ESTIMATES COMMITTEE (1969-70)

(FOURTH LOK SABHA)

HUNDRED AND TWENTIETH REPORT MINISTRY OF SHIPPING AND TRANSPORT

[Action taken by Government on the recommendations contained in the Seventy-third Report of the Estimates Committee (Fourth Lok Sabha) on the Ministry of Shipping and Transport—Coastal Shipping



LOK SABHA SECRETARIAT NEWDELHI

April, 1970/Chaitra, 1892 (Saka)

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(1969-70)

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(1969-70)

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INTRODUCTION

- I, the Chairman of the Estimates Committee having been authorised by the Committee to submit the Report on their behalf, present this Hundred and Twentieth Report on Action Taken by Government on the recommendations contained in the Seventy-third Report of the Estimates Committee (Fourth Lok Sabha) on the Ministry of Shipping and Transport—Coastal Shipping.
- 2. The Seventy-third Report of the Estimates Committee (Fourth Lok Sabha) was presented to Lok Sabha on the 8th April, 1969. Replies indicating action taken on the various recommendations contained in the Report were forwarded by Government on the 20th January, 1970. The Study Group 'D' of the Estimates Committee (1969-70) considered the replies received from the Ministry on the 13th March, 1970. The draft Report was adopted by the Committee on the 28th March, 1970.
 - 3. The Report has been divided into the following Chapters:—
 Chapter I—Report.
 - Chapter II—Recommendations which have been accepted by Government.
 - Chapter III—Recommendations which the Committee do not desire to pursue in view of the Government's reply.
 - Chapter IV—Recommendations in respect of which replies have not been accepted by the Committee.
 - Chapter V—Recommendations in respect of which final replies of the Government are still awaited.
- 4. An analysis of the Action Taken by Government on the recommendations contained in the Seventy-third Report of the Estimates Committee (Fourth Lok Sabha) is given in Appendix II to this Report. It would be observed therefrom that out of 54 recommendations made in the said Report, 40 recommendations, i.e. 74 per cent have been accepted by Government. The Committee do not desire to pursue 5 recommendations i.e. about 9 per cent in view of Government's reply. The replies to 2 recommendations i.e. about 4 per cent have not been accepted by the Committee. Final replies of Government to the remaining 7 recommendations i.e. 13 per cent have not yet been furnished to the Committee.

New Delm;

M. THIRUMALA RAO.

4th April, 1970.

Chairman, Estimates Committee...

14th Chaitra, 1892 (S).

CHAPTER I

REPORT

Coal Traffic

In paras 4.37 and 4.38 (recommendations Sl. Nos. 18 and 19) of their 73rd Report on the Ministry of Shipping and Transport—Coastal Shipping, the Estimates Committee while pointing out the importance of Coal as a single commodity in Coastal Shipping, had observed that an adequate quantity of coal had to be assured to coastal trade with a view to provide balanced traffic and to make it possible to maintain the coastal trade at a proper level.

- 2. In this connection the Committee had noted the decision taken by the Cabinet Committee in 1961 to increase the movement of coal by railcum-sea route from 1 million tonnes to 2 million tonnes per annum to Southern and Western India both on account of Railways and Industry. They had also noted the modification of this decision at an inter-departmental meeting on 18-8-1964. The Committee had expressed the view that in matters like this when the interests of the Ministry of Railways and the Ministry of Shipping and Transport clashed all the facts should have been placed before the Cabinet Committee for their decision. However, the Committee had found that the Railways were then committed to supply 50,000 tonnes of coal per month to be carried by coastal shipping till 1971-72 and in addition the Railways had requested the Ministry of Shipping and Transport to ensure movement of one ship load of coal to Saurashtra ports by rail-cum-sea route. On the other hand the Ministry of Shipping and Transport had suggested a minimum of 7.5 lakh tonnes a year. The Committee felt that the gap between the quantity offered by the Ministry of Railways and the quantity suggested by the Ministry of Shipping and Transport was not much and could be easily bridged. The Committee had, therefore, suggested that the Ministry of Railways and the Ministry of Shipping and Transport should by mutual consultations come to a conclusion at the earliest possible time so that a minimum quantity was assured to coastal shipping till the period when Haldia was ready.
- 3. In para 3.18 (Recommendation Sl. No. 7) of the said Report the Committee had also emphasised the importance of the coastal-fleet as a second line of defence during emergencies like war, flood, famine etc. apart from other reasons.
- 4. The Ministry of Shipping and Transport have in their reply informed that the Railways had declined to allot any quantity of coal for movement by coastal shipping after March, 1972 as by that time the Railways would have adequate capacity to carry all the coal that might be required to be moved from Bengal Bihar collieries on account of Railways or the industries to the Southern and Western regions. The Ministry of Shipping and Transport feel that if this position is finally accepted by Government it would leave no scope for the development of an efficient and economically viable coastal shipping fleet. They have, however, informed that before obtaining the decision of the Government 54LSS/69

in this matter, the views of the Defence Ministry have been invited on the importance of Coastal Shipping from the security point of view which had been emphasised by the Estimates Committee in para 3.18 of their original Report.

5. The Committee are surprised to note that it has taken the Ministry of Shipping and Transport a long time to obtain the views of the Ministry of Defence on the importance of Coastal Shipping as a second line of defence during emergencies like war, flood, famine etc. as emphasised by the Committee in para 3.18 of their original Report. They, however, reiterate their earlier recommendation that a minimum quantity of coal should be ensured for being moved by coastal shipping for the period till Haldia comes up after mutual consultations between the Ministry of Shipping and Transport and the Ministry of Railways.

CHAPTER II

RECOMMENDATIONS WHICH HAVE BEEN ACCEPTED

BY GOVERNMENT

Recommendation (Serial No. 1, Para 1.18)

The Committee are of the view that the Railway transport system is susceptible to the vagaries of floods and could be dislocated during war or due to other reasons. It is, therefore, essential to have a coastal fleet which can play a supplementary role in the transport system of the country in normal times and which will have to shoulder crucial obligations during any emergency.

Reply of Government

The observations of the Committee have been noted.

[Ministry of Shipping & Transport O.M. No. 40-MD(18)/69, dated 20th January, 1970]

Recommendation (Serial No. 2, Para 2.12)

The Committee note the functions of the Directorate General of Shipping in regard to the operation and development of coastal shipping. They are glad that although the Director General of Shipping has statutory powers in relation to the effective employment of the coastal shipping tonnage, he rarely uses such powers and uses his good offices with the shipping companies for the purpose. The Committee hope that this cooperation will lead to practical enforcement of rules.

Reply of Government

The observations of the Committee have been noted.

[Ministry of Shipping & Transport O.M. No. 40-MD(18)/69, dated 20th January, 1970]

Recommendation (Serial No. 6, Para 2.38)

The Committee are of the view that a long range examination should be made to find out how best to secure for coastal fleet fuller utilisation of ships, provision of regular service, improvement in operational efficiency and also economics in capital cost and operational expenses. They hope the Government will give this matter full consideration in consultation with the Indian Coastal Conference and secure the largest measures of agreement in coming to a final decision in the matter of setting up of a Corporation of Coastal Shipping Companies or any other suitable organisation.

Reply of Government

Government have not yet taken any decision on the question of setting up of a Coastal Shipping Corporation. As recommended by the Committee, full consideration will be given to all aspects of the matter before any final decision is taken on the question of setting up of a Coastal Shipping Corporation.

[Ministry of Shipping & Transport O.M. No. 40-MD(18)/69, dated 20th January, 1970]

Recommendation (Serial No. 8, Para 3.19)

The Committee consider it unfortunate that during the last so many years, the Government have not shown the necessary interest in developing coastal shipping in India as it should have done. Several Sub-Committee of the National Shipping Board and other Committees and study Groups appointed from time to time have repeatedly stressed the importance of maintaining coastal tonnage at an adequate level but very little has been done to implement the recommendations made year after year in this behalf. The Committee feel that unless prompt and effective steps are taken for the rehabilitation of the coastal fleet, the situation may become serious imperilling the economic and other interests of the country.

Reply of Government

The observations of the Committee have been noted. It may however be stated that development of coastal shipping has not been neglected as a policy. In fact, coastal dry cargo tonnage had increased from 2.58 lakhs grt to 3.63 lakhs grt in 1964. It was only thereafter that the dry cargo tonnage began to decrease. This increase and subsequent decrease in tonnage was mainly due to the availability of adequate cargoes during the period upto 1964 and a downward trend thereafter. As stated in the comments on Recommendation No. 18, paucity of cargo, particularly coal, is still the problem and unless adequate cargo availability can be ensured, it will not be possible to formulate any realistic programme for development of coastal shipping.

[Ministry of Shipping & Transport O.M. No. 40-MD(18)/69, dated 20th January, 1970]

Recommendation (Serial No. 13, Para 3.40)

With regard to the question of giving exemption to goods (spare parts) in bond from excise duty, the Committee desire that in order to facilitate the flow of spare parts and to remove whatever impediments there are now, the Ministry of Shipping and Transport should follow up the matter with the Ministries of Industrial Development, Internal Trade and Company Affairs and Finance expeditiously. The Committee would like to be informed in due course about the progress made in the matter.

