

**MOTION FOR ELECTION TO THE
CENTRAL ADVISORY BOARD OF
EDUCATION AND PROGRAMME
THEREOF**

THE MINISTER OF EDUCATION (DR. K. L. SHRIMALI): Sir, I beg to move:

"That in pursuance of sub-clause (e) of clause (2) of paragraph 3 of the Government of India (Education, Health and Lands Department) Resolution No. F. 122-3/35-E, dated the 8th August, 1935, as amended, this House do proceed to elect, in such manner as the Chair- man may direct, one member from among themselves to be a member of the Central Advisory Board of Education."

MR. CHAIRMAN: The question is:

"That in pursuance of sub-clause (e) of clause (2) of paragraph 3 of the Government of India (Education, Health and Lands Department) Resolution No. F. 122-3/35-E, dated the 8th August, 1935, as amended, this House do proceed to elect, in such manner as the Chair- man may direct, one member from among themselves to be a member of the Central Advisory Board of Education."

The motion was adopted.

MR. CHAIRMAN: I have to inform Members that the following dates have been fixed for receiving nominations and for holding election, if necessary, to the Central Advisory Board of Education:

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| i. Number of members to be elected | One |
| 2. Last date and time for receiving nominations | 24th September, 1958
(up to 3 P.M.) |
| 3- Last date and time for withdrawal of candidature | -25th September, 1958
(up to 11 A.M.) |

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| 4. Date and time of election | 25th September, 1958
(between 3 P.M. and 5 P.M.) |
| 5. Place of election | Room No. 29,
Ground Floor, Parliament House,
New Delhi. |
| 6. Method of election | Proportional representation by means of the single transferable vote. |

**THE MERCHANT SHIPPING BILL,
1958—continued**

MR. CHAIRMAN: We get back to the Merchant Shipping Bill. I want the Minister to answer at 2 o'clock so far as the first stage is concerned. Mr. Patil, I am making some announcements about you. You will answer at 2 o'clock and from 12 to 2 we have two hours. I have got here about 19 speakers still. It is impossible to cover all of them. You can have 10 minutes each. In that case we may cover 12, but Mr. Patil will answer at 2.

THE MINISTER OF STATE IN THE MINISTRY OF TRANSPORT AND COMMUNICATIONS (SHRI RAJ J BAHADUR): I will also like to intervene for a few minutes.

MR. CHAIRMAN: You also will have 10 minutes.

SHRI RAJ BAHADUR: I want a little more, Sir.

MR. CHAIRMAN: For the Minister it is more.

SHRI V. K. DHAGE (Bombay): When will we take up the second reading, Sir?

MR. CHAIRMAN: At 2 o'clock, after he replies. Shri Sapru.

SHRI P. N. SAPRU (Uttar Pradesh): Mr. Chairman, the Bill is one of the more important measures which we have had to discuss in this Session. I recall the days when we were fighting, without a national Government to back, to do some small things for the

encouragement of an Indian mercantile marine. We wanted the coastal trade to be reserved for our nationals. A ridiculously moderate measure to regulate competition in the shipping trade on the Indian coast was promoted by me in this House and I had to face unbending opposition on the part of a Government of which Sir Rama-swamy Mudaliar, who, I am glad, has now been converted to the view that the coastal shipping should be completely Indianised, was a Member of the Government then. It was opposed by the Government at that time. Britain was completely unfair to our shipping industry and I know that for some share in the coastal trade, Indian concerns had to agree to the proposal that they should not participate at all in the overseas trade. This was done at the Conference promoted by Lord Halifax.

I have no objection to the Preamble which sets out the ends that we have in view. Flamboyant preambles do not necessarily make a good Bill and I do not attach any particular importance to it. I shall, therefore, state my point of view briefly on the Bill and some of its main clauses.

Our declared objective is a socialistic pattern of society, whatever that might be. Actually, we are working a system of mixed economy with an expanding public sector and an important private sector. We have, in pursuance of our objective, nationalised or taken over under State ownership and control our Railways, our Airlines, internal and international, and very largely our road transport. Logically therefore we should have nationalised the Merchant Shipping as well. Personally my inclinations in 1937, as also in 1958, are in favour of an expansion of the public sector and if it were possible, I should have suggested complete nationalisation of the merchant shipping trade but we know that our merchant marine has to be developed as speedily as our resources will permit. The existing position is clearly unsatisfactory. Our participation in world trade is only -50 per cent. Our

bottoms carry only 12 to 15 per cent, of our total trade. We fixed our target in 1947 at two million tons by our Policy Declaration. We had then a tonnage of 175,000 tons. The target was to be achieved in five or six years. We are in the year of Grace 1958. Our target for the First Five Year Plan was 6 million tons. We had, at the end of the Plan only 4,80,000 tons and we had ordered 1,20,000 tons. Our target for the Second Five Year Plan is 9 lakh tons. Shall we be able to achieve this target without foreign participation? Undoubtedly the best way of achieving foreign assistance would be to borrow through loans but foreign loans will not be easy to secure. Our foreign exchange position is unsatisfactory. We need loans for other developmental purposes, of our Second Five Year Plan. We cannot hope therefore to get foreign loans for developing our shipping industry. It is desirable, therefore, that we should not rule out foreign equity capital provided we can get it on fair terms and with due safeguards.

Scindia is our greatest shipping concern. It is operating as a monopoly. Thirty shipping concerns own a tonnage of 5-8 lakhs. In the public sector we have a tonnage of 60,322 tons. The Scindias have a tonnage of 2'34 laKhs G.R.T. and the Scindias have a profit of Rs. 2-27 lakhs.

SHRI V. K. DHAGE: Rs. 2-27 lakhs?

SHRI P. N. SAPRU: Yes, Rs. 2-27 lakhs. The rest of the profits are made up by the other concerns. The present position, therefore, favours one concern to the exclusion of all the other concerns. Why this House should be soft towards a monopolistic concern passes my comprehension. Participation of foreign capital in our concerns is, therefore, necessary for some healthy competition among shipping concerns. It is desirable to brpak up, for the very socialism by which we swear this monopoly of the Scindia shipping concern which owes its inception to the genius of Mr. Master. And now the great Ramaswami Mudaliar has just discovered that it is not

[Shri P. N. Sapru.] to ask for foreign capital. I am alive to the dangers of allowing participation of foreign capital. Even foreign loans are not without danger for countries such as ours which wish to steer clear of both the blocs. But we have the provision in clause 21 of this Bill. I need not read that clause.

MR. CHAIRMAN: No, you need not.

SHRI P. N. SAPRU: There we have the necessary safeguards. We have provided for the Indian Register and we have laid down the conditions under which foreigners will have to work. After all the management will be Indian, only one-fourth of the directors can be foreigners. The chairman will be an Indian.

