

LOK SABHA DEBATES

LOK SABHA

Thursday, March 28, 1985/
Chaitra 7, 1907 (Saka)

The Lok Sabha met at Eleven of the
Clock.

[MR. SPEAKER in the Chair]

ORAL ANSWERS TO QUESTIONS

[English]

Indian Protection and Indemnity Club for the Shipping Industry

*221. SHRI- SATYA GOPAL
MISRA:

SHRI AMAL DATTA :

Will the Minister of SHIPPING
AND TRANSPORT be pleased to
state :

(a) whether Government have deferred a decision on the creation of an Indian Protection and Indemnity Club for the shipping industry;

(b) if so, whether this will cost the country about Rs. 24 crores annually in foreign exchange alongwith some other disadvantages for the shipping industry of the country; and

(c) if so, the rationale behind this move ?

THE MINISTER OF STATE OF
THE MINISTRY OF SHIPPING AND
TRANSPORT (SHRI Z. R. ANSARI) :

(a) No final decision has been taken in this regard.

(b) and (c) The payment made on calls of P & I Clubs in foreign exchange for the entire Indian fleet during 1985-86 is likely to be between Rs. 18 and 20 crores. Against this outflow of foreign

exchange, recoveries against liabilities and cost of damages paid by P & I Clubs on behalf of the shipowners result generally in inflow of foreign exchange. Figures of 10 years from 1970 to 1979 show that total claims settled by P & I Clubs on behalf of Indian shipowners exceeded over premiums paid by them by an amount of over Rs. 1.37 crores. By not having an Indian P & I Club, Indian shipowners have not been put to any immediate disadvantage.

SHRI SATYAGOPAL MISRA :
The idea of having an Indian P & I Club was mooted in the year 1979. The General Insurance Corporation and the Shipping Corporation of India are very much in favour of this proposal. Also, by having such a club, we could have saved a lot of foreign exchange. We could also have developed our expertise in this field. But one year's extension to do business with the foreign clubs was given, and it has expired on 20th February this year. In view of all these facts, may I know from the hon. Minister whether a meeting called by the Finance Ministry was held to solve this problem, who were present in that meeting and what was the outcome of that meeting ?

SHRI Z. R. ANSARI : It is true that this idea was mooted in the year 1979, viz. to form an Indian Club, and that it was being discussed at different levels. The Indian National Shipowners' Association has also discussed it and submitted a report, enumerating some advantages and many of the disadvantages. Therefore, in view of the disadvantages which they have enumerated, till now no decision has been taken as to whether it will be in the best interest of the shipping industry to form an Indian P & I Club. The Ministry of Finance, on consideration of the decision taken above, granted exemption to the shipowners to renew the P & I and other ancillary insurance

boards. They have given an exemption to the Indian shipowners to be members of these international clubs and group of clubs.

SHRI SATYAGOPAL MISRA : My question has not been answered. My first supplementary was whether a meeting in this respect was called by the Finance Minister, or not; if so, who were present in the meeting and what is the decision at that meeting.

SHRI Z. R. ANSARI : An inter-Ministerial meeting was called by the Finance Ministry, which was held on 1.2.1985 to review the position regarding the grant of approval to the shipowners under the provisions of Section 25—i.e. whether exemption should be given to the shipowners to be the members of these international clubs which were there—because there was a bar under Section 25 of the General Insurance Business Notification Act, 1972. Therefore, in that inter-Ministerial meeting, it was decided that the exemption should be given to the Indian shipowners to become members of the international clubs.

SHRI SATYAGOPAL MISRA : Earlier also I have said that; again I am forced to say that the General Insurance Corporation of India and the Shipping Corporation of India which owns more than 50% of the ships in our country, were very much in favour of setting up of a P & I Club of our own. But I do not know why the Finance Ministry took such a decision or in the meeting such a decision was taken? What is the reason? Is it due to some foreign pressure that decision was taken? I want a categorical assurance from the hon. Minister. Can he assure in this House, after this two-year term, a P & I Club of our country will be set up or not?