Reply of Government

The question of treating the ship ancillary industry as export-oriented for the purpose of availing of draw back in regard to customs and excise duties etc. has been considered in consultation with the Ministries of Industrial Development, Internal Trade & Company Affairs and Finance. The Ministry of Industrial Development, Internal Trade and Company Affairs have agreed in principle to treat the ship ancillaries industry as 'export oriented for the purpose of availing of concessions in regard to customs and excise duty etc. After collecting the data in regard to prices

of the ship ancillary items, the Ministry of Finance was approached to consider favourably the payment of cash assistance and draw backs on customs and excise duties on these items in order to make their prices more competitive with the imported ones. That Ministry agreed and stated that the drawback would be admissible to the exporter and as such it would be for the firms and the shipbuilders to settle between them as to how the amount of drawback on ship ancillaries should be adjusted as and when it was granted, on the ocean-going vessels on which they would be used.

[Ministry of Shipping & Transport O.M. No. 40-MD(18)/69, dated 20th January, 1970]

Recommendation (Serial No. 14, Para 3.41)

As regards encouragement to indigenous industry, the Committee are glad to note that no import is allowed to spares which are available indigenously. The Committee suggest, however, that the normal policy of the Government to encourage domestic production even though at a higher price and the giving of price preference to local manufacturers should be continued in order to encourage Indian firms to manufacture products needed for ship-repairing industry.

Reply of Government

Such of the materials required for ship repairing industry as are produced indigenously are always used in preference to imported stores and decisions regarding price preference etc. are taken on the merits of each case.

[Ministry of Shipping & Transport O.M. No. 40-MD(18)/69, dated 20th January, 1970]

Recommendation (Serial No. 15, Para 3.42)

The Committee are glad to note that a Cell has started functioning in Calcutta which will codify and categories the various items of marine equipment, lay down priorities for their indigenous production and provide detailed technical data, drawings and specifications to the prospective manufacturers. The Committee hope, after studying working of this Cell for sometime, the necessity and feasibility of setting up similar cells in other places will be examined.

Reply of Government

The working of the Development Cell at Calcutta is being watched. After sometime, the question of setting up of similar cells in other places will be examined if considered necessary.

[Ministry of Shipping & Transport O.M. No. 40-MD(18)/69, dated 20th January, 1970]

Recommendation (Serial No. 16, Para 3.43)

The Committee are glad to note that the Government have set up the Standing Committee for Ship-building, Ship-repairs and Ship-ancillaries. They hope that assistance of this body will be sought whenever necessary and it will be ensured that matters, referred to it, are not unduly delayed.

Reply of Government

The recommendations of the Standing Committee for Shipbuilding Shiprepairs and Ship ancillaries are being considered expeditiously in consultation with the concerned Ministries/Departments and action taken thereon where necessary.

[Ministry of Shipping & Transport O.M. No. 40-MD(18)/69, dated 20th January, 1970]

Recommendation (Serial No. 17, Para 3.44)

The Committee hope that the Government will take all necessary steps to avoid complaints regarding inordinate delay in the repairs of ships in India and take concerted measures to bring down the cost of shiprepairs. In order to keep the coastal fleet which has already dwindled to a great extent, at a proper level of tonnage, the need for an efficient ship repairs structure covering all the major and eventually the minor ports in India cannot be over-emphasised.

Reply of Government

With the facilities proposed to be provided at the various ports (as indicated in reply to S. No. 12 para 3.39) delays in the repair of ships will be reduced to a large extent and it will be possible to carry out repairs to ships more economically than at present. The question of improving the existing shiprepair facilities by the introduction of more mechanical devices will be looked into in consultation with the Port Authorities.

[Ministry of Shipping & Transport O.M. No. 40-MD(18)/69, dated 20th January, 1970]

Recommendation (Serial No. 20, Para 5.12)

The Committee note that the Ministry have from time to time appointed committees to consider proposals for revision of freights and that Government's decisions on the reports submitted by the enquiring committees were communicated within a period of five to six months. They, however, feel that there is force in the argument of the Coastal Conference that by the time Government decisions are announced, the position undergoes a change on account of further rise in the costs of operation in the iterim period.

Reply of Government

The difficulty will, it is hoped, be removed to a great extent under the new procedure referred to in the next paragraph 5.13 of the Committee's Report.

[Ministry of Shipping & Transport O.M. No. 40-MD(18)/69, dated 20th January, 1970]

Recommendation (Serial No. 21, Para 5.13)

The Committee agree with the Ministry that the existing procedure in regard to sanctioning general increases in freight rates on the basis of recommendations made by ad hoc committees appointed every two or three years following representations made by the Coastal Conference was defective. They feel assured that under the new procedure, which

has been evolved in consultation with the shipowners, there would be automatic and continuous examination of the accounts of the shipping companies on the basis of returns submitted by them on a standard proforma to the Director General of Shipping and that there would not be any cause for complaints from the Coastal Conference in regard to delays in making decisions. The Committee hope that the new procedure will be given a fair trial and the results watched for a period of three years.

Reply of Government

The observations of the Committee have been noted.

[Ministry of Shipping & Transport O.M. No. 40-MD(18)/69, dated 20th January, 1970]

Recommendation (Serial No. 22, Para 5.14)

In view of the fact that the Maritime Freights Commission has already been vested with necessary power for advising the Government in matters relating to freight revisions, the Committee do not think it would be necessary to set up any ad hoc Board for considering proposals for changes in freight. The Committee, would, however suggest that the Coastal Conference and the shipowners should be given ample opportunities to present their viewpoints before the Maritime Freights Commission before Government takes any decision on their recommendations.

Reply of Government

The Government of India have always given ample opportunities to the Coastal Conference and also to individual Shipping Companies to make representations. The Government of India have no objection in principle to the Coastal Conference making representations, whenever they consider necessary to the Maritime Freights Commission on the question of freight rates.

[Ministry of Shipping & Transport O.M. No. 40-MD(18)/69, dated 20th January, 1970]

Recommendation (Serial No. 23, Para 5.15)

The Committee would also suggest that in order that the Director General of Shipping is in a position to collect statistics about the operating results of the shipping companies quickly and comprehensively, the Coastal Conference should impress upon the shipping companies the need for sending their returns promptly and in the proper proforma.

Reply of Government

The Coastal Conference have been addressed accordingly and the Shipping companies have since furnished information pertaining to the years 1966-67 and 1967-68.

[Ministry of Shipping & Transport O.M. No. 40-MD(18)/69, dated 20th January, 1970]

Recommendation (Serial No. 24, Para 5.30)

The Committee note that apart from the fact that ships going from the east coast to the west coast have to make a detour around Ceylon, the

other factors which influence the coastal movement of coal are peculiar to the port of Calcutta-delay in loading and unloading owing to the tide conditions, deterioration in the draft of the river Hooghly and limitation of available space in the dock area. The Committee note further that when Haldia comes up, there will be a dramatic change in regard to the economies and speed of coal movement.

Reply of Government

The Committee's observations have been noted.

[Ministry of Shipping & Transport O.M. No. 40-MD(18)/69, dated 20th January, 1970]

Recommendation (Serial No. 25, Para 5.31)

The Committee agree that coastal shipping is an integral part of the transport system in the country and it is the second line of defence and therefore, it is necessary for the economy of the country as a whole to bear some of the cost. However, the Committee are of the view that the subsidy which the Railways have been giving in the movement of coal for the last 100 years or so cannot be done away with suddenly and it would be prudent to reduce the subsidy gradually as the Railways are doing at present.

Reply of Government

The observations of the Committee have been noted.

[Ministry of Shipping & Transport O.M. No. 40-MD(18)/69, dated 20th January, 1970]

Recommendation (Serial No. 26, Para 5.32)

The Committee hope that with the gradual change in the freight rates for coal, as envisaged by the Railways, with the coming into operation of Haldia port which will reduce the cost of the rail-cum-sea route to a great extent, as envisaged by the Committee on Transport Policy and Co-ordination and with the modernisation of ports expected during the Fourth Plan there will, in the near future, be a gradual improvement in the present situation. In the meantime, however, the Committee would urge that the Ministry should examine the feasibility of making the coastal operations more economical by rationalisation of the working of smaller shipping companies, by quicker turn-round of ships, by better phasing of shipping space and other suitable measures which would help the coastal trade to operate more efficiently and economically than at present.

Reply of Government

As stated in the comments on Recommendations Nos. 9, 10, 11 and 18, an efficient and economic coastal fleet would be possible if availability of adequate cargo, particularly coal, is assured. After a firm decision is taken in this regard, the feasibility of making the coastal operations more economical will be examined on the lines suggested above.

[Ministry of Shipping & Transport O.M. No. 40-MD(18)/69, dated 20th January, 1970]

Recommendation (Serial No. 27, Para 5.41)

The Committee have noted the observations made by the Planning Commission in the Drafts Outline of the earlier Fourth Plan in regrad to returns on capital employed and the measures to be taken to secure that return. They feel that it is not difficult for the coastal shipping industry to achieve a legitimate return on capital employed provided port facilities are developed to enable quicker turn-round of vessels, adequate cargo and tonnage is assured, the bottlenecks that hinder the operation of the coastal fleet are gradually eliminated and adequate repair facilities are provided. They feel that if the turn-round of ships could be improved, more voyages could be performed thereby adding to the earnings without corresponding increase in the total operating cost. With the commissioning of the Haldia port the operation is likely to be quicker, resulting in increased sailings.

Reply of Government

The observations of the Committee have been noted.

