

benefits, like provident fund, leave salary, etc. that have accrued.

The only point is the question of seniority. This is not the first time that Government are taking over a light railway of this type. They have taken over some railways before. In those cases also the same thing has happened and we are now having the same arrangement. There is nothing new that is being done. Only vis-a-vis the employees of other portions of the Railway will their seniority suffer. But as among them their seniority will not be affected. All their old monetary benefits would be left untouched and they will get all of them.

Shri T. B. Vittal Rao: That means their seniority will not be taken into consideration. Supposing a man has put in thirty years of service. He should have that seniority counted in the whole of the Central Railways with which this light railway is now being integrated.

Mr. Deputy-Speaker: What the Minister says is that in so far as the railway administration that is being taken over is concerned his seniority will count, but in relation to the other portions of the railway to which it is integrated, this seniority will not count. The question is:

In page 2, line 22, for "re-employed" substitute "taken over".

The motion was negatived.

Mr. Deputy-Speaker: The question is:

"That clause 4 stand part of the Bill"

The motion was adopted.

Clause 4 was added to the Bill.

Mr. Deputy-Speaker: The amendment proposing a new clause 4A, as I have already said, is out of order.

Clause 5 was added to the Bill.

Clause 1 was added to the Bill.

Mr. Deputy-Speaker: Now I will put the Title and the Enacting Formula.

The Title

Shri S. S. More: But before you put them to the House you will have to rule my amendment out of order.

Mr. Deputy-Speaker: In view of what I have said the hon. Member may not move it.

Shri S. S. More: No, Sir, I would like to move it.

Mr. Deputy-Speaker: Then I rule it out of order. The question is.

"That the Title stand part of the Bill."

The motion was adopted.

The Title was added to the Bill.

The Enacting Formula was added to the Bill.

Shri Alagesan: I beg to move:

"That the Bill be passed."

Mr. Deputy-Speaker: The question is:

"That the Bill be passed."

The motion was adopted.

CONTROL OF SHIPPING (AMENDMENT) BILL

Mr. Deputy-Speaker: The House will now take up the Control of Shipping (Amendment) Bill.

Shri S. S. More (Sholapur): Before you call upon the Deputy Minister for Railways I would like to bring to your notice that some changes have been made in the Order Paper circulated to us today. We have on former occasions complained about such sudden changes being made without any advance information.

In the Order Paper that was circulated to us earlier, next to the Barsi Light Railway Company Bill, came

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the Press Amendment Bill and then the Minimum Wages Bill. But in the Order Paper circulated to us today we find that all of a sudden the Control of Shipping Bill has been given the highest priority.

Mr. Deputy-Speaker: Was it never there in the Order Paper?

Shri S. S. More: It was down in the list.

Mr. Deputy-Speaker: Is it of such a consequence?

Shri S. S. More: We have been complaining before about such sudden changes and the hon. Speaker was kind enough to uphold our point.

Mr. Deputy-Speaker: Not rigidly.

Normally speaking, in the case of all important measures of which notice is given in the Order Paper, when notice is given for the whole week, it ought to be followed; but, if it is a small Bill, putting it up a little earlier should not be taken to be such a serious departure. But what is the urgency about this Bill?

The Deputy Minister of Railways and Transport (Shri Alagesan): It has been passed in the other House.

Shri S. S. More: There is no urgency.

Shri Alagesan: The existing Act expires by the end of this year and it has been passed by the other House. It is not as if a new item has been taken up; it was on the Order Paper yesterday.

Mr. Deputy-Speaker: Normally, I would certainly agree with hon. Members of the House who say that they have come prepared with a particular Bill and do not expect this Bill to come up though it may be in the Order Paper. There is no meaning in taking the House or any portion of it by surprise. But so far as this matter is concerned, it is also in the Order Paper. It seems a small Bill and is likely to expire in a short time.

Shri S. S. More: At the end of March

Mr. Deputy-Speaker: It is true. But our Budgets are coming. We may or may not have time. Therefore, with respect to such small Bills, I make an exception. We may take it up now.

Shri Alagesan: I beg to move:

"That the Bill further to amend the Control of Shipping Act, 1947, as passed by the Council of States, be taken into consideration."

As will be seen from the Statement of Objects and Reasons, the Control of Shipping Act, 1947, will cease to be in force on the 31st day of March 1954. This Act, as the Members are aware, was enacted in 1947 to provide for the continuance of powers to license Indian Shipping and to secure priority control over coastal shipping. These powers were originally conferred by the Defence of India Rules and were subsequently continued in force till the 31st March, 1947 by the Emergency Powers (Continuance) Ordinance. Under this Act, powers were also taken to fix rates and fares in the coastal trade which were originally conferred by the Defence of India Rules. The idea then was to keep the Act in force for a period of one year, i.e., upto 31st March, 1948 with power to extend it by notification for another year. It was, however, decided in 1948 to undertake amending legislation for the purpose of introducing a comprehensive system of licensing for ships engaged in the coastal trade and the opportunity was taken to extend the life of the Act for a further period of two years, i.e., up to 31st March, 1950. The life of the Act was subsequently extended for two years in 1950 and for another two years in 1952.

This Act gives complete control to Government over Indian Shipping in the coastal trade, the control extending to trades in which Indian shipping may engage and the voyages it may undertake, the class of passengers or cargo which the Indian shipping may

carry, the order of priority in which passengers and cargo may be taken on or put off such ships at any port or place either within or outside India and the rates of hire of such ships. By virtue of these powers the Government are able to make their policy of coastal reservation a success. The needs of the coastal trade are now practically met by the Indian shipping and the employment of foreign shipping on the coast has been practically completely eliminated. It is true that a few chartered ships are still allowed to ply on the coast but they are under the complete control of the Indian Companies and their tonnage is no more than 25,000 G.R.T. at present.

The powers taken by Government under this Act are all required on a permanent basis and were in fact proposed to be provided for in a comprehensive revision and consolidation of all the laws relating to merchant shipping. We expected during all these years that this consolidated legislation would be completed and brought before the Parliament but I am sorry that even though a draft of the Bill had been prepared some time ago, it has not been possible for us to finalise the measure so far. The provisions contained in the proposed Bill are of a complicated nature involving many important administrative and technical problems and it has not been possible to finalise them for want of personnel in the Directorate-General of Shipping.

An Officer on Special Duty has now been appointed in that Directorate and he has started working on the subject, and it is now hoped that by the next session of Parliament the Bill will be ready for introduction. In the mean time it is necessary that the Act should be extended for a further period of two years. I hope the House will agree to this measure.

