

[Shri C. K. Bhattacharyya]

discussion may be taken up at 7.00. That would solve all the problems.

Shri Seshayan: Sir, at 6.30 I have got an appointment.

Mr. Chairman: If the House agrees to it, I have no objection.

Shri A. Sreedharan (Badagara): We do not agree. In the Order Paper it is very clearly stated that the half-an-hour discussion will be taken up at 6.30. Therefore, it should be taken up now.

Shri S. C. Samanta: It is also put down that the non-official business should commence at 4.00. Why was that not adhered to?

Shri Sonavane (Pandharpur): Sir, there should not be any encroachment upon the time for Private Members' Business which is 2½ hours. In any case this House would not tolerate encroachment on that period. Therefore, the House should sit up to 7.00 with this Bill and then take up the half-an-hour discussion.

Shri C. Janardhanan (Trichur): There should be no encroachment upon the half-an-hour discussion also.

Mr. Chairman: I do not think there is any encroachment. The time is already fixed in the Agenda. The only change we made was that we continued the discussion on the Constitution (Amendment) Bill as was agreed to by general consensus of Members present in the House. Now that it is 6.30, we pass on to the half-an-hour discussion.

18.32 hrs.

COCHIN SHIPYARD*

Shri C. Janardhanan (Trichur): Mr. Chairman, Sir, this is not the first time we discuss the question of second shipyard in this Parlia-

ment. The need for a second shipyard was recognised during the formulation of the Second Five Year Plan itself and a tentative allocation of Rs. 75 lakhs was made for preliminary expenses then. Since then this question was discussed many times in the last Lok Sabha. Massive demonstrations were staged in Kerala by the people. But still, Sir, no progress has been made so far.

I do not want to go to the long history of this issue, the history of broken promises, the history of fruitless discussions and the history of contradictory statements by the Ministers, even by the Prime Minister herself. It is enough to say that for the last ten years this was delayed. I do not think there is any project in India which took so much time to be finalised. Our esteemed, technicians took so much of their valuable time and our political experts also took so much time to manoeuvre things with the result that this crucial project, this important project for India was delayed thus far.

We know that certain difficulties are there. We have our own difficulties. We do not have the know-how. We do not have that. But there are so many other industries in India in whose case also we feel some difficulties. But those industries are not delayed due to lack of technical know-how. Then, is it because of shortage of foreign exchange? I do not think so. Because, while replying to a discussion in the last Lok Sabha in August, 1966 the Minister stated:

"But not much foreign exchange is needed now because we have been able to produce much more with what we have and what we earn. From 1956 in the last 7 to 8 years our country has progressed fast. Much foreign exchange is not needed

*Half-an-Hour Discussion.

now and perhaps with the little foreign exchange we will be able to do it."

This was stated by our then Minister Shri N. Sanjiva Reddy. The proposal of yen credit was also there. So, it is clear that foreign exchange was not an obstacle for solving this problem.

Do the Government doubt the necessity of this shipyard? I do not think so. Because, though some of our ultra-shrewd businessmen at that time made some statements regarding this shipyard—I know that—to the effect that it is profitable to buy ships from foreign firms than construct a shipyard in India to build ships, I think the Government did not subscribe to that view. Here I am again quoting from the report of the Committee on Public Undertakings which was presented to the House in March, 1967. That report says:

"The early establishment of the second shipyard will be of great advantage to the ship-building industry in the country. With the establishment of the second shipyard demand for marine engines and the ship-building equipments will increase. This, in turn, would induce indigenous manufacturers to take up the production of the required equipments which they are reluctant to do at present. Indigenous manufacture of equipments besides saving a considerable amount of foreign exchange would also ensure a steady and timely flow of materials to the Hindustan Shipyard as well as to the second shipyard."