[Ministry of Shipping & Transport O.M. No. 40-MD(18)/69, dated 20th
January, 1970]

Recommendation (Serial No. 28, Para 5.42)

The Committee have earlier noted that the Director General, Shipping, is to undertake a study of the operating costs of the different shipping companies every year and make recommendations in regard to revision of freight rates to the Government. The Committee hope that while considering the recommendations of the Sub-committee of National Shipping Board, the Government will take into account the latest returns of the shipping companies, as furnished by the D. G. Shipping, so as to fix an economic freight rate for coastal shipping.

Reply of Government

The report of the National Shipping Board on profits which Indian shipping companies should make has been considered by Government who are of the view that a gross return of 8% on "Capital employer" (inclusive of loan capital) would be reasonable and appropriate since the capital structure of the shipping companies includes borrowed capital of which a large part consists of loans from the Shipping Development Fund Committee at a concessional rate of interest viz. 3%.

The latest information available regarding earnings and costs of operation will be taken into account in considering the proposals for a general increase in coastal freight rates.

[Ministry of Shipping & Transport O.M. No. 40-MD(18)/69, dated 20th January, 1970]

Recommendation (Serial No. 29, Para 5.50)

The Committee regret to observe that the proposal for introducing 'through booking' arrangements between the Railways and Coastal Shipping for movement by combined rail-cum-sea route wherever possible, which was recommended by the Rail-Sea Co-ordination Committee, has not been given the consideration that it deserves. The Committee feel that it is not fair to reject a proposal on the principle that it is not

acceptable either to the Railway Ministry or to the Coastal Conterence. The Railways should have worked out the financial implications of the proposal before summarily rejecting a scheme which, in the opinion of the Committee is a laudable one. The Committee suggest that the Ministry of Shipping and Transport may further examine the proposal in consultation with the Ministry of Railways and the Coastal Conference and arrive at a workable solution so that the consumers' interests can also be adequately protected.

Reply of Government

The observations of the Committee have been noted. The proposals regarding through booking have been taken up again with the Ministry of Railways and the coastal operators and it is hoped that it will be possible to arrive at a workable solution before long.

[Ministry of Shipping & Transport O.M. No. 40-MD(18)/69, dated 20th January, 1970]

Recommendation (Serial No. 30, Para 5.55)

The Committee note that the target of coal to be moved by sea route on Railway account annually has actually come down from 12,84,000 tons to 6 lakh tons per annum and that in the past the coastal shipping companies have not been able to reach the targets as the actual despatches during the last few years indicate that these have been much lower than targeted figure. The Committee also note that the Ministry of Railways have communicated in their letter dated the 18th May, 1968 that in addition to 50,000 tons of coal per month upto 1971-72 to be moved on Railway account, the Ministry of Shipping and Transport should ensure movement of one ship load per month of industrial coal of Saurashtra ports by rail-cum-sea route.

Reply of Government

The observations of the Committee have been noted. Due to continued uncertainty about long term availability of coal cargo, it has not been possible to acquire any vessels either as replacements or as fresh additions. With the gradual scrapping of the obsolete tonnage, the tonnage available on the coast became inadequate to lift the coal cargo offered. Further the coastal tonnage was also required to lift on priority basis, coal shipments to Burma and Ceylon. The position has now improved as will be seen from the following statement:

Coastal coal shipments (1969)

Month				Railways Tonnes	Industries Tonnes	Total Tonnes
January	•••	• • •	•••	53,421	12,170	65,591
February			••	36,093	16,613	52,706
March	• •	••	••	48,193	16,640	64,833
April	•••	• •	•••	46.087	10,110	56,197
May	• • •	• • •	• • •	38,042	6,207	44,249
June	• •	• • •		52,453	12,968	65,421
July	••	••		31,398	26,158	57,556
August	• • •	• • •		47,794	9,000	56,794
September	•	• • •	• • • • • • • • • • • • • • • • • • • •	68,411	21,123	89,534
October	• •	•••	•••	96,207		96,20

[Ministry of Shipping & Transport O.M. No. 40-MD(18)/69, dated 20th January, 1970]

Recommendation (Serial No. 31, Para 5.56)

In these circumstances the Committee suggest that the Ministry of Shipping and Transport may take up this matter with the coastal shipping authorities and ensure that the movement of coal is not hampered for lack of shipping space even though the Committee appreciate that at present there is some difficulty in this matter e.g. Hooghly river draft, old ships in the coastal trade requiring replacements etc.

Reply of Government

Due to the continued uncertainty about long term availability of coal Cargo, it had not been possible to acquire new ships in replacement of overaged vessels which are being scrapped one by one. As such the cargo available at present has to be lifted only with the vessels available. In order to make the best use of available tonnage, the monthly coal shipments programme are being discussed every month in advance at a meeting convened by the Director General of Shipping. This meeting is attended by representatives of the Ministry of Railways (Railway Board), the Coal Controller and the shipping Companies. In view of the continued efforts made in this direction, the position relating to availability of shipping space for the coal cargo at present being offered has improved. The quantity of coal cargo lifted every month during January to October, 1969 has been indicated in the comments on Recommendation No. 30.

[Ministry of Shipping & Transport O.M. No. 40-MD(18)/69, dated 20th January, 1970]

Recommendation (Serial No. 32, Para 6.5)

The Committee note that Government are conscious of the present shortage of berthing capacity in some of the Major Ports. They also note that with the schemes already in hand and the development programmes contemplated during the Fourth Plan period, the Ministry would be able to handle the traffic generated without any adverse effect on the turn-round of ships. The Committee further note that one of the terms of reference of the Commission on Major Ports set up on the 14th February, 1968, is "to consider broadly their (of ports) development programme in the context of present and future national needs with special reference to the changing shipping and port technology". They hope that Government would give expeditious consideration to the Report of the Commission, when available, and set up the necessary infra-structure for providing increased berthing and dry docking facilities to the ports.

Reply of Government

The recommendation has been noted.

[Ministry of Shipping & Transport O.M. No. 40-MD(18)/69, dated 20th January, 1970]

Recommendation (Serial No. 33, Para 6.6)

The Committee further suggest that Government may examine the question of berthing capacity in the Intermediate and Minor Ports also so that the interests of coastal shipping may be adequately protected.

Reply of Government

A Committee has been recently appointed, under the chairmanship of the Development Adviser, to recommend the names of Ports/sites for creating direct berthing facilities for vessels with a draft of more than 10 ft. Further necessary action in the matter will be taken on receipt of the report of this Committee.

[Ministry of Shipping & Transport O.M. No. 40-MD(18)/69, dated 20th January, 1970]

Recommendation (Serial No. 34, Para 6.13)

The Committee note that after the completion of the Farakka Barrage silt-free water would flow from Bhagirathi and the draft of the river Hooghly would increase obviating the problem of bore tides. Till the completion of the Farakka Barrage, however, efforts should continue to be made to dredge the river Hooghly so as to facilitate navigation.

Reply of Government

The Committee's recommendation has been noted. The question of sustaining and improving the present level of drafts is constantly under review by the Calcutta Port Commissioners. The various river training works undertaken, the setting up of a separate department to deal with the navigational problems of the river and the planning of a scheme recently to improve the Bhagirathi and Hooghly river systems to obtain maximum benefits from the Farakka Barrage are measures taken in that direction to improve navigation in the River Hooghly. Even so, bulk carriers over 560 ft. in length and drawing over 26 ft. will not be in a position to trade with the Port of Calcutta. To cater to such vessels, which are now being engaged, for transport of oil, ores and other bulk cargo, a new Dock System is being built at Haldia. This dock system will provide access to vessels without any restriction as to length and size and offer drafts up to 45 ft.

[Ministry of Shipping & Transport O.M. No. 40-MD(18)/69, dated 20th January, 1970]

Recommendation (Serial No. 35, Para 6.14)

The Committee note that each major Port has got its own dredger. There is also a Minor Port Dredgers Pool with two dredgers as well as some tugs. The Committee hope that expeditious action would be taken to procure the additional dredgers for which clearance has been obtained from the Government for attending to the dredging requirements of Mangalore, Tuticorin, Mormugao, etc. The Committee further hope that the question of having a Dredger Pool for Minor and Major Ports would be considered by the Government after the Report of the Major Ports Commission is available.

Reply of Government

A Central Dredging Organisation has been set up to meet the urgent capital dredging requirements of the Ports and to clear the backlog of dredging in various ports. Orders have already been placed for the acquision of one 3,000 c.m. trailing hopper suction dredger from Holland and one 1,500 c.m. cutter suction dredger from M/s. Garden Reach Workshops Limited, Calcutta. Orders for ancillary craft and equipment viz. one 2,000 H.P. Tug, 2 Survey launches, floating and shore pipelines with accessories have been placed on the Central Inland Water Transport Corporation.

Any recommendation which may be made by the Major Ports Commission regarding a Dredger Pool for major and minor Ports will be given due consideration.

[Ministry of Shipping & Transport O.M. No. 40-MD(18)/69, dated 20th January, 1970]

Recommendation (Serial Nos. 36, 37; Paras 6.15, 6.16)

- 36. The Committee are constrained to observe from the Report of Axelson Study Team that the avilable dredging capacity is not being fully utilised. They are unhappy to note that a good many dredgers require extensive repairs and replacement and that the dredgers in India are used for only 8 hours a day whereas the magnitude of the dredging problem demands round-the-clock operation.
- 37. The Committee feel that it is not enough for the Government to issue instructions to the Port Trusts to see that the dredging capacity is fully utilised. What is required is a detailed procedure to determine the idle capacity of the dredgers, analyse the causes that hinder the utilisation and adopt suitable remedial measures to ensure their maximum utilisation. The Committee would like to be apprised, in due course, about the procedure adopted.