Mr. Deputy-Speaker: Motion moved:

"That the Bill further to amend the Control of Shipping Act, 1947,

as passed by the Council of States, be taken into consideration."

Shri Raghavachari (Penukonda): Sir, on a point of information. The hon. Minister has no doubt given a long paragraph as to why he wants the same kind of nebulous state, that has been existing, to continue—that is from 1950 to '52 then from 1952 to '54 and now from 1954 to '56. But now in his speech he says that an officer has been appointed and the whole thing will be over before the next session of Parliament.

Mr. Deputy-Speaker: May be introduced.

Shri Raghavachari: To be introduced, surely. Therefore the question is why there should have been such a long delay when the Act is expiring in 1954 and why they should not have got ready with the consolidated legislation instead of coming and taking extensions like this.

Mr. Deputy-Speaker: I think the hon. Minister can reply once for all, at the end.

Shri Alagesan: Very well, Sir.

Shri H. N. Mukerjee (Calcutta North-East): I have heard the hon. the Deputy Minister and am prepared to concede that on the face of it this Bill is very simple and non-controversial. But what I am afraid of is that so far Government has delayed over and over again in bringing forward any comprehensive legislation relating to merchant shipping, and in spite of the assurance of my hon. friend I cannot quite persuade myself to believe that before long we shall get a really comprehensive legislation on the subject. This is so, Sir, because last year there was an amendment of the Merchant Shipping Act, and certain assurances were given to us by spokesmen of the Government and we were told that a comprehensive legislation was in preparation. As far as this Control of

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Shipping Bill is concerned it has been extended and extended and extended again, and now we are being asked to extend its operations till 1956. And I am afraid that Government wishes the House not to go into certain essential points in regard to the condition of our merchant shipping and that sort of thing.

Now, Sir, that is why I intervene in this debate, because I feel that from the side of Government certain assurances have been forthcoming which as far as we can make out, have not been implemented properly. We want to draw the attention of Government to the serious nature of the problems which have to be covered by legislation on merchant shipping, and we want to tell Government that the country is anxiously awaiting a really bold and imaginative policy which it should pursue in regard to this matter. Last year the Government gave us some assurance on the question of meeting the demands of seamen, and specially in reference to the ratification of the Seattle Convention which was entered into as far back as 1946. I must concede, in fairness, that certain demands of the seamen have been sought to be tackled by Government, especially in regard to their medical examination. But I feel that such improvements have not been consistently maintained.

I wish also to recall to the House the difficulties which are experienced by the Pakistani seamen who form an overwhelming majority of those who man our shipping, especially foreign shipping, in Calcutta port, and they have some difficulties regarding the issue to them of visas. This question has sometimes been brought up before the House. I wish to tell the Deputy Minister for Transport that it is very important that in regard to these seamen, who suffer on account of the technicalities of a very rigid medical examination or on account of the com-

plications in regard to the issue of visas, there should be a really human approach; and it is also of considerable political importance, Sir, because these Pakistani seamen have been coming for generations to Calcutta to earn their living. They are a sort of human bridge between the two States. They are the people who will take back with them stories about the conditions of living in this country which would help towards the improvement of our relations, of the mutual relations between India and Pakistan.

As I am on the subject of the conditions of seamen, I wish also to ask the Deputy Minister in regard to what has happened about a sum of some Rs. 14 lakhs odd, which it seems, during wartime, was accumulated to the credit of Indian seamen by the British sea-faring companies, and this money was to be utilised for providing amenities for Indian seamen. I hope, Sir, that Government has proceeded in the direction of utilising this sum of Rs. 14 lakhs odd and making provision for the amenities of seamen.

Last year when the Merchant Shipping Act was amended, Government said that some of the provisions of the Seattle Convention had been ratified, and others would very soon be ratified. But, we are under the difficulty that we do not know which of the provisions of the Seattle Convention have been ratified and which are going to be ratified in the near future. It is important for us to remember that one major item of the provisions of the Seattle Convention refers to amenities for seamen in regard to their accommodation, their medical facilities, messing facilities, leave facilities etc. We know that Indian seamen in foreign ships—Indian seamen have to earn their living by working in foreign ships—suffer under conditions of great discrimination, not only of discrimination, but also of racial insult. They are looked upon as cheap human material, the cheapest and the most efficient that they can get anywhere in the world, and these

Indian seamen—Indian as well as Pakistani—are made to work in these foreign ships under conditions which remind one of mediævalism. We have found letters in the Press appearing from our seamen suggesting that the conditions in American ships, for example, are extremely reprehensible. There is insufficient accommodation, the messing facilities can hardly be tolerated, there is no provision for leave reserve, and there is punishment if any attempt at protesting against misbehaviour is made by seamen. They are sometimes asked to perform duties which require their having to keep on their feet for twenty-four hours at a stretch. This kind of thing appears to be still continuing. That is why we hope, and we said last time when the Merchant Shipping Act was on the anvil of this House, that in our comprehensive legislation there should be incorporated provisions regarding the demands made by the seamen for improvement in their conditions of work. As I said before, there has been unconscionable delay in the presentation of this supposedly comprehensive legislation.

I refer also to one matter which is agitating seamen and others in Calcutta port, and that is in relation to certain allegations which were made against the Deputy Shipping Master of Calcutta Port, by such a very respectable journal as the monthly *Modern Review*, and I passed on the documents to the Ministry saying that the Deputy Shipping Master had been accused of very serious charges of corruption amounting to several lakhs of rupees. Now, Sir, I hear that this officer has not been suspended and that there is a kind of departmental inquiry which is going on. This officer is notorious for his ill-behaviour towards seamen and their representatives who try to be their spokesmen. This officer is sort of ruling the roost in Calcutta in spite of the fact that there are some very serious charges, awaiting investigation, against him. I wish that the purely departmental enquiry is stopped and a judicial enquiry is set up so that, at any rate, this kind of inequity, this kind of

abuse may be put an end to. Even though it might be just a charge which may not ultimately be substantiated, still when such serious charges are made against a very responsible official of the Transport Ministry, steps which are adequate ought to have been taken. In this case, I feel very far from adequate steps have been taken and that a judicial enquiry should at once be instituted against this official and suspension orders against him should be issued at once.