We can also take over the concerns after paying reasonable compensation that we like. Above all, our laws and not the laws of any foreign countries or of any foreign directorate will determine to what ports our ships shall go and how they will observe the rules of neutrality to which we are pledged. Even President Nasser was able to nationalise the Suez Company overnight. I do not cite that as an example that we should follow. But what we have to remember is that after the Abadan case, it has become absolutely clear that the International Court of Justice has no jurisdiction over companies registered under the law of the State in which they are situated. Therefore, there can be no objection to participation of foreign capital to a limited extent of 25 per cent or 33 J per cent as was suggested by some or even 40 per cent. We shall need Rs. 300 crores if we wish to reach the target of two million tons by the end of the Second Five Year Plan. I regard the safeguards which are to be found in clause 21 as satisfactory. I am not, however, opposed to the new clause which gives power to the Government to alter the proportion. I am rather concerned at the remark of Mr. Patel in which he said he would rather cut down than increase participation by foreign capital. That remark

is not likely to encourage foreign investors to come forward with investments in this country. I am also amazed at the view expressed by Mr. Patel when he proposed to discriminate between those concerns which are entirely Indian and the other concerns which though of Indian origin have foreign capital to the extent permitted by clause 21.

THE MINISTER OF TRANSPORT AND COMMUNICATIONS (SHRI S. K. PATIL) : May I say that that is wrong?

SHRI P. N. SAPRU: But this is what you said yesterday.

SHRI S. K. PATIL: I did not. I corrected it, Sir, when I got up and explained the 1947 Resolution. This clause replaces that Resolution and now there is no distinction, when the clause stands as it is.

SHRI P. N. SAPRU: I am glad to be corrected on this point, or rather I am glad you have made your position clear. But not only would that remark have had an adverse effect on the development of Indian shipping, but such discrimination would, I venture to think, be contrary to the letter and the spirit of article 14 of the Constitution which ensures both equality before the law and equal treatment of laws to all persons, including I think juristic persons.

MR. CHAIRMAN: I think you should close now.

SHRI P. N. SAPRU: Just two more minutes and I will close.

The point is, a ship entered in the Indian Register is an Indian ship and the fact that it employs 25 per cent foreign capital is immaterial from the point of view of the law. This is the law as laid down by the Supreme Court and by our superior courts. I do hope that in view of the proviso and particularly in view of the assurance that has been given by Mr. Patel, that the new proposal will not operate so as to keep off foreign capital.

Mr. Chairman, I would like to say one or two words on the other features of the Bill. This National Development Council or this Shipping Council—whatever it is called—will be functioning. Let it be an advisory council, but let it be a council whose advice will ordinarily be accepted by the Government.

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The second point is about this Shipping Development Fund. I think this fund should be liberally helped by the Government. I think the proposal is to allow it a grant of Rs. 7 crores. I think it should be more liberally helped.

Thirdly, I would like to say a word about our seamen. I took some interest in the welfare of seamen in the old Council of State and one of the things which I want to say is about the health conditions of these men. This should be very carefully looked after. As a member of the Bhoré Committee I remember the evidence given by these seamen. We visited these ports and you know what life in our coastai towns is. Often they contract venereal diseases. I think some effort should be made to see this does not happen. And in th's matter we want not only the cooperation of non-officials, but we do want that this work should get the cooperation of the trade unions and the non-officials and the Government.

With these words, Sir, I come to a close. I would say that I generally support this Bill which will encourage the development of the Indian mercantile marine. This Indian mercantile marine is necessary not only for our shipping purposes and for earning foreign exchange, but also for the purpose of acting as a second line of defence. Sir, we were a great maritime country once. Let it be said in future that we are a maritime country.

DR. P. V. KANE (Nominated): Mr. Chairman, I shall only address' myself to clause 21. I find that there is a great difference of opinion on this. Many speakers have spoken on this

and several amendments have been proposed. The particular point of difference is the proviso.

[MR. DEPUTY CHAIRMAN in the Chair.]

The hon. Minister, at the beginning of his speech, introducing the Bill, said many things with which we are not just now concerned. What I am saying is this: Why do you want the proviso as regards the Central Government? I do not understand it at all because if you are going to completely control the organisation, by way of having the Managing Director, the Directors and allow only 25 per cent, capital is to be provided by these people, what will they get? They will get practically no control and they can expect only the dividends, if at all, because at times these concerns may be running at a loss. They would prefer to give you a loan spread over ten or twenty years and at 5 per cent, or some such per cent, of interest. That will be a better thing for the foreign capitalists. I do not think even this 25 per cent, will be sufficient to attract people. If you want foreign capital to come under this clause, then I should simply have you say that "a major portion of the share capital" instead of "seventy-five per cent." That will leave a large margin for the Government to act according to the circumstances. You might say "a major portion of the amount" or "not less than 51 per cent." There is some amendment which speaks of 50 per cent., some of 60 per cent, and so on. Some also speak of cent, per cent. We have to make up our minds as to what we will put down under clause 21(b) (ii), whether it should be "at least seventy-five/ per cent." or "a major portion of the share capital". That is one of the criticisms I should like to make. If what the hon. Minister said in the beginning is correct, that we want our marine to be entirely our own and in an emergency to be useful in various ways, then even this 60 per cent, is rather a large order. No doubt, ours is a small marine. Even at the end of the second Five Year Plan, our overseas carrying capacity will be 15 per cent, of the whole

[Dr P. V. Kane.] requirements. Ours will be a very very small marine practically as compared with the world marines. Therefore, I think this idea that at some distant future or a near date the merchant marine should guard our country or help the Navy of ours should not be there at all as an object. If really a war breaks out, I really wonder how in this modern age of Atom Bombs and Hydrogen Bombs these merchant marines are going to be of help. The Atom Bombs, the Hydrogen Bombs and the Cobalt Bombs will have devastating effects and so, we need not put in any way this thing as one of the guiding principles of our policy. What we should say is that we want to come to our own. We have always been under leading strings and we want to have our own Marine. If you have not sufficient money, then borrow instead of holding out such terms. That is what I am making out. This sum of 25 per cent, is not sufficient inducement to any foreign capitalist to come here particularly when you say that three-fourths of the total number will be the Directors appointed by you, the Managing Director must belong to your country, etc., etc. I do not think these would give any very great inducement. That is what I am driving at. If you want to give power to Government, then simply say that the Government may, by notification in the official Gazette, specify what majority means from time to time, what "major portion of the capital" means. That is all. Once you fix this 75 per cent. Government cannot do anything, and allowing the Government to do things is not proper. You should say that the major portion of the capital will be our own and then Government should be allowed to say, from time to time as the requirements increase or decrease, what is meant by the major portion. That is all that I have got to say.

Thank you.

SHRI MAHESH SARAN (Bihar): Mr. Deputy Chairman, I am glad that a comprehensive Merchant Shipping

Bill has been after all introduced and soon shipping in this country will be put on a sound basis. I strongly approve of the amendment to clause 21 which was moved in the Lok Sabha by Shri Raghunath Singh and which was accepted by the Transport Minister and by the Lok Sabha.

Now, Sir, the proviso says:

"Provided that the Central Government may, by notification in the Official Gazette, alter such minimum percentage, and where the minimum percentage is so altered, the altered percentage shall, as from the date of the notification, be deemed to be substituted for the percentage specified in this clause."

