

prisoner certificates and other relevant data are furnished by the applicants.

(f) Decision is expected to be taken shortly.

Losses suffered by M/s. Jessop and Co. Ltd.

2452. SHRI DHIRENDRA NATH BASU: Will the Minister of INDUSTRY be pleased to state:

(a) whether the Government want to take any action with regard to Jessop and Co. Ltd. which has accumulated a loss of Rs. 20 crores and which apprehends further heavy loss in 1977/78 so as to wipe out the entire paid up share capital of Rs. 21 crores and part of Government loan causing anxiety to 12,000 employees;

(b) whether the numerous complaints made to the Government in the past few years by the trade unions and other regarding corruption and mismanagement in the company were not looked into by Government; and

(c) whether the ex-Chairman and Managing Director of the Company, Shri R. J. Shahaney who is answerable for the colossal loss and against whom there are serious allegations of corruption has left the company in March 1978 with the permission of the Government to join another company in the private sector when an enquiry has been called for?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (SHRIMATI ABHA MAITI): (a) The Jessop & Company earned a profit of Rs. 12 lakhs in 1975-76 and Rs. 65 lakhs in 1976-77. The accumulated losses of the company, however, amounted to Rs. 2.90 crores upto 31st March, 1977. Government has undertaken a study for optimising production and increasing the profitability of the company.

(b) The numerous complaints made to the Government in the past few years by the trade unions and others regarding corruption and mismanagement in Jessop & Co. Ltd., were duly examined by Government. A detailed Memorial submitted by the employees of the company is at present under consideration.

(c) Shri R. J. Shahaney, ex-Chairman and Managing Director, Jessop & Co. sought retirement from the company for personal reasons and was relieved of his charge on the 6th March, 1978. The employees union memorial also contains some charges against Shri Shahaney, and these are under examination.

Setting up of cement plant in Kutch

2453. SHRI J. F. P. GAEKWAD: Will the Minister of INDUSTRY be pleased to state:

(a) whether Government are aware that Kutch in Gujarat has the potentials for wiping out shortage of cement;

(b) whether it is a fact that basic raw material for the manufacture of cement—lime stone and gypsum are in abundance in Kutch; and

(c) whether in view of (b) above, Government would take steps to tap abundant mineral wealth of Kutch for setting up cement plant based on lignite?

THE MINISTER OF STATE, IN THE MINISTRY OF INDUSTRY (SHRIMATI ABHA MAITI): (a) and (b). Government do not have specific information about the proved limestone deposits in the Kutch area of Gujarat State. As per earlier reports of limestone deposits by the Indian Bureau of Mines in 1970, there was no indication of availability of cement grade limestone in this area. However, subsequently, some cement grade limestone deposits appear to have been proved by the State Mining and Geological Department.

(c) On the basis of reported availability of cement grade limestone one application for a mini cement plant with a capacity of 90 tonnes per day at Bhuj has been registered with Directorate General of Technical Development. Further applications for setting up cement plants in the Kutch area of Gujarat State, if and when received, will be considered on merits.

Constitution of Western Ghats Development Committee

2454. SHRI A. R. BADRI NARAYAN: Will the Minister of PLANNING be pleased to state:

(a) when was the Western Ghats Development Committee constituted and with what object;

(b) the work so far achieved; and

(c) the norms under which the area is identified?

THE PRIME MINISTER (SHRI MORARJI DESAI): (a) A High Level Committee for the development of the Western Ghats was set up in 1973. The object of the Committee was to formulate a regional development programme.

(b) The Committee made certain recommendations for the development of the region. Subsequently, a number of programmes/schemes have been formulated and implemented by the States concerned. A Techno-Economic Survey of the region is at present being conducted. Special Central Assistance of Rs. 20 crores was earmarked during the Fifth Five Year Plan to implement the approved schemes/programmes. Against this amount, the expenditure incurred during 1974-78 and outlay proposed for 1978-79 are as follows :

	(Rs. Crores)
1974-75	0.84
1975-76	1.42
1976-77	4.23
1977-78 (Anticipated expenditure)	5.76
1978-79 (proposed)	7.26

(c) The area has been identified on the basis of the delineation of the Western Ghats area by the Irrigation Commission.

Closure of the Passenger Line between Bombay and Goa

2455. DR. VASANT KUMAR PANDIT :

SHRIMATI MRINAL GORE:

Will the Minister of SHIPPING AND TRANSPORT be pleased to state :

(a) whether it is a fact that the Union Government have decided to close down the passenger line operating between Bombay and Goa on the Western Coast;

(b) what are the reasons for this decision.

(c) whether Government have asked the Government of Maharashtra and Government of Goa to subsidise this utility transport and if so, what are the reactions and views of those Government ; and

(d) will Government reconsider the decision in view of the non-availability of the passenger line operating between Bombay and Goa on the Western coast ?

THE MINISTER OF STATE IN CHARGE OF THE MINISTRY OF SHIPPING AND TRANSPORT (SHRI CHAND RAM) : (a) to (d) . Konkan Coastal Service entrusted to Mogul Line Limited in November, 1973 was to be operated on a 'No-profit-no-loss basis.

The lower deck passenger fare from Bombay to Panaji, which was Rs. 27.10 was increased to Rs. 46.80 from 4th November, 1974. As this escalation resulted in immediate drop in passenger traffic, the fare was lowered to Rs. 35.00 with effect from 1st May 1975 and later to Rs. 33.00. The bus fare on this route was Rs. 34.80. Despite the implementation of the package of measures recommended by a Working Group specifically appointed in October, 1976, there was no appreciable improvement.

The Mogul Line has been incurring losses on this service which increased from Rs. 16 lakhs in 1973-74 to Rs. 60 lakhs in 1977-78 (estimated). The passenger traffic had also declined steadily from 5.64 lakhs in 1968-69 to 2.08 lakhs in 1977-78.

The competition offered by a well-developed road transport net work on the Konkan Coast, the passenger preference for road transport reflected in the decline in passenger traffic and the inability to increase the fare beyond a limit in view of the competition offered by road transport services clearly indicate that the coastal passenger service will have to be subsidised on a perpetual basis. Since an alternative mode of transport is available, such perpetual subsidy does not seem to be justified.

The Government of India have, therefore suggested to the Government of Maharashtra that if that Government are prepared to bear 100% losses on this service, with the option to negotiate with the Government of Goa to share part of these losses, Mogul Line can be asked to continue this service. The reaction of that Government is awaited.

Acquiring of Ships by the Public Sectors

2456. SHRI C. N. VISVANATHAN: Will the Minister of SHIPPING AND TRANSPORT be pleased to state :

(a) the number of ships together with their tonnage and value acquired by the public sector during each of the last three years and the countries from whom purchased ;

(b) the comparative prices in other countries ; and