

**ESTIMATES COMMITTEE
(1967-68)**

**THIRTY-SECOND REPORT
(FOURTH LOK SABHA)**

**MINISTRY OF TRANSPORT AND SHIPPING
(DEPARTMENT OF TRANSPORT)
MORMUGAO PORT**

**Action taken by Government on the recommendations
contained in the Ninety-second Report of the
Estimates Committee (Third Lok Sabha)
on the erstwhile Ministry of Transport—
Mormugao Port**



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CORRIGENDA

To

Thirty-second Report of the Estimates Committee
(Fourth Lok Sabha) on the Ministry of Transport
and Shipping - Mormugao Port.

.....

Page (v), S.No. 6, for 'Shri Brij Nath Kureel'
read 'Shri Baij Nath Kureel'.

Page 11, Recommendation, S.No. 18, line 1,
for 'taken' read 'take'.

Page 13, Recommendation, S.No. 21, line 4,
for 'sitting' read 'siting'.

Page 25, Recommendation, S.No. 51, line 3,
for 'tht' read 'that'.

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(iii)

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Shri G. D. Sharma—Under Secretary.

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(1967-68)**

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Shri B. B. Tewari—Deputy Secretary
Shri G. D. Sharma—Under Secretary.

INTRODUCTION

I, the Chairman of the Estimates Committee having been authorised by the Committee, present this Thirty-second Report of the Estimates Committee on the action taken by Government on the recommendations contained in the Ninety-second Report of the Estimates Committee (Third Lok Sabha) on the erstwhile Ministry of Transport—Mormugao Port.

2. The Ninety-second Report was presented to the Lok Sabha on the 25th March 1966. Government furnished their replies to the recommendations, as also further information sought on 18 replies, between 12th December, 1966 and 21st November, 1967. All the replies were examined by the Study Group 'F' of the Estimates Committee at their sitting held on the 22nd December 1967. The draft Report was adopted by the Committee on the 27th January, 1968.

3. The Report has been divided into the following chapters:

I. Report.

II. Recommendations which have been accepted by the Government.

III. Recommendations which the Committee do not desire to pursue in view of the Government's reply.

IV. Recommendations in respect of which replies of Government have not been accepted by the Committee.

4. An analysis of the action taken by Government on the recommendations contained in the Ninety-second Report of the Estimates Committee (Third Lok Sabha) is given in the Appendix. It would be observed therefrom that out of 66 recommendations made in the Report, 48 recommendations *i.e.* 72·7 per cent have been accepted by

Government and the Committee do not desire to pursue sixteen recommendations i.e. 24.3 per cent in view of Government's reply. Replies of Government in respect of the remaining two recommendations i.e. 3 per cent have not been accepted by the Committee.

P. VENKATASUBBAIAH,
Chairman,
Estimates Committee.

NEW DELHI;
February, 29, 1968.

Phalguna 10, 1889 (Saka).

CHAPTER I REPORT

Export of Iron Ore through Betul Subsidiary Port

Recommendation S. No. 6, para 17

In para 17 of their Ninety-second Report (Third Lok Sabha) on the Ministry of Transport (Mormugao Port) the Estimates Committee noted that there have been no shipment of iron ore from Betul, which is a subsidiary port of Mormugao situated at a distance of about 25 miles to the South, during 1964-65 due to labour trouble and in 1965-66 (upto December 1965) due to shoaling of the entrance. The Committee regretted that the depths of the entrance to the port should have been allowed to fall so low that barges could not be drafted for loading operations, with the result that export of iron ore amounting to about 1.5 lakhs tonnes which was effected through the port annually during the previous two years, could not be undertaken. The Committee hoped that the port authorities would ensure that in future the port of Betul would be kept open for shipment of ores by proper dredging of the entrance channel.

2. In reply, Government stated that "every effort is made to dredge the entrance. However, it is stated that in the absence of a suitable dredger with the port this is not always possible. Advance action has already been taken to request the State Government to lend their dredger immediately. This is being followed up but the State Government dredger has severe limitations." Government in a subsequent communication stated that "The weather conditions in the fair season of 1966 did not permit the use of the State dredger at Betul as this dredger is not suitable in any kind of swell. The matter will be followed up if the weather in 1967 permits." In reply to a specific query, the Government stated that the quantity of iron ore loaded at the port during 1966-67 was 21,161 tonnes.

3. The Committee had pointed out in the Report that there was no export of iron ore from the subsidiary port of Betul during 1964-65 and 1965-66. They regret to note that even during 1966-67 the shipment of iron ore of 21,161 tonnes through this port was negligible as compared to the corresponding figure of 1.5 lakhs tonnes during the years 1962-63 and 1963-64. The Committee would urge that concerted efforts should be made to ensure that shipments of iron ore through the port are stepped up at least to the level of 1963-64. The Committee need hardly add that after the entrance channel is properly dredged efforts should be made not only to improve upon the record of 1963-64 but also to keep the port open for shipments throughout the year as far as possible.

Rehabilitation of existing Lighthouses

Recommendation S. No. 24, para 47

4. In para 47 of the Report, the Committee had noted that at the time of liberation of Goa, a few of the lighthouses in the Port of Mormugao were not in working condition. The Lighthouses Department in 1962 prepared a scheme for the rehabilitation of the lighthouses at an estimated cost of Rs. 43,250 with a foreign exchange component of Rs. 28,000. The cost was, however, revised on the basis of tenders to Rs. 77,200 inclusive of foreign exchange of Rs. 46,200. The revised estimate was sanctioned in 1965 and an order also placed on the firm for supply of equipment. The equipment was expected to be received by middle of 1966. The Committee deprecated the procedural delays which had not only impeded the speedy rehabilitation of the existing lighthouses but had also resulted in the increase of estimated expenditure from Rs. 43,250 to Rs. 77,200 and an increase in the foreign exchange component from Rs. 28,000 to Rs. 46,000. They hoped that the processes and procedures of working would be streamlined with a view to speedy execution of the scheme.

5. In December 1966, the Government had replied that the Committee's recommendations had been noted for guidance. On a specific enquiry from the Committee in May 1967, whether the existing lighthouses which were expected to be completed in 1966, had since been completed, the Government stated in August, 1967 that:

"On behalf of the Mormugao Port Trust, the Director General of Lighthouses and Lightships had placed an indent on the Directorate General of Supplies and Disposals. It is understood the equipment is likely to be received in 1969."

6. The Committee are concerned to note that the scheme of rehabilitation of existing lighthouses which was taken up as early as 1962 and was to be implemented by 1966, has been delayed by 3 years and will now be implemented by 1969. They fail to understand the circumstances under which the equipment which was originally to be received by middle of 1966 would now be delivered by 1969. The Committee consider that the scheme of rehabilitation of the lighthouses has been dealt with in a leisurely manner from the very beginning. In order that such cases of abnormal delays are eliminated in future, the Committee would like the Government to probe into the matter thoroughly with a view to fix the responsibility for the delays.

CHAPTER II

RECOMMENDATIONS WHICH HAVE BEEN ACCEPTED BY GOVERNMENT

Recommendation (Serial No. 1 Para 4)

The Committee commend the promptness with which the cargo handling operations at Mormugao Port were resumed within two weeks of liberation.

REPLY OF GOVERNMENT

The Committee's observations have been noted.

[Ministry of Transport & Aviation (Transport Wing), O.M. No. 18-PDII(8)/66, dated 12-12-1966].

Recommendation (Serial No. 3, Para 8)

The Committee observe that there is considerable variation in the nomenclature and purposes underlying the constitution of reserves and funds by major ports in the country. The Committee would suggest to Government to review the position in consultation with the Ministry of Finance and the Port Trusts and prescribe the reserves and funds which should be maintained by the major ports for various purposes. The Port Trusts may be authorised, where necessary, to add to the approved list of reserves and funds only with the prior approval of the Ministries of Transport and Finance.

REPLY OF GOVERNMENT

Accepted.

[Ministry of Transport & Shipping (Transport Wing), O.M. No. 18-PDII(8)/66, dated 14-3-1967].

FURTHER INFORMATION CALLED FOR BY THE COMMITTEE

Please indicate what specific action has been taken on the recommendation of the Committee.

[L.S.S. O.M. No. 4/22(1) ECI/66, dated 26-5-67].

FURTHER REPLY OF GOVERNMENT

As already intimated to the Estimates Committee, Government accept this recommendation.

The Bombay Port Trust and Calcutta Port Commissioners had given an undertaking to the I.D.A. authorities while accepting substantial loans for their expansion programmes that the accounts of the Ports would be re-organized in keeping with modern accounting principles and the concept of management accounting. In pursuance of this undertaking, a firm of Consultants was appointed by the Bombay Port Trust to review its accounting procedures and suggest suitable modifications. In Calcutta, the FA & CAO of the Port was appointed as Officer on Special Duty to review the accounts of that port. In addition, the Ministry of Transport and Shipping have appointed an officer of the Indian Audit and Accounts Service as Officer on Special Duty, with headquarter at Bombay, to act as Liaison Officer between the firm of consultants and the Bombay Port Trust on the one hand and the Government of India and the Comptroller and Auditor General of India on the other hand and to take steps to extend the modifications and changes found acceptable for implementation in Bombay to the other major ports.

What is aimed at is the streamlining and unification of the accounting procedure being followed at all the major ports in the country. The above mentioned recommendation of the Estimates Committee was referred to the O. S. D., for examination. He has gone through the practices obtaining at the various ports and has submitted his report. His recommendations are being examined in consultation with the different port authorities and suitable steps would be taken, wherever necessary, to remove the variations in nomenclature and purposes underlining the constitution of various reserve funds, as a part of the measures being taken to revise the accounting procedures at the ports.

[Ministry of Transport & Shipping (Transport Wing), O.M. No. 18-PDII (8)/66, dated 8-11-1967].

Recommendation (Serial No. 5, Para 16)

Although the Mormugao Port has the capacity for handling about 2.40 lakh tons of bagged wheat, rice or fertilizers annually, it actually handled much less cargo of this type during the years 1964 and 1965. The Committee regret that in spite of the persistent congestion at the Bombay Port, no serious effort appears to have been made by Government so far to divert the cargo from Bombay

to Mormugao Port. The Committee cannot over-emphasise the need to utilise the facilities and capacities available at all the ports to handle foodgrains and fertilizers which would be required to be imported in the country in larger quantities in the coming months. In their opinion, it is necessary that an overall integrated plan for the handling of foodgrains and fertilizers for the whole country should be prepared taking into account the requirements of the various regions, port capacity and rail/road transport, facilities. The movement of ships from ports of embarkation should be arranged according to the overall plan.

The Committee would suggest that in the context of the integrated plan, the facilities for handling of foodgrains and fertilizers at Mormugao should be properly geared up so as to serve adequately the requirements of the regions and to relieve congestion of traffic in Bombay.

REPLY OF GOVERNMENT

The Port of Mormugao at present can contribute very little to relieving the congestion in the Bombay Port that arises from the bunched arrivals of foodgrains tankers. Such tankers cannot be accommodated here because of their excessive length, draft and pumping capacity and the inability of this port to take pumped foodgrains. Nevertheless the Port is now handling increased and increasing quantities of fertilizers diverted from Bombay.

[Ministry of Transport & Aviation (Transport Wing), O.M. No. 18-PDII(8)/66, dated 12-12-1966].

FURTHER INFORMATION CALLED FOR BY THE COMMITTEE

Please indicate what action has been taken on the recommendations of the Committee that "It is necessary that an overall integrated plan for the handling of foodgrains and fertilizers for the whole country should be prepared taking into account the requirements of the various regions, port capacity and rail/road transport facilities."

[L.S.S. O.M. No. 4/22(1) EC1/66, dated 26-5-67].

