

**RESOLUTION RE: APPOINTMENT OF COMMISSION FOR DEVELOPMENT OF INDIAN SHIPPING—contd.**

**Mr. Deputy-Speaker:** The House will now resume further discussion of the Resolution moved by Shri Raghunath Singh on the 9th September, 1955, regarding the appointment of a Commission to suggest measures for the development of Indian Shipping. Out of the 3 hours and 45 minutes now allotted for the discussion of this Resolution, 2 hours and 9 minutes are still left for its further discussion. Shri Matthen to continue his speech.

**Shri Raghuramaiah (Tenali):** Before Shri Matthen speaks, may I formally move the amendment which I have given notice of, substitute motion No. 5 in list 3?

**Mr. Deputy-Speaker:** Why not wait till Shri Matthen concludes?

**Shri Matthen (Thiruvananthapuram):** I was speaking about the ship-building industry when the House rose for the day last time. Since then, my remarks about the Hindustan Shipyard and their probable responsibility for the short-fall in the First Five Year Plan is confirmed by the Estimates Committee in their 14th report on the Ministry of Production. They have stated that in the three years of the working of the Yard with the French firm, less than two ships on the average have been delivered while the number under construction on the average was five. They add that vigorous steps should be taken immediately so that heavy arrears may not appear in the future. They go to the extent of recommending early recovery from the French firm of the losses sustained by the Yard. The Committee adds that the technical advice given by the A.C.L., the French firm, in the matter of organising the work schedule of the Shipyard was unsatisfactory. Even in the training of Indian personnel, it appears, not much progress has been made. They further recommend that the problem of short-fall in the manufacture of ships should be gone into

if the Second Five Year Plan is to be implemented properly. They rightly remark that the objective in planning should not merely be to build the ships required for mercantile purposes and for coastal traffic, but also those required for our growing Navy. They naturally aim very high when they state that the ultimate plan should provide for building of ships not only for us, but for other countries in South and south east Asia, in competition with other suppliers.

In his connection, I would like to say a word in general about the choice of technical experts and the question of agreements with foreign firms. The unsatisfactory progress of the two Machine tool factories is still fresh in the minds of my colleagues. The agreement with the Oil Refineries has come in for a good deal of criticism, especially in the provision of tankers for the supply of refined oil, when coastal shipping is exclusively earmarked for Indian nationals. I shall come to this subject later on, if you will be pleased to give me time then. In all these and similar agreements, there is no denying that a little more experience on the part of the Indian Government officials could have avoided the mistake that they have committed. Even though I appreciate the efficient administrative services of the I.C.S., I cannot afford to state that they have practical business experience. If only they had consulted the private sector, I mean some businessmen with practical experience in matters like this, these agreements would have been more beneficial to the country. At a time when we are straining every nerve to find resources for our Plans, we cannot afford to let these inexperienced bureaucrats make experiments in nation-building activities. I will therefore strongly recommend to the hon. Minister and other hon. Ministers to consult practical businessmen when similar agreements are negotiated in future.

Coming back to ship-building, even assuming that the Hindustan Shipyard will have better technicians in the future, it will not be able to build

the ships required by the country. Even when fully expanded, the Vizag Shipyard's capacity is only 40,000 to 50,000 tons when our requirements in due course on the basis of target of 2 million tons, will demand an annual construction of at least 100,000 tons. The tonnage of Indian ships which will be 30 years or more old by the end of the second Plan would be about 90,000 tons. This tonnage will have to be replaced in the second Five Year Plan. It is now absolutely clear that we will require a second shipbuilding yard with bigger capacity to build these ships, and to meet the construction requirements of our growing Navy. Yesterday, a question was answered by the Transport Ministry that another ship-building yard is under consideration and it may be implemented in the course of the Third Plan.

**The Deputy Minister of Railways and Transport (Shri Alagesan):** We did not answer any such question.

**The Deputy Minister of Production (Shri Satish Chandra):** I answered it.

**Shri Matthen:** Thank you. Of course we are not going to depend on French technicians for this even though we need technicians badly. I will recommend to the Government to consider the desirability of having an agreement with some established West German firm or some Japanese firm, both of whom have proved their capacity to build ships economically and in time. As far as the second ship-building yard is concerned, may I take the liberty of suggesting the proper place, that is near the Willingdon Island in Cochin.

To the problem of construction must be added the problem of maintenance, service and repair of ships. In all maritime countries, not only are their ship repairing berths in the shipyard, but there are repairing berths in all ports. These are problems to which, I am afraid, hardly any or adequate attention has been paid by the authorities.

For example, Bombay which forms the headquarters of a large number

of shipping companies, badly needs some three or four repairing berths. The requirements in this behalf of the other major ports like Calcutta Madras, Cochin and Kandla are also to be borne in mind.

The ports are naturally concerned with the greater activities regarding ship's operations besides repair berths. They have to provide excellent up-to-date methods for loading and discharging and efficient dock labour, so that the turn-round of ships is not delayed as is the case today. I understand that heavy engineering goods like locomotives, boilers etc., meant for the Southern Railway are now imported to the Bombay harbour and then taken all the way by rail to the Southern Railway, even though there is a first class harbour in Cochin. I was in Bombay five days ago. There were 25 ships awaiting entrance while there was ample room in Cochin. This is, of course, a very uneconomical procedure. On enquiry I understand that this is due to lack of adequate floating crane facilities in Cochin. The unloading of heavy locomotives like the ones mentioned need floating cranes of 50/60 tons capacity, while what we have in poor Cochin is hardly 20 tons capacity.

In this connection, I cannot help mentioning the fact that the major ports, deficient as they are, have not been able to utilise even the sums of money allotted to them during the First Five Year Plan. Keeping the ports in a tip-top condition will be one of the functions of the proposed Maritime Commission.

Another function which the U.S. Maritime Commission has been discharging very efficiently is in effecting charters for the needs of the Navy. I would draw the attention of the House to the fact that there is no integrated chartering agency in this country, and it is up to the Government to provide one, preferably in co-operation with private Indian agencies. For this essential activity there is no agency in India today.

[Shri Matthen]

There is next the question of maritime training for officers and seamen. For this we have to chalk out our plans, as in the case of ship-building, on the basis of our requirements in due course of two million tons, because personnel is not a commodity we can purchase in the market. Even foreign countries are not today in a position to provide that man power we require even if we want to recruit them. Therefore, we must do our best to meet our requirements, and here, aware as I am of the place taken by the Ministry to provide additional facilities for maritime training, I am afraid, the facilities both for officers and men will not prove adequate when we bear in mind the requirements of not merely our ships' officers and engineers, but of our pilots, dock masters and other maritime personnel which go with an efficient merchant navy. This question also requires to be tackled at a high level and the maintenance of Indian personnel at the highest standard of efficiency will be one of the main functions of this Commission, as it is these men who, in their many calls at foreign ports, are looked upon as direct representative of the Indian nation.

I next come to the need for direct Government aids for shipping and ship-building, and here one cannot but be struck by the fact that while direct subsidy is given to the Hindustan shipyard in the sense of the Government bearing difference between the cost of building a ship in India and in foreign countries, the only other help, temporary by its very nature, that has so far been given is the provision of loans. I am glad the Government has promised to liberalise the terms of these loans, and I believe that such liberalisation will be announced immediately. But, even then, when our overseas vessels enter the field of carriage of our overseas trade, I cannot but feel that in some of the routes, at least in the initial stages, the need for direct subsidies will arise. In fact, this may be necessary even in long routes in which we

may like to have our shipping established. But, shipping can be called established only when shipping companies have plenty of reserves at their back which they can fall back upon in case of need. For example, in the case of British shipping which on the basis of some 17 liner companies have declared reserves, to say nothing of secret reserves, amounting to about Rs. 160 crores, averaging ten crores per company. This will enable them to withstand the effects of bad trade, temporary increase in operating costs, and even rate wars when they come. Unfortunately, however, the reserves of Indian shipping companies are not worth mentioning, being barely a crore of rupees and this given them hardly any resistance power. This is one of the weak points of our shipping companies. I, therefore, suggest that steps should be taken to see that Indian shipping does not remain lean and stagnant, but should become a robust and healthy industry. Here, we cannot but have a better example to follow than that of the United States of America which, even when owning half the tonnage of the world, gives liberal subsidies on ships operating on various scheduled routes. Here also more than two Ministries of the Government of India are involved. I believe I am not shocking the hon. Minister or even the Finance Minister when I suggest subsidies. I wonder if the House is fully aware of the place of shipping not only in the economy of India but in its security. We have, as I said already, 3,600 miles of coastal line which needs adequate protection. Even though we believe in *Panch Shila*, co-existence, peaceful negotiations, Bandung etc., and have been honestly trying to practise the same, we cannot afford to believe that certain of the rival countries will practise these moral values. We have to be on our own guard. We cannot now afford to build an efficient navy for this purpose. Meanwhile, our merchant navy is doing a lot of policing for us. That is one justification for subsidies and other aids to shipping companies.

National defence is an important subject. Because it is of public interest, provision must be made for doing it at public expense. The ground work for a carefully controlled shipping programme and for the adaptation of that programme to the special needs of national defence is an important factor which we cannot lose sight of.

Then, there is the employment potential in developing shipping, as was pointed out by the study group—not only for the men employed by the ships, but the adventurous people getting fixed up in other countries where there are better prospects for employment etc. One of the main purposes of the Second Five Year Plan is to provide employment for about 2 million people. If there is one clear method or way of doing it, it is by developing shipping.

In this connection, I would like to add a word about the report of the study group of the Consultative Committee of shipowners, appointed to examine the shipping target for the Second Five Year Plan. I do admit that the members of the study group are intelligent men with practical experience in the shipping field and their recommendations deserve sympathetic consideration. Their recommendations have already received the blessings of the hon. Minister and will certainly receive the sympathetic consideration of the Planning Commission. The study group is fully conscious of the vital necessity of making a very substantial addition to the existing ship tonnage of the country, both for promoting the economic prosperity and the effective security of India. The study group realises that to achieve this object, the country should also include a fair number of sea-going passenger ships and tankers. As the conservation of the foreign exchange of the country and a substantial increase in its invisible export are essential to the maintenance and progress of a strong and effective balanced economy of the country, the building of an adequate

merchant navy as quickly as possible is an inevitable obligation which must be satisfactorily discharged without delay. They add that the experience has shown that a maritime country can maintain its position in or retain its hold on the international markets only with the service and support of a powerful national merchant navy of its own. Indian shipping will have, therefore, to provide and develop its services on all such trade routes on which India's passengers and cargo are carried at present or are likely to be carried in the future.