It gives the Government the authority to change the percentage of foreign participation according to the needs of the times. Now, Sir, in considering such a Bill, the first consideration should be the national interest of the country. So much has been talked about the national interest and I should like to emphasise that the national interest does not mean Indian participation alone but it means that the shipping concern is as strong as possible, that all cargo of the Government of India and those coming to India should be shipped in Indian ships so that as much foreign exchange as is possible could be earned. Then, again Sir, the management of the shipping company should be in the hands of the Indians so that the majority of the Directors of the company should be Indians. These are the essentials and, therefore, my submission is that if these conditions are there, it does not matter whether foreign participation is to the tune of 30 per cent, or 40 per cent, or even 49 per cent., because if the management is in the hands of the Indians, it would be run in the interest of the country. Therefore, my submission is that it is really very heartening to find that this provision has been included. If later on we find that foreign capital is needed for a strong shipping industry, if such a shipping industry could be had by foreign participation but under the

management of Indians, then I think we should allow more than 25 per cent, if it is necessary. I would only add that in the name of national interest we should not do things which will hamper the progress of shipping in India. That is the main point which has to be considered by all of us and I am sure that if the points mentioned by me before are kept in view and the proviso as it stands forms part of clause 21, we will find that foreign capital will not be able to dominate the policy of Indian shipping. Some people are advocating that there should be no participation of foreign -capital in the shipping concerns and they feel that they are advocating this in order to serve the national interest of the country. I feel, Sir, that they are not doing anything of the kind and I will try to show how. In the present circumstances of the country, the only hope for building a good shipping organisation is to have foreign capital in fairly large quantities, keeping in view the fact that the management is predominantly in the hands of Indians. In order to prove my point, it is necessary to go a little bit into previous history of shipping in India. Sir, previously shipping was governed by the British Merchant Shipping Act of 1894 but by the Resolution in 1947, 25 per cent, foreign participation was allowed but all the Directors were to be Indians. No foreign capital was forthcoming because of this limitation. In the first Five Year Plan Rs. 24 crores were allotted to shipping in India and in the Second Five Year Plan Rs. 37 crores were allotted and the rate of interest was as low as 3 per cent. The amount was repayable in fifteen or sixteen years. In spite of all these, Sir, in spite of all the concessions that were given, the Indian shipping companies have not made much progress. At present, only 6 per cent, of our trade is covered by Indian shipping. I should emphasise that it is only 6 per cent, and we spend every year Rs. 154 crores in the form of freight charges.

From the above it is clear that in

spite of all the help the shipping in India has made no headway.

The present time is most suited to have expansion of the shipping trade because of the following reasons: Prices of ships have greatly fallen. Because of the Government giving representation to people supplying foreign capital on the directorate of the shipping company it has changed the attitude of the foreigners and from the evidence it appears that how they are willing to invest money in Indian ships. Because the foreign exchange position is becoming difficult day by day, therefore the shipping companies aided by foreign capital will be able to earn good foreign exchange as Government would send the cargo to foreign countries in the Indian ships.

Now, Sir, why is foreign capital preferable to foreign loans? A lot of talk has taken place that we should, instead of asking for foreign capital, ask for foreign loans. My submission is that foreign loan is difficult for the following reasons. Money market is tight. Even there is difficulty for Government to get foreign loans, so it would be very difficult for any shipping company to get any foreign loan. Then, Sir, the rate of interest on foreign loan will be between 5 and 7 per cent and it will be repayable within six years, so it will not be profitable for any company to take foreign loans. Then again, Sir, there is no inducement to foreigners to invest foreign capital as loan in India in the shipping companies because they will merely earn interest and will have no hand in the management. But under clause 21 they will now have certain control also. If we carefully read clause 21, we find that even when the share capital of a company held by foreigners is 40 per cent or even 49 per cent, three-fourths of the total number of directors of the company would be citizens of India; the chairman of the board of directors, and the managing director, if any, of the company would be citizens of India; the managing agency, if any, of the company would be citizens of India. Therefore it

[Shri Mahesh Saran.] clear that the control would be predominantly in the hands of Indians.

I do not see why under these circumstances, if a shipping company flourishes by foreign capital, we should fail to avail of the opportunity. To me it seems that for a true Indian it is real national interest, to see that, irrespective of all sentiments, shipping makes rapid progress.

Sir, I would submit that after hearing the speeches in the House I feel convinced that we are taking a very narrow point of view because some of the Members are wanting Indian management, Indian control and Indian money. Indian control and Indian management is all right, but so far as the money portion of it is concerned, Sir, if we stick to only Indian money, shipping industry will have the same fate as it had before, and there will be no chance for any expansion in the near future. So from all points of view that I have put forward it is necessary that we should have the option to change the ratio of foreign investment. If it is necessary, we can make it 40 per cent, or even more, so long as the management is in Indian hands.

Thank you, Sir.

श्री अब्दुर रज्जाफ खान (पश्चिमी बंगाल) : डिप्टी चेयरमैन महोदय, मैं इस बिल का पूरा स्वागत करता हूँ और साथ ही यह कह देना जरूरी समझता हूँ कि दफा २१ में जो अविज्ञो बढ़ाया गया है उस पर मेरी आपत्ति है। यह कहने की जरूरत नहीं है कि हिन्दुस्तानी शिपिंग का जो रजिस्टर खुलेगा, जो कण्ट्रोलर का दफ्तर खुलेगा और जो नेशनल शिपिंग बोर्ड वर्ग रहेंगे, उनके साथ हम सहमत हैं और उनके बारे में न कोई उच्च की बात है और न हमें कोई अख्तिलाफ है। अब बात जितनी आ पड़ी है वह दफा २१ के बारे में है। सवाल यह है कि हिन्दुस्तान में अपना शिपिंग का रजिस्टर खोला जायगा।

“अपना शिपिंग” किसको कहेंगे? हिन्दुस्तान की शिपिंग की डेफिनिशन क्या है? बहुत सारी बहस जितनी हुई है उसमें यह कहा जा रहा है कि हिन्दुस्तान की शिपिंग के माने यह है कि जो हमारे रजिस्टर में नाम लिखा दे वह हिन्दुस्तान की शिपिंग है। दुनिया भर के जितने लोग चाहें आकर के रजिस्टर में नाम लिखा दें और वह हिन्दुस्तान की शिपिंग है। मैं इस आररूमेंट का कायल नहीं हूँ और न मैं इसकी ताईद कर सकता हूँ। जब अपना रजिस्टर खोला जा रहा है तो उसके माने यह है कि हम अपनी शिपिंग को अपने कानून के मातहत, अपने पैग के मातहत डेवलप करेंगे। यह मकसद है और यह पूरा मकसद फ़ीत हो जाता है, अगर हम यह कह दें कि जिन लोगों ने हमारी शिपिंग इंडस्ट्री को कुचल दिया था उनको इजाजत दे दी जाय कि वे हमारे रजिस्टर में नाम लिखा लें। इस तरह पहले हम ब्रिटिश रूलर्स के मातहत थे और अब यह कह दिया जाय कि ब्रिटिश लोग हमारे मातहत हो जाय और हमारे रजिस्टर में नाम लिखा दें, तो बस हो गया मामला। यह कोई बात नहीं है। जैसा कि मैं समझता हूँ, इस बिल का मकसद यह है कि हमारी शिपिंग इंडस्ट्री को जो कुचल करके रखा गया था उसको आजाद करके हम अपने मुल्क की आजादी की बुनियाद को और मजबूत बनायें। यह मकसद है और इस मकसद से अगर न देखा जाय तो गलती होगी। इसके लिए जरूरी है कि हमारी अपनी शिपिंग हो। अपनी शिपिंग के माने यह हरगिज नहीं हो सकते कि दुनिया भर के लोग यहाँ आ करके अपनी कम्पनी रजिस्टर कर दें और उसको कुचल कर लिया जाय कि वह हमारी शिपिंग है। हमको ज़रा सबक लेना चाहिये। हमें सबक लेना चाहिये उससे जो अभी हाल में मिस्र का वाक्या हुआ है। हमें सबक लेना चाहिये उससे, जो आज मिडिल ईस्ट में हो रहा है। आज वहाँ जो कुछ फ़साद हो रहा है, जो कुछ हंगामा लोग कर रहे हैं, वह सिर्फ़ इस लिए है कि वहाँ फ़ारिन कैपिटल का डॉमिनेशन है और उससे वे