FURTHER REPLY OF GOVERNMENT

A target for grain handling for the Major Ports as a whole was worked out during 1964-65 on an assessment made of the capacities of the Indian Port by Mr. Howard Maroden and a group of U.S. experts who visited Indian Ports at the time. Subsequently, however, the grain handling requirements increased from the second

quarter of 1966 in view of the un-precedented heavy imports which became necessary during last year. A handling target was therefore made following an assessment by a U.S. Expert team headed by Mr. Eskildson in January 1966. Since then fertilizer imports have increased considerably and it therefore became necessary to revise the target for the handling of both foodgrains and fertilizers. An integrated plan for the handling of foodgrains and fertilizers, at the various major ports has since been made by the Ministry of Food and Agriculture (Department of Food), under which a revised target as from December 1966 has been laid down.

According to this target the Port of Mormugao is expected to handle 20,000 tonnes a month of both foodgrains and fertilizers. As against a tonnage of 53,000 of foodgrains and fertilizers handled during 1965-66 a quantity of 154,360 tonnes was handled during 1966-67.

[Ministry of Transport & Shipping (Transport Wing), O.M. No. 18-PDII(8)/66, dated 24-8-1967].

Recommendation (Serial No. 8, Para 19)

The Committee cannot help regretting that the number of "ship-days waiting" has increased from 442 in 1962-63 to 2682 in 1964-65 representing an increase of over 500 per cent, whereas the increase in the total number of ships handled at the port has been no more than 18 percent. The Committee feel that this heavy increase in detention of ships should have attracted some remedial measures by the port authorities. As detention to ships adversely affects the freight rate, which is the key economic factor in the export of ores, the Committee suggest that the port authorities should spare no efforts to reduce the period of detention and speed up the turn-round of ships.

REPLY OF GOVERNMENT

The high detention in 1964-65 was due to a 2½ month long strike in the harbour. Normal detentions are not due to the Port Authorities but to the inability of shippers to load two or more ships concurrently. The position has now improved considerably with the acquisition of several more barges by the shippers.

[Ministry of Transport & Aviation (Transport Wing), O.M. No. 18-PDIP(8)/66, dated 12-12-1966].

FURTHER INFORMATION CALLED FOR BY THE COMMITTEE

Please indicate the number of 'ship-days waiting' at the Port during the years 1965-66 and 1966-67 and the number of ships involved.

[L.S.S. O.M. No. 4/22(1) ECI/66, dated 26-5-67]

FURTHER REPLY OF THE GOVERNMENT

Year	Total No. Ships.	No. of Ships awaiting more than 24 hours	No. of ships days waiting
1965-66	834	349	1539
1966-67	780	251	923

[Ministry of Transport & Shipping (Transport Wing), O.M. No. 18-PDII(8)/66, dated 24-8-1967].

Recommendation (Serial No. 9 Para 20)

The Committee would like the Port Trust authorities to take necessary preventive measures so that accidents to vessels do not recur.

REPLY OF GOVERNMENT

Every effort is being and will be made to this end.
[Ministry of Transport & Aviation (Transport Wing), O.M. No. 18-PDII(8)/66, dated 12-12-1966].

Recommendation (Serial No. 10 Para 21)

The Committee hoped that early action would be taken to clear the wreck of the sunken ship in the harbour as this may produce serious obstruction in the operation of the port.

REPLY OF GOVERNMENT

This work has been included in the dredging project for which tenders are shortly to be invited.

[Ministry of Transport & Aviation (Transport Wing), O.M. No. 18-PDI(8)/66, dated 12-12-1966].

FURTHER INFORMATION CALLED FOR BY THE COMMITTEE

Please indicate the latest position regarding clearance of the wreck of the Sunken ship.

[L.S.S. O.M. No. 4/22(1) ECI/66, dated 26-5-1967].

REPLY OF GOVERNMENT

This work is included in the dredging project for which tenders are expected to be issued in the near future after a decision on the Mormugao Port development project has been taken.

[Ministry of Transport and Shipping (Transport Wing), O.M. No. 18-PDII(8)/66, dated 24-8-1967].

Recommendation (Serial No. 12, Para 25)

The Committee cannot help regretting that detailed investigations were not made by the port authorities/Government before fixing the targets for handling of export and import cargoes which were to serve as the basis for the drawing up of the Master Plan by the Consultants, M/s Rendel, Palmer & Tritton. The Committee hope that the assessment of the prospective export and import trade of the port will be made in the light of the industrial and agricultural development programme for Goa. The Committee also hope that the port authorities and Government would ensure that detailed projections of exports and imports to be handled at the port during next 10—15 years at least would be given as early as possible to the new firm, M/s Howe India Limited so that detailed planning and designing by this firm is done on realistic basis.

REPLY OF GOVERNMENT

A fresh appraisal of the future trade prospects has been carefully made and this will form the basis of the project report for the development of Mormugao Port which is currently under preparation.

[Ministry of Transport & Aviation (Transport Wing), O.M. No. 18-PDIP(8)/66, dated 12-12-1966].

Recommendation (Serial No. 13 Para 26)

The Committee consider that as the Master Plan for the development of Mormugao Port is a matter of far-reaching importance to the economy and future development of Goa, Government should have taken steps to suitably consult representative associations/bodies of trade, industry, shippers, users etc., who are vitally con-

cerned with the development of the port. The Committee would, therefore, suggest that the salient features of the Master Plan may be suitably publicised amongst all concerned so as to elicit their suggestions.

REPLY OF GOVERNMENT

The interests vitally concerned with the development of Mormugao Port have been suitably consulted through their representatives serving on the Board of Trustees, and the representatives of the ore mining and exporting interests as 95% of the Port's trade consists of the export of ores. In addition, general cargo interests in the hinter-land have been consulted.

[Ministry of Transport & Shipping (Transport Wing), O.M. No. 18-PDII(8)/66, dated 12-12-1966].

Recommendation (Serial No. 14, Para 32)

The Committee are unable to appreciate as to how the estimated expenditure on Stage I has been increased from Rs. 20—24 crores to Rs. 29 crores representing an increase of 21%. They further consider that the estimated surplus of Rs. 190 lakhs i.e. 6.8% would hardly be sufficient to meet the interest on the capital. The Committee, therefore, urge that earnest efforts should be made by the port authorities to bring down the estimated capital expenditure on Stage I of the Master Plan so as to be able to earn a reasonable return on the heavy investments.

The Committee would also like Government to be reminded that the heavy capital investment is sure to result in unduly increasing the port handling charges which would adversely affect the competitive position of the Mormugao Port in respect of export of ore.

REPLY OF GOVERNMENT

The figure of 29 crores includes the value of assets of the Port taken over after Liberation and also certain other smaller Capital works not part of the main Capital Project which have been carried out or are expected to be carried out in the near future, apart from the main Project work. The estimate of 24 crores for the Project work was a very preliminary estimate prepared in 1963. The whole project estimate is now under review and is expected to be finalised very shortly. The need to keep the Capital expenditure and the handling charges to the minimum is being kept in view so as to

ensure the competitive position of the Mormugao Port in respect of the export of Iron Ore.

[Ministry of Transport & Aviation (Transport Wing), O.M. No. 18-PDII(8)/66, dated the 12-12-1966].

FURTHER INFORMATION CALLED FOR BY THE COMMITTEE

It has been stated that "the whole project estimate is now under review and is expected to be finalised shortly." Please indicate the latest position in this regard.

[L.S.S. O.M. No. 4/22(1) ECI/66, dated 26-5-67].

FURTHER REPLY OF THE GOVERNMENT

The Project Estimate has been reviewed and the estimated cost of the works under the Project in accordance with this review is now Rs. 2728.35 lakhs out of which the amount required for the ore handling facilities is estimated to cost Rs. 2422.48 lakhs and the remaining amount is required for improvements and other additional facilities. A project report has been prepared by the Mormugao Port Trust on this basis. The project report is under consideration.

[Ministry of Transport & Shipping (Transport Wing), O.M. No. 18-PDI²(8)/66, dated 24-8-1967].

Recommendation (Serial No. 16, Para 35)

The Committee hope that Government would ensure that precise and firm requirements for which developmental planning is to be undertaken at Mormugao would be indicated to the new Consultants before long and that a phased programme with specified dates of completion would be drawn up and implemented.

REPLY OF GOVERNMENT

Precise and firm requirements were indicated to the Consultants. The requirements of the plant for handling quantities and grades of ore in accordance with set targets of exports from Goa were also prescribed.

[Ministry of Transport & Aviation (Transport Wing), O.M. No. 18-PDII(8)/66, dated 12-12-1966].

Recommendation (Serial No. 17, Para 35)

The Committee would like the Consultants to be given a specific instruction to ensure that as much of the equipment as possible for implementing the development programme should be procured from within the country. The Consultants may also be asked to draw up an interim report indicating the inescapable requirements for import of foreign equipment and machinery so that Government may initiate action, without loss of time, to arrange for external assistance. Experience in the case of Calcutta and Bombay ports has shown that securing of such assistance is a time consuming process which can seriously impede execution of development works.

REPLY OF GOVERNMENT

The Committee's observations have been noted. The Consultants were specifically instructed to prepare the designs of the plant and equipment in such a way as to make maximum use of indigenous potential and to reduce imports to the minimum.

[Ministry of Transport & Aviation (Transport Wing), O.M. No. 18-PDII (8)/66, dated 12-12-1966].

FURTHER INFORMATION CALLED FOR BY THE COMMITTEE

Please indicate whether the Consultants have been asked to draw up an interim report indicating the inescapable requirements for import of foreign equipment and machinery.

[L.S.S. O.M. No. 4/22 (1) ECI/66, dated 26-5-67].

FURTHER REPLY OF THE GOVERNMENT

The Consultants had been asked to consider the use of as much equipment from India as possible. Their report accordingly took this aspect into account. On this basis, the foreign exchange requirements work out to Rs. 684 lakhs.

[Ministry of Transport & Shipping (Transport Wing), O.M. No. 18-PDII (8)/66, dated 24-8-1967].

Recommendation (Serial No. 18 Para 38)

The Committee would suggest that authorities should taken an early decision in consultation with the Geological Survey of India and the consultants to select quarries to get stones for extending port facilities.

REPLY OF GOVERNMENT

The Geological Survey of India have indicated a number of quarries of which the ones at Bogmollo and Sancoale are considered suitable. Necessary action is in hand to acquire the quarry areas.

[Ministry of Transport & Aviation (Transport Wing), O.M. No. 18-PDII(8)/66, dated the 12-12-1966].

Recommendation (Serial No. 20, Para 41)

The Committee consider that the Ministry of Transport, which has a full fledged technical section under the Development Adviser (Ports) should have taken positive steps, in conjunction with the Port Trusts, to bring about establishment of an inter-port technical consultancy service by now. Besides the function enumerated in para 40 above, the consultancy service may also help in standardising equipment and harbour craft used in the ports which would result in considerable economy not only in the initial costs of manufacture but also in repair charges later on. The Committee hope that effective action would be taken to establish such a consultancy service in the country for the Fourth Plan; this should not be too difficult as the ports as well as Government have by now extensive experience in the development of ports.

REPLY OF GOVERNMENT

A Sub-Committee comprising engineers from various ports has been set up to examine the question of standardisation of different items of port equipment. This Sub-Committee has finalised its recommendations in respect of cargo handling equipment and locomotives. It is currently engaged in the finalisation of its recommendations pertaining to floating craft. By such standardisation, it is hoped to facilitate indigenous production to a greater extent than hitherto.

The Committee's recommendation for setting up a consultancy service in India has been noted for consideration and necessary action.

[Ministry of Transport & Aviation (Transport Wing), O.M. No. 18-PDII(8)/66, dated 12-12-1966].

