

SHRI RAJESH PILOT : This information is correct. Some of the parties from West Germany called on West Bengal Chief Minister. I do not know what discussions took place between the hon. Chief Minister and the representative of West Germany because the Government has no information. Neither the hon. Chief Minister has informed us nor the party has informed us.

SHRI R.P. DAS : In view of the fact that M/s. Garden Reach Shipbuilders and Engineers Ltd commissioned M/s Engineers India Ltd to prepare a project report and that report was finalised and submitted to the Government in 1979, I would like to know what are the salient features of the project report of the Engineers India Ltd. which was submitted to the Government in 1979.

SHRI RAJESH PILOT : The report is with me. I can hand it over to the hon. Member to read it because it is a big report...

SHRI R.P. DAS : I want only the salient points.

SHRI RAJESH PILOT : I am coming. The Study Group has certainly recommended the importance of having repairing facilities at Haldia. This is the most important recommendation by them. The ways and means and other things also they have recommended and if the hon. Member wants I can place it on the Table of the House or I can hand it over to him.

AN HON. MEMBER : Let it be laid.

Purchase of Westland Helicopters

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*640. **SHRI LAKSHMAN MALICK**
SHRI V.S. KRISHNA IYER :

Will the Minister of TRANSPORT be pleased to state :

(a) whether an agreement has been signed between India and the United Kingdom regarding the purchase of Westland helicopters ; and

(b) if so, the details thereof ?

THE MINISTER OF STATE IN THE DEPARTMENT OF CIVIL AVIATION (SHRI JAGDISH TYTLER) : (a) An agreement has been signed between the Helicopter Corporation of India and M/s Westland Helicopters Ltd. of the U.K. on the 15th of March, 1986.

(b) The main features of the agreement are :—

- (i) Westland will supply a total package containing 21 Westland and 30 Series 100—60 helicopters to an agreed equipment standard, together with necessary Spare Goods, Engine Spare Goods and Product Support.
- (ii) The total fixed and firm price of the package is £ 65 million ;
- (iii) Finance for this project amounting to £ 65 million is being provided by a grant aid from the Govt. of the U.K.
- (iv) The delivery of helicopters will commence in May 1986 and the last helicopter will be delivered in February, 1988.
- (v) M/s Westland will provide a lump sum payment of £ 10 million to be used as Operating Subsidy ;
- (vi) Spares and replacement will be provided for the entire life cycle of the helicopters ;
- (vii) Training will be provided.

SHRI LAKSHMAN MALLICK : I have already gone through the reply of the hon. Minister. On the very day when the Defence Demands were discussed in this House our hon. Prime Minister has already stated referring to a criticism of the proposal of purchase of helicopter from the hon. Member of the Opposition, Shri Unnikrishnan, the Prime Minister categorically said that the proposal of purchase of Westland helicopters was no longer under consideration. May I know from the hon. Minister whether the financial implications of this purchase were studied and whether the cost will be cheaper by purchasing Westland helicopters or not.

SHRI JAGDISH TYTLER : I would like to correct the hon. Member. The Prime Minister had not said that we are not buying ..

AN HON. MEMBER : For defence.

SHRI JAGDISH TYTLER : Prime Minister did mention in Rajya Sabha when two points came up regarding the Westland deal as far as helicopter is concerned. The first was that they were not able to demonstrate zero risks during the take-off. No. 2—It was found that net penalty was imposed due to limitation of maximum take-off weight resulting in reduction of pay-load by 1%. The above statement is in the backdrop of the statement made by the Prime Minister in Rajya Sabha in May 1985 during the discussion on the demands for the Ministry of External Affairs. He said that these helicopters do not meet our specific requirements and that is the limit of our concern. They are also, because of the size more expensive than other machines for the particular route they are to be used on. Some of this is off-set, as I said in this House earlier, The aid is not enough to off-set the full losses that we have to incur if we are to purchase this machine". After the Prime Minister had made this observation, we had done evaluation of the machines twice i.e. once on 12th September 1985 and second on 20th November 1985. Now, this is what the report can tell. Westland Helicopter W-30 has been subjected on the flight test twice as I have just mentioned. The flight tests were carried out by a technical team consisting of representative of DGCA Indian Air Force, Indian Airlines and the Helicopter Corporation of India. The observation is like this : Westland W-30 is considered well within the limits to perform their zero risk for a take-off from the helicopters rig in case of engine failure. This is what the Prime Minister had mentioned in the month of May, after that the evaluation was done again.

