

SHRI P. K. KUMARAN (Andhra Pradesh): About the Cochin Shipyard we want to ask clarifications.

THE VICE-CHAIRMAN (SHRI RAM NIWAS MIRDHA): We will take up the items one by one. Now, about the Cochin Shipyard.

RE. STATEMENT ON COCHIN SHIPYARD

SHRI K. CHANDRASEKHARAN (Kerala): Regarding the statement on the Cochin Shipyard, may I know from the hon. Minister (a) when the work in connection with the Indian Shipyard at Cochin would commence; (b) when he expects to complete the preliminaries in this regard; (c) whether the hon. Finance Minister now in Japan would be talking over this matter regarding technical collaboration with Mitsubishi Company and their agents there; (d) what is the extent of expenditure that is proposed to be incurred during the Fourth Five Year Plan and (e) what is the stage of work that would be actually completed before the end of the Fourth Five Year Ffcm?

THE MINISTER OF TRANSPORT AND SHIPPING (PROF. V. K. R. V. RAO): shall I reply together?

THE VICE-CHAIRMAN (SHRI RAM NIWAS MIRDHA): Yes.

SHRI P. K. KUMARAN (Andhra Pradesh): Mr. Vice-Chairman, this has been a project which has been pending for the last several years. I would like to know whether the decision that has been just now announced is a final decision or whether this will again be kept pending while in the process of finalising the Fourth Five Year Plan Secondly, in the earlier stages there was some sort of understanding between Messrs. Mitsubishi Heavy Industries and the Government of India regarding the constructions of these carriers. Now, since the size of these carriers is to be increased

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to 66,000 dwt, Messrs. Mitsubishi Heavy Industries have indicated their interest in the project. There is no understanding with them as yet. May I know how long it will take for the Government to come to an understanding with these Japanese collaborators? And when is the actual work likely to TOMTRerice?

श्री विमलकुमार : सन्नाता राजी चीरडिया (मध्य प्रदेश) : उपसभापति महोदय, पहला प्रश्न मेरा यह है कि यह विशाखापटनम में जो हिन्दुस्तान शिपयार्ड है वहां पर हम को नुकसान हो रहा है और बावजूद हमारे सारे प्रयत्नों के हमारी जितनी पूंजी वहां पर लगी थी उससे दोगुना हमने वहां पर नुकसान भोग लिया तो वह गलती यहां पर दोहराई न जा सके इसके लिये हम क्या प्रयत्न कर रहे हैं ? ऐसा तो नहीं है कि यहां पर भी हम एक घाटे का व्यवसाय प्रारम्भ करने लगे जबकि वहां एक घाटे का व्यवसाय कर ही रहे हैं ।

दूसरी बात यह है कि इस कोचीन में जो हम शिपयार्ड कायम कर रहे हैं इसका पूरा प्रोजेक्ट हमने तैयार कर लिया है और प्रोजेक्ट तैयार करने के बाद जो योजना बनी थी उसमें कितने वर्षों के बाद मुनाफे या बराबरी पर हम रहने वाले हैं इसका भी कुछ इंडिकेशन है अथवा नहीं ।

तौसरी बात यह है कि यह जो हमारे यहां पर कमियां विशाखापटनम शिपयार्ड में हैं उन कमियों को मदेनजर रखते हुए यहां पर हम और विशेष कौन से ऐसे कदम उठा रहे हैं जिससे हम को वहां को भूत दोहरानी न पड़े ?

SHRI KESAVAN (THAZHAVA) (Kerala): Before the last general elections, the foundation-stone for the construction of the Shipyard was laid by Mr. Raj Bahadur, the then Minister. Now, ^statement has been made by the Minister before this House that it has been decided to set up the Shipyard, so, may I take It that this may

[Shri Kesavan (Thazhava.J

be aken as the final decision of the matter? If so, within how many month_s will the construction of the shipbuilding yard start and within how many months will the construction be completed?

SHRI BALACHANDRA MENON (Kerala): Apart from the construction of such ships, will the Government also consider the building of deep-sea fishing vessels and other ships in the same shipyard there?

