

SHRI ALADI ARUNA *alias* V. ARUNACHALAM (Tamil Nadu) : Sir, the hon. Minister in his reply told that Rs. 6 crores has been allotted for the development of Hindi and nearly Rs. 10 crores for the development of Sanskrit and Rs. 11 crores for the development of nearly 13 languages. I would like to know under what basis this allotment has been done. I think either the Government has taken into account the number of literates or population speaking the regional language. It must be based on a wise principle and not in a random manner. So will this Government come forward to adopt certain norms? (*Interruption*).

SHRI NIRMAL CHATTERJEE : The only difference between Mr. Aruna and me is that he wants to know the basis and I have suggested it.

SHRI CHINTAMANI PANIGRAHI : Mr. Vice-Chairman, Sir, I am grateful to the hon. Members for the suggestions they have given. This allocation was not within the purview of this Bill but I simply wanted that I should give this information to the hon. Members that the Central Government is trying its best to see that all the languages are developed. This comes under the Human Resource Development Ministry. (*Interruption*).

SHRI ALADI ARUNA *alias* V. ARUNACHALAM : That is why I said, your allotment for other languages is quite inadequate. That is why, I am exposing that for Hindi, you have allotted Rs. 6 crores and for other 13 languages, you have allotted Rs. 11 crores. It is quite inadequate.

SHRI CHINTAMANI PANIGRAHI : Therefore, you will find that more allocation has been made for the regional languages than for Hindi. That is what I wanted to bring to your kind notice and if you want, I can give the break-up of all the languages.

THE VICE-CHAIRMAN (SHRI JAGESH DESAI) : It is not necessary.

SHRI CHINTAMANI PANIGRAHI : To make this translation very simple. I must say, I myself was a victim one day

when I came from the aeroplane along with one passenger who was with me he asked the taxi driver :

रूस दूतावास में मुझे जाना है।

The driver was completely surprised. He replied :

रूस का दूतावास क्या है?

Then I said, Soviet Embassy.

यह ठीक है, सोवियत एम्बेसी तो हम समझ लेते हैं।

He said, yes. I am very much convinced that we must have very simple translation. As the hon. Members pointed out, we shall rather think in Hindi instead of thinking in English and then translating in Hindi. We have to develop more and more of this kind of things. We have to think in Hindi and other regional languages. All these suggestions will be taken into consideration. The translation should be done in a simple and easily comprehensible language. This is the policy of the Government and we are pursuing it. I have one more point to make, in respect of what Shri Malaviyaji said. Posts for translation etc. in Ministries and Departments have been prescribed, but the ban on creation of posts does hamper in this connection. This is under the consideration of the Government.

THE VICE-CHAIRMAN (SHRI JAGESH DESAI) : The question is :

"That the Bill be passed."

The motion was adopted.

THE SHIPPING DEVELOPMENT FUND COMMITTEE (ABOLITION) AMENDMENT BILL, 1987

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI) : Sir, this is only a one line Bill.

SHRI NIRMAL CHATTERJEE (West Bengal) : Not even one line, half a line.

SHRI B. K. GADHVI: It is only a fraction of a line. Therefore, I would not like to make a lengthy introductory speech.

[**The Vice-Chairman (Shri Mostfa Bin Quasem) in the Chair.**]

But, Sir, this Bill has become necessary because of certain legal complications. We abolished the SDFC and thereafter, all the responsibilities, liabilities, etc., were assumed by Government. Later on, with a view to help the shipping industry, a new company, the Shipping Credit and Investment Company of India, was formed under the Companies Act. The Government thought, perhaps, that the powers which the Government assumed from the SDFC could be delegated, under administrative orders. But there was some legal hitch. Therefore, this Bill has been brought Sir, I beg to move that the Bill to amend the Shipping Development Fund Committee (Abolition) Act, 1986, as passed by the Lok Sabha, be taken into consideration.

The question was proposed.

SHRI SUKOMAL SEN (West Bengal): Sir, the Minister says that it is a one line Bill. It is not one line. There are just two words. A Chapter should be replaced by this Act. It is a very serious matter that a Chapter should be converted into an Act. Since it relates to development of shipping, I would draw the attention of the hon. Minister to certain aspects of our shipping industry. Sir, only the other day—perhaps, yesterday or day-before-yesterday—we were discussing in the House that the Government of India are going to sell out the ships of the Scindia Steam Navigation Company. The contradiction is this. On the one side we are abolishing the SDFC and we are considering the SCICI or shipping development; on the other, one shipping company, perhaps, the oldest shipping company, established in 1919, the Scindia Steam Navigation, is almost going into liquidation. Now the Government has formed a new Committee. But ships have been auctioned out. This is the situation. This indicates where the industry stands and what the attitude of the Government towards the industry is. I would like to deal with the subject in detail. Shipping industry is a very important sector of our industrial life. I do not understand what the difficulty is for the