Reply of Government

The Committee's observations have been examined carefully in consultation with the Major port authorities. A statement showing portwise position as regards maximum utilisation of dredgers owned by the Major Ports is attached (Appendix I). It will be seen therefrom that the port authorities own a variety of dredgers intended for different types of dredging work. An estuarian dredger which is intended for dredging in the estuary or in the river approaches cannot be deployed for dredging in the dock. A cutter suction dredger cannot do the function of suction hopper dredger. The conditions obtaining at each port such as night navigation facilities, dry-docking facilities etc. vary. As such it is rather impracticable evolve a detailed uniform procedure to determine the capacity dredger, and consequently analyse the causes that hinder their full utilisa-By and large, the dredgers at major ports are being utilised to the maximum possible extent. The port authorities have already applied their minds in maximising the utility of dredgers. It is, however, considered that the assessment made by the Axelson Study Team during their short visit to Major Ports is over estimated.

[Ministry of Shipping & Transport O.M. No. 40-MD(18)/69, dated 20th January, 1970]

Recommendation (Serial No. 38; Para 6.29)

The Committee are surprised that separate statistics are not maintained at Calcutta Port about the turn-round of coastal and foreign-going vessels. The Committee recommend that such statistics should be maintained by all the Ports and duly utilised by them.

Reply of Government

The Port authorities of Cochin, Visakhapatnam, Kandla Mormugao and Paradip have already been maintaining separate statistics of turn-round of coastal and foreign-going vessels.

The Bombay Port Trust have so far been maintaining statistics of turn-round of each vessel; from which statistics of turn-round of either coastal vessels or foreign-going vessels can be easily extracted. The Madras Port Trust have, on the other hand been maintaining statistics of turn-round of vessels according to categories of vessels e.g. tankers, colliers, vessels carrying foodgrains, vessels carrying fertilizers etc. It will be possible to cull out from these satistics, turn-round of coastal vessels and foreign-going vessels. In so far as Calcutta Port is concerned, separate statistics have not so far been maintained by them for coastal and foreign ships. However with effect from 1969-70, the Port authorities of Calcutta, Bombay and Madras will maintain separate statistics of turn-round of coastal as well as foreign-going vessels in pursuance of the recommendation of the Estimates Committee on Coastal Shipping.

[Ministry of Shipping & Transport O.M. No. 40-MD(18)/69, dated 20th January, 1970]

Recommendation (Serial No. 39; Para 6.30)

From the figures furnished about the detentions suffered bv vessels at Calcutta from the month of January, 1968, onwards, the committee note that detentions were in the neighbourhood of 1.2 days in regard to coastal imports and 1.0 day in regard to coastal colliers during June to August, 1968. While part of detention is due to factors over which the Port authorities have no control, viz. bore tide restrictions, deterioration of draft, heavy rains, etc., the strike by Port Commissioner's employees suffered by coastal have also been a contributory factor for detentions vessels. Since detentions are likely to lead to a chain reaction at the port causing congestion of vessels for berthing, the Committee would like to emphasise that vigorous efforts, should be made to avoid and minimise They further suggest that Government should undertake a comprehensive review of the labour problem in Calcutta and other Ports and take suitable steps to improve the labour-management relations, so that there may not be any hold-up of work due to strikes leading, among other things, to the detention of vessels.

Reply of Government

The Government of India in the Ministry of Labour, Employment and Rehabilitation had set up the National Commissions on Labour to study and report in particular on the state of relations between employers and workers and the role of trade unions and employers organisations in promoting healthy industrial relations and the interests of the nation. The problems confrontings the ports were brought to the notice of the Commission. The Commission's report was submitted to Government recently and is at present under the consideration of the Ministry of Labour and Employment.

The Ministry of Labour and Employment had also appointed a tripartite expert committee for Calcutta Docks. This committee was required interalia to investigate the causes of low output of Dock workers at Calcutta Port and to suggest ways and means for improving it. The report of this Committee has also been submitted to the Ministry of Labour and Employment and is at present under their consideration.

Apart from the above, the Central Wage Board for Port and Dock Workers which had been set up in 1964 to examine the wage structure of

class III and Class IV employees employed in various major ports has also submitted its report recently. This is also under examination.

It is felt that the examination and implementation of the recommendations made in the aforsaid reports may be awaited. In the meantime every effort is being made to settle all disputes as expeditiously as possible, so as to cause minimum dislocation of work.

[Ministry of Shipping & Transport O.M. No. 40-MD(18)/69, dated 20th January, 1970]

Recommendation (Serial No. 40: Para 6.31)

The Committee note that while the procedure for clearance of goods at Bombay Port is comparatively simple, turn-round of coastal vessels is not effective inasmuch as shipowners of coastal vessels do not work cargoes in all the three shifts and several coastal ships arrive simultaneously in port to load/unload cargo. The Committee would like the Government to take up the matter with the Indian Coastal Conference so that there may not be any bunching of vessels and the departure and arrival dates can be suitably phased out by the shippers.

Reply of Government

As desired by the Estimates Committee the matter was taken up with the Indian Coastal Conference. In their reply, they have attributed the occasional nonworking of three shifts and bunching of coastal ships at Bombay to certain factors which are the responsibility of the Bombay Port Trust. The matter has now been taken up with the Port Trust and will be sorted out as early as possible.

[Ministry of Shipping & Transport O.M. No. 40-MD(18)/69, dated 20th January, 1970]

Recommendation (Serial No. 41; Para 6.32)

The Committee further note that the facilities available at most of the major ports for loading and discharge are the same for the coastal and the foreign cargoes. They have no doubt that the Major Port Commission will examine the question of adequacy or otherwise of the existing port facilities, including availability of lighters, placement of wagons, etc. which have a direct bearing on the turn-round of vessels and the economics of the coastal shipping trade.

Reply of Government

The Committee's recommendations have been brought to the notice of the Major Ports Commission.

[Ministry of Shipping & Transport O.M. No. 40-MD(18)/69, dated 20th January, 1970]

Recommendation (Serial No. 43; Para 6.42)

The Committee are glad to note that a decision has been taken for launching a Centrally sponsored scheme for the development of minor and intermediate ports. They would like that the details of the scheme, when finalised, may be furnished to them.

Reply of Government

The request of the Committee for being furnished with the details of the scheme, when finalised, has been noted and will be complied with at the appropriate time.

[Ministry of Shipping & Transport O.M. No. 40-MD(18)/69, dated 20th January, 1970]

Recommendation (Serial No. 46; Para 8.7)

The Committee note that of the four vessels operated by M/s. Chowgule Steamships Ltd. one vessel has almost run out of its economic life and that the Shipping Company do not seem to have any proposal for the acquisition of vessels. From the statistics furnished, the Committee note that there is a high volume and an increasing trend in the passenger traffic on the Konkan Coastal Shipping Service. Keeping in view the growing volume of traffic, the Committee suggest that Government may consider the feasibility of encouraging the tonnage on this service so that no inconvenience is caused to coastal traffic.

Reply of Government

The vessel "Rohidas" which has run out its economic life has been permitted to be scrapped. The service is now being operated by the Company with three modern vessels "Konkan Sevak", "Sarita", and "Rohini". The observations of the Committee have, however, been noted. If these 3 ships are found to be in-adequate to cater to the traffic and proposals are received for acquiring more ships for this service, Government will certainly consider them sympthetically.

[Ministry of Shipping & Transport O.M. No. 40-MD(18)/69, dated 20th January, 1970]

Recommendation (Serial No. 47; Para 8.8)

The Committee note that Government have recently granted an increase of 7% in the fares of the Konkan Coastal Shipping Service with effect from 6th May, 1968 and that request for further revision of the fare is at present under consideration of Government. The Committee hope that while considering the request for revision of the fare structure, the Government will also keep in view the interests of the coastal passengers.

Reply of Government

The Government of India have permitted the passenger fares on the Konkan Coastal Shipping Service to be increased by 8% with effect from the 10th September, 1969. In arriving at the decision, the Government of India have taken into consideration the interests of the travelling public as well as the need to ensure continuity of operation by the Company which could only be on the basis of viability.

[Ministry of Shipping & Transport O.M. No. 40-MD(18)/69, dated 20th January, 1970]

Recommendation (Serial Nos. 48, 49; Paras 8.15 and 8.18)

48. The Committee are glad to note that a new ferry wharf for coastal shipping is under construction and will be commissioned in September,

1969. They are, however, unhappy that no cargo handling facilities are planned at the new site. The Committee consider that this should be done. They are also unhappy to learn that hardships and inconvenience is caused to coastal vessels and they are also exposed to risk during bad weather on account of serious drawbacks on the Konkan ports like the absence of alongside berthing capacity, siltation both at the approach channels and the inner harbours, inadequacy or navigation aids, lack of proper communication facilities and the shore facilities for the passengers. The Committee suggest that the Ministry of Shipping and Transport should review the whole position and take suitable measures in consultation with the State Governments concerned, to remove the drawbacks of the Konkan ports as early as possible.

The Committee note that there is much delay in removing the sunken barge from Berth No. 1 of Mormugao Port which causes obstruction to traffic. They hope expeditious action would be taken to remove the bottlenecks.

