenchment of over-aged and physically unfit workers on the basis of medical examination. The attitude of the Union was not quite helpful and it was considered, therefore, fruitless to discuss the retrenchment issue with them. Nevertheless, the Labour Union was informed on 30th March about the action proposed to be taken.

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(c) No notice is required to be given to the Labour Union under trade union laws for effecting retrenchment.

(d) The Minister of Production stated in the course of an address at a meeting of the labourers on the 8th July, 1952, that there would be no retrenchment in the Shipyard. This had reference to the Government's understanding with Messrs. Scindia Steam Navigation Co. Ltd., when the Shipyard was taken over from them on 1st March, 1952, that no retrenchment would be undertaken for a period of 6 months.

(e) The present retrenchment has not been undertaken to cover the cost involved in the engagement of the French firm of A.C.L. in respect of any of the emoluments payable to them.

(f) The retrenchment has been resorted to after fully taking into account the potential building capacity of the Shipyard. It has been found that these 813 men will be surplus to requirements even when the Shipyard is able to build 4 ships a year instead of 2½ ships that they are able to build at present. The addition of the third slipway has necessarily been taken into account in computing surplus staff.

Dr. Lanka Sundaram: With reference to the answer to part (e) of the question, may I know whether under the agreement with this firm of French naval engineers provision has been made for the payment of salary and allowances amounting to Rs. 3 lakhs a year; 4 per cent. commission on ships built, equal to Rs. 5½ lakhs at the rate of Rs. 68 lakhs per ship at the present cost, plus additional monies for ship repairs, special drawings etc.?

Shri K. C. Reddy: Yes. The information given by the hon. Member is substantially correct.

Dr. Lanka Sundaram: May I also know whether, in addition to these additional costs which have been loaded on to the Shipyard, there is a further expenditure incurred on superior staff in the Shipyard totalling about Rs. 1 lakh a year?

Shri K. C. Reddy: I cannot agree with the interpretation of the hon. Member.

Dr. Lanka Sundaram: Is the hon. Minister aware that these extra costs of Rs. 10 to 15 lakhs a year undertaken as a result of the agreement with the firm of French naval engineers are now sought to be recovered

from the wages bill of the workers, who have so far built and launched a dozen ocean-going ships which have secured A-1 certificates from the Lloyds?

Mr. Deputy-Speaker: This is an argument and not a question.

Shri K. C. Reddy: I have already said that I am not prepared to accept the interpretation of the hon. Member. This retrenchment has not been undertaken with a view to cover the cost that would be incurred on account of the payment to the French firm; nor am I prepared to accept the figure of Rs. 15 lakhs given by him as the additional expenditure that has been incurred or has to be incurred over these items. The French firm has been engaged by the Shipyard for a very laudable purpose, viz. to increase the efficiency and economise ultimately in the building of ships in our country. It is under these circumstances that I cannot accept the interpretation put by the hon. Member.

Shri M. L. Dwivedi: In view of the increased activities proposed to be undertaken under the new management, may I know whether it will not be possible to employ, or whether Government will not like to employ, fresh hands for a considerable time and if so, whether the activities of the yard are going to decrease and the target will not be kept in mind as it was up to this time?

Shri K. C. Reddy: The real position is this. There has been a certain amount of surplus labour ever since the year 1949. Several attempts were made on several occasions to reduce this labour strength, but owing to agreements entered into from time to time the real retrenchment that was expected to be made, and that was very necessary, could not be made. Only recently, the company took up the question in right earnest and they came to the conclusion that this strength of 813 labourers would be surplus even keeping in view the ultimate development of the Shipyard.

Dr. Jaisooraya: Is it a fact that the ship repairing section has been shifted from Vizagapatam to Bombay?

Shri K. C. Reddy: I am not aware of it.

Shri H. N. Shastri: The Minister has stated that there has been surplus labour since 1949. May I ask, in view of this statement, why a categorical assurance was given by him

in July 1952 that there would be no retrenchment in the Shipyard and whether in view of that assurance this retrenchment amounts to a repudiation of that assurance?