Secondly, Westland W-30 can carry a minimum pay-load requirement of 10 passengers for standard machine profile. Regarding (b) of the second part : Westland 30 more than meets the requirement

laid down by ONGC which calls for transporting 10 passengers of a distance of 100 nautical-miles and return, in case of failure to land with the reserve fuel for 45 minutes flight. In practice, it will be able to carry 12 passengers with Instrument made flight rule reserves ; 13 passengers with visual flight rule reserve. The helicopter is pleasant to handle when the cockpit requirement is good.

Coming to the financial aspect, the second doubt related to the higher operating cost. The operating subsidy offered by the Westland now is 10 million pounds. The net present value of 2.75 millions from the 7th to 20th year of operation. As long as in operation, the Westland Company is to pay for the difference in their operational costs. This would take care of . . .

I would like to inform the hon. Members that there has been not a single pie of the tax-payers money or the money of the Government of India ; every pie which is being used on the helicopter is aid money which we are getting. Our Prime Minister did mention, and I have said that the initial costs that he had mentioned, on the basis of the observation he made in the Rajya Sabha, 10 million pounds have been given more to us, for 7th to 20th year.

SHRI S. JAIPAL REDDY : Sir the Minister has referred to two complaints against the Westland Helicopter which the Prime Minister also referred to. But the Prime Minister in his reply to the debate on Defence said that these two complaints have since been rectified. But the Minister says that these two complaints were found to be correct on re-evaluation. Which is correct ? Secondly, as the Minister himself has admitted that we are not paying for it. It is part of the grant. Is it due to this reason why we purchase useless helicopters ? Thirdly, whether the purchase of the helicopters has been insisted upon by the Government of U.K. ?

MR. DEPUTY SPEAKER : Only one supplementary is allowed.

SHRI JAGDISH TYTLER : I had made it very clear that the points mentioned by the Prime Minister have been rectified and it is to our satisfaction and the team which went to evaluate...

SHRI S. JAIPAL REDDY : Which two ?

SHRI JAGDISH TYTLER : I just spoke. You are not listening.

SHRI S. JAIPAL REDDY : You referred to re-evaluation ; the Prime Minister referred to rectification.

(Interruptions)

SHRI JAGDISH TYTLER. I have made it very clear. There is no controversy on these both things which were pointed out by the Prime Minister 'it is rectified'. I had mentioned in detail how it has been rectified.

I just read out. I took five minutes regarding the whole thing.

SHRI S. JAIPAL REDDY : Sir, you please go through the proceedings. The remaining parts of my question have not been answered....

MR. DEPUTY-SPEAKER : Please take your seat, Mr. Reddy.

SHRI S. JAIPAL REDDY : The remaining parts of my question have not been answered...

MR. DEPUTY-SPEAKER : Only one part he can answer. Mr. Murli Deora.

SHRI S. JAIPAL REDDY : Is it being purchased merely because grant is being given to us ?

MR. DEPUTY-SPEAKER : Mr. Reddy, please take your seat.

Nothing will go on record. I have called Mr. Murli Deora. (Interruptions)**

MR. DEPUTY-SPEAKER : Only one supplementary you can put. Mr. Reddy, take your seat. I have called Mr. Murli Deora. Nothing else is going on record. The Minister has already answered.

SHRI JAGDISH TYTLER : May I say this ?

MR. DEPUTY-SPEAKER : Yes.