Last time, we also got an assurance from the hon. Deputy Minister regarding the steps which our Government proposes to take against discrimination by foreign shipping interests, specially by the British Shipping interests, against the Indian shipping interests. Only the other day, I had occasion to ask a question in this House in regard to this matter and the only answer that I could elicit was that Government was doing everything that was possible. In regard to this, I want to draw the attention of the House to a statement made by Sir Ramaswami Mudaliar last December at a meeting of the India Steamship Co., Limited.

He said:

"While Indian shipping companies are members of the India-U.K./Continent Conference, they are not admitted into the Conferences relating to the trade between some of the intermediate ports on the India-UK/Continent route, so much so that when, for example, an Indian shipping line carries freight from an Indian port to Colombo, or Aden, etc., it cannot, after discharging that freight at those ports, carry further freight from these ports to any of the ports in the U.K. and, therefore, will have to go in ballast to that extent."

He adds:

"This amounts to an unjustifiable waste of space resulting in uneconomical operation, which is all the more regrettable on account of the fact that it is mostly the

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U.K. lines which have consistently refused to allow the Indian lines membership of these conferences notwithstanding the fact that India is a member of the Commonwealth."

Membership of the Commonwealth is praised to the skies in this House, even by the hon. Prime Minister. But, we want to know why it is that when India is a member of the Commonwealth, the leading partner in this Commonwealth association should take the initiative in refusing Indian shipping interests which are only now coming to the surface, so to speak, their legitimate rights their rights in equity and good conscience.

In regard to this question of flag discrimination, Sir Ramaswami Mudaliar also appeared to have thought that our Government is not behaving as it should.

He says:

"...the Indian Government have been so touchy about Flag Discrimination and so scrupulously fair (!) that they have rather ignored than furthered the primary claims of Indian Shipping."

I am quoting from *Indian Shipping* which is a journal issued by the owners, I suppose, dated February, 1954, where the speech of Sir Ramaswami Mudaliar is quoted and commented upon, on page 5. As you know very well, we have had many occasions to express our difference of view from men like Sir Ramaswami Mudaliar, who as far as I can make out, are very contented in collaborating with vested interests. British or otherwise. So generally, it is not our practice to refer to these gentlemen. But, we refer to this gentleman to show that even these people who are strong on the stronger side are finding that if the infant shipping industry of our country is going to grow, that industry has got to have certain kinds of assistance and sustenance from the Government of the day. Even these

people are discovering to their cost that the national interests of this country are not being looked after by this Government whenever the looking after of the national interests of our country requires that we take a strong line in regard to these British interests and other foreign interests about which I have to say a few words a little later. I wish to draw the attention of the Government very strongly to this matter and ask the Government to come out with a positive policy in regard to this. I demand of Government that a really positive, consistent, imaginative policy in regard to the development of our shipping is pursued.

I wish also to quote from another speech made by the Chairman of the Great Eastern Shipping Company Limited at a meeting held at Bombay on the 24th December, 1953. He refers to the fact of the trade between India and Persian Gulf which is being sought to be stopped by British interests. He refers to—

"...a long-established British Line which has monopolised the carrying trade between India and Persian Gulf. It is desirous of preserving this monopoly for all time to come. Any other Line wishing to enter this trade is threatened that its entry into this trade will be resisted by all means. The British Line argues that since it has served this trade in the past, it cannot allow any one else to participate in the trade."

Then, he goes on to say:

"It is hoped that the Line concerned will realise the untenable position of a British Line monopolising the trade either emanating from or destined to India and allow Indian Lines to share in this business."

He adds in regard to the Government of India's work on this point:

"The Government of India is already committed to the principle

that 50 per cent. of the imports and exports of the country must be carried in national bottoms and **any monopoly which tries to exclude Indian interest cannot be allowed by the national Government.** The Government of India cannot be expected to remain aloof if a powerful British line with huge resources tries to oust Indian lines from this legitimate Indian trade by cut-throat competition."

This, Sir, is a point to which I draw the attention of the Government and I wish Government to come forward and say that it is taking every step possible, that every weapon in its armoury is going to be utilised in order to see to it that this kind of insulting discrimination against Indian Shipping and possibilities of its development are stopped as soon as ever that is possible. We have to remember the very long context of discrimination against us by British monopolists. You, Sir, do not need to be told because you have been a Member of the Assemblies which preceded this present Parliament for a long enough time, and we all remember how for a very long time Indian shipping interests have shouted, so to speak unsuccessfully in order to have their claims accepted by Government. I remember having read something by Mr. Haji, for example, on coastal shipping and how, even in regard to coastal shipping, British interests—British monopolists—were behaving in a manner which today, at any rate, we ought to spurn with all the strength that we can command.

I wish also to refer to another point which is extremely important, and that is in relation to the very favourable terms which Government has chosen to offer to the oil companies with whom our Government has entered into certain deals which, as far as I can understand, are reprehensible and prejudicial to the interests of our country. In regard to the transport of oil which would be the result of the operation of these oil companies on our soil. Government has entered

into certain agreements with the oil companies concerned and against this Indian shipping interests have voiced their very strong protest. Lately, there was held an annual meeting of the Indian National Steamship Owners' Association at Bombay where its President, Mr. Dandekar, made a statement in regard to this agreement with the oil companies and made a complaint which I am quoting from the *Eastern Economist* of the 26th February, 1954. Mr. Dandekar said:

"It is difficult to understand why the Government of India agreed to the insertion of such shipping clauses in these oil agreements, as they have the effect of excluding Indian-owned tankers not only from bringing crude oil from foreign countries to India, but also from operating in the carriage of oil on the coast."

He went on to say that he hoped that the implications of the clauses in question are not as serious as they may appear at first sight and that Indian shipping companies may perhaps be permitted to go ahead with any plans which they may have for owning and operating a tanker fleet. Now it appears that our Minister of Production—whom I am sorry to miss at this present moment—was present at this meeting of the Indian National Steamship Owners' Association, and he said that when the negotiations were undertaken with the oil companies, India did not own any tankers, nor was there any prospect of her acquiring tankers at an early date, and that was—he argued—the reason why Government gave permission to these tankers to carry oil even from coast to coast, as far as our country was concerned. In regard to this, the writer of this editorial article in the *Eastern Economist* says that it was positively adding insult to injury when Mr. Reddy went on to give the analogy of coastal reservation to explain that a nucleus at least of Indian-owned tankers will obviously be necessary before complete reservation can be contemplated. This is because in the first place, no Indian shipowner has so far claimed complete reservation of

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tankers. All that they wanted was to have at least a share—an adequate and equitable share—in the amounts which were necessary to be transported. After all, it is for Government to have the foresight to realise that our country must have an oil tanker fleet of its own; whether it is owned and operated by Government or whether it is done in collaboration with some Indian business interest is another point. But surely when an oil agreement is being entered into with these massive combines from overseas, we ought to be really sure that we are not walking into their parlour so easily. We ought to remember that we have our own plans to think of, we ought to remember that our country should have its own oil tanker fleet, and therefore we should certainly try and see to it that the transport of oil at least from coast to coast on Indian soil is not done on tankers which are owned and operated by these massive monopolies which come from abroad. There are so many occasions when we have to refer to the octopus hold of these massive monopolies on the economy of our country, but of course, I need not repeat those arguments, but I say that in relation to these massive monopolies, we have behaved in a manner which suggests that our Government do not know their own mind. Government have made certain statements about reservation for Indian hands in coastal shipping, but they have not behaved in the manner in which they ought to behave.