The study group has also realised only too vividly the ability with which even the small maritime countries were adding substantial ship tonnage to their fleet year after year. Even ex-enemy countries like Japan, Germany and Italy have re-captured and are establishing their previous position in India's overseas trade. How vital it is, they say, therefore, for India to make a very substantial addition to its merchant fleet. To safeguard its own economy was a live issue which was uppermost in the mind of the study group all throughout its deliberation.

**Mr. Deputy-Speaker:** I cannot allow the hon. Member any more time. I have got a number of names here. I have given him 20 minutes.

**Shri Matthen:** As convenor of.....

**Mr. Deputy-Speaker:** All right. I will allow him all the time of all the hon. Members, I have no quarrel. But I am getting all sorts of letters.

**Shri Matthen:** In spite of all these strong convictions I wonder why the study group was satisfied with a modest proposal of 445,000 tons as the target of the Second Five Year Plan. Even though the Policy Commission recommended a target of two million tons in 1947 to be attained within seven or eight years, that is by now, and the Government had accepted its recommendation, and was able to implement only up to 25 per cent. of it.

[Shri Matthen]

it passes me why the study group does not raise the target to at least 600,000 tons, making a total of 1,200,000 tons by 1961. With due respect to the members of the study group, I am afraid they have betrayed some merchant mentality. This shows an inferiority complex which we Indians cannot afford during the Plan period. Let us aim high, believing that we are able to achieve it, and let us have a positive faith in our targets. Only then we shall be able to achieve them. If, on the contrary, we hesitate and have no positive faith in our Plan, then I am afraid the result will be disappointing.

Another factor which is basic in regard to shipping today is the lack of dividend-potential. The Scindias, our oldest shipping company, in spite of their years of activity and service are hardly quoting their shares even now at par. As for the other shipping companies, even though three shipping corporations have been announced to be set up by Government, yet only one has so far been set up, and that is the Eastern Shipping Corporation. But even in that concern, the share capital has been contributed partly by the managing agents and partly by Government, and private capital has not been asked for at all, because they know very well that they are not going to get it. This is the basic factor which we have to recognise when steps are taken for the development of shipping—I mean capital formation for the purpose. Private capital is not coming forward. It is not that India has no private capital which would come forward, but it is because private capital is feeling shy for good reason, namely lack of earning capacity.

On account of the great national importance of shipping in the matter of security and defence,—I hope the hon. Minister will forgive me—I would suggest some substantial tax relief to get over this basic factor. That was how West Germany and Italy were able to build up their lost tonnage amounting to nearly 4 million tons, in the course of five or six years. They

exempted dividends of shipping companies from payment of income-tax. I suggest that a similar tax relief should be given for the Indian shipping companies also.

I now come to the resolution proper. The amendments of Shri Das and Shri M. D. Joshi are an improvement on the original resolution, and therefore I am giving my wholehearted support to them. If the hon. Minister is going to accept this resolution, then he is not going to enunciate any new policy. For, the Shipping Policy Committee had made this recommendation for the setting up of an Indian Shipping Board as early as 1947, and Government had also accepted the same in principal.

I have got here with me copy of the Government resolution on the subject, but for want of time I shall not read it. In that resolution, *inter alia*, we find:

“The Government of India accept in principal the recommendations of the Committee that a Shipping Board should be set up, and agree generally with the proposal regarding its functions.”

The functions of the Shipping Board have also been defined there, but for want of time I shall not read them now. But we find that though these important functions of the Shipping Board have been agreed to by Government, yet they remain a dead letter, for they have not been entrusted to any organisation, nor has any Shipping Board as envisaged by the committee been set up so far. When I was discussing this matter with the hon. Deputy Minister a week ago, I was told that this proposal has already been implemented by the creation of a Directorate-General of Shipping at Bombay. I admit that this Directorate-General is a move in the right direction and it has done a good job. But to say that that is the board which the Shipping Policy Committee had in view is to distort what they have recommended. What that committee had proposed was a co-ordinating board, co-or-

inating matters affecting shipping in half a dozen Ministries like the Ministry of Transport, the Ministry of Railways, the Ministry of Production, the Ministry of Commerce, and the Ministry of Defence. I feel that to avoid unnecessary redtapism and delay, it is necessary to take immediate steps for the establishment of a board commission council, or whatever you may call it. Co-ordination is the important feature that has to be attended to. Certainly, the Directorate-General of Shipping has nothing to do with this co-ordination, nor has it anything to do with the other Ministries.

I feel that this is a resolution which the hon. Minister is in honour bound to accept in the face of the resolution passed by the Ministry already. Let me make one other point clear in this connection. The board that we have in view is a purely Government organisation, like the Tariff Commission. We do not expect any private interest or any Member of Parliament to be there. If necessary, I would not mind even some foreign technicians being brought in.

Before I conclude I would like to say a word about the reported decision or inclination of the Planning Commission to reduce the targets in regard to shipping. Even the modest target of Rs. 80 crores proposed by that body and blessed by the hon. Minister also is likely to be cut down to Rs. 50 crores. This shows a lack of perspective. I wish you to inform the Planning Commission that this House is not in a mood to accept anything less than Rs. 100 crores as the target in the matter of shipping.

**Shri Raghunath Singh** (Benaras-Distt. Central): Not a single penny less.

**Shri Matthen:** In conclusion, forgive me for saying that it is we who have the last word, whatever the Planning Commission may decide.

**Mr. Deputy-Speaker:** Shri Raghuramalah has drawn my attention to

the fact that some further amendments have been received since the resolution was moved the other day. Hon. Members, if they wish to move those amendments, may do so now.

**Shri M. D. Joshi** (Ratnagiri South): I beg to move:

That for the original Resolution, the following be substituted:

"This House recommends to the Government that with a view to develop, in as short a time as possible, for national defence and advancement of foreign and domestic commerce of India, an adequate Mercantile Marine capable of carrying a very substantial portion of India's overseas trade, the Ministry of Transport should keep in more constant and consistent contact through *ad hoc* consultations with various Ministries particularly the Ministries of Railways, Defence, Production, Works, Housing and Supply, and Commerce and Industry, in regard to such matters pertaining to shipping as fall within their purview, so that the joint action may help to promote the national policy regarding shipping by achieving the necessary targets under the Five Year Plan."

**Shri Bhagwat Jha Azad** (Purnea cum Santal Paraganas): I beg to move:

That for the original Resolution, the following be substituted;

"This House is of opinion that suitable steps should be taken by the Government for the rapid development of Indian Shipping."

**Shri Raghuramalah:** I beg to move:

That for the original Resolution, the following be substituted;

"This House while appreciating the steps so far taken by the Government of India towards

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the development of Indian Shipping, suggests that all further suitable measures be taken to expand rapidly coastal overseas tonnage."

**Shri Bhagwat Jha Azad:** I beg to move:

That for the original Resolution, the following be substituted:

"This House, while appreciating the steps so far taken by the Government of India for the development of Indian shipping, is of opinion that suitable steps should be taken by the Government for the rapid development of Indian shipping."

**Shri Bogawat** (Ahmednagar South): I beg to move:

That for the original Resolution, the following be substituted;

"This House is of opinion that in order to develop our export, import and coastal trade, it is most essential that suitable and urgent steps be taken by the Government for the rapid development of Indian shipping."

**Mr. Deputy-Speaker:** Amendments moved:

(1) That for the original Resolution, the following be substituted:

"This House, recommends to the Government that, with a view to develop, in as short a time as possible, for national defence and advancement of foreign and domestic commerce of India, an adequate Mercantile Marine capable of carrying a very substantial portion of India's overseas trade, the Ministry of Transport should keep in more constant and consistent contact through *ad hoc* consultations with various Ministries particularly the Ministries of Railways, Defence, Production, Works, Housing and Supply, and Commerce and Industry, in regard to such matters pertaining to shipping as fall within their purview, so that the joint action may help to promote the national policy regarding ship-

ping by achieving the necessary targets under the Five Year Plan."

(2) That for the original Resolution, be following be substituted:

"This House is of opinion that suitable steps should be taken by the Government for the rapid development of Indian Shipping."

(3) That for the original Resolution, the following be substituted:

"This House, while appreciating the steps so far taken by the Government of India towards the development of Indian Shipping, suggests that all further suitable measures be taken to expand rapidly coastal and overseas tonnage."

(4) That for the original Resolution, the following be substituted:

"This House, while appreciating the steps so far taken by the Government of India for the development of Indian shipping, is of opinion that suitable steps should be taken by the Government for the rapid development of Indian shipping."

(5) That for the original Resolution, the following be substituted:

"This House is of opinion that in order to develop our export, import and coastal trade, it is most essential that suitable and urgent steps be taken by the Government for the rapid development of Indian shipping."

**Shri G. D. Somani** (Nagaur-Pali): The vital importance of providing adequate transport facilities for our expanding economy cannot be over-emphasised. I therefore welcome this resolution which has been moved by my hon. friend for the appointment of a commission to devise ways and means for the development of shipping in our country.

We find at present that there is lack of adequate transport facilities all around, and there is lack of a co-ordinated policy and a co-ordinated

programme in regard to the development of the railways, shipping and roads. It is evident that more attention has, of course naturally, been paid to the development of railways in our country. But the fact remains that unless proper and adequate attention is paid to the all-round development of all the three sectors of our transport resources, i.e. the rail ways, shipping and roads, we shall not be able to cater satisfactorily to the needs of our growing economy. The situation, if anything, has been deteriorating. I hope the hon. Minister also realises the seriousness of the responsibilities of the Transport and Railway Ministries, in ensuring that nothing will come in the way of our growing needs at the time of the Second Five Year Plan, where we have envisaged such a huge and ambitious programme for expanding our economy in all directions.

It is in the context of these growing needs that I hope that our Transport and Railway Ministries will rise to the occasion and take all possible steps in all directions to ensure that the transport needs of our country will be adequately met.

Coming to the question of shipping, our target is already there to secure 2 million tons in due course. But there are various difficulties in the development of our shipping industry. It is high time that some commission is appointed to go into the various problems that have been solved and the various difficulties that still remain in the way of our achieving the target that we have set before ourselves.

In this connection, I would like the hon. Minister to realise what has already been done in the initial stages of development of shipping throughout the various countries of the world. If we are to develop our shipping industry in this country, naturally, we have to follow the same course and give facilities and help in all directions in which the various developed countries of today have given assistance in the initial period.