Government of India to come out with a proposal to bring the entire shipping industry in the national sector. They are not doing it; they are not doing it at all. Now, what is the position? We are not able to achieve even the targets. The achievements are far below the targeted tonnage. Of course, you can say that the shipping industry is suffering from recession. Should we be satisfied with the proposition that we are part of the international competition and that is why we are suffering? This decision has nothing to do with it. On our part, from our side, we should do something to develop the industry. From that point of view, Sir, the Government has failed. Not only that. Now, Sir, ships are being auctioned out. The most important part of the story is that we have several shipyards. Take, for instance, the Cochin shipyard which is perhaps the most modern one, which can build very big ships. But what is the position now? According to the latest reports, ship-building activity has decreased there because it is not getting orders for building ships. On the other hand, you are giving finance to the private companies to bring ships from Japan or South Korea or some other countries. This is the situation now in which our shipyards are suffering. What about the Garden Reach Workshop in Calcutta? You are now giving some orders from the Navy to them to build some ships for the Navy. But what about our shipyards and what about our building ships? Are you producing ships in our country and are you producing fishing trawlers? There is another aspect also to this issue. In the Seventh Plan, there was a target fixed for the acquisition of 500 fishing trawlers apart from ships. Up to what extent have you succeeded? How many trawlers have you acquired? How many trawlers have been built in our own shipyards in the country? You have failed here also. I understand that some 146 licences have been issued for trawlers within the target of 500 and, in actual practice, only a part of it has been put into commission. So, this is the overall picture of the shipping industry.

Now, Sir, coastal shipping is also in a bad position. If you can develop coastal shipping, then you can reduce the cost of surface transport also. To that also the Government is not paying any attention.

So, in these ways, the Government has failed to pay proper attention to the development of the shipping industry and they have also grossly failed in bringing the entire shipping industry in the national sector and this is one of the gross failures of our Government.

There is another important point and that is about the development of our ports. Even here the Government is not paying full attention. Take the case of the Calcutta Port. Now this port is without proper dredging and without proper maintenance and this has not been maintained properly and, therefore, now big ships cannot come to Calcutta Port. Sir, Calcutta Port, is the premier port in the country now and once upon a time it was the biggest port. No., what is the condition of this port? Much depends upon the goodwill and the determination of the Government to develop this port. Big ships cannot come there now because proper dredging is not done and proper maintenance is not there. So, that port is in a very bad position. The Government has not done anything serious to save the port, not to speak of its development, to save its infra-structure that was there some ten years ago. These are the points which I wanted to make.

Now there is another point to which I would like to draw the attention of the Government. There was a demand—it is a long-pending demand—that there should be a shipbuilding yard at Haldia port. The existing yards cannot work to full capacity. Since the Central Government did not care to build a shipyard there in Haldia, the West Bengal Government wanted that at least a ship repairing yard should be there. Even though there was some response from the Central Government at first, now they are sidetracking the issue and the proposal is being shelved.

4.00 P.M.

It indicates that the Government is not at all serious in developing shipyards, in developing ports and in maintaining shipyards or building new shipyards. This is the attitude of the Government. That is why in regard to the Haldia shipyard till today there is no active proposal under consideration of the Government.

Now, I would like to come to another aspect. There is one Board called the National Shipping Board. Unfortunately,

Sir, I am a member of this Board for the last one year. Perhaps two or three meetings have been convened of this Board. What do they do? They call a meeting for a certain date. We prepare for it. Then after 10 days or so a notice is received postponing the meeting to another date. Then, again, some time later we receive another notice postponing the meeting to a later date. This is what they do. I could not attend a single meeting due to this crazy nature of the Board. I was told that in the Board much of the time is spent on luxurious tours and luxurious food and things like that. (*Time Bell rings*) In this way you cannot develop the shipping industry. I would like to draw the attention of the hon. Minister to this so that he takes it up with the concerned Ministry to see that the National Shipping Board functions properly and well.

Another aspect that I would like to bring to your notice is about the labour. The attitude of the Government and the Shipping Ministry towards the labour is extremely regrettable. I know the Minister is not personally responsible for this. But the Government is responsible. First of all, the recruitment of the crew in the shipping industry has been reduced day after day. In Bombay and Calcutta they are recruited. But in other places it is getting less and less. There are several Unions of seamen. There is one Seamen's Union registered in Calcutta and recognized by the Government. In some disputes about wage and other problems that Union went to the Calcutta High Court and the Calcutta High Court directed the Government to set up a tribunal. The Government unduly delayed the setting up the tribunal. We met the hon. Minister, Mr. Pilot, and we met the officers concerned several times. But what did the Government do? They cleverly set up a tribunal in Bombay. The Union is in Calcutta. They are registered in Calcutta. But the Tribunal has been set up at Bombay, so that the Union cannot approach the Tribunal, they cannot appear before the Tribunal and if they have to send their lawyers to Bombay a heavy expenditure is incurred. In this way the Government has tried to bypass the High Court judgement. Sir, the Tribunal has been set up in Bombay? What is the logic behind it? This cunningness on the part of the Gov-

[Shri Sukomal Sen]

ernment, these clever tactics on the part of the Government, are most reprehensible and condemnable unless the Government, changes its attitude. If they deprive the workers in this way and deal with the labour in this way, the shipping industry cannot be developed whatever may be the goodwill with the Government.