SHRI KRISHAN KANT (Haryana): Firstly, when heavy weight ships are built there, will there be any change in the agreement of collaboration with Messrs. Mitsubishi Heavy Industries and, if so, what is that change? Secondly, I would like to know the details about the technical collaboration, whether India_n technicians will be associated while the Shipyard is being built, how many technicians will be there and by what time the Japanese will go away, when the whole thing will be taken over by Indian technicians, how much foreign exchange will be required for building the Shipyard and after how much time it will be completely free from taking anything from outside?

SHRIMATI DEVAKI GOPIDAS (Kerala): First of all, let me congratulate the hon. Minister for arriving at a final decision on the long-drawn out affair of this Shipyard at Cochin. Now, I would like to know what is meant by this sentence in the statement—"...without any commitment at present on subsequent expansion." The sentence causes apprehension in my mind. If we find it economical to expand it and if we want to expand it, may I know whether the agreement, the assessment and everything will be in such a manner as we can expand it? When we think of much bigger bulk carriers, we must have the capacity to build such bulk ships also. So, I would like to know from the hon. Minister whether such a point is also considered. For lack of time, what I

we have experienced in the Idikki Project in Kerala should not happen in the agreement about the construction of this Shipyard.

SHRI DAHYABHAI V. PATEL (Gujarat): May I ask whether the hon. Minister has taken the trouble of seeing the history of the Shipyard that was once tried out in India at Visakhapatnam and why that project had to be more or less given up or that project is not working very satisfactorily?

PROF. V. K. R. V. RAO: Given up?

SHRI DAHYABHAI V. PATEL: It is going on at a very slow pace and shipping companies prefer to buy ships from outside rather than purchase them from Visakhapatnam.

SHRI P. K. KUMARAN: No, no.

SHRI DAHYABHAI V. PATEL: Ships made at Visakhapatnam are not as satisfactory and as cheap as ships built outside. Has the Minister tried to make any survey of the conditions that resulted in this and why the shipping companies are anxious to go outside, to Japan and other countries, to purchase ships? German ships have been purchased, Japanese ships have been purchased. And has any study been made of all these aspects before embarking on a new project? I am not against embarking on any new project. I hope this country will have more than one shipyard, several shipyards.

Shall we not make a proper study of the matter and not rush into projects as we have done in the case of so many projects and then found ourselves in difficulty, financially and otherwise? What are the reasons? Is it that the cost of labour has become too high in this country, or that the planning has not been proper or the collaborators have not given us proper advice? I think we had French collaborators at Visakhapatnam. That is my recollection—I speak subject to correction. Has the Ministry made any study of this before going into this?

PROF. V. K. R. V. RAO: Sir, the first question asked was when the preliminaries are expected to be completed. I am not in a position to answer that because first we have got to acquire all the land. Only some portion of the land which is required has been acquired. In fact, we are in touch with the Government of Kerala to see that all the land which is required for the purpose is acquired. The hon. Member must remember that practically nothing has been done on the Cochin Shipyard so far.

I do not know about the foundation-stone. Perhaps possibly it may be there. But so far practically nothing has been done on the shipyard. (*Interruption by Shri Lokanath Misra*) If you kindly allow me, you have asked me questions. I thought you would show your appreciation of the fact that at long last this project has been completed. But I suppose it would be too much for me to expect because of political differences. I thought this was a matter that cut across political differences. Anyway, I will answer every one of the questions that have been asked. And after that, if you still want to ask more questions and if the Vice-Chairman permits. I am quite prepared to do so because I have put in quite a lot of effort on this project.

Regarding the first question, as I said, preliminaries really relate first to the acquiring of the land that we want. After the land has been acquired it has got to be surveyed, and for all that we have to get the co-operation of the Kerala Government, and I have no doubt in my mind that the Kerala Government will give me their full co-operation.

Regarding the second question, namely, when the work will commence, obviously, the work will commence after the preliminaries have been completed, after the land has been acquired and after we have come to an agreement with our technical collaborators in the light of the revised circumstances indicated in the

statement. So it would not be possible for me to indicate just now in terms of months as to when we will start the work. All that I can assure the hon. Members is that—I hope they will accept this—I am very, very anxious to see that this project is started as quickly as possible. I gave my word to this House that before this Session is concluded, I will make a statement on the Cochin Shipyard, and I have succeeded in doing that.