3 P.M.

I would particularly like to draw the attention of the hon. Minister to the policy of discriminating railway rates to encourage indigenous shipping so that our shipping will receive the necessary incentive in the desired direction. I find that almost all the countries of the world including Germany, Japan, France, Italy, Australia and even the so-called free trade countries of U.K. and U.S.A. have followed very vigorously the same policy during the course of their initial economic development.

I would just like to give briefly a few quotations in this connection about the action taken in regard to this policy of discriminating railway freight rates.

Professor Clerk in his *Studies in the Economics of Overhead Costs* regards this for and against non-discrimination by Railways as the believers in free trade and protection in the region of general fiscal theory.

Prof. C. N. Vakil, in his preface to *Railway Rates in relation to Trade and Industry in India* by Tiwari, refers to the need for paying adequate attention to the question of co-ordinating the Railway Policies with the general economic policies of the country.

Then, there is the *Principles of Rail-road Transportation* by Johnson and Van Metre. There, they have said that the close connection between the National Railways and Shipping in Germany will be clear from the fact that when the War of 1914 commenced, the Railways of the Empire were placed under the control of the Central Government and Albert Ballin, the Director General of the Hamburg-America Shipping Line, was chosen to direct the system.

"Germany before World War II did not exercise any regular authority over rates but was in a position to bring its influence to bear through the Government's



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controlling interests in the North German Lloyd and Hamburg-American Lines. Furthermore, through the use of export subsidies, preferential rail rates and exchange control the German Government was in a position to favour German export industries and shippers without interfering with the usual ocean rate-making practices."

Then, "the Iraq Railways allowed special rates for traffic consigned over their system to the Anglo-Persia Oil Co."

"German shipping was not directly subsidised, but British owners complain that through rates on the German State Railways were manipulated to the advantage of German shipping."

Even in the land of private enterprise, viz., U.S.A., according to Johnson Huebner—*Rail-road Traffic and Rates*—it is quite common to find Seaboard differentials on imports into and exports from (a) Atlantic ports, (b) Gulf ports and (c) Pacific ports. According to these authors, it is quite common to find manipulations of Railway rates:

"(A) (1) To help American Industries by means of low rates on certain materials needed from abroad.

(2) Low rates on certain manufactured goods exported to foreign markets.

(B) To lessen restrictive effect of the high tariff levied upon certain imports.

(C) To meet competition among the 3 sets of ports mentioned above, and

(D) To develop foreign trade."

Thus, preferential rates seem to be the normal feature of railway poli-

cies. They have been used for assisting industries and certain commodities in import and export trades also for development of ports and national shipping of maritime countries. I would, therefore, appeal to the hon. Minister that a further study of the subject should, be entrusted to the proposed Railway Sea Transport Co-ordination Committee by adding in the terms of reference 'Preferential rates for carriage of commodities meant for shipment by Indian vessels', so that, in the light of the experience of the other countries, our railways may also adopt a policy which, on the one hand, will be helpful to our export and import trade and, on the other hand, will also assist our indigenous shipping concerns in the initial period of development.

This is a very important question and I hope the hon. Minister will certainly take steps to ensure that this important means of assisting the shipping trade will be fully exported by our railways also.

I would also like to draw the attention of the hon. Minister to the freight rates that are prevalent at present on our coastal trade. My experience is that in the pre-war days the freight rates being charged by the steamship companies used to be much lower than what the railways used to charge. But, the position has been exactly reversed now and we find that the steamship companies are charging a much higher rate of freight for the transport of materials from one end of the country to the other. I do not want to go into the reasons, into the costings which have necessitated this step but the fact remains that we have to co-ordinate this freight structure in a manner which will enable the various industries to utilise our coastal shipping for the transport of various materials. This is handicapped by a very prohibitive freight rate that is being charged at present by our indigenous companies. This can be gone into scienti-

fically. I hope that all these questions will be properly looked into.

**Shri Sarangadhar Das** (Dhenkanal—West Cuttack): I come after so many speakers and the material is almost finished. But, it is well-known that to a maritime country ship-building is essential for the development of the country as well as to establish connections with other countries all over the world, whereby these steamers with the Indian flag can carry the message of peace to the people all over the world. Therefore, our shipping industry which is now in the nascent state needs all the encouragement and help from Government as well as from manufacturers and businessmen who will be responsible for the development of the national shipping industry.

With the Second Five Year Plan that is being envisaged now, there will be so much of goods to be moved from one point to another and to be imported from abroad as well as to be exported to neighbouring countries, that the figures are astronomical. For instance, we will produce somewhere about 5 to 6 million tons of steel, 60 million tons of coal, 10 million tons of cement, 40,000 tons of aluminium and umpteen tons of fertilizers as well as heavy chemicals, two million tons of sugar etc., and all this has to be moved. Most of it will internally be moved by the railways. I am not here concerned with how the railways will do it. But, a good deal of it will have to be transported on the coast from one point to another. If we have any surplus—as I am sure in some lines we will have a surplus—they will have to be exported to the neighbouring countries, either east or west. Then, there will be some Rs. 1,600 crores worth of machinery and equipment that will have to be imported from the United Kingdom or the continent of Europe or from the United States. It has been said by previous speakers that we have not attained the target even for the First Five Year Plan, which it is hoped to attain in the next few months. If the Directorate of the Hindustan Shipyard Ltd. carry out

the recommendations of the Estimates Committee, it is possible that we will get the 600,000 tons. But what about the Second Five Year Plan? Who will carry all this cargo? Who is entitled to carry this cargo? Shall we produce and produce with a view to becoming self-sufficient and let foreign ships be our carriers? Or, shall we deprive our young naval architects, engineers, officers and seamen from taking their share in this adventure of the nation? Shall we surrender our foreign exchange on this account to the powerful shipping interests of the foreign countries? My answer to all these questions is an "emphatic no". We must have ships and more ships and increase our tonnage every year so that the target of two million tons will be reached by 1966. I am happy to acknowledge that our Government have accepted this target. I am also happy to remind the House that the pioneer efforts of the daring sponsors of the Coastal Reservation Bill of the twenties and of the continued fight of the courageous men of vision against the powerful combine of the conference lines and against the all-powerful British Raj that ruled the country in the interests of the foreigners, have at last come to fruition after Independence. Government reserved all coastal shipping for our national industry and the Indian vessels have been carrying 100 per cent. of the coastal cargo. But what about the overseas cargo? We shall be carrying only 5 per cent of the total overseas cargo provided the target of the First Five Year Plan is attained. Out of the overseas cargo of about 75 lakhs tons, as a result of some arrangements entered into by the Indian shipping companies or shipowners' association with the U.K. continental trades, only 5% is being carried to the U.K. and Continental ports. Out of the trade with the adjacent countries, only 50 per cent. is being carried. We have no share in the Tramp trade, nor in the tanker cargo. We have only 36 ships in the India-U.K. continental trades. Indian shipping is not to be seen in the American continents. **Excepting**

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for one or two ports on the coast of the Mediterranean Sea, the Indian flag is rarely to be seen. It is hoped that by 1956 we may have three Indian steamers on the runs to Australia and Japan.

But judging from the findings of the Estimates Committee, the performance of the Hindustan Shipyard Ltd. is far from satisfactory. There have been cases in which dates of deliveries had been postponed by over 24 months.

**Shri U. M. Trivedi** (Chittor): Only 24?

**Shri Sarangadhar Das**: Over 24 months, in some cases it is 28 months.

**Shri U. M. Trivedi**: They keep it in months and not years!

**Shri Sarangadhar Das**: However, it is hoped that the Directorate of the Shipyard will now carry out the recommendations of the Estimates Committee and attain parity in delivery time with the shipyards in other countries. If the present experts fail to come up to the mark, alternative arrangements must be made before it is too late.

I come to other matters that have been already dwelt upon by some of the speakers. It is the lack of ships that prevent us from taking advantage of what we have gained in other ways. Here is an instance. There is a shipping clause inserted in the bilateral trade agreements or treaties that we have entered into with some of the European countries and other countries in Asia also. But the Indian ships carry only a small fraction of the cargo from these countries, because there are no ships in the possession of the Indian shipping companies to carry the cargo. Therefore, it is very necessary to quicken the pace of building ships in the Hindustan Shipyard. I would, therefore, recommend the following measures to be Hindustan Shipyard. I would, therefore, recommend the following measures to be taken by Government.

In the first place, 90 per cent. of the cost of the ships should be advanced as loan at 2 per cent. interest for coastal tonnage and 1½ per cent. interest for overseas tonnage. At such low interest and such a large percentage of loan I am afraid many of my friends, in the Government Benches particularly, will smile, but I want to remind the Ministers that recently there have been cases of giving loans to the Industrial Investment Corporation and banks free of interest. There have been cases of 'no interest loans' to land-based industries, and considering the fact that shipping is a very hazardous industry, not only meeting all sorts of risks in the sea but also meeting the powerful opposition of the vested interests who are in the shipping industry and who have formed conference lines and who practise all kinds of discrimination against newcomers, it is very necessary that this loan should be given. I may remind the House that for the building of the world-famous giant passenger liners, Lousitania, Mauretania and Queen Mary, the U. K. Government gave huge loans at 1½ per cent. interest, because Great Britain wanted to capture the whole passenger traffic in the Atlantic Ocean by using the big steamers as show-steamers and thus attracting the passengers to the British lines.

The next thing that I wish to recommend to Government is about preferential railway rates which my friend Shri Somani has already elaborated. I just want to add one thing to what he has said. If you come nearer home, Indian experience before the nationalisation of the company railways operating in India shows how rates were manipulated in the interests of the foreign manufacturers to enable them either to compete with Indian manufacturers or to take away raw materials at cheap rates. It has happened in our own country. As a young man many many years ago, I knew the complaints that the Indian manufacturers had, and also how the raw materials were being taken away from here at

a favourable rate to be manufactured there in England and again they were brought here at a favourable rate with which even the German goods could not compete. This is a proposition which should be referred to either one or both of the committees—namely the Railway and Coastal Shipping Co-ordination Committee of which the Chairman is Shri Lokur and the Railway Freights Structure Enquiry Committee under the Chairmanship of Shri Ramaswamy Mudaliar.