SHRI JAGDISH TYTLER : I do not want the House to get any wrong impression ; because the hon. Member had raised his voice twice or thrice, one would think that I was not able to answer this. This has been made very clear. I have already mentioned. I am sorry, the hon. Member was not listening at that time. There were two very important points that the Prime Minister mentioned. I have said that they have completely rectified these two things. One was the financial part about another ten million pounds which have been given. Then there was the zero risk factor which they have done twice. I gave the dates when they completely rectified these two things and they flew the helicopter with one engine failure and the zero take-off.

PROF. K.K. TEWARY : He needs spoon-feeding. That cannot be done. (Interruptions)

SHRI S. JAIPAL REDDY : What about the other parts of my question, Sir ?

MR. DEPUTY-SPEAKER : Only one supplementary. That is all. I do not want the others to discuss. Mr. Reddy, I have already said that only one supplementary is allowed.

Mr. Murli Deora.

SHRI MURLI DEORA : Is the Minister aware of some reports in U.K. papers that this company itself is sinking and is not doing well and if so, how will they be able to continue to provide services, maintenance, etc. ?

SHRI JAGDISH TYTLER : No doubt there was a lot of controversy in the British press about this company and a lot

of questions were also asked in the other House. The Americans are wanting to buy the shares of this company ; the Italians are prepared to buy the shares of this company. I do not know how you can say that the company is sinking. We were also very much concerned . . . (Interruptions) If you are not prepared to listen, why should you raise the question at all ?

MR. DEPUTY-SPEAKER : Order, order.

SHRI JAGDISH TYTLER : We also got in touch with our Indian High Commissioner in U.K. As per the report received from the Indian High Commissioner in the U.K., M/s. Sikarsky of the USA and M/s. Fiat of Italy are buying a limited quantity of Westland shares. Our High Commissioner in London has confirmed that association of M/s. Westland with other firms would not result in any setback to Westland's manufacture of the series of helicopters which is of interest to India. The re-structuring is intended to provide a larger capital base and stronger financial viability to M/s. Westland and, therefore, we need not have any apprehension on this score. The High Commissioner confirmed that association of M/s Westland with other firms would not result in any setback to Westland's ; manufacture of the series of helicopters. . . .

MR. DEPUTY-SPEAKER : You can lay it on the Table. Why are you reading it ?

SHRI JAGDISH TYTLER : All-right.

SHRI G.G. SWELL : These helicopters and this particular company, the Westland Company, seem to be jinxed and I hope that the jinx does not pass on to us. I would like to know from the Minister whether it is true that the ONGC, which will be operating these helicopters—of course you are also going to use them for short hops in places like the North East, but the ONGC will be the main user—has expressed strong reservation to the use of these helicopters. They have pointed out

in regard to the cost of operation that while it would take for the Westland Helicopters Rs. 1900 per hour, it would take only Rs. 1300 for the Daupins and Rs. 1100 only for the charters. That is number one. I would like to know whether they have expressed strong reservation.

MR. DEPUTY SPEAKER : You can put your question because there are a lot of questions.

SHRI G.G. SWELL : I would like to know the 10 million pounds that you are making much of as operations subsidy, how long would it will last if you are going to lose Rs. 800 per hour in the operation of these helicopters.

SHRI JAGDISH TYTLER : The ONGC has accepted the Westland, I would like to inform you Sir, that the Westland will be a cheaper in run to the Daupins. I will give you the reasons. (Interruptions). . . Although the revised cost of the operation per hour is being worked out, it will be reduced by over 30%. The earlier cost was worked out only on the conventional financial basis. That has changed now. Because it has now been decided that the grant elements will be passed on to the Helicopter Corporation. So, it is not the ONGC that will be running these, it is the Helicopter Corporation of India which is now registered which will be running. (Interruptions). . . ONGC will be one of the users, but the other States will also be using this. Most of it will also go to the North-Eastern States. (Interruptions)

In the Cabinet I had taken up this and the Cabinet is of the view that the import duty should be exempted in the case of the oil sector.

[Translation]

People Suffering from Diabetes

*641. PROF. NIRMALA KUMARI SHAKTAWAT : Will the Minister of HEALTH AND FAMILY WELFARE be pleased to state :