Regarding the third question, whether the Finance Minister would be talking to the Mitsubishi Co., I would say, "No". This is a matter for the Transport Ministry. The Cabinet approval was only received—today is Friday—yesterday, and the authorisation is for the Transport Ministry for conducting the negotiations and so on. The Finance Minister does not come into the picture as far as negotiations with the Mitsubishi Co. are concerned, that is the responsibility of the Transport Ministry.

About the stage of the work, that would be actually completed by the end of the Fourth Plan. I have stated, I believe, in this House before and also in the other House that before the end of the Fourth Plan there would be visible and conspicuous demonstration to everybody in Kerala and outside that the shipyard is on.

SHRI P. K. KUMARAN: Merely show-work.

PROF. V. K. R. V. RAO: That really means getting on with the building of the dock. Mere civil works and office buildings will not do. We will see to it that as much work as is possible gets done before the end of the Fourth Plan. At present the expectations are—well, I am very reluctant to say this because my hon. friend, Mr. Kumaran, if I and he are still in the House, will try to catch me. But if he will not catch me, our expectation is that the first keel will be laid by 1971-72 and I think the ships will start coming in by 1974-75 or at the latest by 1975-76.

[Prof. V. K. R. V. Rao.]

Then, sir, a question was asked by Mr. Kumaran. I was wondering what line he was going to take. He wanted to know what will happen if there is no decision. Actually so far there was no decision on the project. The only decision was in principle that there should be a second shipyard. A full project report was prepared only in 1966. And keeping Mr. Kumaran in mind, Mr. Vice-Chairman, in the statement I said "it is finally decided". The word "final" is used in the statement. I can assure Mm that this is a final decision and I hope he will be with me in seeing that it is a final decision.

SHRI P. K. KUMARAN: Thank you.

PROF. V. K. R. V. RAO: Then how long will the Mitsubishi Co. take? Obviously I cannot give an answer to that because we will have to start negotiating with them and try to find out in what way the agreement needs to be changed. It is not merely a question of larger size of the ship. It is also a question, to which 'another hon. Member referred, that in the last three to four years our technical capacity has increased and! we have now got larger availability of indigenous equipments and so on. Therefore, all this has to be taken into account. But this much I can state. Before we submitted a note to the Cabinet we get in touch with the Mitsubishi Co. people and found out whether the change in the size of the ship from 53,000 to 66,000 DWT would make any difference as far as their collaboration is concerned because they have done the lay-out and everything. They said that it may not make much difference. What we asked them also was? the question of production of 66,000 DWT ships. They said that they would be interested. And after getting 100 per cent assurance we went ahead with the finalisation of the project.

Then, Sir, another hon. Member asked as to what efforts we are making to see that the mistakes that we made in the Hindustan Shipyard are not repeated here and that we do not incur losses. Sir, special steps are taken to see that the H.S.L. experience is not repeated here. As the House is aware the H.S.L. was not started by us.' The H.S.L. was started by the Scindias. We took it over from them. Even to this day the H.S.L. suffers from the fact that the original capital investment is very, very low compared to what is required for a really first class shipyard. I think the original investment was about Rs. 3 crores and the yard was originally intended to construct ships of 8,000 tonnes. Now we are constructing ships of 12,000 tonnes. We are gradually expanding the capital investment in the yard. As I said, in the statement, we have just got sanction for putting up a dry-dock yard in Visakhapatnam costing about Rs. 4 crores. I am hoping that in due course we will also make other arrangements in the Visakhapatnam Shipyard which will enable us to produce six ships a year instead of three ships which we are now producing per year. We are hoping that even with the existing arrangement, with some marginal adjustment, next year we will be able to go up to 4 ships. But the Managing Director tells me that it is not possible to go beyond 4 with the existing capacity of the Shipyard. In fact, we are investigating into the whole question as to what should be done in order to see that the capacity of the Yard is kept at 6 per year. If that is done the Yard will become completely economic.

The foundation stone question I have already answered. I hope the foundation stone is still there because I do not want to go and lay another foundation stone. I hope the foundation stone is still there

SHRI P. K. KUMARAN: It is better to go and lay a new foundation stone.