The third recommendation is that with a view to quicken the pace of building ships efficient and business-like methods should be adopted in the Hindustan Shipyard and deliveries should be effected in scheduled time. I remember many questions and discussions taking place in this House on this subject and the replies of the Government had always been evasive. Some reason or the other is given as to why there is delay but to my mind the present consultants with the Government whom they have brought into this venture are not the proper people. This is something which the Government should enquire into and see if the other countries experienced in the field—like Germany, Japan, etc.—could serve us better. In the meantime it is also necessary to train the personnel for every kind of technical requirement in the shipyard in the universities or institutions that teach naval architecture, marine engineering, etc. so that when another shipyard is established—I would refer to it later—the Indian personnel will take charge of that yard.

My fourth recommendation is about the second shipyard. It is necessary to have a second yard. On the basis of the national target of two million tons and of the effective life of a ship being 20 years, a replacement of 11,00,000 gross tons will be required every year. As the capacity, at best, of the Hindustan yard when fully developed will not exceed 40-50,000 tons, the need for a second yard capable of providing more than

50,000 tons a year will have to be considered, because in the meantime the needs of the Navy will also have to be considered. Though the construction of the second yard need not be taken in hand now, I hope it will be initiated somewhere in the middle of the Second Plan so that in the beginning of the Third Plan it will be ready.

**Shri M. S. Gurupadaswamy (Mysore):** Who will enjoy it? (*Interruption*).

**Shri Sarangadhar Das:** Your sons and grandsons will enjoy.

**Mr. Deputy-Speaker:** Whom is he addressing? I have no objection of course to my grandsons enjoying.

**Shri Sarangadhar Das:** I said it with reference to the gentleman who interrupted me..

**Shri M. S. Gurupadaswamy:** I interrupted him.

**Mr. Deputy-Speaker:** Hon. Member may speak on points not covered by others.

**Shri Sarangadhar Das:** I am skipping over many things; I do not want to take up the time. It is my job to put the blame on the Government for their acts of commission and omission. But there is another party in this case who must share the blame. I mean the shipping companies and those interested in Indian shipping. With a view to develop national shipping they must be co-operative with Government by taking full advantage of the Government's loan policy and by the issue of new capital. Of course they could not entirely depend upon Government to do the job.

Secondly they should float a number of new companies with proper capital backing and proper know-how which is required for this purpose. Thirdly they should purchase more second-hand tonnage which is found to be

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well-maintained. The last thing I want to say both for the Government as well as the shipping companies is that they must get rid of their fear complex. Government is afraid of European or foreign interests who have entrenched themselves here or are entrenching themselves now. According to the agreements that were entered into with the oil companies—the Standard Vacuum, the Burmah Shell and the Caltex oil companies—the right to carry the products of the refineries on the coast has been conceded to them although prior to that, this right to all coastal trade was entirely conceded to the Indian shipping companies. Some way must be found to modify that agreement, so that about 50 per cent. of this coastal transport will go to the Indian shipping companies. There must also be a couple of big tankers to carry crude oil from abroad to the refineries.

**An Hon. Member:** The hon. Member has taken a long time.

**Mr. Deputy-Speaker:** His time is up.

**Shri Sarangadhar Das:** I will finish in a minute.

**Mr. Deputy-Speaker:** Last minute.

**An Hon. Member:** He has taken half an hour. (Interruptions.)

**Shri Kanavade Patil (Ahmednagar North):** The time limit of 15 minutes should be adhered to.

**Mr. Deputy-Speaker:** When I call upon Members on this side, hon. Members ask me to allow them more time. So, I cannot pull up an hon. Member on this side.

**Shri Kanavade Patil:** We have never said that.

**Shri Sarangadhar Das:** There is a man in the shipping industry who is afraid of 2 million ton target. He must know that the pioneers of the shipping industry had done in facing all sorts of competition and had gone

into this venture with courage; and I am sure he and his like in the shipping industry in the business world will some day thank me for what I have said now.

**The Deputy Minister of Production (Shri Satish Chandra):** Sir, repeated references have been made about the shipbuilding industry, and about the delay in construction of the ships by the Hindustan Shipyard Limited. I want to take a little time of the House to clarify the position.

The two points that have been emphasized by the hon. Members are (i) the failure of the Shipyard to deliver the ships and (ii) the slow speed of development of the shipbuilding industry. In that connection something has been said about the French consultants who have been appointed to give technical advice to the shipyard.

Sir, the delay in construction of ships is admitted. I would however respectfully submit that the assertion that delivery dates have been put off by two years or more is not correct. From the information which I have got with me I find that the ship which was delivered very recently in June 1955—was scheduled to be delivered in December, 1954. So, there has been a delay of about six months only in its being handed over to the Scindia Steam Navigation Company. Another ship whose delivery had been promised in January, 1955 is due to be delivered in November, 1955. I can read out the entire list. I do not find that the delivery dates have been postponed by more than a year or so. All the ships ordered by the Scindia Steam Navigation Company or the Eastern Shipping Corporation of which the Scindias are the managing directors, will be delivered by August, 1958. I may say in this connection that the Scindias wanted to place certain orders abroad in 1953 and made enquiries from shipbuilders in the United Kingdom for the same type of ship which is now manufactured in the Hindustan Shipyard

Limited. They found that the earliest delivery date promised by U. K. shipyards for the first ship was in the latter half of 1958.

**Shri Matthen:** What about the German shipyards?

**Shri Satish Chandra:** The latest delivery date given by the German shipyards is more than 2 years from the date of placing the order. I may say for the information of my hon. friend.....

**Shri Raghunath Singh:** Can you quote the authority?

**Shri Satish Chandra:**.... he can verify from any source that he likes. It is about 25 to 30 months.

**Shri Raghunath Singh:** Can you quote the authority? I say, it is only 3 months. It is only 40 days in the case of America.

**Shri Satish Chandra:** Is his information based on some authoritative....

**Shri Raghunath Singh:** Tell me your authority.

**Shri Satish Chandra:** I am saying that it is 25 to 30 months. The Director-General of Indian Shipping has made enquiries in this respect and he has got this information. The Scindias have placed an order in Germany and I will just let you know, if you want the authority.....

**Shri V. P. Nayar (Chirayinkil):** What is that document?

**Shri Satish Chandra:** This is no extraordinary document. I am looking into my notes.

**Shri Sarangadhar Das:** May I suggest that the hon. Deputy Minister should go and see it himself?

**Shri Satish Chandra:** The Scindias have placed an order on a German shipyard..... (Interruption)

**Mr. Deputy-Speaker:** Order, order. What are these cross-questions and jumping up?

**Shri Satish Chandra:** The Scindias have placed an order for a ship of the same type in Germany in March this year and that ship is to be delivered to them in the second half of 1957. If my hon. friend wants he can make enquiries from Scindias and satisfy himself. I cannot give any authority, but that is the information in my possession. He can verify this here and now from my friend Shri Tulsidas who is a director of Scindia Company as well as of the Shipyard.

By the time the first ship is expected to be delivered from Germany or U.K. the shipyard would have built about 8 or 9 ships. Well, as I said, there can still be valid criticism about the delays in shipbuilding.

**Dr. S. N. Sinha (Saran East):** The building time is not 2 years. It is because they have so many orders that they take 2 years. Their building time is only 3 months or so. Since they have so many orders they are not able to take our orders earlier.

**Shri Satish Chandra:** I am thinking of the delivery of ships to India. It has been repeatedly said that the Indian shipping companies could get these ships in three months from abroad.

**Shri Raghunath Singh:** No, no.

**Shri Satish Chandra:** It has been said repeatedly by hon. Members that the Indian Shipowners who wanted to patronise the Indian shipbuilding industry placed their orders here and now find themselves in difficulty because the ships could not be delivered in time. It is quite true that when there are a dozen big shipyards in some country a ship can be turned out in two months or three months. But, when it is a question of getting a ship of a particular type by a particular date—a question with which we are concerned in this country—all I can say is.....

**Dr. S. N. Sinha:** But you compare the building time they take and the time you take.

**Mr. Deputy-Speaker:** The hon. Minister may resume his seat. Every hon. Member may get up and say what he likes. What is this kind of interruption I cannot understand? Is there no order, no decorum to be observed in this House? I won't allow any hon. Member to speak; I won't give him a chance hereafter if he goes on like this. The hon. Minister may proceed now.

**Shri Satish Chandra:** We have got only one shipyard. That shipyard has begun to construct a modern type of ship only recently. The requisite knowledge and experience is yet to be acquired by our workers. I am proposed to admit that the time taken by us in building a ship is more than what it is in other countries. But, all the same I would like to submit that the new type of diesel propelled ship which has been delivered to Scindias in January this year involved 50 per cent. more work than on the Jal Usha type of ship. It was built at the Hindustan Shipyard in 22 months as against 28 months taken by the Scindias for building the first steam-ship of a much simpler type. It is true that from the original period of 28 months, taken by the Scindias to build the first Jal Usha type, they ultimately reduced the time to 9 months. The new type of ship which the shipyard has now built is much more complicated, requires more skill, more work and uses more steel. It has got more speed and is propelled by diesel engines. The first ship of this type took only 22 months for completion. It is expected that with repetitive construction of the same type of ships this period will be reduced considerably. The revised delivery dates that have now been given do not show as large variations as have been pointed out. The statement that they have been postponed by 24 months is not based on correct facts.

Sir, I take this opportunity of paying tribute to the Scindia Steam Navigation Company who pioneered this venture and succeeded in establishing a shipyard in the country. The Government have been trying to

help them in every possible manner. The first few ships were built by the company on their own account, and they had to suffer a loss. The Government paid a subsidy to the company to cover these losses. After that, the Government placed orders on the shipyard and sold those ships to the shipping companies—sometimes to the same shipping company which owned the yard—at the U.K. parity prices. The Mover of the resolution has said something about parity prices. He has demanded that the prices should not be fixed on the basis of U.K. parity prices but on the basis of the parity prices in Germany which are the lowest in the international market. He said that there is a difference of 20 to 25 per cent. between the German and U.K. prices. Now, Sir, this information again is a bit old. The present variation between the German prices and the U.K. prices is about 10 per cent. only. With more orders being placed in Germany after the withdrawal of occupation powers from that country and its re-emergence as an independent nation, that variation is also disappearing. Their prices are also gradually coming to the U.K. level. I however cannot understand the objection about charging the U.K. prices, because, in 1948, Scindias themselves requested the Government to subsidise the company to the extent of the difference between the cost of construction at the shipyard and the U.K. prices. The U.K. prices are the most stable prices; the British are the leading ship-builders in the world. The prices charged by the shipyard in other countries generally vary according to the external demand. Germany was not building many ships for export during the postwar period. So, their prices were a bit lower, but now, when the export possibilities have opened, their prices are more or less at par with the U.K. prices. I do not think that there has been any serious objection against the United Kingdom parity prices being considered as the standard for determining prices of the ships to be built in this country. That standard has been followed. The

question has been thoroughly examined and it is considered that the present arrangement is quite fair.