FURTHER INFORMATION CALLED FOR BY THE COMMITTEE

Please indicate what positive steps have been taken or are proposed to be taken for the setting up of a Consultancy Service.

[L.S.S. O.M. No. 4/22(1) ECI/66, dated 26-5-67].

FURTHER REPLY OF THE GOVERNMENT

A Ports Consultative Organisation has been set up under the Societies' Registration Act, 1860. The main objective of this organisation is to provide technical consultancy service for port authorities in connection with the preparation of projects, designs, drawings, specifications for equipment, to undertake and promote engineering, economic and statistical studies and research into matters affecting the port and harbour industry and to render other allied services.

[Ministry of Transport & Shipping (Transport Wing), O.M. No. 18-PDII(8)/66, dated 22-11-1967].

Recommendation (Serial No. 21, Para 43)

The Committee appreciate the importance and the claims of both the civil port and the naval base for location on the Goa coast due to strategic reasons. They would, however, urge that the location and sitting of these two should be decided in such a manner as will not adversely affect the free and uninhibited development of either of these in the years to come. Goa has vast potentialities of industrial and agricultural development, including exploitation and export of iron ore, setting up of a fertiliser factory, possibilities of the location of a refinery and the development of small scale industries; with these there will be a consequent rise in the standard of living of the people. All these would mean vast increase in the traffic to be handled through the commercial port of Mormugao.

Similarly, with the expansion of the Indian Navy in the near future, the naval base at Mormugao would also be required to be developed and expanded.

The Committee apprehend that the paucity of land at Mormugao may affect the expansion of both the commercial port and the naval base unless a long-term view of their requirements is taken at this stage. The Committee recommend keeping in view the overall national interest that the question of locating the port and the naval base at Mormugao may be carefully examined by a high-powered technical committee which should take into consideration the future needs of expansion of both the port and the naval base.

REPLY OF GOVERNMENT

The recommendation is accepted.

[Ministry of Transport & Shipping (Transport Wing), O.M. No. 18-PDII(8)/66, dated 14-3-1967].

FURTHER INFORMATION CALLED FOR BY THE COMMITTEE

Please indicate what positive steps have been taken to set up a high powered technical committee to examine the question of location of the port and the naval base at Mormugao.

[L.S.S. O.M. No. 4/22(1) ECI/66, dated 26-5-67].

FURTHER REPLY OF THE GOVERNMENT

It has already been decided in consultation with all concerned to locate the civil as well as the naval harbour in juxtaposition in the Vasco Bay.

[Ministry of Transport & Shipping (Transport Wing), O.M. No. 18-PDII(8)/66, dated 24-8-1967].

Recommendation (Serial No. 23, Para 47)

The Committee regret to note that night navigation scheme which was first drawn up in 1963 could not be forwarded to Government earlier than January 1965; and that it has not yet been approved by Government. They consider that the foreign exchange difficulty should not be allowed to come in the way of implementation of the night navigation scheme as the absence of such facilities is bound to result in payment of heavy detention charges in foreign countries to ships. The Committee would urge that all efforts to find requisite foreign exchange should be made so that the scheme which is vital to improve the operational efficiency of the port is executed at the earliest.

REPLY OF GOVERNMENT

The provision of night navigational facilities has been included in the Project Report on the development of the Port for which World Bank assistance is proposed to be sought.

[Ministry of Transport & Aviation (Transport Wing), O.M. No. 18-PDII(8)/66, dated 12-12-1966].

Recommendation (Serial No. 25, Para 48)

The Committee are glad at the advance action taken by the Port Administration for training their staff for maintaining night navigation equipment. They, however, would like to observe that adequate number of persons should be imparted training in the repair and maintenance of night navigation equipment so that when it is decided in due course to develop workshop facilities in the port itself, the number of trained staff is not found inadequate for this purpose.

REPLY OF GOVERNMENT

The need to have adequately trained staff in sufficient numbers is being kept in view.

[Ministry of Transport & Aviation (Transport Wing), O.M. No. 18-PDII(8)/66, dated 12-12-1966].

Recommendation (Serial No. 26, Para 58)

It is well known that Zuari and Mandovi are the most important rivers of Goa through which about 90 per cent of Goan exports of iron ore are carried from the jetty loading points to the mouth of Mormugao Port in self-propelled barges. Similarly, the Cumbarjua Canal provides a vital inter-communication link between the Mandovi and Zuari rivers during the monsoon months. Since the export of iron ore is the backbone of the economy of Goa, the Committee consider it very important that the navigability of these water-ways is maintained at its best by adequate and constant dredging. This would enable the barges to complete the round trip in 24 hours instead of 36 hours as at present and would result in their optimum utilisation, increase in the tonnage of ore transported from the mines to the port and consequential reduction in transportation charges.

REPLY OF GOVERNMENT

In essence, the problems confronting maintenance of the water-ways are three-fold viz:

- (i) Keeping Mandovi and Zuari rivers navigable in spite of siltation occurring therein;
- (ii) Improving and maintaining adequate depths in Cumbarjua Canal so as to make it navigable throughout the year;
- (iii) Enabling the use of larger barges with resulting economies in transportation costs.

The first requirement for embarking on any development works on the I.W.T. net-work is precise knowledge of the depths in the water-ways and their siltation behaviour. Although the two rivers and their tributaries have been in usage for a number of years, there has hardly been any survey of the waters. The State Government who have jurisdiction over these water-ways are planning to carry out a comprehensive survey. As it will take them some time to set up the requisite organisation with personnel and equipment, as an immediate measure it is proposed to employ one unit of the Central Survey Launch Pool during 1967-68 to carry out soundings in the lower reaches of the Mandovi River and the full length of the Cumbarjua Canal. Once, the two rivers and Cumbarjua Canal are properly charted, a planned programme of deepening and widening the navigable stretches will be taken in hand.

2. On account of the silting of the Mandovi and Zuari rivers and Cumbarjua Canal over a period and consequent inadequate depth of the water-ways, it is proposed to acquire capital equipments like one 12" cutter suction dredger with necessary pipelines, hopper barges and tugs at an estimated cost of Rs. 29 lakhs. Necessary provision for this amount has been made in the draft Fourth Plan of the State Government.

3. The Cumbarjua Canal connects the Mandovi and Zuari rivers and facilitates the movement of barges from the former river along a sheltered route to Mormugao Port, without having to negotiate through Aguada Bay during monsoon months. The difficulties in using this canal are that it is shallow and narrow at places and is navigable only by barges of limited size and also much time is lost on account of having to wait for the high tide. For improving the navigability of this canal by widening and deepening, a provision of Rs. 20 lakhs has been made by the State Government in the Fourth Plan. The intention is to make it navigable by the existing loaded vessels at all stages of the tides.

4. Although the maintenance of inland water-ways is the formal responsibility of the State Government, dredging is a specialised business; and as the Mormugao Port Trust commands the necessary expertise and personnel availability to undertake this work, it is proposed that the conservancy of the Cumbarjua Canal be entrusted to the Port Administration on an Agency basis. Accordingly, the Port Trust proposes to acquire a Canal Dredger with ancillary equipment

including pipe-lines and barges, as part of its port development project.

[Ministry of Transport & Shipping (Transport Wing), O.M. No. 18-PDII(8)/66, dated 3-7-1967].

Recommendation (Serial No. 27, Para 58)

The Committee find that although the question of extending the jurisdiction of the port to the barge loading points was referred to the Goa Administration in 1963, no decision appears to have been taken in the matter so far.

The Committee apprehend that the dredging of the inland waterways and the widening and deepening of the Cumbarjua Canal may not be within the technical and financial competence of the Goa Administration. They, therefore, recommended that the desirability of extending the jurisdiction of the port over the inland waterways up to jetty loading points and the Cumbarjua Canal, may be examined by the Central Government in consultation with the Port Trust and Goa Administration at an early date.

REPLY OF GOVERNMENT

Please see reply to recommendation No. 26.

[Ministry of Transport & Shipping (Transport Wing), O.M. No. 18-PDII(8)/66, dated 3-7-1967].

Recommendation (Serial No. 30, Para 67)

The Committee regret to note that dredger s.d. Governador which remained under repairs in Bombay from 21st January, 1964 to 9th May, 1964 (para 71) had again to remain inoperative for another 16 months (till September 1965) due to repairs carried out departmentally. The Committee are not happy that s.d. Governador should have been allowed to remain inoperative for a period of nearly 20 months. They would like the port authorities to investigate the matter with a view to take suitable remedial measures to avoid recurrence of such delays in future.

REPLY OF GOVERNMENT

Steps are being taken to ensure that the delays in completing the repairs to the dredger Governador will not recur. It is however submitted that the dredger is 58 years old and repairs involve unusually careful and therefore slow operations.

[Ministry of Transport & Aviation (Transport Wing), O.M. No. 18-PDII(8)/66, dated 12-12-1966].

Recommendation (Serial No. 31, Para 69)

The Committee welcome the declining trends in the unit cost of dredging from year to year. They hope that the dredgers would be utilised to their optimum capacity and careful watch would be kept on the cost of dredging with a view to reduce it further.

REPLY OF GOVERNMENT

A careful watch is being maintained so as to reduce unit costs to the minimum.

[Ministry of Transport & Shipping (Transport Wing), O.M. No. 18-PDII(8)/66, dated 12-12-1966].

Recommendation (Serial No. 35, Para 73)

The Committee note that a phased programme for remodelling and increasing the workshop facilities has been drawn up by the Port authorities for implementation during the Fourth Plan period. The Committee have no doubt that care would be taken to see that the expansion programme of the workshop fits in with the larger requirements envisaged in the Master Plan.

REPLY OF GOVERNMENT

The Committee's observations are being kept in view in planning the expansion programme of the workshop facilities.

[Ministry of Transport & Aviation (Transport Wing), O.M. No. 18-PDII(8)/66, dated 12-12-1966].

Recommendation (Serial No. 36, Para 74)

The Committee suggest that early decision should be taken on the provision of dry dock/slip-way facilities at Mormugao Port, keeping in view the repair requirements of marine craft and already available dry docking facilities in the neighbouring ports on the western coast.

REPLY OF GOVERNMENT

The Committee's recommendation is being kept in view in the preparation of the project report for the development of Mormugao Port.

[Ministry of Transport & Shipping (Transport Wing), O.M. No. 18-PDII(8)/66, dated 12-12-1966].

Recommendation (Serial No. 37, Para 76)

The Committee note that the tug requirements of the Port of Mormugao are at present estimated to be two tugs of 1200 H.P. and a few small tugs to tow the water barges, etc. The Committee would like Government to review the position comprehensively regarding manufacture of tugs within the country so that as far as possible the requirements are met from indigenous sources. Effective measures should also be taken simultaneously to bring down the cost of indigenous tugs so that it is comparable with those manufactured in foreign countries.

REPLY OF GOVERNMENT

As already stated in reply to the recommendation at S. No. 20 in Appendix XI of the Estimates Committee's 92nd report, the Standardisation Sub-Committee of port engineers drawn from the various ports is currently engaged in the study relating to the standardisation of floating craft at the various major ports. By such standardisation, it is hoped to facilitate indigenous production to a greater extent than hitherto.

[Ministry of Transport & Aviation (Transport Wing), O.M. No. 18-PDII(8)/66, dated 12-12-1966].

Recommendation (Serial No. 39, Para 78)

The Committee realise that with the proposed development of the Port and particularly in view of the necessity and possibility of the extension of its jurisdiction over the inland water-ways, the hydrographic survey section will be called upon to undertake study of larger number of problems in the coming years, including the inland water-ways which, the Committee expect will also come under the jurisdiction of the Port authorities. They, therefore, suggest that the scope of the Survey Section should be expanded gradually to enable it to face the additional responsibilities ahead. The Committee also stress the need for close liaison between Hydrographic Survey Section of the Port and the Central Water and Power Research Station, Poona, so that the former is helped to develop on more scientific lines.