निजात पाना चाहते हैं, और यहाँ हम लोग उस तरफ़ तवज्जह ही नहीं देते हैं। स्वेज़ का जो मामला हुआ था, उस मामले में अगर कर्नल नासिर स्वेज़ का कंट्रोल अपने हाथ में न ले पाते, तो मुमकिन नहीं था कि वह अपने पुल्क के मामले को सुधार सकते। इसलिए यह सवाल उठाना कि फ़ॉरिन कैपिटल को दावत दी जाय और खास कर ऐसे अहम मामले में जिसको हम समझते हैं कि हमारी सेकंड लाइन ऑफ़ डिफेंस है, बिल्कुल ग़लत है और मेरे ख्याल में एक बड़ी कमजोरी है। कमजोरी इसलिए मैं कहूँगा कि हमारी जो गुलामी यहाँ हिन्दुस्तान में आई, वह सबसे पहले हमारी जो मेरीटाइम पोर्जेशन थी उसको कुचलने के बाद हमको आईसोलेट करके आई। हम उस आईसोलेशन को दूर करना चाहते हैं, अपनी मेरीटाइम फ़ोर्स बढ़ा करके और यही बात है जिस की वजह से हम आज जब रजिस्टर खोलने जा रहे हैं तो मुल्क भर में एक प्रोपेगेंडा हो रहा है कि फ़ॉरिन कैपिटल अलाऊ दिया जाय। सन् १९४७ के ज़माने से यह पच्चीस परसेंट अलाऊ था। तब क्यों नहीं ऐसा हुआ कि पच्चीस परसेंट में कोई कैपिटल आई। वे चाहते हैं कि कंट्रोल ज्यादा हो, उनका शेयर ज्यादा हो। और जब हमने उसको बढ़ाने में तवज्जह दे दी—वे समझते थे ऐसा ही रहेगा मामला जैसा चल रहा है—जब हमने उसको मजबूत बनाना चाहा तो अब चारों तरफ़ से आवाज़ आ रही है कि फ़ॉरिन कैपिटल बढ़ाने की? हालात देखिये, जो पोर्जेशन है उसका सर्वे कीजिए। उसका सर्वे आप करेंगे तो आपको पता चल जायगा कि सिर्फ़ पैतालीस करोड़ रुपया इस शिपिंग के लिये मंजूर था। और हमने अपने पैरों पर, अपने जोरों से अपनी पोर्जेशन मजबूत की। अब इस पैतालीस करोड़ रुपये के खर्च से क्या सेकंड फ़ाइव ईयर प्लान का वह काम पूरा नहीं हो रहा है, क्या उसकी उम्मीद नहीं है? सिर्फ़ एक लाख टन बाकी रह जाता है, जबकि तीन

साल और बाकी हैं। अगर गवर्नमेंट की पूरी तवज्जह पड़ी तो मूँते पूरा भरोसा है और पूरी उम्मीद है कि वह जो बीस लाख टन का टारगेट रखा गया है उसको हम पूरा कर पायेंगे, थर्ड फ़ाइव ईयर प्लान तक। इसके लिये हमें बहुत कुछ करना पड़ेगा इसमें कोई शक नहीं है। जब हम इतना डेवलपमेंट कर पा रहे हैं और कर चुके हैं, बावजूद इसके कि मुल्क ने जितनी तवज्जह इस और देनी चाहिये थी, उतनी नहीं दी फिर भी सिर्फ़ पैतालीस करोड़ रुपया इस मद में खर्च किया गया। इसके बावजूद आज पोर्जेशन क्या है ज़रा दूसरे महकमों में जाकर देखिये और मालम कीजिए। मैं कहता हूँ, दूसरी इंडस्ट्रीज के मुकाबले में हमारी शिपिंग इंडस्ट्री की पोर्जेशन मेरी नज़र में बहुत ही रोशन है और हमें इसकी ज़रूरत नहीं कि वे बाहर से आकर हमारी हालत को खराब और मूसीबतज़दा कर दें। कोई वजह नहीं होनी चाहिये कि जो हम कहें कि फ़ॉरिन कैपिटल के बिना हम अपनी शिपिंग को डेवलप नहीं कर सकते—फ़ॉरिन इन्विट्री कैपिटल के बग़ैर हम अपना, यह काम पूरा नहीं कर सकते। यह कहना कि उसके बग़ैर यह चीज़ हो नहीं सकती यह कौनसी बात है? कोई रिपोर्ट है, कोई दलील है, कोई दस्तावेज़ है जो इसको बताती है। रामस्वामी मुदालियर कमेटी जिसे कहते हैं वह बनी, क्या उसने या हमारे पास जो स्टेटिस्टिक्स हैं, वे यह बता रहे हैं। स्टेटिस्टिक्स देखिये तो यह पता चलेगा कि साहब, सिर्फ़ एक लाख २० हजार टन अभी सेकंड फ़ाइव ईयर प्लान में जो रखा गया था वह पूरा हो रहा है। तो प्लान के मुताबिक़ चलिये। लेकिन मैं तो देखता हूँ कि सवाल सेकंड फ़ाइव ईयर प्लान का भी नहीं है। हमारे सामने सवाल यह है कि थर्ड प्लान पूरा होने वाला है या नहीं। उस लिहाज़ से मैं कहता हूँ कि थर्ड फ़ाइव ईयर प्लान भी पूरा किया जा सकता है अगर उसके लिये नेशनल डेवलपमेंट फ़ण्ड जो बना है उसमें से और दूसरी तरफ़ लुड इण्डियन शिपिंग की तरफ़ से दाव का सूरत में

[श्री अज्जुर रञ्जाक खान]