I may say one thing more. The ship-building industry in this country is quite in its infancy. We want to develop it. Government is considering the possibility of starting a second shipyard. It is however necessary that we should first consolidate the position of the present shipyard, train more workers, technical personnel etc., and only after the present shipyard has begun to function properly, we should start a second shipyard. My friend, Shri Sarangadhar Das, said just now that he would like a second shipyard to be started in the middle of the next Plan. That is exactly the line on which Government is thinking at present, so that by the beginning or the middle of the Third Plan, we shall have another shipyard. A tentative decision has been taken but a firm decision is yet to be taken. Government propose to review the position in the middle of the Second Plan by which time it is expected that the present shipyard will have more or less overcome its present difficulties.

**Shri Joachim Alva (Kanara):** Is Government also contemplating with seriousness the site for the shipyard?

**Shri Satish Chandra:** The question of site has not been considered at all up till now. Many suggestions have been made. Somebody has suggested Cochin; somebody has suggested Tuticorin; and the hon. Member may like it to be in Bombay.

**Shri Joachim Alva:** Bhatkal.

**Shri Satish Chandra:** Bhatkal, or whatever it is. The question of site will be considered on the advice of technical consultants about the suitability of the harbour, availability of raw materials etc. There are many other considerations. We have informed the Planning Commission of the possibility of starting the construction of a second shipyard in the middle of the next Plan. It has been

suggested to them that a provision should be made for it in the 2nd Plan. The final decision will be taken later on. I would only say, as far as the present shipyard is concerned, that the technical consultants' optimistic estimates about the time to be taken in the construction of a new type of ship have made us make certain optimistic promises to the Shipping Companies. The matter has now been gone into thoroughly. The revised schedules have been given to the companies. In the meantime, companies have been offered certain facilities. They were to pay certain instalments at each stage of construction. As it was felt that to ask them to pay further instalments will not be reasonable on account of the delay in the construction of ships, it has been decided that they will not be called upon to pay any more instalments till the ships are actually delivered. An instalment of Rs. 48 lakhs received from the Scindia Steam Navigation Company is being returned to them. It had already been received from them but is being returned. The Company will be required to pay only when each ship is actually delivered. This step has given some relief to the shipping companies. I hope that the shipbuilding industry in India will make good progress in future. Government fully share the anxiety of the hon. Members who desire a rapid development of our ship-building industry. I would submit that this can only be done gradually and within the limitation of our resources in men, money and material.

**Mr. Deputy-Speaker:** Shri Raghuramaiah. There are a number of hon. Members who have sent their names to me.

**Shri Joachim Alva:** What happens to the original list circulated?

**Mr. Deputy-Speaker:** I have got all the lists.

**Shri Raghuramaiah:** At the outset, I would like to compliment my friend Shri Raghunath Singh for having highlighted this subject, and for hav-



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ing brought into focus the vital importance of shipping in the economic life of the country. I felt also obliged to him when I heard him last time for having taken our memory back to the Vedic ages and showing how bright the position then was in the international world and how gradually and more particularly during the British days we were crushed so far as that aspect of our national life was concerned.

I may add a little bit of information in this connection. Not knowing Hindi, I could not follow his speech completely and therefore I would like to be excused if I am merely repeating what he had already said. Right up till the entry of the Portuguese in the waters of the Indian ocean, we were having the monopoly of the trade in the Indian ocean, and in a number of battles prior to the last, the Indian Navy defeated the Portuguese Navy once, twice, thrice. It was only later, by creating some kind of disharmony between our naval forces and those of Egypt which came to our support, that our navy was unfortunately defeated, and then the Portuguese entered India and the Indian ocean. It is, of course, a matter of common knowledge how the British practically crushed us, so that when our national Government came into being, the position was that we had practically no maritime strength. Even in the coastal waters, there were a lot of foreign ships. There was no reservation at all for ships of our nation. Even after the fulfilment of the target fixed by the Planning Commission—I think 6 lakh tons was the target fixed in the Five Year Plan—I am told that we are likely to take in only 5 per cent. of our overseas trade. It is a very unfortunate state of affairs. But we should remember the work done by our Ministry ever since its assumption. It is a fact admitted all round that the first great achievement is the reservation of the entire coastal shipping for our own ships. In the matter of overseas shipping, there are

very great difficulties in the way and it is better to recount those difficulties, so that by the end of the Second Five Year Plan period at least these difficulties may be got over and the object we have in mind, namely, an increasing share in overseas trading for our own national ships, may be achieved.

The main difficulty is one of financial resources. A ship costs a good deal of money. In fact, for the Second Five Year Plan, we are contemplating the construction of 72 ships which are expected to cost about Rs. 80 crores. We have just heard the Deputy Minister of Production pointing out his difficulties in the matter of shipbuilding. It is probably very well known that all the shipbuilding yards all over the world are extremely busy. I am told that, except in Germany, all the other shipbuilding yards are booked up, and if we have to place a bulk order for 100 ships, it will take many years to get it fulfilled.

**Shri Matthen:** The hon. Member is not correct.

**Shri Raghuramaiah:** I would like to be corrected even now by the Member, especially an expert Member like Mr. Matthen, whose knowledge in the matter of shipping, I must admit, is much more than mine. I am only trying to give out a few ideas, subject to correction, of course. That is the information I have, namely, it takes time to build ships. I do not say that we should not build ships ourselves. We ought to build ships at a much greater pace than we are doing and if we place orders with foreign companies, we should request the foreign shipbuilding yards to supply the ships as quickly as possible. But the difficulty is about financial resources; the money aspect of it is very vital. I am told these 72 ships are going to cost Rs. 80 crores, out of which Rs. 70 crores fall into the public sector. Of course, I am one of those who want to increase it to Rs. 100 crores. I would like the tar-

get to be not 1 million, but 12 lakhs. The very core of the problem is increased tonnage. We want more tonnage, but it is also better to remember the financial difficulties. Hon. Members have suggested that a subsidy should be given. I am one of those who believe that a kind of subsidy is even now being given to the companies. We may remember that the Industrial Finance Corporation charges interest at the rate of 6 or  $6\frac{1}{2}$  per cent. for monies advanced by it. Even State Governments are borrowing money at the rate of 4 or  $4\frac{1}{2}$  per cent. But the Government of India are giving loans to shipping concerns who build ships for coastal waters at the rate of 4 or  $4\frac{1}{2}$  per cent. and at the rate of  $2\frac{1}{2}$  per cent. for ships in respect of overseas trade. The difference between 6 per cent. or 4 per cent. as the case may be and  $2\frac{1}{2}$  per cent. is considerable. After all, it is being borne by the State. Why should they charge reduced rates of interest? I am sure it is for encouraging the shipping industry. I am one of those who would request the Government of India to consider whether any more liberal attitude can be adopted and whether the rate of interest could be further reduced. But the point is, that it is not as though Government is not giving any subsidy. This is also a kind of subsidy, because it costs the Treasury some amount. The only question is whether it can be increased. I am sure the hon. Minister who is doing so much about this problem of shipping will also bear this important factor in mind in formulating the future policy of the Government.

Coming to the next point, it is unfortunate that practically we have no tankers worth the name. I was glad to find from a speech of the hon. Minister recently published in the Press that the Government had decided to have two tankers and orders were likely to be placed very soon. That is very commendable.

**Shri Jaipal Singh** (Ranchi West—Reserved—Sch. Tribes): No.

**Shri Raghuramaiah:** I say that it is commendable in so far as it goes. Of course, it can be some more. I am sure the hon. Minister will in course of time place orders for some more. (Interruptions).

Some reference was made to an international convention. I think there has been some misunderstanding about it. The international convention referred to by one of my friends on this side relates to fair and equal treatment of ships in respect of port dues, harbour facilities, etc. That is to say, if we are a Member of that convention, it is possible for us to claim reciprocal fair treatment in other ports. It has nothing to do with the carriage of goods or any preferential treatment in the matter of giving cargo. In this connection, I would like again to compliment the hon. Minister for the work he has done in making it a policy to give all Government controlled cargo entirely to our own ships. As a matter of fact, this is an eye-sore to all foreign companies and they have been unnecessarily and unjustly charging us with flag discrimination. There is no flag discrimination. Most of the maritime countries have been giving their cargo to their own ships. Our Government is giving our cargo to our ships. There is nothing wrong in it. I am very glad that the hon. Minister in his recent speech emphasised that it is a duty and a proud privilege which we cannot relinquish. It is a very good thing that the Government of India have made it a matter of policy to give all our cargo to Indian shippers. Actually, the number of ships will not solve our problem. The economics of tonnage will depend on our business and trade connections with all the world over; there is no meaning in having tonnage without cargo. There cannot be any encouragement to shipping unless there is enough cargo to carry. In this matter, I understand the Government have been sponsoring many of our shipping concerns to the various foreign conferences they have been doing their best to promote good cargo business for our ships.

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Some remarks have been made that we have not got enough trained personnel. It is probably little realised that it takes time to train a seaman to come to the position of a senior officer, in the mercantile marine. I am told that it takes about 7 years. Here the Government have been doing their best, but undoubtedly they have to do more, because as our tonnage increases, the requirements for trained personnel will also increase. But all that I am emphasising is that it does take time and it does require a little patience on the part of all of us. The "Dufferin" which was formerly catering both to the engineering side and the executive side, I am told, is now confined to the executive side, and separate training is being given for engineers. Therefore, I think in course of time we will have enough personnel also.

4 P.M.

As regards surcharge, it is one of those very unfair things that some of the foreign conferences, British and American, have been talking of imposing on us. Originally they announced the imposition of the surcharge on freights to Indian ports. I am told that on account of representations made by our Government, the British have decided not to impose a surcharge. Only the Americans have been postponing it month after month. I think we can trust our Government to fight out the issue and ensure that fair and equal treatment is given to us in this matter.