So, I am sure that nobody would dare to question the necessity for the second shipyard now. If all these facts are true, then why this delay? What are the reasons for this delay? There is something fishy about these things, we are afraid. In reply to a

question the Minister replied on 26th March:

"The project report submitted by Messrs. Mitsubishi Heavy Industries Limited, Japan, is under examination by our technical experts. The project report will be considered by the Government shortly. In the meantime, acquisition of some land required for the project has been completed and further acquisition is in progress. An allocation of Rs. 15 crores has been made in the draft outline of the Fourth Five Year Plan for the Cochin Shipyard."

I am sorry to say that there is nothing new in the first part of this answer. Land acquisition is an old story, and land acquisition is not a guarantee that the project will materialise. Because, we have seen so much of land acquisition in Kerala before.

Regarding the examination by the technical experts that is the funniest part of all, if not the dubious part. The project report was submitted by the Japanese experts in April 1966. In the same year on 9th August, replying to a half an hour discussion raised by Shri A. K. Gopalan, the then Minister, Shri Poonacha, stated:

"The Government are only awaiting that report and that report is likely to be in the hands of the Government within a couple of weeks and the Government will, no doubt, take the earliest time to take a decision in consultation with the Planning Commission. I am sure a decision will be taken as early as possible."

Then, obviously to add emphasis to this assurance he said:—

"The Prime Minister at the time she was in Kerala recently also said that an earliest possible decision will be taken on this matter."

[Shri C. Janardhanan]

Participating in the same discussion the Transport Minister, Shri Sanjiva Reddy, then said:—

"The consultants had given the project report. Our technicians are examining it. In a matter of days, perhaps before we disperse, we will be able to see something much more clear than what is now."

Today is 7th April, 1967—to be exact, it is 240 days since that bold declaration. We did not know that the Minister's few days were so unusually long. Nobody knows how many months and years it will take to finalise this report.

From the fact that the report has not yet been finalised it is plain that there is something behind this whole issue. The Ministers were then hoodwinking our hon. friends in 1966, I am afraid. They then said that the report would be ready within a few days. Now the Minister replied that it was still under consideration of our experts. If this is going to be the practice, there is no necessity for discussions in this House, I am afraid, because no assurance given by the Ministers will be carried out. So, I request the Minister to say categorically what is the position of this project now. Let them frankly state the position now. Do not hoodwink this House and the people at large any more.

I am afraid that it is not the fault of the technical experts in our country. I presume that it is the Government which has not taken the decision yet. The experts have already submitted their report and the Government, for its own reasons, are withholding this report. I presume thereby they are going back on their promises and are doing justice to the changed economic policy of this country and are surrendering the national interests to foreign interests, I am afraid.

In the report of the Public Undertakings Committee submitted in March 1967 it is said:—

"The report of the Japanese firm was submitted in April 1966 but the final decision regarding the size and scope of the project is yet to be taken."

Who is to take this decision? Obviously, it is the Government. Then why is it that it is not taking that decision? I believe, they are not going to take any decision at present. The project report is not published; the expert committee's report is not yet ready, they say, and the Government is not going to allocate more money to the project now. In his reply, the Minister says that in the Fourth Five Year Plan, they are going to allocate Rs. 16 crores. If I remember aright, the original estimate, as envisaged in the Project Report, was Rs. 56.63 crores with a foreign exchange outlay of Rs. 16.50 crores. Of course, they were tentative figures. The Draft Plan has not been discussed and finalised. There is a tendency even now, in the ruling circles and outside, that they want to prune the Plan itself. Therefore, we are afraid that even this sum of Rs. 15 crores is going to be cut. That means we are not going to get the second Shipyard. We are going to get only a ship repairing yard or a boat yard or something like that.

Sir, I am speaking on this issue not as a Member from Kerala alone. This is not an issue of Kerala alone. This is a national issue. If this shipyard is not going to come, the people of Kerala will rise against the decision of the Government. There is no doubt about that. As a man, the people of Kerala will rise and we are sure that even Congressmen will join with us. If the Government is going to surrender this project due to some foreign pressure, then it is not only a betrayal of

Kerala interests but it is a national betrayal. I want to say it here and now. Therefore, I would request the Minister to state clearly and categorically that they are not going to cut down this original project and that they are going to implement the original Project Report. I hope the Minister will categorically say so here and now.