जो मुतालबा किया जा रहा है कि १९५६ के बाद से जो जहाज आये उनकी आमदनी सिर्फ उनके सुपुर्द की जाय। जो फ़ॉरेन एक्सचेंज वे अर्न कर रहे हैं वह अगर उन्हें दे दिया जाय, तो वे पूरे का पूरा डेवलपमेंट कर सकते हैं। फिर क्या जरूरत है फ़ॉरेन इक्विटी कैपिटल की? दूसरी तरफ चारों तरफ से आप लोन ले रहे हैं। लेकिन यहां लोन के लिये कोई कोशिश नहीं की गई है। बावजूद इसके कि इसके लिये लोन पड़ा है। फिर क्या वजह है कि आप कह रहे हैं कि यहां शिपिंग में फ़ॉरेन इक्विटी कैपिटल लानी चाहिये, इसके बगैर काम हो नहीं सकता। मैं कहता हूँ, बिल्कुल चलत है यह चीज। यह वाक्यात के खिलाफ है। इसमें और जो खतरे हैं वे तो अलग हैं ही, क्यों हम खतरा मोल लें। यह तो मानी हुई बात है कि अगर फ़ॉरेन कैपिटल हम लेंगे तो उसका लाजिमी नतीजा यह है कि यहां की इंडस्ट्री में डर रहेगा। आप देखिये, हमारे लोग जो इंडस्ट्री में हैं वे मुझसे पूछते हैं कि हम क्या करते हैं उनके लिये। शिपिंग इंडस्ट्री में जो हमारे लोग काम कर रहे हैं जिनकी राय हमें सुननी है, वे खुद डर रहे हैं। वे खुद डरे हुए हैं और नहीं चाहते कि फ़ॉरेन कैपिटल यहां आये। जो इंडस्ट्री को चलाये हुये हैं जिन्होंने आज डेवलपमेंट किया है उनकी क्या राय है वे क्या मांगते हैं? क्या यह मांगते हैं कि फ़ॉरेन इक्विटी कैपिटल हमें दी जाय? आप उनके ऊपर क्यों ऐसी चीजें थोपते हैं, यह मेरी समझ में नहीं आता और मैं उसकी कोई वजह नहीं देखता। फिर खतरे की बात है कि लाइनर कॉन्फ़ेंस में यहीं कैपिटल अगर भारी पैमाने में आ जायगी तो जैसा कि एक वजह हो सकती है, वहां गवर्नमेंट की बात नहीं चलती, वहां तो कंपनियों की बात चलती है। तो वह खतरे की बात अलग है। और फिर मैं कहता हूँ कि अगर कमाई ज्यादा हो गई तो उसका क्या नतीजा होगा। वह जो अर्न करेंगे वह यहां से बाहर चला जायगा। क्या आप उसको रोक सकते

हैं? तमाम विलायती कंपनियों जो नफ़ा कर रही हैं क्या उस नफ़े को आप रोक सके हैं। फिर आधी कैपिटल उनकी आये, फिर यहां से डिमांड किया जाय कि रुपया दीजिये, हम लोन दें, फ़ॉरेन कैपिटल को मंगाएँ। तो जनाव, लोन भी दें और फ़ॉरेन कैपिटल भी मंगाएँ। सूरत यह है कि फ़ॉरेन कैपिटल भी आप मंगा लीजिए और उनके रहम करम पर आप छोड़ दीजिए कि साहब, आप ही कर लीजिए या उनको बुला कर लायें और फिर लोन देते जाय। यह कोई माकूल सूरत नहीं है। तो साहब, हमारे ख्याल में कोई वजह नहीं है कि फ़ॉरेन कैपिटल का सवाल हमारे सामने पेश आये। चूंकि पालिसी एक चली आई है सन् १९४७ से, उसके मुताबिक काम हो रहा है, कुछ डेवलपमेंट में हम आगे बढ़ रहे हैं लेकिन कोई ऐसी वजह नहीं आई है कि हम उस पालिसी को बदलें। इसी ख्याल से हमने गवर्नमेंट के साथ इत्तिफ़ाक किया कि वह अपनी उस पालिसी को बदले। इसके मानी यह नहीं है कि पच्चीस परसेंट हमने कबूल कर लिया है। हमें मालूम है कि बाहर का छोटा मोटा कैपिटल आज भी हमारी कंपनियों में शामिल है और उसे नजरअंदाज करते हैं, कबूल कर लेते हैं तो इसलिए यह जो पच्चीस परसेंट यह कोई खतरे की बात नहीं है। यह हम अपने डेवलपमेंट के वास्ते कर रहे हैं। चुनावे हम उस पर कायम रहें। फ़ॉरेन कैपिटल के मसले पर अंदर से और बाहर से कोशिश हो रही थी। इसका नतीजा आज हम देख रहे हैं कि आज पार्लियामेंट में इसके बारे में इत्तिफ़ाके राय हो चुकी है। बाहर की शिपिंग इंडस्ट्रीज के लोगों की तरफ से राय पर और फौज करने के बाद उसको बिल्कुल नख़रअंदाज कर दिया गया जो कि प्रोवाइजो की सूरत में है।

(Time bell rings.)

इस वक्त जो प्रोवाइजो आपने लोक-सभा में पास किया है उसके माने तो यह हुए कि आप अपनी मर्जी से जितना परसेंट चाहें दे सकते हैं, जो मेरे ख्याल में एक बेमानी

बात होगी। आखिर में मेरा यह कहना है कि जो पहले बे-प्रोवाइजो था उसको ही रखा जाय। आप इस प्रोवाइजो को जबर्दस्ती पास करा लेंगे, इसमें कोई शक नहीं है लेकिन फिर भी मैं आनरेबल मिनिस्टर आफ ट्रान्सपोर्ट एण्ड कम्युनिकेशन से दरखास्त करूंगा कि वे हाउस का सेंस इस बात के मुताल्लिक ले लें। इस हाउस के बाहर इस इंडस्ट्री में जो लोग हैं उनका सेंस ले लें। जो लोग हवा में फ़ारेन कैपिटल की बातें करते हैं उनकी बातें न सुनें बल्कि जो लोग इस मैदान में काम करते हैं, जिनके जरिये हमको उठना पड़ेगा, जिनके बग़ैर हम काम नहीं चला सकते हैं। उनकी बातों को टुकरा कर आप यह चीज़ कर रहे हैं। यह बहुत ही अफ़सोस की बात है। इस चीज़ की सरकार को परवाह करनी चाहिये। और हम चाहते हैं कि इस हाउस में यह ऐलान कर दिया जाय कि सरकार इन लोगों की बातों की क़द्र करेगी। हमारी मिनिस्ट्री पहले जो बिल लाई थी उसमें उसने सैंट परसेंट फ़ारेन कैपिटल अलाऊ कर दिया था लेकिन आज बड़ी मुश्किल से—जैसा कि हाउस को मालूम है—गवर्नमेंट को यहां तक लाया गया। तो मेरा कहना यह है कि इस चीज़ को पब्लिक ओपीनियन के लिए छोड़ दिया जाय। अगर सरकार इंडस्ट्री वालों की बात नहीं सुनती है तो इसको पब्लिक ओपीनियन के लिए छोड़ दिया जाय और फिर उस पर और किया जाय।

मैं बड़े जोरों के साथ यह कहता हूँ कि इस वक्त बिल में जो प्रोवाइजो है और एक्सपर्ट्स की ओपीनियन इसके मुताल्लिक भी है, उस पर अमल होना चाहिये। यह कह कर मैं ख़त्म करता हूँ।

PANDIT S. S. N. TANKHA (Uttar Pradesh):
Mr. Deputy Chairman, I welcome the Bill before the House. As the hon. Minister has told us, there are some very good features in this Bill and the greatest advantage which the Bill confers upon

the country is that it is for the first time that an enactment is being made whereby ships owned by India or flying the Indian flag will be registered in this country. So far, as we are aware, there was no such law on the subject and the foreign ships were plying in a manner that crippled our Indian shipping.