REPLY OF GOVERNMENT

The Survey Section will be expanded to meet the needs of the situation, after a decision on the jurisdiction over the water-ways has been taken.

[Ministry of Transport & Aviation (Transport Wing), O.M. No. 18-PDII(8)/66, dated 12-12-1966].

Recommendation (Serial No. 40 Para 81)

The Committee are glad to note that exports of ferro manganese ore and manganese ore have risen from 1,23,480 and 17,120 tonnes (in 1963-64) to 1,70,924 and 42,906 tonnes (in 1964-65) respectively and they suggest that sustained efforts should be made to step up these exports.

REPLY OF GOVERNMENT

So far as the Port is concerned, every facility that the expansion of the trade warrants is being provided.

[Ministry of Transport & Aviation (Transport Wing), O.M. No. 18-PDII(8)/66, dated 12-12-1966].

Recommendation (Serial No. 41 Para 86)

The Committee would like the capacity of the existing ore handling plant to be increased to the optimum level by providing necessary components and equipments, keeping in view the investment and its effect on ore handling charges and the ultimate use to which this iron ore handling plant would be put, after the installation of the bigger ore handling plant.

REPLY OF GOVERNMENT

The plant is owned by M/s Chowgule & Company and any proposal for improving the plant's capacity will necessarily have to be made by the owners. They have recently introduced improvements which have raised its capacity by about 20%. The question of utilising this plant after the new plant proposed to be installed at Mormugao Port has gone into operation is under consideration.

[Ministry of Transport & Aviation (Transport Wing), O.M. No. 18-PDII(8)/66, dated 12-12-1966].

FURTHER INFORMATION CALLED FOR BY THE COMMITTEE

It has been stated that "The question of utilising this plant after the new plant proposed to be installed at Mormugao Port has gone into operation is under consideration." Please indicate the latest position in this regard.

[L.S.S. O.M. No. 4/22(1)ECI/66, dated 26-5-1967]

FURTHER REPLY OF THE GOVERNMENT

The manganese ore traffic at this Port which has developed of late is expected to increase substantially in the coming years to 5.5 lakhs tons in 1971-72 and 7 lakhs tons in 1975-76.

As a result of the economic appraisal of the project, it has been assessed that after the commissioning of the proposed new iron ore facilities, the existing low rated plant at berth No. 6 will gradually become redundant to its original use. The Plant could thereafter be used for the handling of the growing manganese ore traffic. It is expected that with an average loading rate of 5000 tons per day, it would be possible to load a 15,000 tonner within about 4 days as against the present turn round time of about 10 days. The net saving may be of the order of Rs. 6 per ton which would increase the competitiveness of the Indian manganese ore in the world market. This suggestion has been included in the final Project Report for the proposed development of Mormugao Port which is now under consideration.

[Ministry of Transport & Shipping (Transport Wing), O.M. No. 18-PDIP(8)/66, dated 24-8-1967].

Recommendation (Serial No. 42 Para 88)

The Committee understand that Australia, which is one of our major competitors for export of iron ore to Japan, is developing facilities for mechanical ore handling at a rapid rate, particularly in Western Australia. If India is to maintain its position in the export market, particularly in regard to Japan, it is imperative that no time is lost in modernising the port facilities for handling of iron ore and in installing mechanised ore handling plants as required. The Committee consider that as the rate for loading ore and the port dues play an important part in determining the competitive price of the ore, every care should be taken to see that the design of the new iron ore handling plant at Mormugao is such that it ensures utmost economy and efficiency in operation. This should not be difficult as Government have by now the experience of working of a number of ore handling plants at Visakhapatnam, Paradeep and Madras. The Government should also ensure that the new ore handling plant is installed without any avoidable delay so that timely facilities are available for achieving the targetted export of 10 million tonnes of ores by 1970.

REPLY OF GOVERNMENT

The Committee's recommendations have been noted for compliance. Necessary steps are being taken for early installation of the mechanical ore handling facilities capable of meeting the requirements of the export target by 1970 or as soon thereafter as possible.

[Ministry of Transport & Aviation (Transport Wing), O.M. No. 18-PDIP(8)/66, dated 12-12-1966].

Recommendation (Serial No. 43, Para 92)

The Committee note that one of the main reasons for Mormugao Port leading other Ports in India in the export of ores hitherto, has been its competitive rate for ore handling. Now that the export target of 10 million tons of ore has been fixed for Mormugao in the next Plan period, the Committee would like the Government to ensure that the competitive nature of the handling charges at this port is not adversely affected by the developmental expenditure. The Committee see no reason why it should not be possible to achieve comparable economy in transport and handling charges of ore at Mormugao specially when the lead from the mines to the Port is less than 100 kilometres and the Port is so well served by inland waterways.

REPLY OF GOVERNMENT

The competitive nature of the handling charges at this Port is not likely to be adversely affected by the developmental expenditure. Even after expenditure on the contemplated scale has been incurred, the ore handling charges are expected to be the lowest in India.

[Ministry of Transport & Aviation (Transport Wing), O.M. No. 18-PDIP(8)/66, dated 12-12-1966].

Recommendation (Serial No. 45 Para 93)

The Committee hope that the design studies regarding the location of the ore stacking area would be completed expeditiously by the Consultants keeping in view the technological advances made in the mechanical handling of iron ore and the arrangements made for the efficient handling of iron ore in other principal iron ore exporting countries viz. Africa, South America and Australia so as to achieve maximum economy in the cost of handling consistent with optimum loading.

REPLY OF GOVERNMENT

The design study has taken into consideration the above mentioned aspects and has been completed.

[Ministry of Transport & Aviation (Transport Wing), O.M. No. 18-PDI³(8)/66, dated 12-12-1966].

Recommendation (Serial No. 46, Para 98)

As the working of cranes is of crucial importance in ensuring quick handling of goods and turn-round of ships, the Committee cannot too strongly stress the need for maintaining them in efficient working condition. They are glad to note that action has already been initiated by the port authorities to improve the crane maintenance facilities by expanding and modernising the workshop facilities.

The Committee note that plans have been drawn up for replacement of old cranes and for installation of some new cranes. Government are, however, finding it difficult to meet their crantage requirements from indigenous sources at reasonable competitive rates. The price quoted by M/s Jessop & Company for four 3-ton electric cranes is Rs. 20.60 lakhs with an escalation clause against Rs. 13.40 lakhs of firm quotation by a Hungarian firm (i.e., about 54 per cent lower than Jessops). Further the period of delivery given by Jessop & Company is also much longer, being 20-24 months against 12-15 months quoted by the foreign firm. While the Committee desire the country to become self-sufficient in the manufacture of cranes and other related equipment, they would like to sound a note of caution that self reliance should not mean indigenous manufacture at uneconomic prices. The Committee recommend that Government should devise effective measures to reduce the costs of indigenous manufacture of cranes so as to make them comparable with imported ones. For this purpose a comprehensive review of the available manufacturing capacity within the country may be made by Government and a phased programme drawn up for the manufacture of cranes at competitive rates and with reasonable delivery periods.

REPLY OF GOVERNMENT

As already stated, the question of standardisation of port equipment and floating craft is under the consideration of a Sub-Committee of engineers drawn from different ports. As soon as this work is completed, the question of manufacturing the required equipment including cranes indigenously at competitive prices and with reasona-

ble delivery periods will be referred to the Directorate General of Technical Development.

[Ministry of Transport & Aviation (Transport Wing), O.M. No. 18-PDIF(8)/66, dated 12-12-1966].

Recommendation (Serial No. 48, Para 102)

The Committee are glad to note that the Railways have been able to handle the increased movement of iron ore to Mormugao Port from 2.6 lakh tons in 1963 to over 5 lakh tons in 1965 (upto November).

REPLY OF GOVERNMENT

The observations of the Committee are noted.

[Ministry of Transport & Aviation (Transport Wing), O.M. No. 18-PDIF(8)/66, dated 12-12-1966].

Recommendation (Serial No. 49, Para 103)

The Committee have no doubt that the traffic survey being carried out by the Railways, would fully take into account the quantum of ore which is to be carried by rail to Mormugao Port to achieve the estimated export target of 10 million tons by 1970. The Committee would urge early completion of the survey report so that timely decisions can be taken and implemented to increase the rail capacity to Mormugao commensurate with the export requirements.

REPLY OF GOVERNMENT

The survey has since been completed.

[Ministry of Transport & Shipping (Transport Wing), O.M. No. 18-PDII(8)/66, dated 3-7-1967].

Recommendation (Serial No. 50, Para 104)

The Committee consider that efficient road link between mine pit-head and loading jetty points is imperative for quick transport of ore to the Port. The Committee note that according to the National Council of Applied Economic Research the vehicles can carry 30 per cent more traffic if the roads are maintained in a proper condition. The Committee feel that as the Government have been collecting a tax of 50 paise per ton on the ore for the last eight years, they should have developed the roads by utilising the tax collected.

The Committee would suggest that a detailed plan for improving the road link between the iron ore mines and the loading jetty points may be expeditiously drawn up by Government in consultation with the users keeping in view the export target from the port and implemented at an early date.

REPLY OF GOVERNMENT

Most of the roads under the jurisdiction of Goa P.W.D. have been already improved by black-topping their pavement and work on the following roads in the mining areas will be continued:

- (i) Carapur-Cotti;
- (ii) Bicholim-Maeem;
- (iii) Usgao-Gangem;
- (iv) Bicholim-Piligao;
- (v) Sanguem-Netorlim;
- (vi) Quepem-Ambaulim;
- (vii) Sanguem-Kalem; and
- (viii) Balli-Fatorpa.

Work on the following two new roads will also be taken up:

- (i) Sanquelim-Gauntona-Pale;
- (ii) Usgao-Valpoi road—Section between Gangem-Damocem.

[Ministry of Transport & Shipping (Transport Wing), O.M. No. 18-PDII(8)/66, dated 15-11-1967].

Recommendation (Serial No. 51, Para 105)

The Committee regret to note that sufficient attention has not been given to the proper maintenance of the approach road to the port. They would urge that the question of widening and realigning the road should be taken up with Goa Administration on priority basis.

In view of the fact that this road largely feeds the traffic to the port, the Committee would also emphasise that the question of taking over the road from Goa Administration should be finalised expeditiously so that it may not remain in a state of disrepair due to uncertainty on this account. The Committee feel that due to paucity of funds with Goa Administration and in view of the fact that this road is mostly used for port traffic, it may be desirable for the port to take it over.

REPLY OF GOVERNMENT

As desired by the Committee, the matter was taken up with the Goa Administration who have indicated that, as the approach road in question largely feeds the traffic to the port, it would be desirable if the road is declared as part of the National Highway System. In order to consider this proposal, the Goa Administration have been asked to furnish some essential technical data which are awaited. Due consideration will be given to this proposal in the light of the available funds and *inter se* priorities. A final decision can, however, be taken only after the Plan allocations for the Fourth Five Year Plan have been finalised.

[Ministry of Transport & Shipping (Transport Wing), O.M. No. 18-PDH(8)/66, dated 8-11-1967].

Recommendation (Serial No. 52 Para 106)

It is obvious that with the increased utilisation of the existing equipment, installation of new cranes and the execution of the development schemes, the power requirements of the port will increase considerably. These are estimated to be about 12 to 15. m.w. The Committee are greatly concerned at the uncertainty which still prevails regarding the supply of power to Mormugao Port. Since power would be necessary for the operation of additional electric cranes and the new ore handling plant proposed to be installed at the port, it is imperative that adequate supply of power from Sharavati or the Southern Zone Grid should be assured to the port in time.