On the whole, as I said at the very outset, the problem is not simple. The core of the problem is tonnage. Even the target before the Planning Commission, namely, 1 million tons, will handle, I am told, apart from coastal traffic, only 25 per cent. of our overseas trade. According to international practice, we are entitled to a 50:50 reservation. At this rate, it will take us some more years to come up to that level of 50 : 50. Particularly, our trade routes to the United States,

the Red Sea Ports and Indonesia are practically uncovered. It is unfortunate that a country like ours with a big coast line and with a great naval history behind it, should be in that position. We are glad the Minister is fully conscious of the requirements of the country in this respect. We only want to strengthen the Ministry in this connection to get more money from the Planning Commission. We are not satisfied with the present provision. I join hands with my hon. friends here who have been demanding that there should be a provision of Rs. 100 crores. There should be not 72 but 100 ships. We would not like to be satisfied with a 25 per cent. share in the overseas trade. We would like, as soon as possible, to have 50 : 50 sharing.

There is one more point that I have to deal with in this connection. There has been, I understand, some hesitation on the part of the shipping concerns to fully utilise in time the loans which the Government of India are prepared to give. Out of Rs. 23 crores which were available for this purpose in the First Five Year Plan I understand only Rs. 20 crores have been so far actually disbursed. May be, the rest also will be disbursed. There must be co-operation between the private sector and the Government if the tonnage is to be expanded rapidly. A good deal has to be done by the private sector also to utilise the resources that are placed at their disposal, to see that their duty is equally discharged.

A suggestion has been made about a Maritime Commission. Specially, I think, Shri Matthen referred to the Maritime Commission of the U.S.A. This was established, I understand, in 1936. But, glancing through their literature, I find that in 1950, this Commission has come to an end. The work of the Commission has been of two kinds, one relating to the administration and the other regulatory, that is relating to the policy. They found that it did not work well.

**Shri M. D. Joshi:** President Truman, in March 1947, appointed an Advisory Committee on mercantile marine for the purpose of studying the problem of American merchant shipping and ship-building industry.

**Shri Raghuramaiah:** That is a different matter. That is an *ad hoc* commission, I take it, to study the problem.

**Shri M. D. Joshi:** Not *ad hoc*, but statutory.

**Shri Raghuramaiah:** I do not know whether that is the Commission that Shri Matthen was referring to. If that is the one that he has referred to, I have no quarrel. I thought Shri Matthen was having in mind a different Commission, the one that I am referring to, of....

**Shri Matthen:** 1936.

**Shri Raghuramaiah:** I am glad you agree with me. In 1936, the U.S.A. set up a Commission under the Mercantile Marine Act, 1936. It was responsible for the administration of that Act. In 1950, after experience they found that it did not work. They split it up into two bodies and the Maritime Commission was abolished. Instead, a Federal Maritime Board and a Maritime Administration were set up, the regulatory work of the Maritime Commission having been entrusted to the Federal Maritime Board and the executive work having been entrusted to the Maritime Administration. What I wish to say is that we need not blindly copy the U.S.A. model and appoint a Commission. I am not ruling out the possibility of the Government, if it thinks fit, appointing a Commission. What I do say is that we need not set it up merely because U.S.A. has set up one.

**Shri Matthen:** I did not say that.

**Shri Raghuramaiah:** You have not said. I have not said that you said. Why do you quarrel? I am putting a question and giving an answer. In this country, I find that so far as the regularity aspect is concerned, it is

now being dealt with by various *ad hoc* committees, for instance, the *ad hoc* commission on cargo and passenger freight rates. There have also been several Advisory Committees: the Deck passenger committee, the Sailing Vessels committee, Consultative committee of Indian ship owners, etc. It may be that the Ministry may think after some time that a permanent body may be more suitable. It is for them to decide by experience. What I am trying to urge upon the House is that we need not follow the U.S.A. model and appoint a Commission because the U.S.A. appointed one. I may point out that in the matter of dock labour also, Dock Labour Boards have been set up in Bombay, Madras and Calcutta on the pattern of the United Kingdom. I understand that they are not functioning properly. We have to evolve according to our own genius and requirements the machinery through which we have to achieve our objective. About the objective, there can be no doubt. As I said, the core of the problem is tonnage. If there is enough tonnage, everything follows suit. You cannot have tonnage unless you have trained personnel. It presupposes financial assistance by the State in some form or another. While commending the work done by the Government so far, more particularly in the matter of reservation of coastal trade, in improving the facilities for shipping and encouraging Indian ships overseas in carrying Indian cargo, in spite of the charge of flag discrimination, I would strongly urge that some more steps should be taken. I have no doubt that they will be taken. We should increase our target in the Second Five Year Plan. They should not be satisfied with 73 or 72 ships; they should go on up to 100 ships, the capital raised from Rs. 80 crores to Rs. 100 crores.

As a matter of fact, my amendment, the substitute resolution, if I may say so, goes only a little ahead of the original one. The original resolution contemplates the setting up of a Commission. A commission may take time. They will have to investigate. That

[Shri Raghuramaiah]

takes time. We know the problem. What he wants is tonnage. Why not have it straightaway and be done with it? Therefore, while appreciating Shri Raghunath Singh's resolution, I submit that my resolution only brings into effect what would be the natural consequences of that resolution, namely the recommendation that the tonnage should be increased. I have no doubt that the Ministry will take every step to assure the House that they would do their best in this respect.

**Shri Alagesan:** I welcome this opportunity that has been given to the Government for stating their policy regarding shipping very clearly. I should add my tribute to the hon. Mover of the resolution for having focussed the attention of this House and also of the country on shipping, and connected problems, which is so important a sector of the economy of our country. Though I was in a disadvantageous position and I could not follow all that he said because he spoke in Hindi and that too very fluent and fast Hindi, still I was impressed by the fact that he imported too much of poetry into the speech.

**Shri M. D. Joshi:** Poetry or history?

**Shri Alagesan:** Perhaps because of that he slurred over practical considerations a little, but it is good that he who has been such an enthusiastic advocate of development of shipping in this country, had this opportunity and also gave the opportunity to Government to re-state their policy, in clear terms.

I should like to say that Government are as much interested, if not more than all the sections of the House in seeing that we have a considerable size of merchant navy for our purposes. Absolutely there is no quarrel with the object, but then I should like to place a few facts before the House which will explain how we have been proceeding in this matter and what obstacle we have to meet.

The loan policy of Government was very much discussed and many suggestions were made. I should like to say that even though this loan policy was announced long, long back, shipping interests did not come forward to take advantage of that policy.

**Shri Matthen:** But the terms were not liberal.

**Shri Alagesan:** You please wait.

**Shri Matthen:** Thank you.

**Shri Alagesan:** They did not come forward, and this point has been noted in a recent article by a great veteran in the shipping world, Mr. Master, and he has cited as one of the reasons for the delay in acquisition of more tonnage the hesitancy of shipping interests to come forward to take advantage of the loans that the Government offered. In fact, in November, 1953, less than two years back, the hon. Minister for Transport had to make a strong appeal to the ship owners who had assembled in the Consultative Committee of Ship Owners to come forward with their plans and take advantage of the loans that the Government were prepared to advance. And this has been acknowledged very handsomely by one of the leading ship owners himself, Shri Ramaswamy Mudaliar. In fact, in his own characteristic way he said that that appeal of the Minister proved to be the turning point in the development of Indian shipping. I am quoting his very words. And then the ship owners came forward, and then these loans started moving.

There was the question of the liberalisation of the loans. Many sections of the House have come forward with proposals for still further liberalisation of the loans. I should like to say that the loans are already liberal. The terms are very liberal. In fact, the report of the Shipping Policy Committee which has become a sort of Bible with some of the hon. Members, I have found, has categorically stated that no loans need be advanced

to coastal companies with regard to the development of coastal shipping. They said they should be satisfied with the reservation of coastal trade, and it is necessary for Government to aid only overseas shipping and not coastal shipping. But, even so, we are aiding coastal shipping with loans and the interest rates are 4 per cent. if it is repayable within four years, and  $4\frac{1}{2}$  per cent. if it is repayable within more than four years. These were the terms. And for the overseas loans it is only  $2\frac{1}{2}$  per cent. In fact, I can take the House into confidence and say that many of the ship owners did not expect that they would get such a liberal rate of interest. We should like to see how we deal with other people. Instances were mentioned. I was very much surprised.

**Shri Matthen:** Why is it the hon. Minister announced more liberalisation then?

**Shri Alagesan:** If the hon. Member can hold his soul in patience for a few minutes, he will have all the answers, and I think he will be fully satisfied.

I was surprised to find Shri Mukerjee who is unfortunately not here—he is always unkind to me; he makes a speech and runs away and he is not here for me to speak to him, of course to the House also—espousing the cause of private enterprise, perhaps as a sort of *prayaschitta*. He had been cudgeling the private sector when the bulky Companies Bill was under consideration in this House, and now he has come out with suggestions that interest-free loans may be thought of and also subsidies may be given. The shipping interests, of course, should be very much perplexed by the support they have been getting from a very strange quarter.

**An Hon. Member:** From every people.

**Shri Alagesan:** Perhaps they may even suspect that it is with a view to eventual nationalisation that the hon. Member opposite has put forward the

suggestion. I do not know, I leave it to them.

This question of liberalisation has been mentioned. As I said, the ship owners themselves did not expect that Government would be so liberal. What is the rate of interest we are charging to others? To the major ports which are autonomous bodies and which are non-profit making organisations, we advanced loans at the rate of  $4\frac{1}{2}$  per cent. interest. Of course, the first seven years is interest-free, but later on they have to pay  $4\frac{1}{2}$  per cent. Then, the railway is paying 4 per cent. dividend as the hon. House knows. A case may be made for still further liberalisation, I have no objection, but it should be recognised that the shipping interests themselves have no complaint against this.

Then again, with regard to the percentage of loans, in the beginning it was the idea to advance only 66 2/3 per cent. for coastal loans and 75 per cent. to overseas loans, but this percentage has been increased; in some cases in coastal loans it has been taken up to 85 per cent, and with reference to overseas loans, we have even gone up to 95 per cent. We are prepared to go even up to 100 per cent, and consider each case on its merits. So also, the period of amortisation was put at either 12 years or two-thirds of the residual life of the ship—there is some formula—whichever is earlier, but here also in one case we have gone up to 15 years. And so, all these problems can be considered. Even the study group which went into this question very carefully have generally recommended liberalisation of the terms. They have not made specific recommendations, but they have made a sort of general recommendation that the terms can be further liberalised. I can assure the House that we are prepared to sit and talk it over with the shipping interests and see whether any further liberalisation can be made in this matter. The question of target.....