Another important feature of the Bill is the creation of the National Shipping Board and the provision of a Shipping Development Fund. The idea behind this creation of a Shipping Development Fund is to develop and increase our shipping industry and as such it is desirable that as great a percentage of this Shipping Development Fund should be kept apart for the expansion of this industry in future as can possibly be done.

Then, Sir, in the National Shipping Board you will see that a good part of the membership has been made non-official. It is true that a certain number of members are to be nominated by the Government, but in doing so I do not think the Government will appoint many officials. It will naturally try to put some experts on the Board who would be helpful in encouraging this venture.

Another important feature of the Bill is that the home trade shipping has been defined to include certain ports in the Federation of Malaya and Singapore also in addition to Burma and Ceylon. This means that our Indian ships will not only ply along the coasts of India but also to these ports and to these said countries.

Then, Sir, I also welcome the increase in the representation of Members of Parliament on the National Shipping Board which has been provided under the Bill. Formerly, there was provision for only five persons. Now, it has been increased to six, whereby two Members of this House and four Members of the other House will be members of the Board.

[Pandit S. S. N. Tankha.]

Now, Sir, while pointing out all these major good points about the Bill, I will venture to say something with regard to clause 21. You will remember that I asked the hon. Minister yesterday after he had finished his speech introducing the Bill as to whether it was a fact that formerly his position was that he was prepared to take in foreign interests in the shipping concerns to the extent of 49 per cent, as against 51 per cent. Indian interest, whereas now his position is that he thinks that he cannot go beyond 75 per cent. Indian and 25 per cent, foreign. The hon. Minister was pleased to say that I was mistaken and that that was never his line and that he had never taken up this position. I would have been glad if that had been correct. But may I invite his attention to the Report of the Joint Select Committee, at page (xvi) from which it will be found that I was not mistaken in my statement. I will have to read a little part of it, towards the last paragraph on that page: —

"This time, however, owing to the greater awareness about shipping and its possibilities, the total amount of 45 crores available for the Second Five Year Plan was picked up almost within a year of its announcement, but owing to the prices of tonnage having risen in the meantime and difficulties having arisen about foreign exchange, it was feared that by 1961 the target of 9,00,000 G.R.T. will be short by 2,00,000 G.R.T. At this stage, in September, 1957, the Minister for Shipping courageously announced in the Lok Sabha that despite the Resolution of 1947, he was prepared to consider the common industrial formula of 51:49 for participation of foreign capital in Indian shipping too."

This statement is also reproduced in another minute of dissent. So, I have not made a wrong statement. That is my position. You will see that at

pages (xxviii) and (xxix) again, in the minute of dissent of Shrimati Savitry Devi Nigam there is mention of another percentage acceptable to him. On page (xxviii) the last two lines read:

"Therefore, keeping other factors in the definition of an Indian Ship the same, the Indo-foreign participation should be changed from 75:25 to 60:40 which is not far removed from the 66-2(3:33-113 suggested by the Minister of Transport himself."

I take it that these statements are correct. And then, Sir, in the minute of dissent of another Member also, at page (xxxii), you will find the same words again that such a statement had been made by the Minister in the Lok Sabha in 1957. I do not

think, Sir, that this important P.M. statement could have been the private view of the hon. Minister, but I take it that it was the view of the Government as given by the hon. Minister. It is possible that Government may have changed its mind since then, but since the hon. Minister was pleased to say that my information was incorrect, I had to place this before him.

Now, Sir, let us not be idealists or dreamers but let us look at the actual facts as they exist before us. The question is whether it is possible, on the basis of 75:25 participation, for Indian concerns to achieve the targets which have been aimed at in the Plan. Let us see what the real position is? During the First Five Year Plan we find that the target of shipping had not been fulfilled. The target which was fixed in the First Plan had to be carried over in the Second Plan to the end of the second year. Now the position during the Second Plan period is that a target of 9 lakh tons was fixed out of which only 7 lakh tons have been made up. The hon. Minister expects that the balance of 2 lakh tons will be made good within the Plan period.

[THE VICE-CHAIRMAN (SHRI P. N. SAPRU) in the Chair.]

Therefore, Sir, we have to see if with a proportion of 75:25 we have money enough to complete these targets within the time fixed. You will see, Sir, how during the Second Plan period it was possible for the Indian companies to lift up the money which was placed at their disposal. That was possible for them only, not on their own resources, but because the Central Government gave them a loan of 80 to 85 per cent.; so that it was only about 15 per cent which was invested by the companies, whereas the other portion of 85 per cent, was a loan to them repayable over a long period. Now, Sir, if our Government is in a position to advance as much money as 85 per cent, of the venture, then I submit that it may be possible for the Government itself to invest another 15 per cent, and have the undertaking nationalised instead of allowing it to take its profits from us and allowing the undertaking to remain in the private sector. According to all calculations which have been shown by some of those hon. Members who have appended their notes of dissent, it is abundantly clear that it is not possible for the Indian companies to achieve the target aimed at in our Plan, and that if the Government sticks to the present position that the rates of foreign investment should not be above 25 p. c. then I am afraid those targets will not be achieved. Anyway, Sir, the proviso which has been added to clause 21, at the instance of our friend Shri Raghunath Singh, Member of the other House, is a very wholesome provision, and I am greatly obliged to the hon. Member of the other House for having brought in such an amendment.

SHRI JASPAT ROY KAPOOR (Uttar Pradesh): But he wants to apply it to your disadvantage.

PANDIT S. S. N. TANKHA: I would suggest to the hon. Minister that he should make every effort to see that the shipping target aimed at in the Plan is achieved by us even though it may be necessary for him to have greater foreign participation than has been fixed in the Bill.

Sir, with these remarks I support the Bill.

SHRI RAJ BAHADUR: Sir, I will confine myself to three points only. Firstly, in regard to the observations made by Mr. Dave in regard to clause 150; secondly, in regard to certain observations that have been made by Mr. Tankha, Dr. Kunzru, and some other members about certain statements which I made in the other House in the last session; there, I would like to touch upon the background; thirdly, a charge that was levelled at us by Mr. Sekhar that the shipping companies complain that we have done nothing so far as their development is concerned.

So far as clause 150 is concerned, I will give the background. The background is like this. In this particular industry we have got a special institution which has served as a potent and effective instrument for settling all disputes between the seamen on the one hand and the shipowners on the other; I am referring to the National Maritime Board. All disputes are referred to that body. In case they are not settled through that body, the good offices of the Director-General of Shipping are made use of, and I can say that in almost all cases he happens to succeed, and no disputes are left unsettled. Even so, suppose there is a case where the dispute still remains unsettled, for that a provision has been made in clause 150 for compulsory adjudication. Now, in this particular industry we have got to deal not only with our own nationals but with foreign nationals as well. I may straightaway say that we have got as many as 60,000 seamen, and out of

[Shri Raj Bahadur.] these 60,000 seamen only as many as 5,000 on an average get employment on our ships, namely the Indian ships; the rest of 55,000 people have got to look for jobs on foreign ships. Therefore, on any dispute that arises between these foreign shipowners and our seamen, we shall have to take a view which should be correct in its perspective and also in keeping with the best interests of the industry itself as also of the seamen. It is obvious that we have got competitors in our neighbourhood who would like to supply seamen recruits, and we also know that we would not like to lose such a precious and such a valuable ground of opportunities for finding employment for our seamen. That being so, we can well realise that in case an award is given by the adjudicator, and the Government, in its discretion, deems it fit either to reject or modify it, that should be the last word on the subject, because after all having passed through all these stages, I do not think that any injustice can be done to the seamen simply because in an old case, one out of one thousand, the Government thinks it fit to modify or reject an award.