Shri K. C. Reddy: I have already given the reason in my reply. It is true that I told the labourers at the labour meeting in July 1952 that there would be no retrenchment. That was because when the Shipyard was taken over from Scindias, Scindias made it a condition that we should not retrench for a period of six months after the taking over of the Shipyard from them. We had to honour that understanding with the Scindias. It was under those circumstances that I said that there would be no retrenchment. Secondly, ever since then every effort has been made by the Government to avoid retrenchment if possible. It was the intention of Government to avoid this retrenchment and during the further period of six months every possible effort has been made to provide alternative employment to the labourers or to explore all possible means to see whether an opening could be made in the Shipyard itself to absorb made it a condition that we should not that were going on that retrenchment has had to be undertaken so late as this.

Shri H. N. Shastri: Is it a fact that in order to circumvent the accepted trade union law and practice of giving 14 days' notice of termination of service, the management called the officers of the labour union at 2 P.M. on 30th March and served on them notice of discharge of 813 workers effective from 7 A.M. on the following day without even giving twenty-four hours' notice?

Shri K. C. Reddy: I have consulted the Law Ministry also on this point, and I am given to understand that, as I have already said, there is no need to give notice under S. O. 27 (a) of the Standing Orders for a purpose like this, namely, retrenchment.

Shri H. N. Shastri: Is the hon. Minister aware that today the Labour Union there is taking a strike ballot to resist this policy of retrenchment in addition to undertaking mass *satyagraha* for securing work for the discharged people?

Shri K. C. Reddy: I am not yet aware of it.

Shri M. L. Dwivedi: May I know if the workers agreed to a compromise arrangement by accepting payment of only Rs. 9 lakhs towards the

restoration of back dearness allowance, full restoration of future dearness allowance, and no retrenchment?

Shri K. C. Reddy: I am not quite sure to what the hon. Member is referring.

Dr. Lanka Sundaram: Is it a fact that in January 1950 when the yard was managed by the Scindias the workers surrendered Rs. 15 per head per month from their dearness allowance in order to avoid retrenchment?

Shri K. C. Reddy: Yes, it is a fact. That was the agreement in January 1950.

Dr. Lanka Sundaram: Were the amounts thus surrendered equal to an aggregate of about Rs. 21 lakhs?

Shri K. C. Reddy: Maybe, Sir. I have not worked out the figure.

Dr. Lanka Sundaram: May I ask, Sir, whether after the formation of the new company with predominantly Government participation—about two-thirds participation—a compromise agreement was reached under which for accepting a payment of only Rs. 9 lakhs towards restoration of back dearness allowance, they were promised full restoration for future dearness allowance and no retrenchment?

Shri K. C. Reddy: The statement of the hon. Member, I am afraid, is not quite correct.

Shri N. Sreekantan Nair: May I know, Sir, how, since 1949, 813 workers became surplus, though up till now the capacity of two and a half ships has not been increased?

Shri K. C. Reddy: In 1949 it was found that there was more labour than was necessary to work the Shipyard. Subsequently there has always been surplus labour on the hands of the Shipyard. It has been varying anywhere from 1,000 to 1,800 from time to time. This surplus of 813, as I have already stated, has been finally fixed even keeping in view the ultimate development of the Shipyard. It is not an arbitrary figure. It has been worked out carefully by the experts who are there to help us.

Shri Damodara Menon: The hon. Minister referred to an agreement and said that the facts stated by Dr. Lanka Sundaram were right. May I know whether after the Government came into the picture, there was any agreement at all and what are the terms of that agreement?

Shri K. C. Reddy: After the new company was formed there has been no definite agreement.

Shri H. N. Mukerjee: Is the Government in a position to tell the House that in spite of this retrenchment of workers, there is to be no contraction in the ship-building programme of the Shipyard concerned?

Shri K. C. Reddy: I am prepared to give an assurance that there will be no contraction whatsoever.

Shri M. L. Dwivedi: May I know how long these workers have been in the employment of the former company and whether they were considered surplus by the former management also?

Shri K. C. Reddy: The new company was formed only in March 1952. It was found when Scindias were managing the company they had considerable surplus labour.

Shri M. L. Dwivedi: The first part of my question—how long the workers have been in the employment of the former company—has not been answered.

Shri Natesan: May I know what made Government to agree to Scindias condition that there should be no retrenchment when the undertaking was taken over?