To enable the port authorities to make necessary arrangements for taking bulk power, it is necessary that final commitments regarding the quantum of power and the dates of supply are firmly made in advance. The Committee, therefore, urge that immediate action should be taken by Government, in consultation with the Central Water and Power Commission, to decide about the sources of supply of power to the port.

REPLY OF GOVERNMENT

The position, as reported by the Ministry of Irrigation and Power, is as follows:

The main source of supply of bulk power in Goa is from the Jog/Sharavathy Project in Mysore State. This is envisaged, in the scheme for power development in the Union Territory of Goa at an estimated cost of Rs. 755.73 lakhs. This scheme which has already

been sanctioned, covers (i) the construction of two 110-KV Double Circuit Transmission Lines from Dandeli in Mysore to Ponda in Goa; (ii) erection of 60 MVA 110/33/11 KV sub-station at Ponda (to be eventually augmented to 120 MVA capacity); (iii) erection of 33 KV line in Goa and a number of 35/11 KV step-down sub-stations for distribution of power at various load centres and (iv) installation of a diesel generating set 1220 KVA for meeting immediate power demands.

The phased power requirement of Goa, according to the Fourth Annual Power Survey is as under:

1967-68	12 MW
1968-69	17 MW
1969-70	37 MW
1970-71	45 MW

The anticipated maximum demand of 13 MW in Mormugao area by 1970-71 (inclusive of the power demand of 10.8 MW of the Mormugao Port Trust) has already been taken into consideration while sanctioning the power development scheme for the Union Territory of Goa.

A temporary 10.5 MVA, 110/33 KV sub-Station at Ponda was installed at Ponda and commissioned in November, 1968 simultaneously with the commissioning of the first 110 KV Double Circuit Transmission Line from Dandeli to Ponda. As regards 60 MVA, 110/33/11 KV permanent receiving sub-station at Ponda, it may be mentioned that all procurement action has been completed and orders for various equipment have already been placed. According to the delivery periods quoted by the suppliers, it is expected that Ponda Receiving Station will be commissioned during 1969-70. It has been programmed to complete the erection of step-down sub-stations and 33 KV lines emanating from the Ponda Receiving Station simultaneously with the commissioning of the permanent Receiving Stations at Ponda in 1969-70.

The Goa authorities expect to meet the full demand of Mormugao Port Trust only after the Ponda Receiving Station is commissioned. At present, the power demand of the Port Trust is being met from the captive plant of M/s. Chowgule and Co. at Mormugao.

It may be added that a formal agreement between the Government of Mysore and the Goa Administration for bulk power supply from Sharavathy Project to Goa has not been signed as yet as

the tariff for such supply has not been finally decided upon. However, pending finalisation of the agreement, Mysore has started giving power to Goa from November 1966.

[Ministry of Transport & Shipping (Transport Wing), O.M. No. 18-PDII(8)/66, dated 8-11-1967].

Recommendation (Serial No. 53, Para 107)

The Committee urge that the additional storage reservoir of 1.25 lakh gallons of water proposed to be established at Mormugao should be put in question expeditiously. They further consider that as water requirements should form an integral part of planning, Government may well ask the Consultants to make suitable provision to meet the increased water needs as a part of the Master Plan for the development of Mormugao Port.

REPLY OF GOVERNMENT

The work of the additional reservoir is nearing completion. The water is supplied by the State Government who control the water works in Goa. The distribution in the port area from the reservoirs is made by the Port Trust. The State Government have already been intimated the requirements of water for the Port and are planning extension works some of which are already in progress.

[Ministry of Transport & Shipping (Transport Wing), O.M. No. 18-PDII(8)/66, dated the 14-3-1967].

Recommendation (Serial No. 54, Para 108)

The Committee note that the condition of the warehouses is poor and they often leak also. It needs no emphasis that the port warehouses should be maintained in good condition to avoid damage to the goods and the complaints from the owners. The Committee, therefore, urge that immediate steps should be taken by the port authorities to improve the condition of the warehouses.

REPLY OF GOVERNMENT

The port warehouses are very old, some of them being over 50 to 60 years old. Steps have been taken to make them as leak proof as possible. Due to the extreme dearth of A.C. sheets and the stoppage of the manufacture of G.I. Sheets it has not been possible to replace the roofs yet. Nevertheless repairs have been effected and the leakage reduced to the minimum.

[Ministry of Transport & Aviation (Transport Wing), O.M. No. 18-PDII(8)/66, dated 12-12-1966].

Recommendation (Serial No. 55, Para 109)

As the warehousing facilities available are not adequate, the Committee appreciate the port proposals to augment the warehousing facilities forthwith; but the Committee like to stress that, to avoid infructuous expenditure, the new warehouses should be so designed and located that they fit into the outline proposed in the Master Plan.

REPLY OF GOVERNMENT

New storage sheds providing for a storage area of 37,500 sq. ft. which are under construction are nearing completion and estimates for constructing another shed area of 13,200 sq. ft. have been sanctioned. Care has been taken to see that these fit into the Master Plan.

[Ministry of Transport & Aviation (Transport Wing), O.M. No. 18-PDII(8)/66, dated 12-12-1966.]

Recommendation (Serial No. 57, Para 115)

The Committee note that the powers of the Chairman of the Port Trust are considered adequate at present, but they feel that as Mormugao is yet an undeveloped port and would require radical improvements and developments in near future, the present powers of the Chairman may not then be found adequate. The Committee suggest that the schedule of delegation of powers may be reviewed at an opportune time after the Master Plan for the development of port has been approved in order to ensure that expeditious execution of development work is not hampered for want of adequate powers of the Chairman.

REPLY OF GOVERNMENT

The Committee's observations have been noted.

[Ministry of Transport & Aviation (Transport Wing), O.M. No. 18-PDIP(8)/66, dated 12-12-1966].

Recommendation (Serial No. 58, Para 117)

Since uncertainty about the scales of pay tends to affect the efficiency of the employees concerned, the Committee would urge the Government to expedite the finalisation of the pay scales which have not yet been prescribed.

REPLY OF GOVERNMENT

The pay scales for the posts of Secretary, Medical Officer and Assistant Medical Officer have been sanctioned. The posts of Berthing Master, Pilots and Apprentice Pilots have been redesignated as Pilot. The pay scale for the post of Pilot has been finalised and it will be sanctioned on receipt of formal proposal from the Port Trust Board, which has been called for.

[Ministry of Transport & Aviation (Transport Wing), O.M. No. 18-PDII (8)/66, dated 8-11-1967].

Recommendation (Serial No. 59, Para 118)

The Committee realise that as Mormugao has been only recently taken over by the Government and declared as a major port, many amenities for the staff including medical facilities, may not be upto the standard of other major ports. The Committee would like Government to take urgent measures to provide adequate medical and hospital facilities for the employees working in the port. It would be helpful if the question of providing medical and hospital facilities to employees of the major ports is reviewed by the Conference of the Chairman of Port Trusts and a suitable scale laid down in this behalf for guidance of all concerned.

REPLY OF GOVERNMENT

Proposals for the expansion of the Port Hospital at an estimated cost of Rs. 4 lakhs have recently been approved by Government. Work on the expansion and modernisation of the hospital has commenced.

[Ministry of Transport & Aviation (Transport Wing), O.M. No. 18-PDII (8)/66, dated 12-12-1966].

FURTHER INFORMATION CALLED FOR BY THE COMMITTEE

Please indicate what action has been taken on the recommendation of the Committee that "the question of providing medical and hospital facilities to employees of the major ports is reviewed by the conference of the Chairmen of the Port Trusts and a suitable scale laid down in this behalf for guidance of all concerned".

[L.S.S. O.M. No. 4/22 (1) ECI/66, dt. 26-5-1967].

FURTHER REPLY OF GOVERNMENT

The Port authorities have been requested to make a review as recommended by the Committee.

[Ministry of Transport & Shipping (Transport Wing), O.M. No. 18-PDII(8)/66, dated 22-11-1967].

Recommendation (Serial No. 60, Para 119)

The Committee hope that urgent action would be taken to provide adequate office accommodation to meet the requirements of the Port Trust.

REPLY OF GOVERNMENT

A building, which was partly constructed, has been acquired and is being completed with a view to being used as an office building.

[Ministry of Transport & Aviation (Transport Wing), O.M. No. 18-PDII(8)/66, dated 12-12-1966].

Recommendation (Serial No. 61 Para 120)

While the Committee are for simplification of procedures to avoid delay in according sanction and for timely completion of construction works, they consider that economic factors should not be overlooked in the matter of provision of accommodation to staff. The Port Trust should draw up a phased programme for the construction of quarters particularly for lower categories of staff taking care to see that it would not unduly burden the resources of the Port Trust. As land in Mormugao is very limited the staff quarters should be so located that they do not come in the way of future development of operational facilities in the port.

REPLY OF GOVERNMENT

The Port Trust have tentatively provided for the construction of 600 quarters in the Fourth Five Year Plan. Accommodation in Vasco-Mormugao area being extremely short it will be necessary to build the above number of quarters urgently. A phased programme has been worked out. Estimates for the construction of 232 quarters have already been received from the Port Trust and are under examination. Efforts for acquiring land are in progress.

[Ministry of Transport & Aviation (Transport Wing), O.M. No. 18-PDII(8)/66, dated 12-12-1966].

Recommendation (Serial No. 62, Para 121)

The Committee are glad at the absence of any major accident at the port. They would however urge that early action should be

taken to constitute Dock Safety Committee so that it can take preventive measures to maintain the past good record in this respect.

REPLY OF GOVERNMENT

Efforts are being made to comply with these recommendations..

[Ministry of Transport & Shipping (Transport Wing), O.M. No. 18-PDII(8)/66, dated 12-12-1966].

FURTHER INFORMATION CALLED FOR BY THE COMMITTEE

Please indicate the latest position regarding the constitution of Dock Safety Committee.

[L.S.S. O.M. No. 4/22(1)ECI/66, dt. 26-5-1967].

FURTHER REPLY OF GOVERNMENT

The Dock Safety Committee has been formed.

[Ministry of Transport & Shipping (Transport Wing), O.M. No. 18-PDII(8)/66, dated 24-8-1967].

Recommendation (Serial No. 63 Para 123)

The Committee would like the port authorities to make at an early date a comparative study of labour efficiency in handling ore at various ports so that concerted measures can be devised to effect an improvement in labour output and a reduction in handling charges. The Committee would also like a careful review to be made of the existing incentive scheme to assess whether it is achieving the objectives underlying its introduction.

REPLY OF GOVERNMENT

The Planning Cell of the Mormugao Port is addressing itself to these tasks.

[Ministry of Transport & Shipping (Transport Wing), O.M. No. 18-PDII(8)/66, dated 14-3-1967].

FURTHER INFORMATION CALLED FOR BY THE COMMITTEE

Please indicate precisely the action taken on the recommendation of the Committee.

[L.S.S. O.M. No. 4/22(1)ECI/66, dt. 26-5-1967].

FURTHER REPLY OF GOVERNMENT

Ore is loaded into ships:

- (a) by mechanical means at the Mechanical Ore Handling Plant from the stock pile and direct from barges.
- (b) by conventional loading by shoreside cranes from railway wagons at alongside berths.
- (c) in stream by ships' gear from barges.

While about 24 per cent of the traffic is handled by mechanical means, about 72 per cent of the traffic is handled in stream and only 4 per cent at the alongside berths. The loading of ore in stream from self-propelled barges which bring ore from the mines to the harbour is a peculiar feature of this Port.

An incentive scheme already exists for the labour force employed in the ore loading operations. The Planning Cell of the Port is engaged in the task of assessing the productivity of labour having regard to the working of the incentive scheme to provide the necessary data for assessing objectives of the incentive schemes.

[Ministry of Transport & Shipping (Transport Wing), O.M. No. 18-PDII (8)/66, dated 24-8-1967].