In reference to this also, I have here the report of a speech made by the chairman of the Scindia Steam Navigation Company Limited, who says that in regard to coastal traffic they are facing competition, which is somewhat illegitimate, from foreign interests, and the result has been that the contracts for the carriage of coal from Calcutta to Burma, and the carriage of rice from Burma to Ceylon have been given to outside shipping interests. He made this speech on 24th February, 1954, in Bombay. Shri Dharmasy M. Khatau, chairman of the

Scindia Steam Navigation Company Limited says that these outside shipping interests have got the contract for the carriage of coal from Calcutta to Burma and of rice from Burma to Ceylon. This kind of thing should not happen. Our Government should come forward and see to it that our shipping industry is really and truly assisted. I know, of course, that it is rather difficult for our Government as it is to develop our shipping industry. We have heard about the retrenchment in the Hindustan Shipyard last year. We know to our disgrace how 900 people who got special training as ship-building workers were retrenched, because there was no work in the Hindustan Shipyard. This is a scandal of which we ought to be ashamed. I asked the hon. Production Minister at that time whether on account of shortage of steel this thing had happened, but he said there was no shortage of steel, as far as our plans were concerned. This is a kind of vicious circle argument which leads our Government nowhere, and our Government are leading this country astray, because they have not got a plan which works. We have not got steel, we have not got timber, and our Shipyard does not work properly, we discharge our trained ship-building workers, we do all these things, and at the same time, our shipping industry is in a very bad way, and we have to go with the beggar's bowl in hand to the foreign interests, so to speak, so that they might have the goodness to rescue us and in the bargain pocket millions of rupees. That is exactly what is happening. I say this because our expansion has not been very impressive in regard to shipping. Perhaps since 1937, in terms of percentage, the Deputy Minister might try to show that it is very impressive, but it is extremely misleading. Our share in the world trade is two and a half per cent., but our share in the world tonnage is as low as one half of one per cent. Now, if this goes on, where shall we be? After the Plan period is over, where shall we be? The Planning Commission en-

visages that by 1956 we shall attain six lakhs gross registered tonnage. Now, this target compares, as you perhaps remember very vividly, very unfavourably with the target of 20 lakh gross registered tons which was recommended by the Shipping Policy Sub-Committee a few years ago. Having regard to our long coast line of 3,500 miles, having regard to the volume of our coastal and international trade, having regard to the contribution of freight receipts to the nation's balance of payments position and also of course having regard to our defence and strategic requirements, we ought to have a much better plan. We should have a sizable mercantile marine, but we are not going to have that unless we have an imaginative outlook and a courageous approach in regard to this matter.

This reminds me of another point. Last month,—it appears from a report in *Indian Shipping* for February, 1954,—it appears that the Secretary to the Ministry of Transport went to Bombay and held a Press conference. He said there that Indian tonnage today is about 4½ lakh gross tons and it would definitely reach the target of six lakhs by 1956. So far, so good. Then, he added that the total amount involved in the country's tonnage expansion would be roughly Rs. 35 crores of rupees. That is the report in the *Indian Shipping*. That journal goes on to comment that roughly Rs. 35 crores would suffice to add about two and a half to three lakh tons. So, the Secretary to the Ministry of Transport must have had in mind something more than the mere amount which was needed for the addition of one and a half lakh tons which is our target's residue and for the replacement of obsolete tonnage. When there is no provision in the first Five Year Plan Report for any such large allocation, we should certainly like to know if this report is correct. I shall be happy if this report is correct, if you are spending more money than we need for bringing up our tonnage to six lakhs which is the target in the Five Year Plan. But let us know if this Rs. 35 crores is going to be

allotted and let us know how it is going to be spent.

That reminds me also of another point in relation to the port of Calcutta. The port of Calcutta, whether we like it or not, is our largest port which carries 40 per cent. of our trade. I know that some Members on the other side of the House and especially the Members of the Treasury Benches, wish that Calcutta was not on the map of India any longer, but anyhow they cannot wish it away. There is the Calcutta Port which is the largest in India. It needs renovation after the war time strain; it needs development to keep pace with the expansion that must happen if our economy is to grow. I find from the recent budget report of the Calcutta Port Trust that it is not in a particularly happy condition. I think that more money ought to be allotted for the development of Calcutta Port, because, actually that means that we develop Calcutta Port relatively to the size and the potentialities of the vast industrial areas which are its hinterland. Then we shall be making a real sizable addition to our national economy. What we want is really a well thought out plan on the part of the Government—that it comes forward with an imaginative scheme, with comprehensive legislation. I want the Government to take this House into its confidence regarding what exactly it is going to do.

I shall refer to one other matter before I close and that is in relation to the supposed reservation to Indian interests, of our coastal shipping. There are some figures for 1949-50 to 1951-52 which show that still the tonnage carried by British ships in coastal trade is higher than that carried by Indian ships.

Now, Sir, last year the Ministry of Transport sent us a report where we found mentioned that it was possible to reserve the coastal trade for Indian ships and that the proportion of foreign ships was practically very small. But actually the recent figures suggest that this contention is not correct.

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Then again, I want to know another matter which is rather intriguing. There are ships of Indian registry which are registered here. I do not know whether under the term 'ships of Indian registry' British ships are also given Indian status. I know that not only in regard to our trade with other countries, but in regard to inland navigation these British ships are there, very very much so, largely on the map. I know how very badly they treat our working people. Only lately in Calcutta there was an occasion when some 10,000 inland water transport workers who work mainly under British companies had to go on strike, and then they were victimised and all sorts of reprehensible steps were taken against them. I know—everybody knows—how these British shipping interests have functioned. If these British shipping interests get into the Indian registry by hook or by crook, then of course we ought to see to it that this kind of thing does not happen.