Shri Vasudevan Nair (Peermade): Sir, the Government was rightly indicated by the Committee on Public Undertakings when they submitted their Report to which my hon. friend, Shri Janardhanan, referred. They have mentioned that in December, 1956, an inter-departmental committee under the chairmanship of Shri R. L. Gupta was appointed to look into the matter. So, the story begins from December, 1956 and the story of the second shipyard is the story of 11 years and still, as you know, we do not know the fate of this project.

I should like to know from the hon. Minister who is quite new to his job and who is quite new to this House—he did not have the benefit of hearing all the debates that took place in the House before—whether the committee of experts have finally recommended to the Government that the Project Report should be adopted and accepted and that it should be implemented. I should also like to know whether the Japanese firm and the Government of India have discussed the various details of the project and whether they have come to some kind of an understanding as far as the Project Report is concerned and, if not, whether there are any serious differences of opinion between the Japanese firm and the Government of India and by what time the Government is expecting to take a final and a categorical decision as far as the second shipyard is concerned.

Mr. Chairman: How much time will the Minister take?

The Minister of Transport and Shipping (Dr. V. K. K. V. Rao): About 10 to 12 minutes.

Mr. Chairman: Only 10 minutes remain; there are Members who want to put questions.

Dr. V. K. R. V. Rao: If you want me to do justice to the cause, I require that much time. It is entirely upto the House.

Shri E. K. Nayanar (Palghat): We have given our names.

Shri Vasudevan Nair: One question each.

Mr. Chairman: I do not mind giving time. If you want to hear the Minister, then some time should be given.

Shri E. K. Nayanar: The Minister can reply in the last.

Mr. Chairman: The Minister wants ten minutes.

श्री कानोदकर सिंह (खगरा): अध्यक्ष महोदय, यह महत्व का प्रश्न है। समय प्राप्ति बढ़ाया जा सकता है।

Shri Vasudevan Nair: This is the usual practice.

Mr. Chairman: They can put forward their point of view within two minutes.

Shri E. K. Nayanar: On the Congress benches, most of them are away; only 7 are present while Kerala is under discussion. May I know when the Government will end the discriminatory attitude towards Kerala, so far as construction of shipyard is concerned? Not only that, during the last three Five-Year Plan periods, the Central Government invested Rs. 2,180 crores in the industrial sector, but Kerala's share was only Rs. 28 crores.

Mr. Chairman: He may ask his question.

Shri E. K. Nayanar: On the floor of this House, the former Ministers gave an assurance to Kerala people that the shipyard problem would be solved but the assurance was broken. In 1966,

[Shri E. K. Nayanar]

one lakh of people of Kerala demonstrated in front of the Prime Minister and AICC in Ernakulam and showed their anxiety that the report on shipyard must be implemented and money should be allocated. May I know whether the hon. Minister will implement the report of the Technical Committee which is before the Ministry? Can we get an assurance from the hon. Minister that Government will allocate money for the shipyard in this year?

Shrimati Suseela Gopalan (Ambalapuzha): May I know—it is surprising—why the Cochin Shipyard is classified in the Fourth Plan under projects for which foreign exchange is neither guaranteed nor committed?

Shri C. K. Chakrapani (Ponnani): This is an untold story of a shipyard. We have been raising this issue inside Parliament and outside Parliament, for the last twelve years, but nothing has come out. May I know what exactly is the attitude of the Planning Commission towards this Shipyard?

Shri P. Gopalan (Tellicherry): May I know on how many occasions foundation-stones were laid for the Cochin Shipyard and on how many times, were it on the eve of the General Elections?