SHRI ROHIT M. DAVE (Bombay): Does the hon. Minister remember the Bank Award case?

SHRI RAJ BAHADUR: Sir, I very well remember the Bank Award case. But I may assure him that there is no such body in the case of the bank employees as we have got in the case of the seamen, namely, the National Maritime Board and the two cannot be compared. If an analogy has to be found, a suitable one will have to be pointed out for that purpose. Apart from that, he said that perhaps, the Government may also misuse the clause in question to its own advantage because it also runs certain shipping concerns. He referred to the Eastern and Western Shipping Corporations. They are

shipping concerns. He, however, very well knows that they are joint stock companies and they have to abide by the rules and regulations; they have to act in accordance with the law prescribed for that purpose and no advantage can be taken and no misuse can be made of this particular provision.

I will next go to certain observations that were made by Shri Sekhar. I will not take much time of the House, but I would like to say a few words about the complaint alleged to have, been made by the shipping companies that the Government had not hitherto given the required support to shipping for expansion. Sir, as the House knows, we have already given loans to these shipping companies to the tune of about forty crores of rupees—22 • 5 crores in the First Plan period and the remainder in the Second Plan period. And he also knows that just to accommodate them, we reduced the rate of interest in the case of loans taken for coastal vessel from 4½ per cent, to 3 per cent. Then he also knows that loans have been given to these shipping concerns for buying ships equal to 60 to 90 per cent, of their value. Again, we have made a pro-

vision for the control of shipping in the Control of Shipping Act, 1948 which will now be incorporated in this particular Bill and under it we have provided for coastal reservation for Indian shipping exclusively. For the rest, we cannot also ...

SHRI N. C. SEKHAR (Kerala): My point was with reference to the complaints of the shipowners that the tonnage available is not fully utilised by the Government.

SHRI RAJ BAHADUR: About that also, the hon. Member should know—and if that is his only complaint, I will restrict myself to that—that we have recently set up a Coordination Committee whose object

is to try to devise ways and means to ensure that all the Government cargo, particularly that of the State Trading Corporation, is carried in Indian bottoms as best as we can. With regard to private shippings, we are in a difficulty because, we cannot) entirely control the private trade. It is for the private trade particularly that which is in the hands of our own nationals, to see that they use only the Indian bottoms so far as they are available and not foreign bottoms. Apart from that, I think that it is for us again to consider immediately what steps we can take to do the desired thing to achieve our objectives in this respect. He also knows that during the course of the last so many months during which we have suffered from an extreme stringency of foreign exchange, we have tried to provide the necessary foreign exchange component to our shipping companies for financing schemes to buy ships and as much as 50,000 G.R.T. has been added in the last one year or ten months. Let us also remember that we have tried to open new routes. We have concluded certain agreements in regard to opening of new routes to the U.S.S.R. and Poland. He also knows that recently, we did all that we could do to finance all those arrangements that had to be made for giving facilities to the Scindias to introduce a service to the U.S.A. rather to revive their old service to that country. The very fact of the coming into being of the two Government corporations will show that we are determined to do whatever we can to augment our shipping tonnage and promote the development of shipping as best as we can.

On the training of seamen and officers—engineering and navigational officers—we are spending as much as thirty lakhs of rupees per annum and we know, Sir, that we have recently decided to increase the number of trainees in the Dufferin from 50 to 65. Also, 1600 ratings are being trained every year. Let it also be ■

recognised that in this particular sphere of training of our seamen and officers we have not so far asked for any contributions towards the expenditure incurred on this training, from the shipping companies, although in other countries it is well known, the shipping companies also have got to share or foot the bill for such training arrangements.

I will come to the last point now regarding the references that have been made about my statement in the other House last year during Budget Session and the background in relation thereto. Sir, so far as the background is concerned, clause 12 in the Bill as it was first introduced, the people who drafted this did not go much beyond what was contained in the parent Act. The parent Act in this case was the United Kingdom Act. If one can compare—I will not go into all the details—the provision of section 1 of that Act and clause 12, one would find that the provisions as contained in clause 12 were an improvement upon those contained in the parent Act. I will only refer to one particular sub-clause which refers to companies and individuals. It says:

"The ship shall not be deemed to be a British ship unless owned wholly by persons of the following description . . ."

And here all Commonwealth citizens are mentioned and so citizens of the commonwealth countries can own a ship. About bodies corporate, it says:

"Body corporates shall be owned and subjected to the laws of some part of Her Majesty's Dominions and having their principal place of business in the Dominions."

So under the old law too foreigners could come and establish shipping companies in India 100 per cent, and they could ply ships under Indian flags. So, we cannot say that the people who drafted this Bill were so wrong about it and it is obvious that the matter had nothing

[Shri Raj Bahadur.]

to do with the Policy Resolution as such. It has been explained to the House on many other occasions that the registration aspect of shipping is completely separate and distinct from the promotional aspect of it. And it is in this context that I would like to refer to the difficulty that confronts the Government. The policy Resolutions of 1947 reads as follows: —

"The Government wish to add that any company which finds it difficult to comply with any of the conditions (a) to (d)"

I need not repeat them again, such a company—

" . . . may apply for Government's specific approval to its being treated as an Indian shipping company."

Therefore, the discretion was there with the Government, at that time also, and in suitable cases, the Government could increase the percentages from 75-25 to any percentage that they chose. What I said in the House was nothing more than that. I said there "in suitable cases, depending upon merits, we could consider that question." I think my words were clear. Each case should be and had to be judged on its own merit. We could, under the resolution, consider a request for permission for larger foreign participation if it helped us in promoting our shipping industry. If it aimed at the expansion of the industry, another percentage could be applied for or granted depending on the merits of each case. But, as the Minister for Transport and Communications from time to time pointed out, not even once has this provision been made use of. In short the whole thing boils down to this that foreign participation could be accepted upto 25 per cent, but in suitable cases the power or discretion to increase it was placed in the hands of the Government. Therefore, in this Bill also we have to lay that down and make it elastic. There was a good deal of noise created in regard to this

particular provision pertaining to the nationality clause. It was hardly necessary. The proviso now makes this section elastic. We might have easily kept the provision rigid but an elastic provision instead of an inflexible one is always better; because we are not providing only for one particular situation or one particular set of circumstances. We are providing for all time to come, at least for a foreseeable future. We do not and could not like to change our law from day to day, from year to year or from time to time. Therefore, if the proviso is there, it is for this purpose, though the percentage can be reduced or expanded as the needs of the situation demand. It would depend upon the circumstances obtaining at a particular time. Also, these policies or these decisions will be governed primarily by the needs of the nation.

We are all dissatisfied with the target that we have set before us. It is only 9 lakh tons and we all know this is precious little. It does not meet our requirements. We want to have 15 or 20 lakh tons even by 1961 or 1962, even before the Third Plan. If there is any situation in which foreign participation is needed to be cut or enhanced we may perhaps do it. It can then be considered. Otherwise, as has been said time and again, we do not want to make use of this provision to the detriment of our Indian shipping Companies or to misuse them in any other conceivable way.