PROF. V. K. B. V. BAO: Then, Sir, the question was asked whether the shipyard would also be constructing deep-sea fishing vessels. That question has not yet been considered. We will find out at the appropriate time whether over and above doing this they can also construct smaller vessels. My own personal feeling is first let us get on with this job. If we can do this it will be really a landmark in the Indian economic history. To build ships of 66,000 tonnes is really a big thing and I would not like anything else to come in the way of the execution of the scheme.

Then the question was asked whether there will be any change in the agreement with the Mitsubishi Co. and whether the Indian technicians will be associated and how long will the Japanese stay and whether they will go away. Though we like the Japanese very much indeed, we do not want them to stay permanently in Cochin. We will also see to it that Indian technicians are associated with the scheme. All these will be matters of negotiation.

There was the question of foreign exchange. The foreign exchange estimate is about Rs. 5 crores out of a total cost of Rs. 30 crores of the project.

About future expansion, I would suggest very humbly to my hon. friends that it is better to keep it out now, because we know the number of years it has taken to get this Shipyard. Even as it is, it is a good economic proposition as I shall explain to you in a moment. At the moment I do not want any more complication to be made by saying that the Shipyard be so constructed as to be able to construct 85,000-ton ships. If we do that, it will mean more delay, another project report and delay. I think the hon. Member does not want that. Let us like Tilak get 8 annas or 10 annas in the rupee and wait for the remainder rather than say 'sixteen annas or nothing.'

SHBI DAHYABHAI V. PATEL: Only two annas.

PBOF. V. K. B. V. BAO: Oh, no this is not two annas. It is at least 12 annas out of the 16 annas. In actual fact, if you compare with what was initially recommended in 1959, this is more than 16 annas.

SHBI DAHYABHAI V. PATEL: The rupee is worth 4 annas now.

PBOF. V. K. B. V. BAO: There Mr. Dahyabhai Patel will forgive me if I do not enter into a discussion with him on that subject.

The final question which was asked was by my friend, Mr. Dahyabhai Patel. He asked whether we have made a study of the working of the Hindustan Shipyard and why it is that Indian ship-owners are not buying ships from there. He also said that without having a thorough examination and so on, it would not be wise for us to go in for a new project. Well, I am not sure if Mr. Dahyabhai Patel is a member of the Public Undertakings Committee.

SHBI DAHYABHAI V. PATEL: I am not.

PBOF. V. K. B. V. BAO: If he were, then he would not have asked me that question because the Public Undertakings Committee went very thoroughly into this question of the Hindustan Shipyard and their report was received on the 30th of March this year. The bulk of the recommendations made in that report have already been implemented. I can tell Mr. Dahyabhai Patel that speaking for myself—I have been there—we have got a new Managing Director; we have got a new Chairman of the Board; we have got a new Director of Shipping Construction; we have got a Special Officer in the Ministry whose job is, among other things, to look after the pro-

gress of the shipyard; we have got sanction for the Dry-dock yard. And we hope also that in due course, we will get some money for further expansion of the lay-out of the Shipyard. Therefore, I would like to express an opinion that I think that the Hindustan Shipyard is going to do well in future. As far as the question why ships are not being bought from there is concerned, they have no ships to offer. Their present capacity is only two to three ships a year. I should like to inform Mr. Dahyabhai Patel that the entire capacity of the Shipyard for the next five years is completely booked. Even if somebody wants to place an order, there is no question of construction of any more ships because the capacity is completely booked for the next five years. As far as this Cochin Shipyard is concerned, we are very hopeful that this is going to be an economic proposition. We expect that between 1975 and 1980, there may be some loss in the sense that we will not be able to repay the loan instalments and the interest during that period. By 1980, we expect to be in a position to earn enough not only to wipe out the cash deficits, but also earn a dividend of something like 5 to 6 per cent. At long last, after a great deal of agitation, after a great deal of consideration, we have taken a decision to have the Cochin Shipyard. I am sure I am speaking for all sections of opinion in the country when I say that this is a national undertaking. It is not merely a Kerala undertaking. It is a national undertaking and I hope that with the goodwill and support of all persons in the country and parties of all political persuasions, we will see that the Shipyard comes into existence and produces ships of which the country can be proud. Thank you.