श्री कामेश्वर सिंह : क्या मंत्री महोदय यह बताने का कष्ट करेंगे कि यह सत्य है कि विदेशी फर्म भारत सरकार पर दबाव डाल कर के कोचीन शिपयार्ड के विकास में बाधक सिद्ध हो रहा है ? मैं इसका जवाब चाहूंगा ।

Shri D. C. Sharma (Gurdaspur): We have been talking about falling between two stools, but this Shipyard has fallen between five stools: first of all, the stool of land acquisition; secondly, the stool of examination of the project by technicians; thirdly, the stool of Planning Commission; fourthly, the stool of Government's delay which is inherent in our Government; and fifthly, the stool of change of

ministers every six months. Has it ever happened like this? Has Government taken into account the fact that this Shipyard is required not only for commercial purposes, but also for Defence purposes, because sometime back, a Chinese ship was sighted near the Kerala coast?

Mr. Chairman: No discussion please. He may ask his question.

Shri D. C. Sharma: Therefore, taking into account all these things, I want to know from the Minister why this delay is taking place in such an indecent way.

Dr. V. K. R. V. Rao: I should like to begin by saying that I am in very great sympathy with the points of view that have been expressed in regard to the long time that has elapsed between the first official acceptance of the Cochin Shipyard Project in 1959 and the absence of anything concrete in the way of building the shipyard till today. I can assure my hon. friend who was very sympathetic with the fact that I had not been in this House before and, therefore, I might not be familiar with the subject, that I have studied all the papers relating to the subject, and I shall be very glad to meet him in my room here or in the Transport Bhavan or anywhere else and give him any further details that he wants to know about the project. There is no time now. Otherwise, I could give the House a complete statement, because the questions which I had asked my Ministry were the very questions which were asked by my hon. friends opposite. I had asked the Ministry why this delay was there because in 1959 a statement was made on the floor of this House by my predecessor in office saying that Government had accepted the proposal of the Inter-Departmental Committee for having a second shipyard in Cochin. There is no time now to go into the details. If there were time, I could go into the details of the whole history. But I understand that this dis-

cussion has got to be completed by a set hour. But if I get another opportunity on some other occasion, I shall be prepared to give the House the entire history of the way in which this particular thing has developed.

I must say straightway that foreign pressures have absolutely nothing to do with it. No foreign pressure of any kind is being brought upon the Ministry to delay the shipyard. I am giving this categorical answer . . .

An hon. Member: Were there any internal pressures?

Dr. V. K. R. V. Rao: I am giving this categorical answer because I have studied not only the files and the notings but even the correspondence. The House may be interested to know that the very push for the shipyard was given by the late Prime Minister Pandit Jawaharlal Nehru. The very first thing that was said on the file . . . (Interruptions) I am not giving way. The very first thing that was said on the file was that it was Shri Jawaharlal Nehru who had written to Dr P. Subbarayan asking him what had happened to the Cochin Shipyard and saying 'We had promised it. Why is no action being taken about?' After that, the Ministry moved very fast, and we had a Cabinet decision and then there was the statement which was made before this House.

An hon. Member: What is the result?

Dr. V. K. R. V. Rao: There is no time for me to go into the whole history. If I had the time, I would go on but then the discussion will go beyond not only seven o'clock but also sometime beyond that . . .

Shri Vasudevan Nair: We are prepared to sit. He can take a little more time.

Dr. V. K. R. V. Rao: It is entirely up to the Chairman. I am quite prepared. But I can give a brief history.

श्री कावेसर सिंह : इन लोग बैठने के लिये तैयार हैं न ?

Shri C. K. Chakrapani: This is a very important thing as far as Kerala is concerned.

Shri Kameshwar Singh: Let him take some more time.

Dr. V. K. R. V. Rao: First of all, I had given one categorical answer. An honourable member asked the question whether there was pressure being brought and whether it was a surrender to foreign interests, whether we were giving up our case for the Cochin shipyard, whether there was going to be no second shipyard at Cochin and whether if there was going to be a second shipyard it was not going to be located in Cochin. To these questions, I can give a categorical answer that there will be a second shipyard in this country during the Fourth Plan. When I say that, there will be I do not mean thereby that it will start producing ships. What I would say categorically is that concrete action will be taken and not merely plans and reports and discussions or laying of foundation-stones.