Sir, the Bill is very small. I have tried to draw the attention of the Minister concerned to these things so that the Government pays some attention to it. Thank you.

SHRI SANTOSH KUMAR SAHU (Orissa) : Sir, I stand to support this Bill. There is apparently not much for discussion. Sir, the Shipping Development Fund Committee (Abolition) Act, came in 1986 and it was passed by both the Houses. Now, within a short span of time an amending Bill has been brought to remove certain lacunae. Now the question is that in the short span of time when the amendment has come it raises an issue vis-a-vis the new Corporation for the protection of shipping and development of the shipping industry in the country. How is it going to fulfil our aims and objects? Except that, probably there is no other point. We whole-heartedly support this Bill. I beg to submit to the Minister that although lot of things have been done and a lot of money has been invested in the shipping industry, today it is facing a deepening crisis. If we go by records, the Seventh Plan document wrote one chapter on the Shipping Fund Development Committee and raised one issue there that is must find out some alternative source or agency to mobilise greater financial resources for the shipping industry. It is passing through a great recession which is an international phenomenon. There are many things which we could have achieved in the national sphere and it requires our deep consideration. I was going through the records of the last three years. In spite of this great development in the shipping industry, we find that in 1985 there were 433 ships which were operating. They carried nearly 64 lakh tonnes of cargo. In 1986, there were 380 ships and they carried 52 lakh tonnes of cargo. In 1987, there were 359 ships and they carried more cargo. In spite of our aims and objects of increasing shipping industry in the Seventh Five

Year Plan, we had certain financial restraints. It requires modernisation, fuel efficiency and infra-structure.

The first point is that we have certain objectives in this country. But up till now we get only 41 per cent of the tariff. The rest goes to foreign ships. It is unfortunate that we have to pay a lot of freight to foreign ships and our shipping industry is in bad shape.

My next important point is about coastal lines. We have 5700 kilometres of coastal line. The world has accepted that coastal shipping is one of the cheapest mode of water transport in the world. We have not paid much attention to the development and modernisation of coastal shipping. We can abolish the cess. We have passed the Act. There is nothing to criticise. The question is how far this Investment, Credit and Shipping Corporation will fulfil the objectives and how far they will fulfil the needs and aspirations. In a short interval, we have come forward with two amendments.

The third thing I would like to discuss here is that the country is very much in need of foreign exchange. There is a lot of potential in this country for marine exports. If proper care is given to it, it can augment our foreign exchange earnings within three years. If proper infra-structure is created and if we have modernised trawlers for deep-sea fishing, we can earn more foreign exchange. We read from newspaper reports that we have got 3 modernised trawlers from different countries. So, it is very necessary that we should not neglect this aspect. It might be expensive. It might require heavy investments. We have to find ways and means. This credit corporation will have to remove the bottlenecks.

It might be true that there are certain companies which have diversified the money. They have tried to take money from the shipping industry. They must be penalised. We do not plead from them. At the same time, if we want to develop shipping industry and earn foreign exchange, we will have to develop trawler ships. We had issued licences to 140. Some 80 companies could get them. Others could not get them. But now we have increased the

share. Earlier the loan portion was nearly 90 per cent for indigenous trawlers and for foreign trawlers it was 85 per cent or something. Now it has come down to 80 per cent and then to 75 per cent. So how far more people will come into this line is a big question. We have to consider all these aspects too. Sir, because of shortage of time, I am not going into the details but I would only mention another important point. Sir, everywhere in the developed countries, they have connected the international coastal shipping with the internal water transport system. And that is how they have made it easier. Even if we see West Germany, for the Rhine, they have developed a beautiful water transport system, and they have made the transport possible through that.

If the Farakka and the Ganga and the Godavari inland water systems—Ten years back, in Orissa we thought of the Mahanadi inland water transport system—are linked, probably, the road transport would become less important, and the water system would develop as a life-line, and for which we require many things.

Then, Sir, my friends have rightly said that when the world has gone in for bigger ships which are fuel-efficient and which can carry more of bulk cargo, our ports are suffering from depth problem. We have seen that in the 7th Five Year Plan, they are taking up only some major ports and not all the ports. Sir, I come from Orissa and I tell you a pathetic story. The Paradip is a major port. We constructed it with our funds, from the State funds with much difficulty. Actually there was no railway link. Of course, now it is connected. Now the depth is coming down though with a potential of a lot of iron ore. The Korean project people have come and they say that they will make the necessary depth and the necessary infrastructure by linking the iron ore area. They want us to sanction it. We have been praying the Government of India to sanction it. If we have no resources, with certain linkages, with some rational objective and foreign capital also, they should be developed so that the country will not suffer and the infrastructure will be there. Fishing by trawlers must be given importance so that we can augment our foreign exchange

resources. These are the vital questions before our country.