49. The Committee regret there is lack of essential passenger amenities at many ports in Konkan service. They would urged that the Central Government may take up the matter with the State Governments concerned and persuade them to provide the necessary passenger amenities at Konkan ports.

Reply of Government

Since the executive responsibility for the development of Minor Ports vests with the State Governments concerned, the observations of the Estimates committee have been communicated to the Government of Maharashtra.

Removal of the sunken wreck at Mormugao port is one of the items included in the contract for dredging and reclamation in connection with the development of Mormugao Port.

[Ministry of Shipping & Transport O.M. No. 40-MD(18)/69, dated 20th January, 1970]

Recommendation (Serial No. 50; Para 8.30)

The Committee are glad to know that the position has eased on the Andamans sector. They however, suggest that coordination to solve any problems that may arise in the operation of these services should be achieved by constant liaison with the Directorate General of Shipping, Shipping Corporation of India and the Andamans and Nicobar Administration.

Reply of Government

The recommendation of the Committee has been noted. There is coordination among the Directorate General of Shipping, Shipping Corporation of India and Andman Administration in the operation of the services. It is felt that such coordination will become more effective if the services are brought under the administrative control of the Shipping Corporation of India. A proposal in this regard is under consideration.

[Ministry of Shipping & Transport O.M. No. 40-MD(18)/69, dated 20th January, 1970]

Recommendation (Serial No. 52, Para 8.39)

The Committee note that in the field of welfare for seamen no distinction is made between the seamen serving on the Home Trade or on the Foreign-going ships. They are, however, unhappy that the Seamen's Employment Scheme as applicable to foreign-going sector has not so far been extended in full measure to the Home Trade Sector. They suggest that Government may examine the feasibility of extending this scheme in full to the Home Trade Seamen.

Reply of Government

The Seamen's Employment Scheme is incorporated in the Indian Merchant Shipping (Seamen's Employment Office) Rules, 1954. Under Rule 7, no person is eligible for registration at the Employment Office unless he, inter alia, holds a valid certificate of physical fitness issued by a medical authority. This certificate is issued under the Indian Merchant Shipping (Medical Examination) Rules, 1958, which had not been made applicable to the Home Trade Seamen. It has since been decided that the Indian Merchant Shipping (Medical Examination) Rules, 1958 should be made applicable to the Home Trade Seamen also. These scamen will, therefore, now be fully covered by the Indian Merchant Shipping (Seamen's Employment Office) Rules, 1954.

[Ministry of Shipping & Transport O.M. No. 40-MD(18)/69, dated 20th January, 1970]

Recommendation (Serial No. 53, Para 8.40)

The Committee note that there are at present no special arrangements for the education and training of seamen for Home Trade Service and that the industry itself provides training facilities to meet its own requirements. They fail to see why the three Ratings Training Establishments should not undertake training of personnel for the Home Trade Sector also, especially when they have capacity to train a large number of ratings. The Committee feel that, with the acquisition of new vessels for coastal shipping, there will be increased demand for trained personnel to man them. They suggest that the requirements of Deck and Engine Room Ratings for the Home Trade Vessels during the next five years may be worked out and arrangements made for their training in the existing Ratings Training Establishments run by the Government of India.

Reply of Government

The Expert Committee on Unemployment among Indian Seamen set up by the Government has also inter alia recommended that future vacancies in the Home Trade Sector should be filled in from amongst the ratings trainees or seamen in Foreign-going Sector. This suggestion has since been accepted.

[Ministry of Shipping & Transport O.M. No. 40-MD(18)/69, dated 20th January, 1970]

Recommendation (Serial No. 54, Para 8.41)

As regards the training of officers for the Merchant Navy, the Committee note that the Technical Committee set up by the Government of India has submitted its report in March 1968 and it is under examination.

The Committee hope that early action will be taken to augment the training facilities for the officers of the Merchant Navy in the existing training institutions in the light of the recommendations made by the Committee.

Reply of Government

Decisions on the various recommendations made by the Technical Committee on the System of Training and Examination for Merchant Navy Officers in its report have already been taken and these are now under the process of implementation.

[Ministry of Shipping & Transport O.M. No. 40-MD(18)/69, dated 20th January, 1970]

CHAPTER III

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

Recommendation (Serial No. 3, Para 2.17)

The Committee feel that the recommendations of the National Shipping Board and its sub-committees have not been given the serious consideration that they deserve. The Committee hardly see any justification for referring problems to the National Shipping Board for examination and report if their recommendations are not to be implemented with expedition. The Committee hope that Government will promptly initiate action to implement those recommendations contained in the last report of the National Shipping Board (August, 1968) which have already been accepted by the Ministry of Shipping and Transport.

Reply of Government

Almost all the important recommendations in the last report of the National Shipping Board revolve round their basic recommendation that 7.5 lakh tonnes of coal should be reserved for transport by coastal ships on a permanent basis. Although Ministry of Shipping & Transport are agreeable to this, the real Ministry concerned *i.e.* the Railway Ministry are strongly opposed to this—vide details given in the comments below Recommendation No. 18.

Thus, acceptance by the Ministry of Shipping & Transport is not enough and the concurrence of several other Ministries e.g. the Deptt. of Mines & Metals, Ministry of Railways, Ministry of Finance and the Planning Commission is required before these recommendations can be accepted and implemented. However, one recommendation of the Board relating to a revised procedure for reviewing coastal freight rates, which was exclusively within the competence of the Ministry of Shipping & Transport has already been accepted—vide comments below Recommendation No. 21.

[Ministry of Shipping & Transport O.M. No. 40-MD(18)/69, dated 20th January, 1970]

Recommendation (Serial No. 4, Para 2.24)

The Committee note that the Shipping Development Fund Committee provides financial assistance to Indian Shipping Companies for the acquisition of coastal and overseas tonnage and no distinction is made as between the coastal and overseas shipping in terms and conditions. They are, however, unhappy to note that, although the fund is there, no application has been received from coastal shipping companies for grant of loans. The Committee would like the Government to examine the reasons for this poor response from the coastal shipping companies in regard to loan assistance from the Shipping Development Fund Committee and review the terms and conditions of loans to make them attractive.

Reply of Government

The terms and conditions on which the Shipping Development Fund Committee grant loans for purchase of ships are already liberal. The reason why not many applications are received from shipping companies for loans for coastal ships is that there have not been many acquisitions of coastal ships. This is due to the continued uncertainty about long term availability of adequate cargoes like coal on the coast.

[Ministry of Shipping & Transport O.M. No. 40-MD(18)/69, dated 20th January, 1970]

Recommendation (Serial No. 5, Para 2.32)

The Committee note that "No specific machinery for coordinating between the Conference and the Government has been set up". They feel that it is desirable to have a more intimate coordination between the Conference and the Government organisation so as to cut down delays and for the quick understanding and solution of the problems that arise with regard to coastal shipping. They hope that apart from periodical meetings, the feasibility of introducing a suitable machinery for the purpose will be considered by Government.

Reply of Government

The recommendation of the Estimates Committee has been The Director General of Shipping holds periodicals meetings with coastal shipowners where general problems affecting the coastal shipping are discussed. Apart from this, an inter-departmental meeting with the representatives of the Coal Controller, the Ministry of Railways (Railway Board), the Directorate General of Shipping, other Government and quasi-government organisations concerned with the items for and coastal shipowners is held every month. This body programmes ships for the coastal movement of coal, salt and, when occasion arises, other essential commodities as well. The meeting is presided over by the Director General of Shipping. Problems relating to movement along the coast as also relative problems concerning port facilities, delays at ports are discus-The forum is also utilised by the Government agencies and owners for the discussion of any important matter which attention.

The Ministry of Shipping & Transport are satisfied with these arrangements and in the circumstances, it is considered that there is no need for setting up a separate machinery for securing coordination between coastal shipowners and the Government. Further, it is felt, that setting up of such a separate machinery will only lead to duplication of effort, increased administrative costs and secure no better overall results.

[Ministry of Shipping & Transport O.M. No. 40-MD(18)/69, dated 20th January, 1970]

Recommendation (Serial No. 12, Para 3.39)

The Committee regret to note that, as admitted by the Ministry, "no specific assistance is being rendered by the Government for ship repair facilities to Indian Coastal Shipping". Moreover, the major ports have developed ship repair facilities only for their own craft and it is only the excess capacity available which is given to other ships. It is unfortunate that the ship

repair firms, which were addressed by the Government to submit their proposals for modernisation and reorganisation, have not responded so far and the matter is still under consideration of the Government. The Committee would like the Government to make serious efforts to finalise these matters at an early date in consultation with the authorities concerned so that the urgent need of developing ship repair facilities is met at the earliest possible time. It should be appreciated that longer the time taken to repair vessels, the greater would be the losses and difficulties.

Reply of Government

The question of improvement of ship repair and dry docking facilities in India was placed before the Standing Committee for Shipbuilding, Ship-repairs and Ship Ancillaries for consideration. The Committee desired that a detailed paper on the subject be prepared before the question is considered by the Committee. The paper is under preparation and will be considered by the Standing Committee in due course.

The repair of ocean-going ships is at present being carried out mainly at Bombay and Calcutta.