SHRI BHUPESH GUPTA (West Bengal):
Sir, I want to bring to your notice a serious matter arising out of the statement in regard to the

श्री विनयकुमार भट्ट लालजी चौहान :
मैं शिपयार्ड के मुतालिक एक क्लैरिफिकेशन
चाहूँ। मंत्री जी जरा ध्यान दें।

मंत्रीजी ने अभी बताया कि हमने
हिन्दुस्तान शिपयार्ड को दूसरे से टेक-ओवर
किया था इसलिये यह हमारा घाटे में चला।
मेरा यह निवेदन है कि टेक-ओवर करने के
बाद भी वर्षों हो गये फिर भी अभी भी घाटे में
चल रहा है। वहां पर मैं भो गया था और
मुझे यह बताया गया कि फारेन एक्सचेंज के
पैसे की कमी की वजह से हम ठीक तरह से
काम नहीं कर पा रहे हैं, हम उसकी कमी पूरी
नहीं कर पा रहे हैं। तो फारेन एक्सचेंज की
कमी है। तो कहीं ऐसा नहीं हो कि हम एक
नया बनाने को जाय और उसके साथ साथ
कहीं उसको भी फारेन एक्सचेंज नहीं मिल पाये
और उसको भी नहीं कर पायें और दो गलतियाँ
हमारी हो जाय। तो मैं जानना चाहूँगा कि
क्या इसकी फारेन एक्सचेंज की व्यवस्था कर
ली है? ऐसा न हो कि न तो हम उसको पूरा
कर सकें और यह भी पूरा नहीं हो सके।

SHRI K. CHANDRASEKHARAN: I may
say a word here, Sir, so that the hon. Minister
can reply to my small point also. It is a
matter of clarification, but I particularly re-
quest this House and the hon. Minister also
not to think that I am in the least suggesting
that the hon. Minister has misled the House
by any wrong information. But at the same
time, I feel it my duty to see that the position
of the Kerala Government is correctly
understood. It was indicated by the hon.
Minister that the land necessary has not been
completely acquired and that some more land
has got to be acquired. May I tell the hon.
Minister that in

1961, the Central Government asked the State Government to 'acquire 99.66 acres of land for this purpose and the socialist-led coalition Ministry of Kerala in office at that time acquired the land necessary as suggested by the Central Government in a record period of five months and took over possession of the entire land in a record period of another one month? Subsequently, the Central Government suggested to the State Government not to acquire more land because the entire scheme was under re-consideration. It was only about a few weeks back that the present Government of Kerala was informed that the matter might be pushed through and that they might take the necessary steps for land acquisition. As soon as that was done, the Government of Kerala has initiated land acquisition proceedings to acquire about 60 acres more. And so long as the present coalition Ministry in Kerala is in office, I can assure the hon. Minister that the land necessary will be acquired and given over on the date the Minister fixes . . .

PROF. V. K. R. V. RAO: The hon Member has asked several questions. I can answer them, but we need not have a big discussion on that. If he wants anything more, we can discuss it. Regarding the first question about the foreign exchange trouble in the H.S.L. shipyard, there were a number of difficulties and they are all outlined in the Public Undertakings Committee Report. Foreign exchange was one of the problems. A number of other difficulties were there. I am sure that we will learn from the experience that we have gathered in the working of the Hindustan Shipyard and we shall see that we do not repeat the mistakes in the working of the Cochin Shipyard. Regarding the other point of the hon. Member here, I thought I had completely dissipated the atmosphere of suspicion. I have not said anything against the Kerala Government. I can assure him that though

I do not have that intimate touch with the Chief Minister of Kerala which the hon. Member has, I am also in touch with the Chief Minister. We had a very long discussion when he was here last time. When the Chief Minister went back, he made a statement in the Kerala Assembly referring to his conversation with me. I have not the slightest doubt on the readiness and the ability of the Kerala Government to get the land that we require. All that I said was that in the preliminaries, this question of land acquisition is also included.

SHRI BHUPESH GUPTA: Now I have to bring to your notice a serious matter. The Chairman was good enough . . .

SHRI V. M. CHORDIA: We can take up the statement on rubber,

SHRI BHUPESH GUPTA: The Chairman was good enough to say 'I want the Finance Minister to examine this question thoroughly and tell us what exactly is the position.' Now, Sir, I am not concerned with the Minister; I am concerned with you now, because the Minister has made a statement which is more shocking than what he said. I will presently show how . . .