Coming to the other point, Sir, with a dynamic push and a new thinking, a Corporation like the SCICI or something can fulfil our cherished goals in the national scheme. Sir, what is aghast, what is painful is that there is a large shortfall, there is a large gap in financing in the shipping industry. It has not developed properly. There must be a high level thinking on it so that we can co-ordinate in the right line. We should have an integrated plan of development of the shipping industry, fishing harbours and inland water system so that each can produce the end results. It should not be a piecemeal approach. Suppose we develop one port or one ship, it does not help us. When there is competition with the international trade, we must see that our money is not drained to the foreign ships for carrying the cargo when 50 per cent of our ships are lying idle.

Sir, another horrible scene is how our seamen suffer. The trained personnel sit for years without employment. They go to the offices for registration and then they do not get any letter of employment. And those who get employment, they are at the mercy of the companies who employ them. There must be some stringent law so that they can be given a guarantee of employment for some period so that their ambitions can be fulfilled.

Sir, in Korea and Japan, they have developed the shipping industry. They have made a proper assessment of the international trade and their shipping transport system and accordingly they developed. Until we meet them in fuel efficiency, unless we have a modern shipping system, it is very difficult to compete with them. And they are the main purchasers in some of the items. So, it is necessary that we change our old ideas and we give a new look. Passenger service is also one of the most important items. The inland passenger service, specially to Andamans can be improved. It requires a lot of investment. I hope the Government of India will rise to the occasion. By abolishing the Shipping Development Fund Committee, they have introduced the Shipping Investment and Credit Corporation. I

[Shri Santosh Kumar Sahu]

hope they will be able to raise the necessary resources from conventional and non-conventional sources to bring in a new era of prosperity for the shipping industry which is at present facing a deepening crisis and see that it is able to recover properly and thoroughly and have a proper balanced development and growth. We are at present having a fleet which is just about one per cent of the world fleet and our trade and commerce being carried by our ships is not at all comparable to what is being carried by the developed countries of the world. This is a very unfortunate position. We have to see that it goes up in the Seventh Five-Year Plan because in the Sixth Five-Year Plan we had a shortfall of .79 million tonnes. For that we have to spend in the Seventh Five-Year Plan to the tune of Rs. 425 crores. Out of this Rs. 425 crores we have to spend Rs. 220 or Rs. 230 crores for the replacement of the age-old vessels, which are non-efficient from the point of view of fuel consumption and other considerations.

With these words, Sir, I welcome this Bill. I hope the Government will look into it with new perspective and the corporation will fulfil the hopes for which the new corporation has been formed.

SHRI ALADI ARUNA alias V. ARUNACHALAM : (Tamil Nadu) : Mr. Vice-Chairman, Sir, to overcome some of the difficulties in litigation, I believe, that the Amendment Bill has been introduced in this august House. Under the Shipping Development Fund Committee Abolition Act, the rights and liabilities rest with the Central Government. Now the Government wants to delegate certain powers subject to certain restrictions to the designated persons. With this object, I hope the Bill has been introduced here.

Sir, it is needless to explain that shipping industry now is not a profitable industry. Most of the companies are closed and some of the companies are sick. Despite these facts as far as the Shipping Corporation of India is concerned, I am pleased to say, that it is functioning with profit and it is making good record even though there are some lapses in its functioning. Sir, the Shipping Corporation of India occupies the 15th position in the world maritime map among the

developed countries, it has the third largest fleet in the world.

Sir, in 1961, the gross investment of the Shipping Corporation was merely Rs. 23 crores. Now it is more than Rs. 1700 crores. The contribution of our corporations towards the exchange pool for the last five years, it is reported is Rs. 470 crores. Since its inception in 1961 up to 1976-77, the Corporation was earning, making good profit, but in the last five years the profit record is not in proportion to the investment.

Sir, in the year 1984-85, the net profit was Rs. 2.27 crores, in 1985-86 it was Rs. 7.50 crores and in 1986-87 it is reduced to Rs. 5.50 crores. Even though there is a decline in profit, it has maintained the trend. Considering the other factors, we must appreciate the administrative capacity of the Indian Shipping Corporation. But, Sir, in this context, I think the hon. Minister will not mistake my allegations which have been reported in the press in May last. Some of our ships have engaged themselves in the smuggling of contraband. To examine this matter, a committee was constituted under the Director-General of Shipping, Mr. Barween Singh. Sir, I would like to know what are the findings of this Committee, whether the allegations are true or false, because in the press it has been reported that the Shipping Corporation of India paid nearly Rs. 11 crores as fine to the Customs Department during the year 1986-87, but in the records, they have shown that it is an expense of the Corporation. It is a gross violation the highest corrupt practice. What action have we taken ?