**Pandit Thakur Das Bhargava** (Gurgaon): May I ask why these shipping interests did not take the loans from you? When you are offering such good conditions also, why are they not availing themselves and taking loans from you?

**Shri Alagesan:** That was so. There was an initial hesitancy on their part, and that was one of the reasons why we have not been able to realise the target technically before the Five Year Plan period is over. There was a certain amount of hesitancy. That shows that the trade is such and they should have had good reasons. They are hardboiled businessmen. It is not for me to say why, when money was there on such easy terms, they would not come forward and make use of it. But yet, the fact remains that there was an initial hesitancy, but after the November, 1953 meeting they came forward and they are now using, and I may inform the House that the amount set apart for the sanction of loans, namely Rs. 23 crores, has been already exceeded. We may reach Rs. 26 or Rs. 27 crores. Though the tonnage may not be delivered within the Plan period, the actual loan provision has been exceeded. Even very recently one of the overseas companies had come to us for a loan.

The tonnage of 2 millions has stuck in the minds of all and it has been repeated over and over again. My hon. friend Shri Raghuramaiah had referred to the battle for coastal reservation. The old veterans that waged their battle with regard to coastal reservation for over quarter of a century would realise that the fulfilment of their objective came when we reserved coastal trade completely for Indian shipping. At the beginning of the Plan, or when the report of that committee was written, not even 50 per cent. of the coastal trade was carried in Indian vessels. But now they have got cent per cent reservation, and perhaps this has made some of them slack also. One or two companies have now come forward with requests to permit them

to charter their coastal vessels; that is to say, they want to charter vessels of their flags in the coastal trade, and charter their own vessels to some other foreign concerns. This certainly is not a good thing, and therefore we could not permit them. Moreover, it was something like subletting; reservation being made, and there being a monopoly, these people want to sublet the monopoly. Therefore, we could not agree to that.

So, hon. Members will realise that one of the recommendations of that committee, namely cent. per cent. reservation of coastal shipping to Indian vessels has been achieved to the satisfaction of all concerned.

Then, they had recommended that 75 per cent. of the adjacent trade namely the trade with Burma and Ceylon, should be carried in our vessels. As far as that is concerned, I understand that at present Indian vessels are carrying about 40 per cent. of this trade. I also understand that these friendly and neighbouring countries of ours, namely Burma and Ceylon, have got their own aspirations to raise their own national merchant navies. We should surely welcome their venture, and we should see that their national merchant navies also grow up, so that they will be a source of strength to us. So, now, the idea is that we shall be satisfied with 50 per cent. of this trade.

The hitch comes only with reference to the volume of the overseas trade that we are carrying. It was mentioned by several Members that we have got only 0.5 per cent. of the world tonnage, and we carry only 5 per cent. of the overseas trade of our country. It is true, and it is a fact. But then one has to remember from where we began. One has to remember also the inherent limitations in our way.

My hon. friend Shri Matthen says that he had gone to Germany. I do know when he went.

**Shri Matthen:** Why do you doubt that?

**Shri Alagesan:** And he said that he saw the German yards in action.

**Shri Matthen:** What is wrong about my going to West Germany? Should I go on deputation from you?

**Shri Alagesan:** I perfectly welcome that. I wish he makes another trip to Germany, and to other countries as well. I wish him *bon voyage*.

He said that he had gone to Germany and saw the German yards in action. Now, he comes and tells us here, oh, look at Germany, look at Italy, look at Japan, these countries were smashed during the war, nothing remained of them, but now they have come up to 2 million tons, 3 million tons, 4 million tons and so on, and why can we not also do it. When he puts that question, it was really dramatic. But I wish he considers the practicable nature of the proposition. When he put that question, I was reminded of the villager who went to a cinema, came back home, and started beating his wife for not being as fashionable as the woman that he saw on the screen. Where is Germany, where is Italy, where is Japan, and where am I? How can a comparison be made between a pigmy and a giant? I am just starting; I am just a child, and I want to grow. You should certainly give me time and not discourage the growth. You should nourish me and help me in all possible ways.

**Shri Kamath:** Indian is not a pigmy.

**Shri Alagesan:** It is true my leader is not a pigmy. He is the greatest figure occupying the world's stage. But that does not mean that my country is so big. Really, my country is not so big. It cannot occupy the front rank in various respects. I have to make slow and steady progress to grow to the stature of other countries.

**Shri Matthen:** But you are having a target of Rs. 1500 crores for the railways.

**Shri Alagesan:** I think my hon. friend is becoming irrelevant.

**Shri Algu Rai Shastri** (Azamgarh Distt.—East cum Ballia Distt.—West): That is for the Chair to rule.

**Shri Alagesan:** In regard to the carriage of overseas trade, I have made a slight calculation. If we are to carry 50 per cent. of our overseas trade, what does it mean, physically? Let us calculate that. It means that we should acquire here and now 180 ships of 1.5 million tons which is roughly estimated to cost about Rs. 225 crores. If this Parliament or the Planning Commission, or whatever agency there is, can produce that amount, perhaps we can go ahead in this direction. But even then, the House should remember that hon. Members have been complaining that we are not able to employ Indian personnel to the fullest extent possible. So, all these things are there. Also, we are not able to find the cargo for the limited tonnage that we have. That was what was put forward by my hon. friend Shri B. K. Das. So, when we have to find the personnel, and we have to find also the cargo, we cannot simply go and acquire more tonnage. And that too, from whom are we to get? We have to get it not surely from our own yards; even the second yard that might come up in the middle of the next Plan, certainly is not going to produce 180 ships for us. So, we have to go to the foreign yards, perhaps to the German yards.

I just heard it said that it was possible for Germany to produce ships within a year, formerly. But now they take about two years. It is because more and more orders are piling on them, and naturally they take more time. Perhaps if they postpone the construction work for other countries, and attend to the construction work only of those ships for which we place orders, perhaps they might be able to deliver the ships in less than three months.

**Shri Matthen:** Some other countries are there that will deliver the ships to us.



**Shri Alagesan:** Even the target of Rs. 100 crores, which my hon. friend Shri Ragnath Singh was supporting so vociferously, may not play the trick, and may not enable us to carry 50 per cent of our overseas trade.

So, these are the practical limitations that beset us. As practical men, we cannot overlook them or bypass them, however much we may be earnest about increasing Indian tonnage.

Then, mention was made about the establishment of more shipping corporations. We are anxious to establish more shipping corporations. In fact, our idea was to have corporations on the model of the Eastern Shipping Corporation, i.e. as a sort of State *cum* private enterprise. We sounded some companies who are engaged in overseas trade, but under the circumstances that are prevailing they do not seem to be enthusiastic about the proposal. The fate of the managing agency system is hanging in the balance. They do not know what is going to happen to it. I myself do not know what is going to happen to that system.

**Shri Asoka Mehta (Bhandara):** It is flourishing.

**Shri Alagesan:** But we are agreed that its fate is sealed, if not doomed.

**Shri Kamath:** Not yet. It will die hard.

**Shri Alagesan:** So, under these conditions, these companies are not very anxious to participate with us in finding capital for more corporations. But, then, what is the position? I should like to refresh the memory of the hon. Mover and take him back to the report by which he swears so much. That report has said that the Indian companies should plan to carry 3 million passengers. But, the fact is that one of the companies which was running a passenger service between UK and India had to withdraw the service because it did not find it paying. Even the poor India-Burma service that it was running was suddenly stopped and we had to urge the com-

pany to put in a ship and a sort of rickety ship has been put on the voyage and I am told that the passengers have to undergo a lot of trouble going in the ship.

There is the India-Burma service, the service to the Andamans also, and the Haj service about which the Mover mentioned. These may not be very paying. The Haj service is a seasonal one. If nobody is to take these non-paying lines, perhaps, the Government will have to take and to see that we do not lose completely. Whether we can venture into the tramping trade or liner trade, all these things will have to be considered.

**Mr. Deputy-Speaker:** The Mover of the resolution will have to be given some time.

**Shri Alagesan:** You will kindly remember that the hon. Shri Matthen was allowed 25 minutes. I thought it could have been taken as read, but you were kind enough and allowed him. If you want me to stop. I have no objection.

**Mr. Deputy-Speaker:** I have no objection to allow the Minister to go on. I am absolutely in the hands of the House. I called the hon. Minister at four o'clock.

**Shri Alagesan:** Sir, I was called exactly at 4-10. I have taken only 20 minutes. I am prepared to stop even now.

**Mr. Deputy-Speaker:** The hon. Minister is expected to reply to all the points that have been raised.

**Shri Alagesan:** I have not replied even to half the points.

**Some Hon. Members:** Therefore, he must be given more time.

**Mr. Deputy-Speaker:** We will reach the next Resolution. We can do one thing. The reply need not be given. The hon. Minister speaks for all.

**The Minister of Railways and Transport (Shri L. B. Shastri):** The Mover does not want to speak in reply.

**Mr. Deputy-Speaker:** That is what I am suggesting to him. The Minister is replying for all.

**Shri Alagesan:** The question of tankers was raised. It is an important thing. It is a great gap in our shipping front that we have no tankers. The Government was taken to task for having come to an agreement with the Oil refineries. I wish to tell the House that the agreement will be no bar if can produce tankers and put them to commission. We will be able to carry the oil. We have already taken a decision to acquire two tankers—I should amend it and say three tankers.

**Shri Kamath:** Have you got them?

**Shri Alagesan:** We are now awaiting a few things happening. In the meanwhile some Indian companies expressed a desire to collaborate with the oil refineries themselves and they said that they will come into the picture and put the tankers. But, I do not know whether those negotiations are actually taking place or not. I hope they will be able to come to a quick decision on this very vital matter and Government hope, whether they come to a decision or not, to acquire these three tankers. Perhaps, the time is not far off when our own tankers, flying our own flag will be moving along the coastal waters of India and delivering oil to the various points of supply.

The question of cargo was raised by my hon. friend Shri B. K. Das. I wish to say here that one of the hon. Members took exception that we say that shipping is in the private sector. It is so. If the Government is to find all the money, I can tell the House that we have advanced loans in the case of one company, it is 100 per cent of their subscribed capital, in the case of another company, it is about 250 per cent and in the case of a third company it is 400 per cent their subscribed capital. I do not think any other organisation has been more liberal with loans. This very House, if something goes wrong which God forbid,

if some loss is incurred and we are not able to recover the loans, all the hon. Members of this House including the Mover will pounce upon me and come with a halter to put it round my neck.