SHRI Z. R. ANSARI : I cannot give any categorical answer to this question. These clubs are voluntary associations which have been formed long time back and the ship owners find it convenient to be members of these clubs because many risks which are not covered, many losses which are not covered under the general insurance are being covered by those

clubs. It was envisaged that some Indian club should be formed so that this outflow of foreign exchange should not be there. The Indian National Shipowners' Association, which is an apex body of the shipowners and which has gone into the whole question, whether Indian P & I Club should be advantageous or not, they have gone through it and they have submitted a report in which they have given a lot of disadvantages in it, Only one or two advantages have been given; and all the disadvantages have been enumerated in that list. Now the question is: that in view of this resistance from the shipowners and their association, should we just force them to an Indian Club which will be a voluntary organisation. In view of this fact, the Finance Ministry in that inter-Ministerial meeting has taken a view that for the time being the exemption should be given and the matter should be further examined and if they come to a conclusion that it will be advantageous to form an Indian Club, it will be done. I cannot give any categorical answer to this question.

SHRI AMAL DUTTA : From what the Minister has said, it appears that it is left to the shipowners to decide whether they are going to join an Indian Club if and when formed. I don't think the Minister is really giving a correct picture, because unless the government gives exemption for them to join a foreign P & I Club, they cannot join. Therefore, if the government withdraws its exemption and forms an Indian P & I Club, they will be forced to join the Indian P & I Club; and the disadvantages of insurance will not be there, because the Indian P & I Club will follow the P & I Club rules which are followed all over the world. So, in view of that, if the Minister may not himself be able to decide, but he can take into consideration the fact that P & I Club, although the British predominate if in the world, every country having a considerable shipping tonnage has got its own P & I Club and they should take into consideration India's national prestige into consideration. We do not have to

some other countries to beg to be a member of their P & I Club. Another thing is that the figures are given to justify are given not having an Indian P & I Club or figures from 1970 to 1979. This is most unfortunate because the figures on which such a decision has been arrived at on 1st of February, 1985 obviously are the figures which are five years old. Why a decision had to be taken on the basis of figures which were already five years old? Are the current figures not available; if they are not, why not; if they are, what is the result of those current figures from 1980-1985?

Secondly, is the G.I.C. pressing for it to be able to make losses, according to what you have said?

AN HON. MEMBER : Why should it to make losses?

SHRI AMAL DATTA : Is the G.I.C. pressing for it to be able to make losses, or have they made a calculation so that they can make a profit?

MR. SPEAKER : You have taken too long.

SHRI A.K. PANJA : The question was asked for five minutes!

SHRI AMAL DATTA : The hon. Members is teaching you how to conduct the House. He should learn the manners of this House.

SHRI Z. R. ANSARI : It was not a question, it was a long speech giving certain suggestions. The position is like this. The figures which we have given, they are indicative figures for ten years. As far as the current year's figures are concerned, we do not have them.

The whole question is this, that under Section 25 we can just debar them from becoming members of those clubs, but we cannot force them to form a club.

PROF. MADHU DANDVATE : Mr Ansari, this is like declaring the 1985 elections on the basis of 1977 voting figures. That is what you have done.

SHRI Z.R. ANSARI : We cannot force them to form their own P & I Club. As I have already told you, the advantages have not yet been firmed up; the disadvantages enumerated by the Indian National Ship Owners' Association are much more and therefore in the inter-ministerial meeting, decision was taken — a conscious decision — that the exemption should be given for some time. If during that period of time the advantages are firmed up..... (*Interruptions*)

AN. HON. MEMBER : He is taking more time.

SHRI AMAL DATTA : Moreover, he is not saying anything ;

SHRI Z.R. ANSARI : As far as the latest figures are concerned, it takes a few years to settle the claims and unless those claims are settled we cannot come before you with the latest figures.

SEVERAL HON. MEMBERS rose

MR. SPEAKER : This has taken already 17 minutes.

Qn. 222 — Prof. Halder.

Revision of UGC Pay Scales for College and University Teachers

*222. PROF. M. R. HALDER ; Will the Minister of EDUCATION be pleased to state :

(a) the year in which present University Grants Commission scale of College and University teachers were declared ;

(b) whether Government propose to revise these pay scales ;

(c) if so, the time by which the revised pay-scales will be introduced ; and

(d) whether there is any demand of All India Federation of University and College Teachers' Organisations in this regard ?

THE MINISTER OF EDUCATION (SHRI K.C. PANT) : (a) The pay scales of university and college teachers