Then, the same press report states that "Samrat Ashoka has been engaged in carrying iron ore from India to Japan. According to the report the ship had anchored at Yokohama port for taking fresh water. It was here that contraband goods including 3000 VCRs, 2000 two-in-ones, radios, watches and cameras were stacked. A fine of Rs. 1.5 crore was paid by the Shipping Corporation. This was later shown as official expenses." These types of allegations have been made against the functioning of our ships, I want to know whether we have examined them properly, because corrupt persons could be checked, we can

improve its functioning and our Corporation will be an example before the world. The wheel of our progress is satisfactory; there is no difference of opinion but at the lower level, at the grass-root level, these malpractices of smuggling of contraband goods, cannot be allowed to go unchecked; it will bring a bad name to the Government and to the Corporation. So, Government must take firm steps to arrest all these things in the interest of fair name to the Government and to the Corporation. With these words, I conclude.

SHRI H. HANUMANTHAPPA (Karnataka) : I rise to support the amendment brought by the Minister. The amendment as such does not deserve any comment at all. It is only a small amendment, replacing one or two words in the existing Act.

I have an objection to the way in which the amendment has been brought about. Even for a small thing, why should we come with an amendment? It means that we had not applied our mind while passing the original Bill. What happens in the system is that sometimes sufficient study or a detailed review is not made before the Bill is brought before Parliament. Once it becomes the property of the House, it becomes the property of the party also. Even though Prof. Lakshmananna or Mr. Aladi Aruna may agree or not, sometimes they oppose also. But we will say yes, because we are the ruling party and the Bill has been brought by us. So, my request to the hon. Minister is that whenever we bring such Bills, there should be a thorough review. I don't say it is not being done; it might be done at the level of the bureaucrats in the Law Ministry or the concerned Ministry but I feel before it is brought before Parliament, there should be a review. Usually, there was a procedure earlier, or whenever the time permitted the Bills have been referred to the Select Committee which would go through these things. But nowadays, the time is running fast and we cannot wait for discussions or deliberations in the Select Committee. Events are overtaking the Government and due to urgency of the matters, we are bringing such enactments before Parliament. So, I request the Government to see that before such Bills are brought before Parliament, sufficient study

is made. I now come to the second aspect. My friend, Shri Aladi Aruna, in his speech, pointed out that smuggling activities are being carried on through the ships, Indian ships. I think, this is a matter which should be seriously looked into. These smuggling activities are concentrated wherever our ports are. Our anti-smuggling units are functioning at Madras, Bombay and Calcutta. This shows that smuggling is being carried on through ships. I do not say that we are allowing these things. But we are complacent about the problem at the level of entry. Secondly, we should strengthen our intelligence and anti-smuggling agencies and try to curtail these things. But if at the level of entry itself, things are effectively managed and monitored, I do not think there will be any necessity for anti-smuggling units at Madras, Bombay, Calcutta, wherever the ports are.

As far as this amendment is concerned, there is nothing much to say. In the end, I would once again say that our efficiency should be increased to clear these dens of smuggling. I think, we should review the whole thing if Government is not to get a bad name.

SHRI MOHD. KALEELUR RAHMAN (Andhra Pradesh) : Mr. Vice-Chairman, Sir, the Shipping Development Fund Committee Abolition Act, 1986, came into force only recently, that is on 3rd April, 1987. It is strange that this Act is being amended so soon after it has been placed on the statute book. Government should have thought of the need in the beginning itself.

It is said that it is now sought to be amended by the Central Government to acquire powers to delegate the functions under all the Chapters of the Act. The Act now provides for delegation of powers only under Chapter III. The intention seems to be to transfer to the Shipping Credit and Investment Company of India all past contractual obligations of the erstwhile Shipping Development Fund Committee which have now devolved on the Central Government under the said Act. It is only a device on the part of the Government to avoid accountability. Government is certainly capable of shouldering the responsibility for the development of deep-sea fishing fleet. A professional

[Shri Kaleelur Rahman]

banking institution is not expected and is also not equipped to undertake development financing. The SCICI cannot be expected to shoulder development obligations which Government is obviously unable to shoulder. Why should the obligations be transferred? It is not correct, in principle, for a Government to entrust the responsibility, a responsibility of this kind, to a firm. Government should shoulder the contractual responsibility and not subject the fishing companies to the rigidities of professional bankers whose approaches are not attuned to development banking.

Sir, from April, 1987, the month in which it was entrusted with certain functions under the Act, the Shipping Credit and Investment Company of India has not released any loans for the acquisition of fishing vessels. It has been insisting on impracticable conditions such as depositing of 25 to 50 per cent of the cost of the vessels, proposed to be acquired, with it in the first instance. Each of the vessel cannot be less than one crore of rupees. No company can have so much of liquid cash. Because of this realism only, the erstwhile Shipping Development Fund Committee which existed from 1958 had adopted a debt-equity ratio of 6 : 1 for loans and 10 : 1 for guarantee. In the case of fishing vessels for which the SDFC gave loans, the recovery has been of the order of 85 per cent of the dues which by any standard is a high rate of recovery. The Seventh Plan envisages the raising of the fleet to 500 which now stands at about 110, in two decades.

In the end, I feel, the modifications and amendments will not serve any purpose unless the Government takes concrete and positive steps to develop the shipping industry by implementing scientific and modern methods to improve merchant shipping, fishing trawlers, passenger facilities etc. I hope Government will look into these things seriously before taking further steps in this regard. Thank you.