Shri E. K. Nayanar: This has been happening all along. We have been hearing this for so long.

Dr. V. K. R. V. Rao: I cannot help it. I can only speak for myself.

Shri C. K. Chakrapani: We have been hearing it all the time.

Dr. V. K. R. V. Rao: I do not understand the intervention of the hon. Member saying that he has heard this many times. As a matter of fact, the project report itself came into the hands of Government only in 1966. (Interruptions) I am not yielding.

Shri E. K. Nayanar: Why should the hon. Minister get excited about it?

Shri A. Sreedharan (Badagara): He may not yield. But what is the use of getting excited?

Dr. V. K. R. V. Rao: I am sorry. I apologise to the House.

श्री कायेश्वर सिंह : सम्बन्ध नहीं है, बरत सुन लीजिए । देखिए, इतने दिन लग रहे हैं इसमें जो विदेशी फर्म है, उसका खर्च तो पूरा हो गया ।

Shri E. K. Nayanar: For the last fifteen years we have heard such assurances. That is why we are asking this question.

Mr. Chairman: The hon. Minister is not yielding. So, the other hon. Members should resume their seats, 19 hrs.

Dr. V. K. R. V. Rao: I am sorry I spoke to the house in an excited tone. Here I think my hon. friend was perfectly right. It does require some experience of the House to adjust oneself to it. I entirely agree with that. I accept the position. I was not really excited.

What I wanted to say was that the real technical report on the shipyard was prepared by the Mitsubishi Heavy Industries Ltd. and that came in the hands of Government in 1966. After that, a technical working group was appointed which examined the proposals and the details given in this project report. Then they made certain suggestions on it.

Having made those suggestions, it was considered by an inter-departmental committee, and we should have been in a position to come forward with certain definite proposals last year itself. My hon. predecessor in office, who was quoted by the hon. Member who raised this discussion, Shri Poonacha, said in this House that we have more or less taken a view on the report and in consultation with the Planning Commission we would finalise the proposal. What the Minister said is absolutely right. When my distinguished predecessor Shri Sanjiva Reddy said that 'it will be a matter of days perhaps before a final decision would be taken', he was also not wrong in his estimate. But fortunately, projects and programmes which are to be included in the plan have to go through a certain

drill, and a paper which was prepared by us had to be subjected to further examination. I can assure you that in April 1966 when the project report came into our hands—before that there was no project report; it was all just intentions, searching for consultants, selecting somebody to make the report and so on—in April 1966 the Ministry was more or less ready, to which a reference was made by the mover. Then it had to be subjected to further examination. We were asked to find out some more information and so on by the Planning Commission. They have got every right to do so because the Planning Commission is the authority that approves of projects.

Shri Vasudevan Nair: They are standing in the way.

Dr. V. K. R. V. Rao: Then after that, it was suggested that we should appoint a technical officer who would examine the whole thing. In the case of the ship-building industry—there is absolutely no mystery about it; there is no *mala fide* about this—the trend in shipbuilding changes very fast. There was a time when we were thinking of 10,000 tons and 20,000 tons. Then it became 33,000 tons and 53,000 tons. Now it has become 65,000 tons, 75,000 tons and 100,000 tons—even more than 100,000 tons. Our own Shipping Corporation has placed orders for ships. I think, of 75,000 and 80,000 ton capacity.

Therefore, the feeling was that we must make a very careful examination of the type of ships that we wanted to build, their cost etc. because we want to make the Shipyard a shipyard which would produce ships which are bulk carriers and tankers; we do not want the shipyard to be producing small ships or tramps. As regards the size of the bulk carriers and tankers, I must confess I got confused after reading all the literature on the subject because the ideas keep on changing from time to time.

Then a special officer was appointed. He was asked to draw up a report by the 1st of April (*Interruptions*). I am quite prepared to answer any questions

but I would beg of the House to let me complete my statement. You should get the story as it stands. Afterwards, I shall certainly answer questions.