Recommendation (Serial No. 64, Para 124)

The Committee hope that sustained efforts would continue to be made to improve the labour situation.

REPLY OF GOVERNMENT

Sustained efforts are continuing in this regard.

[Ministry of Transport & Aviation (Transport Wing), O.M. No. 18-PDII (8)/66, dated 12-12-1966].

FURTHER INFORMATION CALLED FOR BY THE COMMITTEE

Please indicate precisely the action taken on the recommendation of the Committee.

[L.S.S. O.M. No. 4/22 (1) ECI/66, dated 26-5-1967].

REPLY OF THE GOVERNMENT

Sustained efforts with a view to improving the labour situation are continuing. The labour situation at this Port has improved considerably as is evident from the following figures:—

Year	Total No. of ships.	No. of ships waiting more than 24 hours	No. of ship-days waiting
1964-65	737	300	2682
1965-66	833	349	1539
1966-67	777	251	923

The high detention in 1964-65 was due to a two and a half months' strike in the harbour. There has been comparative calm in the harbour since then, which is partly reflected in the decrease in lost ship-days.

[Ministry of Transport & Shipping (Transport Wing), O.M. No. 18-PDIP(8)/66, dated 24-8-1967].

Recommendation (Serial No. 65, Para 125)

The Committee fail to understand as to why the existing fire-fighting arrangements in the port are considered temporary. The Committee suggest that the programme for the provision of fire-fighting facilities in the port, which should be drawn up in consultation with National Fire Fighting Service College, Nagpur, should form part of the Master Plan and should be executed in stages according to developing requirements of the port.

REPLY OF GOVERNMENT

The Principal, Fire College, Nagpur has been invited to visit Goa for this purpose.

[Ministry of Transport & Aviation (Transport Wing), O.M. No. 18-PDII(8)/66, dated 12-12-1966].

FURTHER INFORMATION CALLED FOR BY THE COMMITTEE

Please indicate the latest position regarding provision of fire-fighting facilities in the Port.

[L.S.S. O.M. No. 4/22(1) ECI/66, dated 26-5-67].

FURTHER REPLY OF THE GOVERNMENT

The Principal National Fire Fighting Service College, Nagpur, had agreed to visit the port during August 1966 but could not do so. The Port Trust is pursuing the matter.

[Ministry of Transport and Shipping (Transport Wing), O.M. No. 18-PDIP(8)/66, dated 24-8-1967].

Recommendation (Serial No. 66, Para 126)

The Committee are convinced that there is urgent need for effecting improvements in the existing system of trunk telephonic communications from Mormugao to the rest of the country. They understand that the Posts and Telegraphs Department have a scheme for introducing automatic exchanges at Vasco-da-Gama and Mormugao and have also prepared a scheme for improvement of the trunk telephonic communications to Bombay and New Delhi. The Committee hope that no efforts would be spared to extend the benefits of these schemes to Mormugao Port within the shortest possible time.

REPLY OF GOVERNMENT

It is understood that work on the improvement of the tele-communications system is in an advanced stage of implementation.

[Ministry of Transport & Aviation (Transport Wing), O.M. No. 18-PDII(8)/66, dated 12-12-1966].

FURTHER INFORMATION CALLED FOR BY THE COMMITTEE

Please indicate the latest position regarding improvement of tele-communication system in the Port.

[L.S.S. O.M. No. 4/22(1)ECI/66, dated 26-5-1967].

REPLY OF GOVERNMENT

The position as reported by the Directorate-General, P&T is as under:

Telephone facilities—Local Telephone System

Mormugao Port which is at a distance of 5 KMs from Vasco-da-Gama, falls in the local telephone network of Vasco-da-Gama.

Vasco-da-Gama is at present being served by a 300-line manual exchange which is being replaced by a 400 line automatic exchange. The new 400 line exchange is expected to be commissioned during 1968. Further expansion of this exchange by another 300 lines is contemplated for which the equipment is proposed for supply during 1968-69.

Long distance Telephone System

For long distance communications at present, Vasco-da-Gama is connected to Panjim by two 3-channel carrier systems (5 speech circuits). Panjim in turn is connected to Belgaum and Mormugao

by 8-channel carrier systems, one each on Panjim-Belgaum and Panjim-Marmugao routes. Two more 8-channel carrier systems and one additional 3-channel carrier system are proposed for installation between Panjim and Belgaum.

In addition to these, a micro-wave link having an ultimate capacity of 300 telephone channels is also under installation between Panjim and Belgaum. The micro-wave link is expected to be brought into service by the middle of 1968. Belgaum is already connected to Bombay and Delhi on the coaxial cable system.

On completion of the micro-wave link between Panjim and Belgaum, Vasco and in turn, Marmugao Port will also be adequately connected to Bombay, Delhi and to the rest of India.

To improve the trunk working, a new trunk exchange is proposed to be installed at Vasco-da-Gama. The new trunk exchange is also expected to be commissioned during 1968.

Telegraph Working

A 12-channel voice frequency telegraph system is already working between Panjim and Vasco. A 24-channel VFT system is proposed to be installed. A 50-line teleprinter exchange has also been sanctioned for installation at Vasco and the equipments are being received.

[Ministry of Transport and Shipping (Transport Wing), O.M. No. 18-PDII(8)/66, dated 8-11-1967].

CHAPTER III

RECOMMENDATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF THE GOVERNMENT'S REPLY

Recommendation (Serial No. 2, Para 7)

The Committee consider that as Mormugao Port Trust is now a statutory body under the Major Port Trusts Act and prepares its own Balance Sheets the uncertainty about its assets and liabilities should not be allowed to continue indefinitely. They would suggest to Government to constitute a high-level Committee consisting of representatives of the Port Trust, Ministries of Transport and Finance and the Comptroller and Auditor General to thoroughly scrutinize the assets and liabilities inherited by the Mormugao Port Trust on liberation and to settle them for good. This should enable the Port Trust to prepare the Balance Sheet in a realistic manner reflecting correctly the financial position of the working of the port.

REPLY OF GOVERNMENT

Please see reply to recommendation serial No. 47 in this Chapter.

Recommendation (Serial No. 4, Para 14)

The Committee welcome the steps taken by the Port Administration to step up ore exports from Mormugao Port. They hope that the tempo of progress made in the export of ores since 1962-63 will be maintained and that concerted measures will be taken to ensure that the target for exporting 10 million tonnes of ores from this port by 1970 will be achieved.

REPLY OF GOVERNMENT

It has been decided to approach the World Bank for assistance for the development of iron ore handling facilities at Mormugao Port. In case the requisite assistance comes forth, the physical work on the project is expected to be taken on hand in the second half of 1967-68 and to be completed within 4 to 5 years whereafter the port will be in a position to handle increased exports of iron ore.

[Ministry of Transport & Aviation (Transport Wing), O.M. No. 18-PDIP(8)/66, dated 12-12-1966].

FURTHER INFORMATION CALLED FOR BY THE COMMITTEE

Please furnish details of programme which has been drawn up to develop iron ore handling facilities at Mormugao Port with the proposed assistance from World Bank.

[L.S.S. O.M. No. 4/22(1)ECI/66, dated 26-5-1967].

REPLY OF GOVERNMENT

The Mormugao Port Development Programme which is estimated to cost Rs. 26.87 crores comprises the development of the following facilities in the first stage:—

- (i) Modern iron ore handling facilities with a loading rated capacity of 6,000 tons per hour and 8 million tons per annum;
- (ii) Mineral oil jetty for handling Naphtha and POL traffic of about 4 lakh tonnes;
- (iii) Modernisation of the existing five shore berths; and
- (iv) Reclamation of 3 new berths including the necessary pre-dredging.

The foreign exchange involved is Rs. 684 lakhs.

A Project Report is under consideration in consultation with the concerned Ministries.

[Ministry of Transport and Shipping (Transport Wing), O.M. No. 18-PDI¹(8)/66, dated 24-8-1967].

Recommendation (Serial No. 7, Para 18)

In view of the fact that coastal and overseas passenger traffic handled by the port is above 30,000 and that Goa has some traditional links with African countries, the Committee feel that the provision of passenger amenities at Mormugao should receive due attention. The Committee would suggest that a careful assessment may be made of the likely passenger traffic during the next 10—15 years and a phased programme drawn up for augmenting passenger amenities. Government should also take suitable steps to develop coastal passenger traffic.

REPLY OF GOVERNMENT

Such improvements in the provision of improved passenger amenities at the existing berths is being considered.

[Ministry of Transport & Aviation (Transport Wing), O.M. No. 18-PDII(8)/66, dated 12-12-1966].

FURTHER INFORMATION CALLED FOR BY THE COMMITTEE

Please indicate what specific action has been taken on the recommendation of the Committee.

[L.S.S. O.M. No. 4/22(1)ECI/66, dated 26-5-1967].

FURTHER REPLY OF GOVERNMENT

The coastal and overseas passenger traffic handled at this Port during the last three years has been as follows:

	1964-65	1965-66	1966-67
1. Embarked :			
Coastal	14,627	10,073	10,031
Overseas.	748	419	211
Total	15,375	10,492	10,242
2. Disembarked :			
Coastal.	19,249	9,666	10,074
Overseas.	3,137	1,288	669
Total	22,386	10,954	10,743
Grand Total	37,761	21,446	20,985

During 1964-65 there was an abnormal rush of passengers mainly in connection with the exposition of the relics of St. Francis Xavier which is held once in 10 years. The traffic thereafter has decreased. There has subsequently been another development in the coastal passenger traffic of this Port. Messrs. Chowgule & Co. Pvt. Ltd., have acquired two new passenger ships with a smaller draft permitting them to use the Panjim passenger Jetty. A portion of the passenger traffic originating from North Goa regions, is being handled at Panjim which is a minor port under the Jurisdiction of the State.

Government. Messrs. Chowgule & Co. Pvt. Ltd. have since increased their sailings to and from Panjim and consequently the coastal passenger traffic at this Port is not expected to increase but, on the contrary, the traffic may decline on account of alternative transportation by road and by rail now available to the travelling public. Another aspect of the coastal passenger traffic is the concentration during the months of April and May when passengers mostly from Bombay start arriving after the schools close for the summer vacation with the return traffic mainly concentrated between the 3rd week of May lasting till the 1st week of June.

The passenger traffic on the Bombay-Mormugao and East African Ports is also on the decline as will be seen from the following:—

	1964-65	1965-66	1966-67
Embarked	748	419	211
Disembarked	3137	1288	669

In view of the developing political situation in the newly independent East African countries it is unlikely that this passenger traffic will increase. During 1966-67 there were only two outward sailings and two inward sailings on this passenger service.

Having regard to the traffic offering and the anticipated traffic both on coastal and overseas runs, the provision of improved passenger amenities at the existing berth is continuously being reviewed. In any case the provision of an exclusive passenger berth for the purpose cannot be justified in the circumstances.

[Ministry of Transport and Shipping (Transport Wing), O.M. No. 18-PDII (8)/66, dated 24-8-1967].

Recommendation (Serial No. 11, Para 22)

The Committee are unhappy to note that there has been heavy shortfall in the planned expenditure of the port during 1964-65 and 1965-66. Against the total provision of about Rs. 140 lakhs in 1964-65, a sum of Rs. 104 lakhs only has been spent in that year. Similarly, in 1965-66 against an estimated outlay of Rs. 228 lakhs, the actual expenditure is likely to be of the order of Rs. 74 lakhs (i.e. 32 per cent).