SHRI R. S. NAIK (Karnataka) : Sir, I rise to speak on the Shipping Development Fund Committee (Abolition) Amendment Bill, 1987. According to me, the Government has not paid much attention to develop the shipping industry in comparison to other industries which are pro-

ducing essential or other goods required. The Seventh Five Year Plan had targeted the growth of tonnage to 7.7 million tonnes by the end of 1990. Sir, the shipping tonnage has definitely come down in these days. In 1986 the number of ships declined from 368 to 359 and the GRT declined from 59,50,000 to 54,74,528. If the things are going in this way, it seems tonnage will definitely come down to five million tonnes by the end of the Seventh Plan. This clearly shows to what extent the Government has encouraged the private or public shipping industry.

Fortunately, we have got vast and lengthy coastal line throughout India. We have also got many ports which can be developed on the West coast and on other coasts. In Karnataka we have now got two ports which are developed to a certain extent, but not fully. Those are Mangalore and Karwar. Karwar is a natural port. It is known as one of the best ports on the coastal line. A naval base, one of the biggest in Asia, is also coming up in the same area in Karwar. Government of Karnataka is extending its fullest cooperation to bring up this naval yard, providing some facilities to the poor people, fishermen and agriculturists, who will be displaced. Since this concerns defence, I do not want to say much about this. So Karwar will be an important port not only for Karnataka but the whole of the coastal line in India. Now it has started shipping iron ores to foreign countries and also other goods are being transported within India. Still some works require to be completed. Financial constraint has come in the way of its development. Government of Karnataka has already requested the Central Government, sending an outlay of Rs. 999 lakhs. The proposal is pending before the Central Government.

SHRI H. HANUMANTHAPPA : Mr. Naik, will you yield for a minute? What have you to say about your State Government having not utilised Rs. 23 crores given by the Government of India for the naval base? This amount has been given by the Government of India, but this has been mis-utilised by the State Government. You come from the same district. Why don't you ask the State Government to spend the amount which has been given by the Centre? Why are you asking for more money?

SHRI R. S. NAIK, You are talking about other issues. It is for naval base. It is under process now, for your information. It takes its own time. It is very difficult to shift people from one place to another place. It has been given for rehabilitation purpose, not for the development of the Karwar port. You take that into consideration.

One mobile crane for Karwar port is also required. For on-going works, Rs. 80 lakhs have been proposed by the Government. One self-propelled Hopper grab dredger is required for Mangalore port. An outlay of Rs. 142 lakhs has been proposed for the completion of the capital dredging at Karwar and Gurupur river for Mangalore port. All these requirements should be met immediately by the Central Government.

Unless and until you improve the conditions of the ports and their infrastructure, it is highly impossible to improve the production of merchant shipping or fishing shipping. Only then the ports can play their role well.

There are many other ports in Karnataka—Belkeri, Tadri, Harwar Bhatkal in North Kanara and Malpe, Hangarkatta and other ports in South Kanara district. Rehabilitation work in Karwar port has not yet been cleared; it is still pending. Government should take necessary action to clear rehabilitation work. Perhaps the same is the case with some other private sector companies also. They too have submitted their proposals for clearance. The Government of India has set up a high powered inter-ministerial committee to formulate proposals. The Director-General will hold meetings to look into these aspects.

One more important point is that at present fishing trawlers are uneconomical for the people to purchase them, as their costs are very high. Sometime fishermen had to return without fishing after consuming huge quantity of oil. So it is not workable. Only rich people can purchase these trawlers in the name of fishermen. Otherwise fishermen have to form a company collectively. As we know, forming a company is not a small thing. The com-

illiterate fishermen form a company, what will be their plight? Therefore it is not advisable. So I request the Government to introduce modernised trawlers at a lower rate under a new pattern, so that any ordinary fisherman can buy it and thereby increase the production of fish. Really if you want to support fishing industry, I request the Government to encourage small trawlers or boats. They should be made available to fishermen at reasonable rates.

Lot of smuggling is also going on the sea. Government should take some action to stop these activities.

With these few words, I conclude.

SHRI GHULAM RASOOL MATTO (Jammu and Kashmir) : Sir, this *Shipping Development Fund Committee (Abolition) Bill, 1987*, is a most innocuous piece of legislation.

PROF. C. LAKSHMANNA (Andhra Pradesh) : He will take you to Kashmir in a ship!

SHRI GHULAM RASOOL MATTO : Sir, section 16(1) of the original Act says :

"The Central Government may, by notification in the Official Gazette, subject to such conditions, restrictions and limitations as may be specified therein or otherwise, delegate all or any of its powers and functions under this Chapter to a designated person."

... (Interruptions) ...

In my opinion, there was no need to have this piece of legislation because the original Act, when it said "Chapter," did not mean that particular chapter. It meant the entire Bill. Now we are substituting the words "This Act" for the words "this Chapter" in the Act. Anyway, if the Law Ministry has given this opinion, we have to abide by this. But this is my opinion.