**Shri Matthen:** I think the loans are advanced not on the capital of the company but with regard to the ships.

**Shri Alagesan:** The point is Government has to find much more for investing in shipping than what the private sector has able to find?

If Government is to find the capital, if Government is to find the cargo, then where does the private sector come in? It is for the shipping companies to canvass cargo. In spite of it, we have been taking all necessary steps to see that Government sponsored cargo find their way into Indian vessels. The ISD at London and the ISM at Washington have been given instructions to send Government cargo by our ships. The spokesmen of shipping companies have admitted that there is no difficulty about cargo.

Very recently, one of the spokesmen of the shipping interests was saying that their ships are full with cargo. Recently, it has been possible for the Government to exercise their good offices and see that 25 per cent. of the total export of tea is reserved for Indian ships.

Regarding the TCA cargoes, the American Government has stipulated that 50 per cent. has to be carried in their own vessels and the rest to be carried in vessels not belonging to the country to which the cargo goes. And, if the country to which the cargo goes or is intended, is to provide the ships for the purpose, then, they should pay the freight. We have taken a decision to pay the freight in rupees for those cargoes also so that our shipping may get the advantage.

I should like to ask one thing. What is the private sector doing? Is it not the patriotic duty of our exporters and importers to see that they patronise Indian shipping? I was going

[Shri Alagesan]

through the resolutions of the Federation of Indian Chambers of Commerce and Industry. This body met in its annual session recently, and, I was going through the resolutions passed by it. All sorts of resolutions are there, asking the Government to do this and to do that. There is a resolution on company law, all difficulties are mentioned and narrated and there is a tall order for Government with regard to Indian shipping also.

**Shri Algu Rai Shastri:** Tall order! Humble request.

**Shri Alagesan:** I was surprised that there was no appeal to Indian exporters and importers to patronise Indian shipping. Nor do the shipping interests who are constituents of this very important body seem to have taken any steps to have such a resolution passed. They go on goading the Government to do this and do that. I do not know what steps they have taken to have a resolution passed requesting Indian shippers to patronise Indian shipping. It is very strange that people go on asking Government to do this and do that. In this country, people expect the Government to do everything, to be patriotic. There are certain interests which will refuse to be patriotic if it is profitable to them.

**Acharya Kripalani (Bhagalpur cum Purnea):** We do not expect the Government to be patriotic.

**Shri Alagesan:** I do not mean anything against the revered Acharyaji.

**Acharya Kripalani:** I said, we don't expect the Government to be patriotic.

**Shri Alagesan:** I hope that steps will be taken to induce the Indian exporters and importers to patronise Indian shipping.

Shri Somani was making a suggestion as to co-ordination between railway freight and shipping freight. He should be aware that there is already a committee sitting on this job, namely, the co-ordination of rail and sea

transport. They are going into the question of co-ordination and rationalisation of movement of cargoes by railways and coastal shipping. We hope to get their report and then take necessary action on that.

I shall leave several points, but I would like to mention only one point, namely, the maritime commission idea put forward by the hon. mover of the resolution. I think there has been a considerable amount of confusion in this matter. His resolution said that there should be a commission to devise ways and means to develop Indian shipping, and when he made his speech, he said it should be a commission on the U.S.A. model—he seems to be very much attracted to U.S.A. Then again, while further explaining the proposition, he said that it should be purely official—all the Secretaries to Government would sit in a room and come to conclusions. That was what he said. This confusion has travelled naturally to my hon. friend Shri Mukerjee and he called it a committee of enquiry to go into all questions relating to shipping. So, there has been a considerable amount of confusion on the subject. My hon. friend, Shri Raghuramaiah, has made my task easier by explaining the whole position. My friend, the mover, was a little out of date. He went only up to 1936 but did not travel up to 1950.

I wish only to say that we are not enamoured of copying other countries, but I may say that the U.K., to which we all look though we do not copy it, had been having the pride of place in the shipping world up till the beginning of the war, owning more than half the world tonnage. We do not see anything like a maritime commission or board or any such thing there. There is the Ministry of Transport there just like the one that we have here, which manages shipping, and nobody can say that the record of U.K. in the field of shipping is poor.

I should like to close here because my time is up.

**Mr. Matthen:** One word before the hon. Minister closes. The most important point raised by all of us...

**Mr. Deputy-Speaker:** Let the hon. Minister continue his speech. At the end when he is likely to sit down, I will allow one or two questions to be put to him.

**Shri Alagesan:** I am prepared to accept the amendment moved by Shri Raghuramaiah, and while doing so, I should like to make one point clear. There seems to be a misunderstanding about the word 'tonnage' used in the amendment. I want to make it absolutely clear that there is no difference between 'tonnage and 'shipping', in our minds.

**Shri Raghunath Singh:** That is right.

**Shri Alagesan:** I am glad my hon. friend accepts it. With this misunderstanding cleared, I do not think there should be any objections from any part of the House, and I hope the hon. Members who have moved their amendments will be good enough to withdraw their propositions with grace and support the Government's stand.

**Shri Matthen:** The most important point raised by most of us, especially by me, was that the Government was only committed to a board as recommended by the Policy Commission in 1947. They, by their resolution passed in 1947, accepted it, but only they have not implemented it. All that the resolution asks for is that the Government should implement it. Not a word has been said about this by the hon. Minister. He spoke about so many other things, about his going to Japan etc., but nothing about this.

**Shri Alagesan:** It was he who informed us about all that. My reply is very simple. We have established the Directorate General of Shipping.

**Shri Matthen:** Certainly not. That is not what is contemplated in that resolution.

**Shri Alagesan:** That Directorate is perhaps discharging the work more efficiently. If a whole board sits, it can meet only once in three months. Now, there is a sort of continuous attention being paid to all the problems; all the loan proposals are being examined by that body. We have an officer usually of very great administrative experience, as the Director General of Shipping, and he is assisted by technical officers—Chief Surveyor of the Government of India and Chief Nautical Adviser to the Government of India. Both the technical side and the administrative side are taken care of, and here is the Ministry which deals with all the problems. A very difficult problem—the surcharge problem—which came to the fore a few months back, was very effectively tackled. The Minister and the officers concerned have shown great tact. There was no bravado about it—bravado only impresses the superficial people, I think. We were able to stave off the danger; otherwise it would have meant a great harm to the national interests if the surcharge was imposed. I do not think any other machinery could have done this. My hon. friends have got a fancy for such organisations because some such thing is being done elsewhere.

**Shri Matthen:** Will the hon. Minister be pleased to read again their resolution of 1947?

**Shri Joachim Alva:** I just want to put two questions.

**Mr. Deputy-Speaker:** I find that a number of hon. Members have been taking enormous interest in this matter and have studied deeply this matter. I have got all their names here. They may reserve all that for a future occasion.

There are only fifteen minutes more and there are a number of amendments and again some time has to be given for moving the other resolution. I am, therefore, sorry that I cannot allow any further questions. Of course, I think the Committee on Private

[Mr Deputy-Speaker]

Members' Bills and Resolutions will take note that a similar resolution will require a larger time on a future occasion. As many as four hours have been allotted to this resolution; all the same, a number of hon. Members have not had an opportunity to participate in this discussion, although they have made a special study of the problems. For the first time this has come up and I can only say that this will be taken note of by the Advisory Committee on a future occasion.

**Shri Raghunath Singh:** I have got my right of reply.

मैं माननीय सर्वश्री अलगेशन जी और सतीश जी को हृदय से धन्यवाद देता हूँ कि उन्होंने बड़े सौजन्य से इस हाउस को इस बात का आश्वासन दिया है कि जहाजरानी की उन्नति की जायगी। साथ ही साथ मैं इस सभा के सभी माननीय सदस्यों को धन्यवाद देता हूँ कि उन्होंने बड़ी शान्ति के साथ इस विषय का अध्ययन किया और हमारी बातों को सुना।

एक बात मैं यह कहना चाहता हूँ कि सेंट्रल रेवेन्यूज में से कम से कम एक रुपये में एक आना शिपिंग के फंड में जाना चाहिये अर्थात् हमारी जितनी आमदनी है, उसमें से चौतीस करोड़ रुपया सरकार के द्वारा शिपिंग के लिये व्यय किया जाना चाहिये। इस हिसाब से आपको फाइव इयर प्लान में जो कि, आप ड्राफ्ट करने जा रहे हैं, इसके लिये १७० करोड़ रुपये देने चाहिये। हमारे शास्त्री जी बहुत ही सीधे आदमी हैं। उनके सोचपन का फायदा उठा कर फाइव इयर प्लान में सिर्फ ८० करोड़ रुपये रखे गये हैं। मैं प्लानिंग कमिशन से कहता हूँ कि अगर उसने शिपिंग की उन्नति के लिये १७० करोड़ रुपये न दिये, तो हम उस प्रस्ताव को इस हाउस में लायेंगे और यह हाउस उसको पास करेगा और अगर वह पास नहीं करेगा, तो हम जनता से कहेंगे कि वह हाउस

को कम्प्ले करे कि १७० करोड़ रुपये शास्त्री जी के पाकेट में दिये जायें।

**श्री अलगुराय शास्त्री :** सीधे आदमी की जेब में इतना रुपया डाल कर क्या लाभ होगा ?

**श्री रघुनाथ सिंह :** दूसरी बात यह है कि हमारे माननीय अलगेशन जी को हतोत्साहित नहीं होना चाहिये। उन के उत्साह को बढ़ाने के लिये ही हमने इस प्रस्ताव को यहाँ पर पेश किया है ताकि सारे देश का ध्यान जहाजरानी की ओर आकर्षित हो और सब लोग समझें और जानें कि इस शास्त्रीय एज में भारत सरकार जहाजरानी की उन्नति के लिये क्या करने जा रही है।

**Mr. Deputy-Speaker:** I am now going to put Shri Raghuramaiah's amendment but if there is any hon. Member who wants his amendment to be put, I have no objection to do so. It is not for any Commission but it is with some modifications of the original Resolution. Therefore, I shall put Shri Raghuramaiah's amendment and see if the others are not barred.

**Shri Raghunath Singh:** I accept that.

**Mr. Deputy-Speaker:** The question is:

That for the original Resolution, the following be substituted:

"This House, while appreciating the steps so far taken by the Government of India towards the development of Indian Shipping, suggests that all further suitable measures be taken to expand rapidly coastal and overseas tonnage."

*The motion was adopted.*

**Mr. Deputy-Speaker:** All the other amendments are barred. So, this Resolution is substituted for the original Resolution. Tonnage and shipping both mean the same.