As regards the shortfall of Rs. 63 lakhs in 1965-66 due to non-materialisation of contracts for capital dredging, the Committee would refer to para 70 of this report wherein they have expressed

the hope that with the full utilisation of the new dredger Zuari, no occasion would arise to invite foreign firms for dredging. The Committee consider that the programme for the execution of development works and the estimated outlays thereon should be realistic. The Committee like to stress that if this is true for an already developed port like Bombay or Calcutta, this is all the more true for a port like Mormugao which has been only recently taken over as a major port by the Government and whose development programmes are of a very basic nature. Once the programme has been finalised, every effort should be made to complete it within the stipulated period.

REPLY OF GOVERNMENT

The Committee's observations regarding short-fall in planned expenditure has been noted. After finalising the development programme, every effort will be made to complete it within the stipulated period. As regards the invitation of foreign firms for dredging, it may be stated that the quantum of work involved in the capital dredging for the development of the Port is so large that it will be necessary to resort to contract dredging. The dredger "ZUARI" will also be utilised to the extent possible taking into account the needs of maintenance dredging. Not only will the dredger "ZUARI" be insufficient for the work of capital dredging but it will also be necessary to have a different type of dredger with a cutter and a pipeline to deal with the work of dredging in harder soils which will be used for the reclamation work.

[Ministry of Transport & Aviation (Transport Wing), O.M. No. 18-PDII(8)/66, dated 12-12-1966].

Recommendation (Serial No. 15, Para 35)

The Committee are not convinced by the reasons advanced by Government for appointing two sets of technical consultants—one for drawing up the Master Plan and the other for detailed design study. They find it a little difficult to appreciate how detailed design study can be undertaken without any firm decision having been taken on the Master Plan. The Committee apprehend that the detailed design study for which the second firm of consultants—Messrs Howe India Ltd.—has been appointed is intimately linked with the study of feasibility for handling 10—12 million tons of iron ore at Mormugao. The Committee have no doubt that Government would make sure before appointing any firm of consultants that they have the requisite expertise and practical experience of designing ore

handling plant which is the central feature of the developmental works to be undertaken at the port.

REPLY OF GOVERNMENT

Messrs. Rendel, Palmer & Tritton of London were appointed to prepare a Master Plan for the development of the Port of Mormugao having regard to commercial and naval requirements. The layout prepared by Messrs. Rendel, Palmer & Tritton has been generally acceptable. Messrs. Howe (India) Private Ltd. were asked to carry out a design study for the ore handling facility and to suggest the best and most economical arrangements with the maximum amount of indigenous components possible.

The latter firm and its associates possess excellent credentials for the work entrusted to them as they have designed and supervised the construction of several very large ore handling plants in many parts of the world.

[Ministry of Transport & Aviation (Transport Wing), O.M. No. 18-PDII(8)/66, dated 12-12-1966].

Recommendation (Serial No. 19, Para 39)

The Committee are glad to note that the Planning Cell has rendered valuable service to the port in undertaking useful research studies besides doing the work of collection and collation of port statistics and their analysis. The Committee, are, however, unable to appreciate as to why the Planning Cell has been merged with the Traffic Department. The Committee consider that the Planning Cell has an important function to discharge in collecting and collating vital statistics and data about potential exports and imports which would be required for finalising the Master Plan for the development of the Port. The Committee recommended that the question of reorganising the Cell as a separate unit in the Port Administration may be gone into urgently.

REPLY OF GOVERNMENT

The Planning Cell is already a separate unit though administratively attached to the Traffic Department. The Port organisation is divided into various departments. It is felt that the status of a full-fledged department need not be conferred on the Planning Cell as yet, though in practice it actually works as one, since it is under the close supervision of the Chairman.

[Ministry of Transport & Aviation (Transport Wing), O.M. No. 18-PDIP(8)/66, dated 12-12-1966].

Recommendation (Serial No. 22, Para 44)

The Committee consider that for a busy port like Mormugao action should have been initiated in the first instance for the establishment of a shore wireless station so as to facilitate communications with ships. They deprecate the procedural delays in the supply and return of forms etc. which have impeded the grant of licence. The Committee hope that action would be taken without further delay to establish the necessary shore wireless facilities at Mormugao Port and other ports not having similar facility.

REPLY OF GOVERNMENT

A 'no objection certificate' to the installation of a Port Trust wireless Transmitting and Receiving Station on the Mormugao Headland has been refused by the P.&T. Department on the grounds that that department intends to improve its own communication system.

[Ministry of Transport & Aviation (Transport Wing), O.M. No. 18-PDII(8)/66, dated 12-12-1966].

Recommendation (Serial No. 28, Para 64)

The Committee note that according to the assessment made by port authorities it should be possible to transport 9 million tons of ore to the port by constituting a pool out of the existing barges. This would obviate not only the need for acquisition of additional barges and saving of foreign exchange but would also ensure fuller utilisation of the existing barge fleet. It would not be unreasonable to expect that the pooling would help to bring down the cost of transport of ore thereby improving its competitive capacity. The scheme can, however, be a success only if it can enlist the willing cooperation of one and all barge owners and can evolve a rational methods for pooling of barges and transporting the ore at economic rates to the ships within the stipulated time. The Committee suggest that the entire question of pooling of barges may be gone into in detail by a committee which should be fully representative of the barge owners and shippers and which may be presided over by the Chairman, Mormugao Port Trust so that a dependable and economic scheme for pooling the barges can be evolved and implemented as early as possible in the best interests of all concerned.

REPLY OF GOVERNMENT

The barge interests concerned have been consulted. They have indicated their difficulties in forming a pool at this juncture.

Their difficulties have been considered while preparing the Project Report for the development of Mormugao Port and the proposed ore handling facility has been so designed by the consultants who were seized of the position as to render its efficient and economical function not dependent on the creation of a barge pool.

[Ministry of Transport & Aviation (Transport Wing), O.M. No. 18-PDII (8)/66, dated 12-12-1966].

FURTHER INFORMATION CALLED FOR BY THE COMMITTEE

Please indicate what action has been taken on the recommendation of the Committee that "the entire question of pooling of barges may be gone into in detail by a Committee which should be fully represented of the 'barge owners and Shippers...". Please furnish a copy should be put in position expeditiously. They further consider that of the minutes/proceedings of the sittings of the above Committee, if constituted.

[L.S.S. O.M. No. 4/22(1)/ECI/66, dated 26-5-1967].

REPLY OF GOVERNMENT

A meeting was held with the Goa Mineral Ore Exporters' Association with a view to eliciting their considered opinion in regard to the provision of ore handling facilities to cater for the present as well as anticipated iron ore traffic in all its aspects including the design study of the plant, requirements of stockpile area and gearing up of arrangements for the transport of ore to feed the fast loading plant. The barge loading interests were not in favour of a barge pool and indicated that there were practical difficulties in the implementation of such a scheme. Certain suggestions were made by them for improving the organisation with a view to reducing the idle time and off time, as also for improving the carrying capacity of the barge fleet by reducing the turn round of barges.

The views expressed by the barge interests and the various suggestions made by them for increasing the carrying capacity of the barge fleet have been duly considered while preparing the Project Report and the Design Study of the proposed ore handling facility and the Consultants appointed for the purpose of the Design Study have taken these factors into consideration in the designing of the plant so as to render its efficient and economical functioning not dependent on the creation of a barge pool.

The idea for the creation of a barge pool has, therefore, been dropped.

[Ministry of Transport & Shipping (Transport Wing), O.M. No. 18-PDII (8)/66, dated 24-8-1967].

Recommendation (Serial No. 29, Para 65)

The Committee note that some steps have been taken for the development of repair facilities for barges in Goa. They, however, consider that there is need for planned development of repair facilities in the light of the suggestion made in paragraph No. 65. The Committee to be constituted to go into the arrangements for pooling of barges may also expeditiously prepare a suitable scheme for repairs of barges. In fact, it may be better from the point of view of maintenance if the barges to be acquired in future are of a standard size and make.. The barge workshops should be encouraged to undertake first the assembling of barges and gradually their manufacture.

REPLY OF GOVERNMENT

Since the Committee visited the port, a small floating dry dock, privately owned, has been built to deal with barge repairs. A large barge repair facility is now being considered by another party. These together with the Mazagon Dock and other existing yards will meet foreseeable requirements in the matter of repairs to barges.

[Ministry of Transport & Aviation (Transport Wing), O.M. No. 18-PDII(8)/66, dated 12-12-1966].

Recommendation (Serial No. 32, Para 70)

The Committee expect that the new dredger would be utilised fully and no occasion would arise in future to invite foreign firms for dredging. The Committee would like to stress the necessity of Indian ports becoming self-reliant in these matters and they hope that concerted attempts would be made by Government/port authorities to dispense with the necessity of calling in foreign firms to undertake dredging as far as possible.

REPLY OF GOVERNMENT

To carry out the large quantities of dredging required to be done in a short time it will be necessary to supplement the existing dredging capacity of the port by contract dredging. The constitution of a Central Government Dredger Pool is being considered on a priority basis. Until it comes into being only such dredging that cannot be performed by the Port or with other Port's resources and has to be performed as a matter of immediate and inescapable necessity may have to be entrusted to foreign firms.

Recommendation (Serial No. 33, Para 72)

The Committee note that bills of repairs carried out by M/s Mazagon Dock, Bombay to dredgers "Mandovi" and "Governador" in early 1964 have not been settled so far due to disputes mainly connected with the rates for the steel works. The Committee regret to note that such disputes have arisen due to lack of proper care on the part of the port authorities and feel that these could have been avoided if the port authorities had placed the work orders after inviting the quotations and entering into a firm agreement. They urge that these long outstanding bills should be settled expeditiously.

REPLY OF GOVERNMENT

The bills for repairs of Mandovi and Governador are in the process of being settled.

[Ministry of Transport & Aviation (Transport Wing), O.M. No. 18-PDII(8)/66, dated 12-12-1966].

Recommendation (Serial No. 34, Para 72)

The Committee cannot help regretting the failure of the Port authorities to invite open tenders for the repair and overhauling of the harbour marine craft even though they were aware that the repair charges of M/s Mazagon Dock, Bombay, were high. They are not convinced with the reasons advanced by the authorities that "even before liberation, the port craft were being maintained by M/s Mazagon Dock, Bombay" or that orders by a Government undertaking should as a matter of course be placed only on a public undertaking without calling for tenders. The Committee would urge Government to issue necessary directions regarding the need to call for competitive tenders in all such cases. The Committee feel that such a system is necessary for the economic management and working of the public undertakings, which should be expected to do things more economically.

REPLY OF GOVERNMENT

The question of inviting competitive offers for repairs of the Port's harbour craft by known repairers in Bombay is being pursued by the Port Trust.

[Ministry of Transport & Aviation (Transport Wing), O.M. No. 18-PDII(8)/66, dated 12-12-1966].

Recommendation (Serial No. 38, Para No. 76)

The Committee would suggest that a comprehensive list of items of raw materials, stores and components which are difficult to procure at reasonable rates and are required to be imported, should be prepared and necessary steps taken to make them available in sufficient quantities for ship-building and repair industry. At the same time, Government should also draw up a phased programme for the indigenous manufacture of these items with a view to reduce the foreign component in the manufacture and repair of harbour craft as far as possible.

REPLY OF GOVERNMENT

The suggestions made by the Estimates Committee fall into two parts (a) making available in sufficient quantities such of the stores, components etc. as are required for ship building and ship repair industry and have to be imported and (b) drawing up of a phased programme for the indigenous manufacture of these items to reduce the foreign exchange components in the manufacture and repair of harbour craft as far as possible.

These matters have already been considered by the Central Advisory Council for Ship Building and Ship Repair and the Ship Ancillary Industry Committee. The Advisory Council for ship building and Ship repairing at its meeting held in April 1966, recommended that a scheme should be introduced for importing these items free of customs duty and storing them in bonded warehouses for supply to ships as and when necessary. For this purpose, Co-operative Societies or association of ship-repair firms may be formed at Calcutta and Bombay or alternatively, the foreign manufacturers concerned may be induced to maintain requisite stock in bond in India.