Sir, here I am a little dilemma. Mr. Gadhvi is a Minister who is concerned with this as a cess collector. He is a Finance man and he has to either levy or abolish the cess; that is how he is concerned with this. So, when all of us are making

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not concerned at all with them. Under these circumstances, I shall only request him kindly to tell his officers, who are gathered in the official Gallery, that the points raised here by the honourable Members be conveyed to Shri Rajesh Pilot who is, the Minister for Shipping. Otherwise what we are doing here will be only an exercise in futility because he is not going to reply to those points, and rightly so, because, if I were to be in his place, I would not react to what my friend, Mr. Aladi Aruna, and other friends have said. So, to make it meaningful and purposeful, I would only suggest to him that he should request his officers to send extracts or the text of the observations made by the honourable Members to the Shipping Ministry.

Sir, in this connection I have also to make one small observation. It is not possible for me to take a ship to Kashmir.

SHRI DIPEN GHOSH (West Bengal) : You can take a ship to Jammu !

SHRI GHULAM RASOOL MATTO : Sir, this reminds me of one, Sir Maharaj Singh, who was our Prime Minister before Independence. When Sir Maharaj Singh came to Kashmir, he saw the river Jhelum and the houseboats on the river. Then he asked his Secretary, "Well, why shouldn't we go to Pahalgam also in a houseboat ?" Pahalgam is up in the mountains and, perhaps, Sir Maharaj Singh thought he could take a houseboat there ! Mr. Gadhi may be able to take a ship to Kashmir.

Sir, right now the position is that there is a container service operating between Australia and India and some other countries of the East like Japan. What is happening is, in the first place, a berth is not being given to the ship for about seven days at the Bombay port : I am talking of Bombay port only. When the ship arrives at Bombay port, it takes about a week to get a berth. When the berth is allotted, the second dilemma starts, that is, where to offload. On one day the ship's agent is told that he has to offload at Dock No. 3 and when he goes there, then he is told that it is designated to Dock No. 7. This is my personal experience because I had a little consign-

ment to arrive and my shipping agent brought it to my notice that this was the problem they were facing. In the first instance, the ship is not getting a berth at the proper time and, in the second, when the berth is allotted, they are not allowed to offload the container at the designated dock, and it takes about ten days for them to offload that container. So, I think you will very kindly see if this little problem—which is a managerial problem, perhaps—can be solved through an action from the Central Government.

With these observations, Sir, I support the Bill. Thank you.

SHRI SATYA PRAKASH MALAVIYA

(Uttar Pradesh) : मान्यवर, मेरी सिर्फ एक अपेक्षा है कि there was the Merchant Shipping Act, and in that Merchant Shipping Act there was a provision that there would be a committee of six members. Subsequently, probably it was amended in the year 1978, and that number was raised to 12. It means that earlier the duties and functions of this Fund Committee were discharged by a committee of 12 persons. Now, according to this Amendment, as the Statement of Objects and Reasons goes on, under section 16 of the Act the Central Government has been empowered to delegate all or any powers and functions under Chapter III of the Act to a designated person. It means that only one single person will be authorised or nominated by the Government to discharge all the functions. My objection is, if a power is given to a particular person, a particular individual, then, he may exercise it in an arbitrary manner. Therefore, while framing the rules, certain restrictions should be imposed on the designated person, because as the Statement of Objects and Reasons still states, you are going to nominate only one person, a designated person, because in the English copy of the Act you have used the word "a" while in the Hindi copy this "a" is missing. In Hindi you have used the words "पदाभिहित व्यक्ति". but in the English copy you have used the words "a designated person." So, my objection is this. As I said earlier, some restriction should be imposed on that person.

Secondly, there was the Nanda Committee. This dealt with the matter about those workers or employees who are known as seamen. He has suggested that certain unemployment allowance should be given to those seamen who work in shipping and subsequently thrown out of unemployment because everybody knows that these persons are always not employed, and even at the time of retirement they do not get any benefits. Therefore, I would urge the Minister also to keep in mind or convey these ideas to Mr. Pilot who is the Minister of Surface Transport that certain retiring benefits should be given. I would also plead that unemployment allowance should be given to the seaman when they are out of employment as has been suggested by the Nanda Committee.

Thank you.

SHRI B. K. GADHVI : Sir, in the legitimate concern about the ailment of the shipping industry and their anxiety to have the shipping industry on a better platform, Members have trodden upon the areas which cannot be strictly relevant for the purpose of this Bill. That is also their legitimate right. One of the Members, Mr. Matto, said that perhaps the exercise of the observations made in the areas which are not strictly relevant to me, may go futile. I assure that although the observations made by the Members may not be concerning Finance Ministry, they would not go futile. I have made a habit, and I have strictly instructed the office also that whenever any observation is made by any Member on any Bill or subject for which I am attending, then, the concerned Ministry is to be informed about it with a request that the Member's point should be attended to and that he should be replied to properly under intimation to Finance Ministry. That practice, we are scrupulously following. So, I assure that though the observations may not be directly relevant for this amendment, still, however, they would not go in vain.