THE VICE-CHAIRMAN (SHRI RAM NIWAS MIRDHA): The hon. Member would like some reply from the Government.

SHRI BHUPESH GUPTA: If the Minister is not here, I cannot help it. Today is the last day and I do not know whether he would come . . .

DIWAN CHAMAN LALL (Punjab): Mr. Vice-Chairman, under what procedure is Mr. Bhupesh Gupta getting up to draw your attention to a matter which has been discussed already on the floor of the House?

SHRI BHUPESH GUPTA: No. Mr. Vice-Chairman, may I proceed? . . .

THE VICE-CHAIRMAN (SHRI RAM NIWAS MIRDHA): The position is a number of statements were made today and some Members want clarifications on those statements. We have just finished with one statement. There is another on rubber on which some Members want to have clarifications. So, if you like, we can take that up first and then you can make your submission later on; and if the Minister comes, he can reply.

SHRI BHUPESH GUPTA: The Minister will not come. If the Minister is coming, it is all right.

THE VICE-CHAIRMAN (SHRI RAM NIWAS MIRDHA): I would suggest that we take the questions on rubber first.

3 P.M.

RE STATEMENT ON THE PRICE POLICY FOR INDIGENOUS NATURAL RUBBER

श्री बिमलकुमार मन्ना राजजी खैरड़िया (मध्य प्रदेश) : मैं मंत्री जी से यह पूछना चाहता हूँ—

THE VICE-CHAIRMAN (SHRI RAM NIWAS MIRDHA): I will request Members to please keep note of the fact that the day is fixed for some definite business and that is the business before the House. So that should not suffer unnecessarily.

श्री बिमलकुमार मन्ना राजजी खैरड़िया : पहली बात मंत्री जी से मैं यह जानना चाहूँगा कि क्या यह जो रबर की कीमतें तय की जा रही हैं वे वर्तमान में मार्केट में जो कीमतें चल रही हैं उनसे कम हैं या अधिक हैं? यदि अधिक हैं, तो इस अधिक का परिणाम हमारे जो रबर के प्रोडक्ट्स हैं उनपर न पड़े और रबर के जितने भी प्रोडक्ट्स हैं वे अधिक महंगे न हो जायें इसको रोकने के लिये क्या किया जा रहा है ?

दूसरी बात, यह जो आपने एडवाइस सब्सिडी देने का तय किया—जिसके पास दो हेक्टर से कम जमीन है उसको 175 रु० पर हेक्टर और जिसके पास 2000 से 4000 तक जमीन है उसको 150 रुपये पर हेक्टर देना—तो यह एडवाइस देने का स्कीम को फॉलो कौन करेगा। इनसे जो आब्जेक्ट है : to supplement the efforts of small growers in improving their productive efficiency, उन्होंने इकोशियन्स को बढ़ाया है इसको जांच करने का आपका क्या तरीका है ? क्या इसका विकल्प ऐसा नहीं हो सकता था कि जैसा कि अफोम को पैदावार के लिये होता है कि जो जितना ज्यादा प्रोड्यूस करता है उसको उस हिसाब से सब्सिडी दी जाती थी उसको इनाम दिया जाता था वैसे ही क्या इसमें भी विकल्प नहीं हो सकता था तो इसमें इको-शियन्स देखने का क्या तरीका है ?

SHRI BALACHANDKA MENON (Kerala): The Government of India has accepted the recommendation of Rs. 4,150 per tonne for rubber. Has the Government consulted the Kerala Government and also the producers there? There has been a big agitation that they should at least get about Rs. 6,000 and the Minister of Agriculture of the Kerala Government definitely assured that a fair price would be given. The sum of Rs. 4,150 is something that the producers never expected. Their demand has been for Rs. 6,000. At no time has it gone below this. It was about Rs. 4,000 or Rs. 3,800 that they used to get and this will not help them in any way. Therefore will the Government reconsider before they accept this recommendation and also consult the Kerala Government?

Secondly, regarding the small holdings, a small holding of 2 hectares in rubber is nothing. Will the Government at least accept that such of those plantations which do not come under the Plantation Act will be