Then again, there is the question of sailing vessels. I understand—I am not very sure—that there are nearly 3,000 sailing vessels and in regard to them certain provisions are to be made. Some years ago there was appointed a Sailing Vessels Committee whose report, unfortunately, I have not been able to find out. But we ought to know from the Minister what provision Government wishes to make in regard to the working of these sailing vessels?

Therefore, there are so many matters which are germane in regard to legislation on merchant shipping that I think Parliament should have more facts. It is very queer that Government does not come forward with more facts. We are not told how it has worked, how the policy of Government has worked; we are not told how far the reservation of coastal shipping to Indian interests has really worked; we are not told how our dependence on foreign interests continues. We are not given any idea in regard to the implemen-

tation of the assurances given by the Minister last year with reference to the condition of the seamen and with reference to the discrimination against Indian interests. These are all very large matters, Sir, which perhaps require long discussion which, maybe the House will not be in a position to give to this particular measure. But I feel, Sir, that this measure is one to which considerable attention ought to be diverted. This is a measure which affects the country's interests deeply, and when Government comes forward merely with an extending Bill, we shall not allow Government just to say that this is a purely technical Bill and it should not take more than five minutes of the House's time. This is a Bill which affects the interests of the country so deeply that we wish Government to come forward with a really ample and comprehensive and adequate statement in regard to what Government has in mind with reference to the development of our shipping, and also with reference to the improvement of the conditions of those intrepid seamen who, in exchange for a few beggarly rupees, have to risk their lives and operate in shipping companies' vessels, Indian as well as foreign.

Shri Joachim Alva (Kanara): Sir, without any spirit of party alignment I would like to ditto every word which has been uttered by my hon. friend Shri Mukerjee. Shipping is one of our great life-lines. We have neglected it. Even the Members of this House take very little interest in shipping, and I must pay a tribute to a journal, coming from shipowners, no doubt, *Indian Shipping* edited from Scindia House, Ballard Estate, which has been educating a large number of our MPs.

Sir, we suffered a great deal under the British; we are still suffering under the Shadow of the mighty British Empire. The American Republic which has been existing for over 160 years, is ruling the seas with the largest number of ships and

ship-building concerns; Britain, may I say, is taking a secondary role, and we are asked to take a most inferior role which we cannot take under the spirit of our independence. We have got timber; we have got steel, and we have got men. Men have been discharged from the various concerns. Indian ships are still owned by the Indian shipowners who are not able to discharge their responsibility. They are not able to deliver the goods. It is high time the Government of free India took over the entire subject of shipping, controlled it and ran it on the coastal trade. I say with all responsibility that in the matter of giving contracts, if Government has the right to give contracts to foreign shippers, it has a right to cancel them also for the simple reason that they exercise racial discrimination. In regard to the P. & O. ships, we have been hearing allegations that little children were discriminated against in their ships on the mere ground of their colour. I suggest that our Government, out of a sense of self-respect, ought to cancel the mail orders which it gives to the P. & O. ships and other ships and make them lose the business which they are now getting. I make this proposal in all seriousness.

4 P.M.

Up to 1947, our nationals were treated with disrespect on foreign ships and even after the attainment of independence if our children are discriminated against on the high seas, it is time the Government of India without any tinge of fear cancelled the mail contracts of these ships. It should not remain content with merely issuing warnings or requests that in future such incidents should not occur.

Tankers and lascars are twin subjects. We are like diners in a large dining room. We seem to be waiting on foreign shippers who come and go away as they like. We seem to be simply waiters at the big table of Indian shipping, content to play a minor role. Today, we are still grop-

ing about with fear; we cannot assume an independent line. Scindia and other Indian shippers have managed to put big vessels on the ocean, but they cannot get any share in the Iran line or the African line. Why is that so? In the case of Africa, it is very near Kenya, and Kenya is a racial spot which the Britishers want to keep as a paradise for themselves by not allowing others to enter. They want to retain their hold through the great instrument of shipping.

One word about lascars. Some Members of Parliament went on a naval cruise from Cochin to Bombay. They saw the lot of our naval people. I am not talking of the officers. I am talking about the lot of the naval boys. It is not happy. If this is the lot of our naval boys who carry on their shoulders the responsibility of navigating on the high seas, then it is not good for us. The shipowners and managers of shipping companies earn huge profits, and there are Indian managers also. I call them brown men, they are also reaping rich dividends. But look at the fate of the ordinary workers: the lascars and boiler-room men. Or take the lot of the engineers who run the ship. We went down the boiler-room of I.N.S. *Delhi*.

We were thirty Members of Parliament. We saw the fate of the lascars and boiler-room men. Frankly, I may tell the House "without a sense of shame that when we wanted to go down the boiler-room, we felt very nervous, because the temperature was 2,000° and some of us felt that our glasses were cracking. But could we run away? We were the representatives of the people of India, and if these jobs could be done by our brethren and our boys, how could we escape seeing the actual conditions? So, we went down. The place was very hot. The boys complained that they were not even getting lime water to drink, so that they would be able to perform their duties without any difficulty. So, we found that our boys are denied even lime water.

[Shri Joachim Alva]

I want this House to remember the responsibilities discharged by these lascars and seamen who round the seas of the world. Their duties are as important as the duties of our soldiers and airmen. We also have a responsibility towards them. Our ancestors went out in small wooden ships. They went round the whole world and built our shipping trade. They carried merchandise all round the coast of India and the rest of the world. Today, having won our independence, we are not able to man our coast with our own ships. We are not able to develop our shipping.

I for one do not like the manner in which this Bill has been brought forward, without giving us a sufficient opportunity to say everything that we would like to say. This is a great national undertaking and concerns the trade and commerce of India, and we should have time to say everything that we want to say.

In 1952, India had only 0.5 per cent. of the world's tonnage. U.S.A., Britain, Holland, Norway and Sweden almost carried the world's tonnage in the palm of their hands. We are today again in that same helpless state. When we are going to build up our tonnage, I do not know.

I raised the matter of tankers during the Defence estimates in 1952. That was the first time the subject was raised in Parliament. I questioned the Defence Minister. Hitler lost the blitz because he had no petrol, and there was no petrol because there were no tankers. We have not been able to get tankers. I understand that this year one is coming, and four have been promised. I do not know when we are going to be masters of half a dozen tankers. If there is a conflict, then I am afraid we shall find that the foreign companies, including American companies, will blackmail us by saying, "We shall not supply petrol to you or oil to you". That would put us in a helpless condition. As such, I consider that the

right given to foreign shippers or the foreign oil companies to have their own tankers should not have been given. The hon. Minister for Production was rather quick in giving away this right to the foreign shipping companies to have tankers—to carry the oil in their own tankers—when we would have a chance to build up our tankers.