Sir, about the shipping industry as a whole, it is our concern that we have to restore it back to health. Therefore, the ship-building industry also needs to be helped. That was precisely the aim. With a view to achieve more dynamism in the

construction area of the shipping industry, the former SDFC was abolished because it had its own constraints and this new company has been formed with more flexibility to mop up resources and to assist the ship-building industry in this country. This new company upon the former one has been formed within a very short span. This company was set up on 8th December, 1986 and the following are the achievements to the credit of this company.

Number of fishing trawlers sanctioned—13 companies, 24 trawlers; amount sanctioned for shipping trawler cases—Rs. 14.93 crores. Apart from this, Rs. 7.33 crores will be provided by the commercial banks. Number of shipping cases sanctioned through companies involved; two tankers, one bulk carrier and two off-shore rigs. Amount sanctioned for shipping cases—Rs. 30.87 crores and the amount disbursed for shipping cases—Rs. 20.55 crores and the number of shipping cases in pipeline—three companies involved in Rs. 40 crores investment. The rehabilitation proposals worked out by this company are as follows : The number of proposals received were 17 and the number of proposals examined are 14 and the number of cases under consideration are 3. So, you would see that the matter has been taken up quite seriously.

It is pointed out that big companies like the Scindia and others are going sick. Members very well know—it was answered only the day before yesterday—that we are all trying to restore it back to health. Its professional management has been set up. So far as auctioning of the ships is concerned, even in the case of good and viable companies, when its ships become obsolete and scrap, they have to be auctioned. That is why it cannot be a basis of criticism.

So far as the debt-equity ratio is concerned, as Shri Aladi Aruna has pointed out, in the case of SDFC it was 6 : 1. Now, in the case of the new company we are insisting on 4 : 1. It is just with a view to have a better financial health and less burden on interest. So, if we look at the SDFC's performance at a glance, then we would find that it has assisted thirty companies by whom 98 fishing companies were assisted. On 2-4-1987 the amount outstanding on the

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shipping side was Rs. 286.34 crores. Out of this, the defaulted amount was Rs. 429.72 crores, out of which the private sector had defaulted Rs. 294.98 crores. Scindia was on the top of the defaulting companies—around Rs. 64.35 crores. So, this was the state of the SDFC. Therefore, the ship building industry also was not functioning well and the new seal in investment had also got diluted. Therefore, with a view to help the company with better flexibility to mop up the resources, to provide financial assistance, this new company has been brought out. It was only thought that perhaps the Government could delegate under its power but it was pointed out to us by the legal experts that we will have to move an amendment. That is why some of the Members have rightly stated that the amendment has been brought.

Shri Malaviya has pointed out that a person is a legal entity. It can be a person and a legal corporation also which can be termed as a person under legal terminology. Therefore, there should not be any misapprehension on that account because person referred to in this Act is a legal entity. It may be a living person. It may be a corporation. It may be a company which may be termed as a person. So there should not be any difficulty on that account.

Some Members spoke about the coastal ships and trans-continental ships and other things. As I stated earlier, this company has started giving assistance in case of big ships, tankers and rigs also. So we are covering much wider areas under this new company which has been formed. This is only a very technical amendment which I have brought before the House. As I said earlier in my opening remarks, it is not even one sentence amendment but a fraction of one sentence amendment.

I am highly obliged to the hon. Members who have participated and those Members who have drawn our attention to the specific points about the shipping industry as a whole. These will be attended to by the Ministry of Surface Transport. I will

be detailing them and I will send them to that Ministry. I am sure that Ministry will take action.

Shri Aladi Aruna has pointed out a case of smuggling and a committee appointed to investigate into it. I cannot deny this. Sometimes smuggling does happen even in Air India and other planes. We catch those people. But they are delinquent offenders and they are certainly brought to book. With regard to this particular episode which he has mentioned, I would certainly advert to him later on, on the information which we have got and the Ministry of Surface Transport have got.

With these words, I thank the Members for their valuable suggestions and participation. I submit that this Bill may be considered.

THE VICE-CHAIRMAN (SHRI MOSTAFA BIN QUASEM) : The question is:

“That the Bill to amend the Shipping Development Fund Committee (Abolition) Act, 1986, as passed by the Lok Sabha, be taken into consideration.”

The motion was adopted.

THE VICE-CHAIRMAN (SHRI MOSTAFA BIN QUASEM) : We shall now take up the clause-by-clause consideration of the Bill.

Clause 2 was added to the Bill.

Clause 1, the Enacting Formula and the Title were added to the Bill.

SHRI B. K. GADHVI : I move :

“That the Bill be passed.”

The motion was adopted.

THE VICE-CHAIRMAN (SHRI MOSTAFA BIN QUASEM) : The House stands adjourned till 11.00 A.M. tomorrow, the 20th November, 1987.

The House then adjourned at five of the clock till eleven of the clock on Friday, the 20th November, 1987.