Mr. Chairman: It is already 7 O' Clock.

Dr. V. K. R. V. Rao: I know, but because it is a very important subject, and we have been told that if something is not done, all sorts of things will happen, just give me a minute.

Mr. Chairman: I think I should extend for another five minutes, and if the hon. Minister can complete it, it would be very nice. If the hon. Minister does not yield, it does not look nice for the hon. Members to interrupt him at every stage.

Dr. V. K. R. V. Rao: Therefore, a special officer was appointed and he was asked to complete his report by the 1st April, 1967. He was asked to examine the whole project, what should be the type of ship, the size of the ship etc., examining the previous reports. His report which was to be ready by 1st April has already been received on 27th March. That was what I referred to in the other statement when I said that the Cochin Shipyard project was still under technical examination.

I would be very frank with the House, because I was asked to be frank, I would like to be very frank. The proposals which have been made in this special report of the technical officer are somewhat different in terms of the size of the ships which have to be produced in the Cochin shipyard, and as far as I can see it is going to require a great deal of examination and discussion.

Shri Vasudevan Nair: That means another ten years.

Dr. V. K. R. V. Rao: I am not particularly bothered whether I am here for ten years, five years or five

months, but I believe in doing my job. I can assure you I have taken up the subject, I am having long discussions with the officers concerned, I am going into it in great detail. I do not want merely to accept it because the officer has submitted a report saying something which is different from what was said before. I want to be abreast with the times; in order to be abreast with the times, I do not want to keep on doing nothing for another ten years.

Shri Vasudevan Nair: That is the point, times are changing quickly.

Dr. V. K. R. V. Rao: I am on your side, excepting politically. As far as his is concerned, I am extremely anxious that this should be processed quickly.

So, I would like to say that this report, technical report, has just been submitted. Even though it has not been processed or examined, I myself read the whole report last night. I am not a technical man, but there are a series of questions which I want to ask on that.

I should like to give this categorical assurance to the House. Firstly, Government stand completely by the promises made before the House on more than one occasion, that there will be a second shipyard, and the second shipyard will be located in Cochin. I think I can also give this assurance—if I am not able to fulfil the assurance, I will give up my post—that before the end of the Fourth Plan something will be started in Cochin for the construction of the shipyard. I am told it takes five to six years from the date you start it before the ships actually start coming out. This is my first categorical answer.

The second categorical answer is this. I was very delighted with Prof. Sharma's intervention. He talked about a number of stools. I think he was not entirely wrong when he referred to so many stools. Those stools are there. I am coming

[Dr. V. K. R. V. Rao]

in contact with them. I think it is important to realise that what has happened in the last one year and a half has been on the technical side. Before that it was on the side of trying to get some collaborator who will be able to put in some money. You could not get him, then you try to get somebody else, who will only do consultancy etc. These were the reasons. I do not see this is anybody's fault, there is no *maiz fide* at all, reading the entire history of the case. I am perfectly certain that now we will see to it that there is as much expedition as is possible. I have a certain amount of pride in myself, one should not say such a thing before Parliament, it is not a proper thing, but I have a respect for myself, I have taken up this question, I am going fully to pursue it, and I shall give details of the position as it stands as soon as I am in a position to tell him that these are the conclusions we have come to, this is what we are going to do and so on.

I was asked a categorical question about foreign exchange. It is true that as far as foreign exchange is concerned, it is not listed in the Fourth Plan document. Foreign exchange has not been assured. But we have our yen credit and our yen credit is roughly of the order of sixty million dollars or so a year and the foreign exchange cost of the project is certainly known to be much less than the yen credit we are going to get. It should be possible, and I shall try my utmost, to see if the necessary foreign exchange could come from the yen credit for this project. But first we must have a project which is properly analysed and finalised and which can be technically sound and implemented properly. That is all I want to say.

19.11 hrs.

The Lok Sabha then adjourned till Eleven of the Clock on Saturday, April 8, 1967/Chaitra 18, 18389 (Saka).