Mr. Deputy-Speaker: This is a Bill to continue an expiring law. What I submit to the House is that all these and other matters may be there relating to shipping in India. So far as this Bill is concerned, whether it should be continued or not or whether it is useful or not, these are the points that will be relevant and not a general policy relating to shipping in this country.

Shri Joachim Alva: My hon. friend has referred to the tankers and I want to lay stress on this aspect of control of shipping and I humbly.....

Mr. Deputy-Speaker: If he has already said about it, it is unnecessary to say now.

Shri Joachim Alva: I will humbly point out to you, Sir, that tankers are a part of Indian shipping. We may not own tankers now, but tankers are a part of the shipping trade of this country. If we have no tankers, how are we going to carry the oil from Bombay to Calcutta or from Calcutta to any other port in India? As such, I feel, the hon. Minister has given away a great right—of allowing the foreign companies to carry the oil refined in Bombay to any other port in India in their own tankers. This great right should not have been conceded in that cavalier or nonchalant fashion and lose our control or authority over shipping.

I do not want to minimise the importance of this Bill. The Control of Shipping Act is very very important in the sense that when we just stepped into office in 1947 this Bill was passed. This did not envisage all that was going to come about and all that we

wanted to do. We had imported nearly Rs. 170 crores worth of food in two or three years. We could have had our own ships to carry that. But, we allowed the foreign ships to carry the imported food and thus we frittered away a large part of our well-earned foreign exchange. It is time that the Government put its house in order and planned one million tonnage and not 6 lakhs by 1956, which is nearly two years hence. I want the Ministry to take account of all the interests related to this subject, railways, shipping and steel and all the other allied projects which go to benefit our country's economy, which would help us in times of trouble. If we do not help in producing tankers, our shipping will not be worth the name and we shall be nowhere when the time of crisis comes.

Shri V. B. Gandhi (Bombay City—North): Mr. Deputy-Speaker, we can all agree that the ending of the British monopoly of shipping in India is a welcome development. But, still, I was a little surprised at the way in which Shri H. N. Mukerjee was dealing with the Bill before the House. He seemed almost—from the way he was talking—satisfied with the ending of the British monopoly of shipping in India and he did not very much care if this British monopoly, which has now almost ended happily, has given place to another—Indian monopoly. So far as we are concerned, monopoly in any service or in any industry is an evil.

Monopoly, whether it is British or Indian, to us is an evil. I shall come to that presently. My friend, Shri Alva, made some very interesting contribution to the subject and he made a passing reference to the opportunity, which this Government has lost in not having its own ships to bring the millions of tons of food which we recently had to bring, thereby saving exchange. That needs to be put in a little clearer position. How could we save exchange by buying ships? The purchase of ships would probably have cost thousand times the exchange that

we have paid for bringing in the food. Again, after the food has been brought, what are you going to do with the ships? Anyway, that is a different subject.

So far as the record of the Government is concerned in the matter of bringing in a comprehensive and consolidated legislation on the subject of control of shipping, I think, it is not very creditable. The original Act was passed in 1947 and the life of that Act was one year. The intention is very clear that the framers of the Act expected to be able to bring forward another comprehensive Bill on the subject very soon. There is, of course, a provision in the original Act that by notification in the Government gazette, the Government could extend the life of the Act for a period not exceeding one year. Here again, the intention is very clear, but what has happened to this Act? The life of the Act has been extended for two years for the first time, another two years for the second time, and another two years for the third time, and now they are here before the House asking for a fourth extension for a period of two years. It is very difficult for us to appreciate—whatever may be the arguments that the Government have to offer in defence of their very unconvincing position—that in the matter of a very vital service of this kind, Government should not have been able to bring forward the promised consolidated and comprehensive Bill on the subject. The hon. Minister, Shri Alagesan, in order perhaps to allay any misgivings or apprehensions that the House may have because of the delay in bringing forward the promised comprehensive legislation, made much of the fact, in his speech in the other House, that the present Act gives Government a complete control over shipping. He was so convincing in the way he put the completeness of the control that Government has under the Act that one is sometimes tempted to ask "Why then is this Act not made permanent? Why are you asking for an extension of only two years? Why do you not have it permanently on the statute book

[Shri V. B. Gandhi]

and be done with it"? This is what he said there:

"The Act also gives complete control to Government over Indian shipping, the control extending to trades in which Indian shipping may engage and the voyages it may undertake, the class of passengers or cargo which the Indian shipping may carry, the order of priority in which passengers and cargo may be taken or put off such ships at any port or any place whether within or outside India."

Of course, it is true that the present Act does give Government all these powers, but is that the whole story? Is that the only objective of a shipping control Bill? We are told that the achievement of Government in the matter of removing foreign shipping from coastal service is something which stands to their credit and this achievement was made possible under the existing Act. That is so, so far as the facts go, but this talk about reservation of the coastal trade for Indian tonnage as distinguished from foreign-owned or British tonnage is a very old ghost, and I do not think that in the present context of an independent India, it serves much useful purpose to raise it.

Shri Joachim Alva: Very much alive.

Shri V. B. Gandhi: But what exactly is the objective other than having the control over the shipping industry or even having the power to reserve coastal trade to Indian shipping? We are also further told that shipping is in the private sector and we are informed of this in a tone as if to say that having left the shipping trade to the private sector, Government have almost done their duty by the shipping service. Are these things really so? That is what we have to see.

Now, Sir, I know that Indian monopoly in shipping wherever it exists is not altogether free from blame, I will take only one particular instance of

which I have personal experience. There is a passenger service from Bombay to Goa which is called the Konkan Line. Now, in the old days there were a British controlled company, and two or three Indian companies running on the same route. The fares and the quality of service that the passengers then used to get were entirely different from the miserable conditions which now obtain when that service is completely reserved for and owned by a monopolistic Indian company. Normally speaking, Sir, we are all led to expect that sea voyage should be cheaper than land journey. Railway fares cannot be as cheap as steamship fares. But the Indian company which now operates this service has a complete monopoly and the fares it charges, are—I do not know what to say, but I would not mind saying—scandalous, simply scandalous. That is what exactly comes out of a monopoly and I would suggest that Government's business, or Government's duty, or Government's interest in the shipping control does not end by simply seeing that an Indian monopoly is able to replace a British monopoly, or shipping is left open to the private sector. Government, on the other hand, should have complete control, to which reference has already been made.