The position in regard to the implementation of this recommendation is as follows:

M/s Siemens and M/s Escorts have at present arrangements for maintaining components, spares etc. in bond for issue to foreign-going Indian ships and to foreign ships. The Govt. of India have also accepted in principle that Mazagon Docks and the Garden Reach Workshop may be allowed to work in bond for ship repair and exemption from Central excise duty on excisable material used in such repairs may be allowed. As a measure of assistance to the ship-repair industry for importing their requirements from abroad, an import entitlement scheme was introduced based on the

foreign exchange earnings of the industry on repairs to foreign ships. The scheme was however withdrawn after devaluation.

[*Ministry of Transport & Shipping (Transport Wing), O.M. No. 18-PDII(8)/66, dated 3-7-1967*].

COMMENTS OF THE COMMITTEE

The Committee would, however, like the Government to indicate the action taken by them to draw up a phased programme for indigenous manufacture of components/parts for ship-building and repair industry.

Recommendation (Serial No. 44, Para 92)

As stated in para 89 the ore handling charges in Indian Ports vary considerably from port to port. These charges are also higher as compared to foreign ore exporting ports. Since these high charges are likely to affect adversely the exports of Indian ores, the Committee suggest that the Ministry of Transport in conjunction with the Ministry of Commerce should make a comprehensive and comparative study of handling charges of ores prevailing in the various Indian ports and in foreign ports, with a view to reduce the overall costs of handling of ores at Indian ports.

REPLY OF GOVERNMENT

Port charges on iron ore are only a small fraction of the overall cost of raising the ore at the pit-head and bringing it to the ship. Moreover, the marketability of ore is governed to a very large extent by two factors, namely:

- (i) size of the ore carriers;
- (ii) capacity of the ore loading plant.

The bigger the carrier and the faster the turn round, the greater is the attractiveness of the ore to the foreign buyers. The reason for this is that the bigger the carrier, the lower the ocean freight cost and consequently the C.I.F. cost of the ore. At the same time in order to make the use of the larger carriers economical it is necessary to have commensurately large wading rates. These two factors are, therefore, very material in negotiating the prices to be paid by the foreign buyer. The provision of deep draft berths and fast mechanical loading plants at ports thus help in our getting good prices for our ore. Another vital factor is the quality

of the ore to be exported, although the port charges cannot be related to this factor.

At present, fast mechanical loading plants have been installed at Visakhapatnam and Paradip. The charges for handling ore by these plants have been fixed with reference to the actual cost of operating these plants plus the usual charges on account of depreciation and interest etc. The ports normally charge what the traffic can bear. The reactions of the Commerce Ministry and the M.M.T.C. are, therefore, generally taken into account while fixing or revising the rates charged by different ports.

The ports have to earn enough revenue for payment of capital loans and raising fresh resources for further development. The general objective is to reduce the port charges on iron ore as the quantity handled goes up. For example, the rate at Paradip has been fixed at Rs. 10/- per tonne with reference to a traffic of 2 million tonnes. If the traffic goes up substantially, there would be a case for bringing down the rate. In the case of Visakhapatnam, the rate has been fixed at Rs. 10.75 per tonne with reference to an annual traffic of 2 million tonnes. The possibility of revising this rate when Bailadilla ore flows in next year in large quantities, is being kept in view. A special rebate on the above mentioned rate is proposed to be given in respect of Kiriburu ore with a view to partially offset the loss that is being incurred on the export of this ore.

As regards Mormugao, a Project for installing a modern ore handling plant with a capacity of 6,000 tonnes per hour is under consideration. The rates will be revised in due course when this project is completed. This will apply to the Madras Project also.

As stated above, the rate is fixed in proportion to the capital, operating and maintenance costs of the particular ore loading facility. As these costs vary depending upon the size and loading capacity of the facility the rates fixed vary from case to case. In the circumstances, uniformity of port charges on ore at all ports is not practicable.

[Ministry of Transport & Shipping (Transport Wing), O.M. No. 18-PDFI (8)/66, dated 8-11-1967].

Recommendations (Serial Nos. 2 and 47)

The Committee are distressed to note that in spite of several discussions held between the port and railway representatives, it has not been possible to decide the principles which should govern the

financial settlement of the assets and liabilities in respect of railway section beyond Vasco-da-Gama which was transferred to Southern Railway in May, 1963. Since there is a basic difference in the view points of the representatives of railways and the port administration regarding the valuation of assets transferred to the railway, the Committee would suggest that a high level Committee consisting of representatives of the Ministries of Finance, Transport and Railway Board may be appointed to settle the assets and liabilities. The Committee need hardly stress that the matter should be settled early, at any rate before the closure of next financial year (1966-67).

REPLY OF GOVERNMENT

The question of assessing the exact assets and liabilities position of the Mormugao Port Trust is linked closely with the question of settlement with the Railways consequent upon the division of the jurisdiction over the railway within the territory of Goa. The Ministry of Railways (Railway Board) have disputed the claim of the Mormugao Port Trust for the settlement on cash basis on the ground that the operational control of the railway in Goa rested with the Port authorities only temporarily because, they argued, that on liberation of Goa, the assets of the ex.WIP Railway being the property of Portuguese Government should have normally vested in the Government of India (Ministry of Railways). The Port authorities, on the other hand, contended that all rights over immovable property, including the lands bordering the railway track belonged to the Junta and the port as successors to the Junta, automatically inherited this right. The Ministry of Railways have since obtained the views of the Ministry of Finance and the Comptroller and Auditor General of India who are of the opinion that there is no question of the Railways making any payments to the Port Trust on account of assets transferred to the former.

The Port Trust Board have not agreed to a suggestion made by the Railway Board that the assets should be transferred without cash adjustment. The Port Trust hold that a legal issue is involved in the transfer of the Railway to the Government of India. They have produced opinion from an eminent Counsel in support of their view. This opinion is being examined in consultation with Law Ministry. The need for referring the issue to a Committee as recommended by the Estimates Committee would be considered in the light of the Law Ministry's advice and a decision expedited.

[Ministry of Transport & Shipping (Transport Wing), O.M. No. 18-PDII (8)/66, dated 15-11-1967].

Recommendations (Serial No. 56, Para 111)

The Committee in their Sixty-Seventh Report (Third Lok Sabha on Ministry of Transport (Calcutta and Haldia Ports) have already suggested that "the question of having a separate Port Protection Force on the lines of the Railway Protection Force may be considered by the Union Government in consultation with the Port authorities and the State Government". The Committee urge that a very early decision may be taken in the matter so that a uniform pattern of security arrangement may be introduced in all the major ports including Mormugao.

REPLY OF GOVERNMENT

The matter has been considered very carefully in consultation with the Ministries of Home Affairs and Law. As there are legal difficulties in setting up a separate Port Protection Force on the lines of the Railway Protection Force, this proposal has been given up. However, it is proposed to bring the major ports within the purview of the proposed Industrial Security Force. Certain other measures to streamline the security arrangements at the major ports are also under consideration.

[Ministry of Transport & Shipping (Transport Wing), O.M. No. 18-PDII(8)/66, dated 8-11-67].

CHAPTER IV

RECOMMENDATIONS IN RESPECT OF WHICH REPLIES OF GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE

Recommendation (Serial No. 6, Para 17)

The Committee note that there has been no export of iron ore from the subsidiary port of Betul in 1964-65 due to labour trouble and in 1965-66 (upto December 1965) due to shoaling of the entrance. The Committee cannot help regretting that the depths of the entrance to this port should have been allowed to fall so low that barges could not be drafted for loading operations, with the result that export of iron ore amounting to about 1.5 lakh tonnes which was effected through this port annually during the previous two years, could not be undertaken. The Committee hope that the port authorities would ensure that in future the port of Betul is kept open for shipments of ores by proper dredging of the entrance channel.

REPLY OF GOVERNMENT

Every effort is made to dredge the entrance. However, it is stated that in the absence of a suitable dredger with the Port this is not always possible. Advance action has already been taken to request the State Government to lend their dredger immediately. This is being followed up but the State Government dredger has severe limitations.

[Ministry of Transport & Aviation (Transport Wing), O.M. No. 18-PDII(8)/66, dated 12-12-1966].

FURTHER INFORMATION CALLED FOR BY THE COMMITTEE

(a) Please indicate whether there has been any export of iron ore from the port of Betul during 1966-67.

(b) Please also indicate the latest position regarding acquisition of dredger from the State Government.

[L.S.S. O.M. No. 4/22(1)/ECI/66, dated 26-5-1967].

FURTHER REPLY OF THE GOVERNMENT

(a) Quantity of iron ore loaded at Betul during 1966-67 is 21,161 tonnes.

(b) The weather conditions in the fair season of 1966 did not permit the use of the State Dredger at Betul as this dredger is not suitable in any kind of swell. The matter will be followed up if the weather in 1967 permits.

[Ministry of Transport & Shipping (Transport Wing), O.M. No. 18-PDII (8)/66, dated 24-8-1967].

COMMENTS OF THE COMMITTEE

Please see comments in para 3 of Chapter I of the Report.

Recommendation (Serial No. 24, Para 47)

The Committee also note that the rehabilitation of existing lighthouses which was taken up in 1962, would be implemented only by the middle of 1966 i.e. after a lapse of about four years. The Committee deprecate the procedural delays which have not only impeded the speedy rehabilitation of the existing lighthouses but have also resulted in the increase of estimated expenditure from Rs. 43,250 to Rs. 77,200 and an increase in the foreign exchange component from Rs. 28,000 to Rs. 46,000. They hope that the processes and procedures of working would be streamlined with a view to speedy execution of the schemes.

REPLY OF GOVERNMENT

The Committee's observations have been noted for guidance.

[Ministry of Transport & Aviation (Transport Wing), O.M. No. 18-PDII (8)/66, dated 12-12-1966].

FURTHER INFORMATION CALLED FOR BY THE COMMITTEE

Please confirm whether the rehabilitation of existing lighthouses which was expected to be completed by the middle of 1966, has since been completed.

[L.S.S. O.M. No. 4/22(1)/ECI/66, dated 26-5-1967].

FURTHER REPLY OF THE GOVERNMENT

On behalf of the Mormugao Port Trust, the Director General of Lighthouses and Lightships had placed an indent on the Directorate

General of Supplies and Disposals. It is understood the equipment is likely to be received in 1969.

[Ministry of Transport & Shipping (Transport Wing), O.M. No. 18-PDII (8)/66, dated 24-8-67].

COMMENTS OF THE COMMITTEE

Please see comments in para 6 of Chapter I of the Report.

NEW DELHI;

February, 29, 1968.

Phalguna 10, 1889 (Saka).

P. VENKATASUBBAIAH,

Chairman, .

Estimates Committee.

APPENDIX

(Vide Introduction)

Analysis of the action taken by the Government on the recommendations contained in the 92nd Report of the Estimates Committee (Third Lok Sabha)

I. Total Number of recommendations	66
II. Recommendations which have been accepted by Government (<i>vide</i> recommendations at S. Nos. 1, 3, 5, 8, 9, 10, 12—14, 16, 17, 18, 20, 21, 23, 25—27, 30, 31, 35—37, 39, 40—43, 45, 46, 48—55, 57—66)	
Number	48
Percentage to total	72.7
III. Recommendations which the Committee do not desire to pursue in view of Government's reply (<i>vide</i> recommendations at S. Nos. 2, 4, 7, 11, 15, 19, 22, 28, 29, 32, 33, 34, 38, 44, 47 and 56)	
Number	16
Percentage to total	24.3
IV. Recommendations in respect of which replies of Government have not been accepted by the Committee (<i>vide</i> recommendations at S. Nos. 6 and 24)	
Number	2
Percentage to total	3