Shri K. C. Reddy: I am not in a position to say what Government had in mind. At that time when they accepted the condition it was perhaps with a view not to disturb the prevailing atmosphere and create doubts.

Dr. Lanka Sundaram: Is the Government aware that there is a complete collapse in the indenting and securing of steel plates, boilers and engines for the Shipyard, apart from the wrong punching of steel plates, e.g., angles, channels, ship's floors, etc., involving huge losses?

Shri K. C. Reddy: I deny, Sir, the suggestion made by the hon. Member that there has been a complete collapse. There has been no collapse so far as I have been able to gather.

Dr. Lanka Sundaram: Has the attention of the Minister been drawn to a statement made by Mr. M. A. Master, one of the founders of the Yard—which I brought to the notice of the Minister himself—that "unless there is a definite programme of construction planned out for the next few years, and unless the steel plates are forthcoming and the engines and

boilers for the purpose could be received in time, it will be obvious that you cannot put this great industry on an economic and satisfactory footing?"

Shri K. C. Reddy: Yes, Sir, the lines indicated by Mr. Master in that quotation which was read out by the hon. Member will be kept in view.

Shri H. N. Mukerjee: What is the relation between retrenchment and the statement made in the programme of the Planning Commission that in view of shortage of iron and steel ship-building programmes are going to be reduced?

Shri K. C. Reddy: No relationship, Sir; the ship-building programme is not going to be reduced. In fact, we have taken necessary steps to get our requirements of steel not only from indigenous sources, but also, if necessary, to import from abroad.

Shrimati Tarkeshwari Sinha: I want to make a personal explanation, Sir.

Mr. Deputy-Speaker: No personal explanation can be permitted at this stage.

Shrimati Tarkeshwari Sinha: In answer to one of my supplementaries the hon. Minister said that the answer to it is given in the statement. But my question was whether stoppage of recruitment through employment exchange was discussed or not. He said the answer to it is given in the statement, whereas I find it is not.

Mr. Deputy-Speaker: That is the interpretation of the hon. lady Member; while the interpretation of the hon. Minister is different. At any rate there is no question of personal explanation in this.

WRITTEN ANSWERS TO QUESTIONS

ORISSA MOTOR TRANSPORT COMPANY LTD.
BERHAMPUR (GANJAM)

*1196. **Shri Sangaana:** (a) Will the Minister of Railways be pleased to state whether any investment has been made in the Orissa Road Transport Company Limited, Berhampur (Ganjam) from the Railway Consolidated Fund?

(b) If so, what is the total investment?

(c) What is the monthly average of receipts and expenditure of this Company during each of last two years?

(d) What is the amount of dividend paid to the respective partners during the same period?

The Deputy Minister of Railways and Transport (Shri Alagesan): (a) Yes.

(b) Rs. 3 lakhs.

(c) The Orissa Road Transport and Co. Ltd., started functioning from 1st January, 1951, and its first report and accounts were published for the period from January, 1951 to March, 1952 covering a period of 15 months. Separate information for the financial year 1951-52 and for the complete year 1952-53 is not available. The monthly averages of receipts and expenditure of this Company for the periods January, 1951 to March, 1952 and April, 1952 to December, 1952 are:—

	Average monthly Receipts		Average monthly Expenditure	
	Rs.	as. p.	Rs.	as. p.
For the period January, 1951 to March, 1952.	1,16,888	4 4	1,11,335	1 8
For the period April, 1952 to December, 1952.	1,15,644	14 2	1,27,809	8 6

(d) The amounts of dividend paid to the respective partners of the Company for the first period of 15 months of its operation from 1st January, 1951 to 31st March, 1952 are—

	Rs.	as. p.
Central Government (Railways).	12,610	11 0
Government of Orissa	32,158	3 9
Public	1,011	2 6

As the accounts of the Company for the second year 1952-53 have not yet been finalised, no dividend for that year has so far been declared.

HALTING OF FRONTIER MAIL AT JHALAWAR ROAD STATION

*1205. **Shri U. M. Trivedi:** (a) Will the Minister of Railways be pleased to state whether it is a fact that about 10 passengers per day are booked from Shamgarh station on Western Railway?

(b) Are Government aware that about 400 passengers are booked from Jhalawar Road (Shri Chhatarpur) every day?