At Bombay Port there are two dry docks—Morewhether and Hughes. In the Fourth Plan Programme of the Port, there exists a tentative provision of Rs. 200 lakhs for the construction of 2 dry docks at Nhava-Sheva. However, a decision on this depends on acceptance of the various recommendations contained in the Master Plan report submitted by the Port Trust's Consulting Engineers for the future development of Bombay Port. Apart from this the Fourth Plan programme of the Port Trust provides a sum of Rs. 119 lakhs for undertaking certain ancillary ship repair facilities such as electrification of slipway, improvement to Clarke Basin etc.

At Calcutta there are 3 dry docks in the Kidderpore Dock and two in the King George's Dock. In addition there are a few Graving Docks at these Docks to cater to ship repairs. No provision exists in the Fourth Plan programme of the Calcutta Port Commissioners to augment the dry docking capacity at Calcutta including Haldia. A sum of Rs. 145 lakhs has, however, been suggested in the Fourth Plan to provide certain ancillary ship repair facilities such as improvement in workshop, water supply and improvement in the service at the existing dry docks.

In addition to the above, a dry dock at the Hindustan Shipyard at an estimated cost of Rs. 408.5 lakhs is under construction and is scheduled to be completed by the end of September 1970.

It is also proposed to construct a dry dock at the Cochin Shipyard. This dry dock will be capable of repairing ships of 85,000 DWT.

[Ministry of Shipping & Transport O.M. No. 40-MD(18)/69, dated 20th January, 1970]

Recommendation (Serial No. 51, Para 8.31)

In view of the fact that volume of passenger traffic between main-land ports and Andamans and Nicobar Islands has been greatly increasing since 1964-65, the Committee hope that the Government will ensure that the

machinery for the operation of the Andamans shipping is reorganised, and transit accommodation is provided at Port Blair as early as possible.

Reply of Government

As stated with regard to recommendation No. 50, there is a proposal to hand over control of the Andaman Shipping Services to the Shipping Corporation of India Limited for achieving better operational and economic efficiency. After such transfer of control, the Corporation may have to establish a branch office at Port Blair.

The question of provision of transit accommodation for passengers at Port Blair has been examined and it has been found that there is no necessity for such a provision at Port Blair. Provision has, however, been made in the Fourth Five Year Plan of Andaman and Nicobar Islands for building transit passenger accommodation in Calcutta and Madras.

[Ministry of Shipping & Transport O.M. No. 40-MD(18)/69, dated 20th January, 1970]

CHAPTER IV

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

Recommendations (Serial Nos. 18, 19; Paras 4.37 and 4.38)

18. The Committee need hardly point out that coal is the most important single commodity in the coastal traffic in India and wherever there is a comparatively small quantity of cargo to be carried, it has to be supplemented by coal to provide balanced traffic. In fact coal is the king-pin in the cargo movement around the coast.

The Committee note that a decision to increase the movement of coal by rail-cum-sea route from 1 million tonnes to 2 million tonnes per annum to Southern and Western India both on account of Railways and Industry was taken by the Cabinet Committee in March, 1961, but later the decision was modified at an inter-departmental meeting held on 18-8-1964. mittee feel that in a matter like this, where the interests of the Railways and Coastal Shipping clashed, it would have been proper to place all the facts before the Cabinet Committee for their decision. From the facts as disclosed before them the Committee find that at present the Ministry of Railways have made a commitment that they will be supplying 50,000 tons of coal per month to be carried by coastal shipping till 1971-72 and in addition they have requested the Ministry of Shipping and Transport to ensure movement of one ship load per month of industrial coal to Saurashtra ports by rail-cum-sea route. The Ministry of Shipping and Transport however suggested a minimum of 7.5 lakhs tons a year. In the opinion of the Committee the gap between the quantity offered by the Ministry of Railways and the quantity suggested by the Ministry of Shipping and Transport is not much and it could be easily bridged. The Committee therefore suggest that the Ministry of Railways and the Ministry of Shipping and Transport should by mutual consultations come to a conclusion at the earliest possible time so that a minimum quantity is assured to coastal shipping till the period when Haldia is ready.

19. The Committee would like to stress that it should be borne in mind that only when an adequate quantity of coal is assured to the coastal trade, will there be balanced traffic and the possibility of maintaining the coastal trade at a proper level.

Reply of Government

In spite of the best efforts of the Ministry of Shipping and Transport, the Ministry of Railways have declined to allot any quantity of coal for movement by coastal ships after March, 1972, the main ground being that Railways would have adequate capacity by then to carry all the coal that might be required to be moved from the Bengal-Bihar collieries on account of Railways or the industries, to the Southern and Western regions. If this position is finally accepted by Government, there would be no scope for development of an efficient and economically viable coastal shipping fleet. However, before obtaining the final decision of Government in the matter,

the views of the Defence Ministry have been invited from the security angle, which has also been emphasised by the Estimates Committee in para 3.18.

[Ministry of Shipping & Transport O.M. No. 40-MD(18)/69, dated 20th January, 1970]

Comments of the Committee

The Committee are surprised to note that it has taken the Ministry of Shipping and Transport a long time to obtain the views of the Ministry of Defence on the importance of Coastal Shipping as a second line of defence during emergencies like war, flood, famine etc. as emphasised by the Committee in para 3.18 of their original Report. They, however, reiterate their earlier recommendation that a minimum quantity of coal should be ensured for being moved by coastal shipping for the period till Haldia comes up after mutual consultations between the Ministry of Shipping and Transport and the Ministry of Railways.

CHAPTER V

RECOMMENDATIONS IN RESPECT OF WHICH FINAL REPLIES OF GOVERNMENT ARE STILL AWAITED

Recommendation (Serial No. 7, Para 3.18)

The Committee need hardly emphasise the imperative necessity of maintaining adequate tonnage not only for the purpose of regular movement of cargo like coal, salt, cement, foodgrains, etc., along the coast but also for the defence of the country with a coast line extending over 3,000 miles. The coastal fleet is a second line of defence during emergencies like war, floods, famine etc. Besides the requirement of tonnage for the movement of cargo from coast to coast, there is also a pressing need for providing adequate tonnage for movement of coal to Colombo and rice from Burma besides seasonal movement of commodities to adjacent countries.

Reply of Government

The observations of the Committee have been noted. To maintain a viable coastal fleet, it is essential to have coal cargo available for coastal movement on a permanent basis. But, as stated in the comments on Recommendation No. 18, there are no prospects of availability of any coal after March 1972. Accordingly, before obtaining a final decision from Government, the views of the Defence Ministry from the security angle have been invited and are still awaited.

[Ministry of Shipping & Transport O.M. No. 40-MD(18)/69, dated 20th January, 1970]

Recommendation (Serial No. 9, Para 3.20)

The Committee would urge that a thorough examination of the recommendations made by the Study Group which submitted their report in April, 1968 as also other important recommendations made in the past by Sub-Committees of the National Shipping Board should be made and expeditious action taken to implement them.

Reply of Government

The important recommendations made by the sub-committee of the National Shipping Board including those made in the latest report submitted by the study group of the National Shipping Board in April, 1968 emphasise the need for maintaining a viable coastal fleet and the need for ensuring adequate cargoes, particularly coal. The latest position explaining the difficulty in regard to availability of coal is indicated in the comments on Recommendation No. 18. If it is finally decided not to guarantee any coal for coastal movement on a permanent basis, it will not be possible to maintain an economically viable coastal fleet.

[Ministry of Shipping & Transport O.M. No. 40-MD(18)/69, dated 20th January, 1970]

Recommendation (Serial No. 10, Para 3.21)

In order to improve the position and to achieve the target of tonnage set down, it is necessary not only to replace the old and overaged ships at present plying on the coastal trade but also to augment the tonnage by acquiring new ships. The Committee are glad that efforts are now being made by Government for acquiring ships from abroad by giving financial assistance. They feel assured by the statement of the Minister of Transport and Shipping in Parliament that the expansion programme of the shipping industry will not be allowed to suffer on account of the difficulty in releasing free foreign exchange for down payment in all cases of acquisition of ships. The Committee hope that Government will examine the pattern of financing purchase of vessels at the most economic price wherever available.

Reply of Government

The observations of the Committee have been noted. No final decision can be taken regarding the future size of Coastal Shipping until a decision is taken regarding availability of coal for coastal movement. The question of purchase of new ships for the coast will arise only if coal availability is assured and the size of the coastal fleet is fixed at a sufficiently high level.

[Ministry of Shipping & Transport O.M. No. 40-MD(18)/69, dated 20th January, 1970]

Recommendation (Serial No. 11, Para 3.24)

The Committee are surprised to learn that no perspective plan for the development of coastal shipping has been drawn up either by the Ministry of Shipping and Transport or by the Planning Commission. This is all the more regretable in view of the fact that even in January 1966, the Committee on Transport Policy and co-ordination in their Report had clearly enunciated that:

the future role of coastal shipping has to be considered in relation to its overall national and strategic importance. Coastal Shipping has a ertain basic importance for a country like India with its geographical position and its long coast-line. In times of emergency, coastal shipping may have a special role in national defence and economic strategy.

That Committee observed further:

"While these aspects deserve to be given weight in considering the future development of coastal shipping, an essential determinant of the place of coastal shipping as part of an integrated transport network in the country is its comparative economics in relation to other modes of transport"

In these circumstances the Committee cannot over-emphasise the importance of having a perspective plan for the development of coastal shipping taking a broader view of the entire picture in the country and the lines on which it will develop in coming years.