Now, Sir, let us not forget in whatever we do in the matter of control of shipping, that the shipping service is a public utility service. This fact we should not lose sight of even for a moment. If we remember that, then much more than what is contemplated in the present Act—the Shipping Control Act—is required. It will be the business, it should be the duty of this Government to regulate the fares of passengers and the rates of freight on these monopolistic, even though Indian-owned, concerns. It should be the duty of this Government in bringing forward any legislation on the subject, to see that the service in quality and in quantity is adequate and also that it is available at an economic rate. I think that Government ought to take a serious note of the

fact that this House is not prepared to treat the subject with the rather cavalier attitude—I am sorry to say—which Government have been showing all these years in bringing forward the promised comprehensive and consolidated legislation. I am surprised to hear that the hon. Minister, Shri Alagesan in the other House said:

“We want to incorporate the provisions of this Bill in the consolidated merchant shipping Bill that we want to place before the House.”

And note what he says further:

“Pending that, nothing is lost”.

If that is the view of Government, if Government really believes that nothing is lost in keeping this Bill going on in its present form, I do not think we have much hope of seeing the promised comprehensive legislation. If they are really sincere and promise to bring the Bill before us next Session, I do not know why we should require two years' extension; one year's extension should be enough. This House should be trusted to have enough interest and to give it all precedence and priorities as soon as it is brought before the House.

Shri M. D. Joshi (Ratnagiri South): Sir, this is a very simple Bill. It asks for extension of time by two years for a legislation which was enacted to give very deserving protection to Indian shipping when there was a foreign power here. In the days of British rule, there was an ordinance and that ordinance was replaced by the present Control of Shipping Act. Formerly, on the excuse of wartime emergency as well as owing to their peculiar profit motives, the Britishers gave ample protection, in fact most undeserving protection, to British shipping vis-à-vis Indian shipping. The shipping authorities, were given under this Act, power to direct Indian shipping, or any other shipping for the matter of that, to ply on certain routes only. I was connected with an organisation which was dealing with Indian sailing

vessels. As Secretary of that organisation, I had to deal with several complaints. The complaints were that Indian sailing vessels were forcibly, under compulsion, tied down to particular routes when they were not used to take those routes. There was great injustice and a number of complaints were sent up to Government and ultimately the route scheme was dropped; it had to be dropped. That route scheme is not likely to be revived; in fact it is opposed to the spirit of the Indian Constitution. Section 5(a) of this Act says that the Shipping Authority which is to give a licence may give directions with respect to the ports or places, whether within or outside India and the routes by which the ships shall pass or proceed for any specific purpose.

Article 301 of the Indian Constitution prescribes that “subject to the other provisions of this Part, trade, commerce and intercourse throughout the territory of India shall be free”. If there is to be any restriction, or if there is to be any prescription of a particular route or section of the country, it is not within the purview of the Shipping Authority but it is only within the purview of Parliament which is the Sovereign Representative body of this country. Article 302 of the Constitution prescribes that “Parliament may by law impose such restrictions on the freedom of trade, commerce or intercourse between one State and another or within any part of the territory of India as may be required in the public interest”. So I submit that the provision in section 5(a) of the Control of Shipping Act is not in consonance with the spirit of the Constitution. Therefore, extending the life of the present Act also will, as a consequence, be giving further life to a provision which is not strictly in conformity with the spirit of the Indian Constitution. I therefore submit that it is high time that a comprehensive legislation is undertaken covering all these Acts, namely the Merchant Shipping Act, this Control of Shipping Act and other allied pieces of legislation. It is not good that a

[Shri M. D. Joshi]

sovereign body like Parliament should hastily continue to extend the life of a provision which goes counter to the Indian Constitution.

My friend Dr. Gandhi made mention of a subject which is very vital to my part of the country, namely the rates of fares of the passenger steamers. Last year I had tabled a question on the floor of this House asking whether Government were thinking of revising the rates or bringing them down; but the answer unfortunately was 'No'. I asked a supplementary question to the effect whether Government would examine the accounts and make them available for public inspection. The answer again unfortunately was 'No'. I do not insist that the accounts of the steamer company should be made available to the public. But it is a patent fact that these steamer companies and other concerns are very unwilling to lay before the public all their cards on the table. That was the complaint I found made in the debates on this Bill when it was on the anvil in 1947, in the Central Assembly and it is not a very happy state of things that companies had to be persuaded. The then Commerce Minister, Mr. Chundrigar, said that Government hoped to persuade the companies or otherwise the Government would use its powers. Those were different times, I can quite understand. But even now the state of things that obtains today is that the Companies justify the high level of the present rates on the ground that their finances do not permit a decrease; and when a demand is made by the public to convince them of the necessity of keeping the rates at their present level, they merely reply that it is necessary. I read a speech by the Chairman of the Scindia Steam Navigation Company the other day reported in the papers; from his exalted position he has merely condescended to assure us that the Company are not thinking of increasing the rates. A very strange consolation indeed! We have been demanding for the last twelve or thirteen years a decrease in the fares.

Sir, I shall mention some figures. In 1922, after the first World War, the fare was Rs. 3 from Bombay to Ratnagiri. Then the Scindia Steam Navigation Company came on the scene in 1940. Till then there was competition. There were two companies; one was called the 'English' Company, namely, the Bombay Steam Navigation Company, which was then managed by Messrs. Killick Nixon & Co., a British concern, and the other was popularly called 'Majhi Boat Company', that means 'My Steamer Company' which was subscribed to in small shares of Rs. 10 each by the common people. That Company unfortunately fell on evil days. Later on it was swallowed by the bigger fish, namely, Scindia Steam Navigation Company. The Scindia Steam Navigation Company swallowed the other two steamship companies also. It is a very big concern and India is proud of that company as it was giving battle, in the days of our battle for freedom, to other British companies in the field of international trade and commerce. We are proud of that. But, when the matter came up before the Scindia Steam Navigation Company to do justice to the people, to the common people, to the poor people, we have to say that the Company failed miserably.

Sir, I cannot too strongly emphasise the necessity of Government to exercise control in this matter. What is the use of extending the life of an Act if its provisions are to be allowed to rust unused? This power to control the rates has not been sufficiently exercised and I therefore implore the hon. Deputy Minister to exercise the power which is given to Government by the Act and see that the rates are brought down, at least to a reasonable level.