Reply of Government

The Government of India agree that it is important to have a perspective plan for the development of coastal shipping taking a broader view of the

entire picture in the country and the lines on which it should develop in coming years. However the main difficulty all along has been the continued uncertainty about long term availability of traditional cargoes like coal without which coastal shipping cannot have a balanced traffic in both directions. The problem is currently under consideration of Government and as recommended by the Committee all aspects of the case will be taken into consideration before a final decision is taken on the question of future size of coastal shipping.

[Ministry of Shipping & Transport O.M. No. 40-MD(18)/69, dated 20th January, 1970]

Recommendation (Serial No. 42, Para 6.40)

The Committee note that there is no uniformity in the wharfage and demurrage charges prevailing in some of the major ports and that in some ports the charges leviable on coastal cargoes are different from those realised from foreign imports and exports. While in Bombay port, the wharfage leviable on coastal cargoes is subject to a rebate of 25 per cent, no such concession is discernible in the case of Calcutta and Madras ports. The Committee also note that there is disparity in the "free time" allowed by different ports in the matter of realising demurrage. The Committee would, therefore, suggest that Government may examine the feasibility of introducing proper rates for wharfage and demurrage in consultation with the Port Authorities. The Committee suggest that Government may also examine the question of levying concessional port charges for vessels engaged in coastal traffic.

Reply of Government

The points raised in this para are at present under consideration of the Commission on Major Ports and a decision can be taken only after receipt of the Commission's report.

[Ministry of Shipping & Transport O.M. No. 40-MD(18)/69, dated 20th January, 1970]

Recommendation (Serial Nos. 44, 45; Paras 7.12 and 7.13)

- 44. The Committee note that the Sethusamudram Canal Project has been under the active consideration of the Government since 1955. Both the Chief Engineer and Consultant, Sethusamudram Project, and the Project Officer have, in their reports, observed that the Project is technically feasible and is economically viable. According to the latter, "the Sethusamudram Canal, with its saving of time and distance, will be a shot in the arm for coastal trade, by introducing economies in transport and making sea movement strikingly cheaper than a rail movement of certain bulk commodities like coal, salt, cement and other items of general cargo". The Committee also note that the Ministry of Shipping and Transport are at present engaged in the examination of the economic as well as international issues involved and that the Shipping Corporation of India has been asked to make a thorough study of the trends in regard to various shipping services which pass along the Southern Coast.
- 45. In this connection, the Committee would like to invite the attention of Government to the recommendation made by them in para 47 of their

69th Report (Third Lok Sabha) on the Ministry of Transport: Visakhapatnam and Tuticorin Ports. They hope that the matter will receive the urgent consideration of Government and will not be delayed any further.

Reply of Government

The Report on the Sethusamudram Canal Project is under examination in consultation with the Ministries concerned. Every effort will be made to take a decision on the Project as early as possible.

[Ministry of Shipping & Transport O.M. No. 40-MD(18)/69, dated 20th January, 1970]

New Delhi;

April 4, 1970

Chaitra, 14, 1892 (Saka)

M. THIRUMALA RAO, Chairman, Estimates Committee.

APPENDIX I

(Vide reply to Recommendation Sl. Nos. 36 and 37 in Chapter II)

Statement showing portwise position regarding maximum utilisation of dredgers owned by Major Ports

CALCUTTA PORT

The port has two dredging wings—the port dredging unit and the river dredging unit.

- 2. The port dredging unit consists of one suction dredger (Daisy), three bucket dredgers (Ajoy, Bully and Bulldog) and the grab dredgers Nos. 1 and 2 assisted by a complement of 9 hopper brages to carry the dredged material and dump it at selected sites in the River Hoogrly.
- 3. Because of the following practical difficulties, the dredgers are operated in a single shift though such operation is always extended where necessary provided conditions are suitable:—
 - (i) Since the jetty and the dock berths are used intensively for loading and unloading work dredging can be done only when the berths are free.
 - (ii) The lock entrances have to be kept clear of craft to allow passage of ships; dredging can therefore be done only in the intervals between the two lock openings.
 - (iii) Dredging in the river is conditioned by tides and current. Spring tide is the most appropriate time for dredging when excessive bed movements occur; but on account of the bores in the spring tides, none of the dredging craft can be deployed at this time but only the grab dredgers.
- 4. The river dredging unit consists of 'Mohana' with a hopper capacity of 5,000 tonnes, 'Jalengi', 'Bhagirathi' and 'Churni', each with a hopper capacity of 3,000 tonnes and 'Subarnarekha' and 'Maitena' with a hopper capacity each of 2,000 tonnes. 'Mohana' and 'Churni' work in the lower reaches in three shifts while the other dredgers are deployed in the upper reaches on a 12 hour day work. As each of the 14 bars in the navigable channel of the River Hooghly has varying deths and characteristics round-the-clock dredging is not a measure that can be adopted without regard to:—
 - (a) the site conditions,
 - (b) interference of navigation from keeping the dredgers over particular bars for long spells for improving depths, and
 - (c) their responsiveness to the dredging efforts.

The draft allotted to the ships are dependent on the depths of water available at all the bars and particularly the governing bar. It should be appreciated that unless dredging effort can be directed towards increasing the depth over the bars in the shallow range, continuous dredging will not lead to an improvement in draft but will only be a source of unnecessary expenditure.

- 5. The question of reducing the number of dredgers and making good the loss of dredging time by increasing the dredging efforts through working the dredgers round-the-clock is always before the Calcutta Port Commissioners. As a result of the execution of River Training Works, which have improved flow conditions and also as result of intensive dredging done over the years, it has been possible to scrap one dredger and sell two (one to the Port of Cochin and another to the Port of Visakhapatnam) thus reducing considerably the Calcutta Port Commissioners' overhead.
- 6. With the restoration of the headwater supply to the River Hooghly on commissioning of the Farakka Barrage, conditions in the river are expected to improve leading to a significant fall in the dredging commitments. The improvement is expected to be progressive and not sudden. A review will be made at the appropriate time after the commissioning of the Farakka Barrage on the number of dredgers required to cope with the dredging commitments and to lay off or sell what is considered surplus. In the meanwhile, to improve the depths over the navigable channel, leading to the Haldia Dock System, another estuarian dredger is necessary.
- 7. It will be clear from what is stated above that the existing dredgers are being worked as intensively as possible to suit the dredging requirements.

BOMBAY PORT

In the Port of Bombay, Suction Dredger 'Vikram', Grab Dredgers 'Vikas' and 'Chelura' are three important dredgers which work round-the-clock. Smaller Grab Dredgers, 'Flemingo' and 'Mayur' also work in two shifts of 12 hours each per day. Two small suction dredgers, viz. 'Widgeon' and 'Spotbill', and Grab Dredger 'Priestman', 'Vidur' work in single shift of 12 hours each. Sunday is observed as day of rest for Dredging Section.

The working hours of the crew are 8 hours as regular per shift plus 4 hours overtime in 12 hours shift.

This is hardly any occasion when the dredgers are required to be tied up because of lack of crew. There are rare instances when the dredgers are in-operative on account of non-availability of spare parts. The dredging operations are not discontinued during the monsoon. The annual overhaul is taken up according to the expiry of the annual certificate for working period issued by the Mercantile Marine Department. It is always ensured that not more than one or two dredgers are laid up at a time so that the remaining dredgers can carry on the important dredging required.

MADRAS PORT

The dredging operations in the port are carried out by dredger 'CAUVERY' and dredger 'Armstrong'. The dredger "Cauvery" is used for dredging the approach channel and along the sand drift zone east of the harbour. Dredger 'Armstrong' is utilised for dredging the berths and at Jawahar Docks.

Dredger 'Cauvery' works round-the-clock during the accretional season March-September. The working of the dredger is brought down to two

shifts of 8 hours each during the period October to February because during this (cyclonic) period there is a risk for the dredger being pushed shore-ward in bad swells. The dredger does not work on Sundays and on other Trust's Holidays. In addition, she is taken up for maintenance one day in a week (Monday). As the port does not have any dry docking arrangements to suit dredger 'Cauvery', she is sent to Calcutta for dry docking for 3 months in a year. This is one of the major handicaps by which 3 months' dredging is being lost. It is proposed to build a slipway to suit her length etc. when it would be possible to increase the dredging output.

Dredger "Armstrong" is essentially utilised for the dredging of the alongside berths and its approaches. Availability of berths is the main limitation. This dredger normally works in two shifts of eight hours each. The same is utilised round-the-clock whenever necessary. This dredger is taken up for maintenance one day in two weeks. She does not work on Sundays and other Trust's holidays.

The Port Trust are acquiring a suitable 2,000 tons hopper trailing side machine diesel dredger to meet the increased requirements of maintenance dredging as a result of the construction of the Outer Harbour.

The dredging statistics that are maintained by the Port reveal that the existing dredging fleet is so programmed to meet the required depth and the same is utilised to the fullest extent.

COCHIN PORT

The dredging fleet of Cochin Port consists of the following:-

- 1. Suction Dredger "Lord Willingdon".
- 2. Bucket Dredger "Lady Willingdon" with a complement of three hopper barges.
- 3. Hopper Suction Dredger "Gunga".
- 2. These dredgers are being used to the maximum possible extent consistent with their physical condition, suitability to dredge in the outer channel, inner channel and the berths. The position regarding the utilisation of each dredger is described below:—
 - (i) Suction Dredger "Lord Willingdon"

This was built in 1926 and was designed for capital dredging. This dredger is now being used for dredging the outer channel during the fair season i.e. about 3 months in a year commencing from January. It cannot be used for maintenance dredging inside the harbour as the dredged material is pumped through the floating pipe line having a total length of 2,500 ft. Outer channel dredging is carried out for about three months in a year commencing from January during which time this dredger works round-the-clock. During this period, the bucket dredger and three hopper barges are laid up for repairs and the crew is transferred to dredger "Lord Willingdon". Due to the above mentioned limitations in the working of this dredger, it is not equipped with a permanent set of crew-

Besides the outer channel dredging, the dredger is also utilised for capital dredging in connection with the construction of the berths and

for reclamation work when the required crew is attached to it. During the period of such reclamation, the dredger can be put to maximum economic utilisation by working it on two shifts of 8 hours each taking it up to two twelve hour shifts depending on its physical condition and interruptions due to sharp traffic in the channels. The working days for utilisation of dredgers being 200 in a year of 365 days, the remaining being Sundays, holidays and repair period, it will be most uneconomical to maintain a three shift crew for this vessel when the demand for work is not adequate to justify it.

The above represents the maximum extent up to which the dredger can be utilised.

(ii) Bucket Dredger "Lady Willingdon" and three hopper barges

The dredger was built in 1937 with a complement of three hopper barges. This dredger is mainly used for maintenance dredging in the inner channels and the berths. The dredged material is discharged into the sea for dumping the material. "Lady Willingdon" is normally engaged for two shifts of 8 or 12 hours according to necessity when the crew is available on the return of dredger "Lord Willingdon" from outer channel dredging. Another set of crew is required for "Lady Willingdon" to work two shifts throughout when "Lord Willingdon" is working one shift inside the harbour. During the period when the dredger is in dry dock, the barge will be used to the maximum capacity as hopper suction dredgers.

There is also a limitation to the maximum quantity that 'Lady Willingdon' can remove, whether the dredger is worked three shifts round-the-clock or only two shifts. Out of the three barges, if one barge goes out of order for dry docking, the dredger has to work with two barges. At times, for very short periods, even one out of these two barges goes out of order, when the out-turn becomes still less. In effect, out of about 9 months working time for 'Lady Willingdon' in a year, she has to work for about 3 months with two barges only when the third barge is underdocking like 'Lord Willingdon', 'Lady Willingdon' also needs replacement as it has outlived its utility with the increase in the number of berths, the area of navigable channels and the turning basin has also increased. Therefore, the quantity of maintenance dredging to be carried out has increased more than double.

The maximum possible utilisation of this unit at the present moment, considering the age and maintenance of its attendant vessels and the availability of berths for dredging, is to use it in two shifts of 8 hours each, working up to twelve hour shifts depending on necessity as in the case of the 'Lord Willingdon' inside the harbour.

(iii) Hopper Suction Dredger "Gunga"

This dredger is about 40 years of age. The dredger was purchased by Cochin Port from Calcutta port in January 1968. While the dredger is very effective in dred ing sand, it is not so effective at Cochin as the material to be dredged is mostly silt. It is at present engaged in maintaining the depths in the inner harbour. It works at a single shift of 8 hours each, moving up to 12 hours according to necessity. The vessel's maximum utilisation will be by the introduction of another similar shift:

which is expected to be commenced by the end of 1969 for which purpose a Dredger Commander has been appointed and the engine room crew is under training.

- 3. Despite their old age and other limitations, the dredgers are being used to the maximum possible extent. The IAPH Team had commented that the port authorities are capable of dredging only 26 lakh cubic yards per annum despite a large number of dredgers. During 1966-67, the quantity of material dredged by the two dredgers—'Lord Willingdon' and 'Lady Willingdon' was 26.6 cubic yards. But this performance can, by no means, be considered low as these dredgers can be employed only for specific jobs and the specific areas. The out-turn of the dredgers however, increased to 42.6 lakh cubic yards during 1967-68 continuous working of these vessels round-the-clock is not possible owing to their old age.
- 4. The following measures are contemplated by the Port Trust to increase the output of the dredgers:—
 - (i) To enable the dredgers 'Lady Willingdon' and 'Gunga' work on two shifts, a training scheme for Greasers and Drivers has been introduced to make them suitable for working on the dredgers. The first batch of trained men is expected to be available by December, 1969.
 - (ii) The workshop facilities are being modernised.
 - (iii) Provision has been made in the Fourth Plan for construction of a dry dock. When this materialises, two to three months in a year involved in sending the dredgers to Bombay for dry docking can be saved and used for dredging work.
 - (iv) The port proposes to add another hopper barge to 'Lady Willingdon' so that when one of the barges is laid up, the dredger can work with three barges.

VISAKHAPATNAM PORT

Visakhapatnam Port has at present three Suction Dredgers, viz. 'VISAKHA', 'VIZAGAPATAM' and 'PANSY' with a rated hopper pumping capacity of 3,000 tons, 1,500 tons and 1,000 tons per hour, respectively, in free flowing sand.

The dredger 'VISAKHA' is worked round-the-clock in three shifts and is mainly engaged in maintenance dredging in the inner channel, turning basin and the three arms inside. This maintenance dredging is done by drag suction and she is the only dredger capable of doing this work as neither the dredger 'VIZAGAPATAM' nor the 'PANSY' can do drag dredging.

The dredgers 'VIZAGAPATAM' and 'PANSY' are principally employed round-the-clock in dredging sand from the Sand Trap and pumping it to the foreshore.

The dredgers are worked round-the-clock in three shifts of 8 hours each and the crew is relieved at the dredging site without any loss of dredging time.

This port does not have any spare dredging capacity and the dredgers are put to their maximum use.

KANDLA PORT

At present, there is only one dredger viz. S.D. 'Kandla' (trailing Suction hopper dredger of 800 cubic metres hopper capacity). The dredger 'Kandla' can be worked only for 16 hours a day (two shifts of eight hours) for about 180 days a year, five days a week) after allowing for the following:—

				Days
For maintenance .	•		•	52
Weekly days off (Sunday)	•		•	52
Holidays	•	•	•	16
For intermittent attendance s denser cleaning etc. and for				20
For annual dry docking etc.	at Bombay		•	45

- 2. The dredger is being utilised to the maximum extent possible within the limitations of its capabilities. It is not possible to work the dredger round-the-clock due to certain mechanical defects. Necessary steps for rectification of these defects are under consideration. Even after the defects are remedied and the dredger is worked for 6 days a week, round-the-clock, the output will still be short of the actual requirement and also it will not be possible to deal with the monthly peak rate of siltation during the peak siltation seasons.
- 3. If the dredger is worked on 3 shift basis, (after the defects in the engines and machinery are rectified) for six days a week, the additional annual expenditure involved would be approx. Rs. 8.70 lakhs. The increase in the dredging output due to working the dredger in 3 shifts will be about 0.28 million tons. Even if the dredger is worked on 3 shift basis for 6 days a week, there will be back log of silt to the extent of about 0.50 million tons.
- 4. The Port Trust do not feel it safe to depend exclusively on one dredger. They have accordingly planned to acquire an additional dredger during the Fourth Plan.

MORMUGAO PORT

The principal dredger 'zuari' is suction dredger of 1,500 m³ hopper capacity. The Port Trust have tried various shifts arrangements in order to put the dredger to its maximum utilisation and found that two shifts of 10 hours each is the most suitable working not only from the utilisation point of view, but also from the cost point of view, as compared to 3 shifts of 8 hours each. (The two shifts working costs Rs. 219.47 per effective working hour as against Rs. 228.77 for 3 shifts). Even the I.A.P.H. team commended that the record of dredger utilisation at the Mormugao Port is far superior to that observed at most of the other ports. The Port Trust have promised to keep in view the maximum utilisation of the existing dredger while finalizing their requirements of additional maintenance dredging equipment.

PARADIP PORT

The only dredger 'Konarka' (Hopper Trailing Suction) available with the port at present is working in 2 shifts of 8 hours each subject to weather conditions. The third shift will be introduced as soon as the requisite staff have been recruited. It would then be possible to carry out dredging round-the-clock.

The dredger has certain defects, rectification of which is receiving the attention of the Port Trust Board.

APPENDIX II

(vide Introduction)

Analysis of the action taken by Government on the recommendations contained in Seventy-third Report of the Estimates Committee (Fourth Lok Sabha).

1.	Total number o	of recommenda	tions	•	•	54	
2.	Recommendation Government (v. 1, 2, 6, 8, 13, 24, 25, 26, 27, 36, 37, 38, 39, 52, 53 and 54.	ide recommen 14, 15, 16, , 28, 29, 30, , 40, 41, 43,	dations at 17, 20, 2 31, 32, 3	Sl. No 1, 22, 2 33, 34, 3	s. 23, 35,		
	Number .	•	•	•	•	40	
	Percentage to to	otal .	•	•	•	74	
3.	Recommendation desire to pursu (vide recommend 51).	e in view of	Governm	ent's rep			
	Number .	•	•	•		5	
	Percentage to to	otal .	•	•	•	9	
4.	Recommendation Government has mittee (vide recons)	ve not been ac	cepted by	the Co	m-		
	Number .		•	•	•	2	
	Percentage to to	otal .	•			4	
	5. Recommendations in respect of which final replies are still awaited (vide recommendations at Sl. Nos. 7, 9, 10, 11, 42, 44 and 45)						
	Number .		•			7	
	Percentage to to	otal .	•	ė.	_	13	

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