I was referring to the level of rates. In 1922-23 the fare between Bombay and Ratnagiri was Rs. 3 and it continued so for about fifteen years. When the Scindia Steam Navigation Company became all in all in 1940, they suddenly raised the rate from Rs. 2 which existed in 1939 to Rs. 5 in 1941. The

Ratnagiri District Congress Committee passed a resolution making a fair offer to the Scindia Steam Navigation Company that the matter be referred to the great Sardar Patel as arbitrator. The Company turned down the suggestion. In 1949 or so, one fine morning we woke up in Bombay—I was in the Bombay Legislature then—and what did we read in the papers? The great Scindia Steam Navigation Company was pleased to increase the fare from Rs. 5 to Rs. 7-8-0 i.e. fifty per cent increase. It is a patent fact, as my friend Shri V. B. Gandhi said, that the rates of fares on railways, which bear a considerably larger expenditure than the Steamer companies, are expected to be higher. The rates of the Steamer companies, which have not got to maintain so great an establishment such as rails and other things, ought to be lower. But they say, No. The reasons that they give are funny. They say that the coal prices have gone up, that the salaries of Captains, Engineers and the Crew have gone up and therefore we must pay higher fares. They also say that on account of our clamour for more amenities for passengers, Government have strictly enforced the rules as regards accommodation of passengers in Steamships. Accordingly, the accommodation has been cut down from 1,100 to 800 passengers in certain ships and therefore, they say that the rates ought to be kept at the present level. All these arguments are very unconvincing. The Bombay Steam Navigation Co was started with, I hear, a capital of Rs. 30 lakhs and in a space of 30 to 50 years, it has added to its fleet about 15 ships costing at least Rs. 4,00,000 each in those old days, that is, prior to World War I. Now, the cost of ship-building has mounted very high. I grant that. Even then, I submit that the present high level of rates is not justified and I protest with all the vehemence I can command that justice is not being done to the poor third class passenger. While all people have been congratulating the Government, because the Government is giving all possible attention to the amenities and comforts of third class passengers in the railways,

the poor steamer passenger, especially on the coastal lines, is left in the lurch. I would, in all humility, request the Government to give up this lethargy and indifference on this point.

The tonnage of coastal shipping also deserves attention. The Bombay Steam Navigation Co. which, under the aegis of the Scindia Steam Navigation Co. has been revived under the name of Bombay Steam Ship Co., of 1953, has lost certain ships in accidents. It lost the S.S. *Ram Das* in a very serious accident that occurred four miles from Bombay causing a loss of not less than 600 lives some years ago. Then, they lost two other very good ships in the cyclone in November, 1949. They have, it is true, added two very good ships costing Rs. 44 lakhs each, and that is one of the reasons which they assign for keeping this high rate of steamer fares.

When Government is paying attention to the building of Indian ships in the Visakhapatnam yard and elsewhere, I think it should spare some of its attention to supply of steamers and a properly furnished fleet of ships on the Konkan Coast. This coast, I submit, has suffered abnormally by indifference at the hands of the foreign Government. I request that we should not be compelled to repeat the same tale of woe at the hands of our own Government.

I shall now refer to the remarks—to the very unkind and undeserved remarks—made by the hon. Member Mr. H. N. Mukerjee. He accused the Government of forgetting that Calcutta was on the map of India. I am sorry he is not in the House. I wonder what prompted him to make that remark. Perhaps some other things were weighing on his mind, not this particular Bill, because the subject of this Bill does not justify his remark that the Government of India has forgotten Calcutta altogether. That remark was particularly unkind and unjustified and I think it sprang from Mr. Mukerjee's disconsolation in other matters, not in regard to this Bill.

[Shri M. D. Joshi]

I was again surprised by a very unexpected remark made by Mr. Alva. He is also not present here.

Shri K. K. Basu (Diamond Harbour): So many surprises.

Shri M. D. Joshi: Yes, very many surprises. You are providing surprises every now and then.

Mr. Deputy-Speaker: Let his speech not be disturbed.

Shri M. D. Joshi: I was surprised by the remark made by my hon. friend, Mr. Alva.

Mr. Deputy-Speaker: Cannot the replies be left to the hon. Minister? The hon. Minister will reply. When particularly the hon. Members concerned are not here, the hon. Member may leave it to the hon. Minister to reply to them.

Shri M. D. Joshi: I submit it is the duty of the hon. Members to hear what follows their speeches.

Mr. Deputy-Speaker: True. I agree. It will not be right that any hon. Member should make a remark or make a speech and not wait or be patient to hear what is said in reply to what he says. If I had known that in anticipation, I would not have allowed the hon. Member to speak, but it is too late. I will now call upon the hon. Minister to reply to them. In the meantime they may turn up.

Shri M. D. Joshi: I have not finished.

Mr. Deputy-Speaker: I thought we would be able to finish this Bill by five o'clock.

Shri M. D. Joshi: If you wish that I should finish then I shall do so.

Mr. Deputy-Speaker: No, no. I thought the hon. Member was finishing himself.

Shri M. D. Joshi: I shall require some more time.

Mr. Deputy-Speaker: Very good.

Shri M. D. Joshi: Mr. Alva remarked....

Mr. Deputy-Speaker: The hon. Member may continue his speech later. Now, the House will adjourn and meet again at five o'clock today.

The House then adjourned till Five of the Clock.

The House re-assembled at Five of the Clock.

[MR. SPEAKER *in the Chair*]

Mr. Speaker: I understand that the hon. Finance Minister has been unwell, and therefore, instead of straining himself even for five minutes, he may continue his speech sitting. He need not strain himself unduly.

The Minister of Finance (Shri C. D. Deshmukh): Thank you, Sir.

5 P.M.

GENERAL BUDGET

The Minister of Finance (Shri C. D. Deshmukh): I present the statement of the estimated receipts and expenditure of the Government of India for the year 1954-55.

The presentation of the annual budget provides an opportunity for a review of the economic conditions of the year which form the background against which the budget for the coming year has been prepared and I propose to give a brief account of the main features of the country's economy in the year now drawing to a close.

Like other countries India has been going through a process of return to normal conditions after the war, a process which was disturbed and delayed by the outbreak of the Korean war and its after-math. The return to "normality" commenced in 1952 and continued during 1953. Thus while at the end of December 1951 the price index of all commodities had risen from 397.1 immediately before the commencement of the Korean war to