I may also submit, Sir, that if Mr. Tankha had read my statement in the other House a little further he would have seen that what I said on that occasion was that foreign participation by itself was not an "unmixed blessing". "Shipping is our life-line" and "foreign participation in certain cases proves to be a double-edged weapon." My statement there also was completely in consonance with the policy that each case of foreign participation shall have to be judged on its own merit if it went beyond the accepted percentage of 25%. It is in that background that we have got to consider

this clause and I do not think there is any basis or reasoning to say that the Government has been vacillating in its policies or has not made up its mind.

With these words, I think I can commend the Bill to the House.

THE VICE-CHAIRMAN (SHRI P. N. SAPRU) : Mr. Amolakh Chand. Please be very short, as we have got a long list of speakers. I should be the last person to ask you to be short, but I cannot help it.

SHRI AMOLAKH CHAND (Uttar Pradesh): Sir, I have already spoken *or about 15 minutes when the Bill was to be referred . . .

THE VICE-CHAIRMAN (SHRI P. N. SAPRU): Therefore, please finish in five minutes.

SHRI AMOLAKH CHAND: All right, Sir.

What I want to say is that I am grateful to the Select Committee for accepting so many amendments and scrutinising the whole thing very well. But what I find is, when we come to the National Shipping Board which -was introduced by the Select Committee, they could not devote much time—as much time as they could give—the seamen the benefit of a day changing it from four to five or five to four. They had no time to look into this National Shipping Board.

I would like to say that the function of the National Shipping Board will be to advise the Government on matters relating to Indian shipping including development etc. and also the Government may seek advise from them. I wanted that where a procedure is needed, there should be a procedure prescribed either by the rules or in the enactment itself. Here what we find is that they will have their own procedure. All right. How many meetings they are to hold in a year, we don't know. On what matters they are to give advise, whether it is only purely an advisory Board, as you were pleased to remark, I don't know.

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But I feel that more consideration should have been given so as to give a clear picture as to what they expect from this with this big name of National Shipping Board. What I find is that probably the Governing Body of Dufferin will also come within it because the new constitution which has been circulated to some Members—I happen to be a member of that Governing Body for a long time—there is no provision for Members of Parliament. I think probably this National Shipping Board will also govern the training ship Dufferin. Anyway, I leave it there.

But I have some fundamental objection to clause 18 regarding the Shipping Development Fund. As you have given me only five minutes, I will just point out the main defect, according to me. Now what is the purpose of this Shipping Development Fund? The idea is that there should be a body where money difficulties may not come before the shipping industry and wherever it may be necessary, money may be available as easily as possible. Supposing the Government, in its wisdom, any day finds out that this Board is not functioning well. Power has been given to the Central Government under clause 18—and I want to bring it to your notice as you are presiding at the moment—which says:

"The Central Government may, by notification in the Official Gazette, declare that with effect from such date as may be specified in the notification, the Committee shall be dissolved."

It is just like a liquidation proceeding in a High Court or in a District Court. What happens thereupon? Thereupon all the properties vested in the Committee shall vest in the Central Government. That would mean that all the funds about which the Select Committee wanted to be very particular that they may be available to the shipping industry, would go over

[Shri Amolakh Chand.]

to the Consolidated Fund of India and not a single pie can be taken out of it later on for this purpose unless and until it is voted by the Parliament. What I submit is they should have thought over the matter and have provided some method in the enactment itself that supposing they want to dissolve the Committee, there must be some power somewhere with some person—either with the Director General of Shipping or with some other Body or a small Committee—who may function and the whole fund may not go over or lapse to the Consolidated Funds of India. The third point is this and I think this might now attract the attention and if necessary, either some amendment may be brought now or after better consideration it may be amended later on. The point I wish to deal with is about the foreign participation. I am sorry that persons interested have lobbied so much that even one of the Members of the Select Committee in his Minute on page 29 says:

"I feel that the existing private shipping interests have had their way."

Later on we find that even a proviso to the definition of 'Indian shipping' has been accepted.

As there is no time for me to dilate on this point about foreign participation, I feel that the Government should come to a definite decision and try to follow it for some years and not waver like this.

Another point which I would like to point out is about the introduction of decimal system. When the Bill was being referred to the Joint Select Committee, I wanted to explain it—because in that definition it was said that a ship was supposed to have 64 shares—that now the rupee has not 64 pice but 100 paise. (*Interruption.*) Now I find in the report that they say that because of the introduction of the decimal coinage system, the definition has been

changed. Now the ownership of a ship has been divided into 10 shares and that one share of it may include 5 persons. That is mentioned in the-report. I can refer to it but I don't want to take up the time of the House. What I submit is that I congratulate the Committee for their deliberations-and study on the spot and coming to such decisions but they have overlooked some of the important points. and I wish that they may be corrected, even now. I support the Bill?

SHRI J. S. BISHT (Uttar Pradesh): Mr. Vice-Chairman, I am really grateful to you for having given me this opportunity to speak on this Bill because previously I failed in my attempt in speaking on many other matters. Probably it was my good-luck that Prof. Thomas was absent this time and so I got my chance. I must congratulate the hon. Minister for Transport and Communication for his being very accommodative, especially to the Joint Select Committee which was, by his kindness, enabled to go to the spot—to the Ports and marine offices—in Bombay and Calcutta. That enabled the Committee to make considerable improvements in the Bill, otherwise for lay-men it would have been impossible to go-into all the technicalities and details of the various provisions contained' in the Bill. As you will see from the Report of the Joint Select Committee Parts II and IV are entirely the handiwork of the Joint Select Committee, that is to say, the setting up of the National Shipping Board and the Shipping Development Fund. My hon. friend who spoke last was anxious to know as to why the National Shipping' Board is made only as an advisory body. The hon. Minister has already given an assurance, which I have no doubt he will repeat on the floor of this House that this advice will, in almost all cases, be accepted by the-Government and that is the form in which it has been put on the Statute Book.

SHRI V. K. DHAGE: He said as much yesterday, I think.

SHRI J. S. BISHT: Yes. When the Bill is finally passed, that assurance should be welcome. That assurance was given of course in the Select Committee and that was why this proviso was accepted and also this Shipping Development Fund which is a non-lapsable fund. We should not be carried away by clause 18 which is only for dissolution of the Committee, which is only a rare thing but a Statute has got to have certain such provisions.

Now we come to the most important provision in this which was clause 12 in the original Bill and which is now clause 21 in this Bill. My hon. friend the Minister for Transport and Communications will pardon me and excuse me if I say that he has been rather too accommodating in this matter because the original Bill contained a provision that a company owning, say 100% shares by foreigners could be registered under this Act as an Indian ship. Well, frankly speaking that was a mere copy, as the Minister just now said, of the British Statute without regard to local conditions obtaining in our country. England is the premier maritime State in the World.

THE VICE-CHAIRMAN (SHRI P. N. SAPRU): Not now.

SHRI J. S. BISHT: For over three hundred years it held that position. Therefore, it was even said—Britania rules the waves. And that is why they founded a great empire. India is only just beginning and she is just on the threshold of a maritime career. And I think it was only some oversight or some mistake on the part of the draftsman that the original clause was found in the original Bill. This was a matter which was agitating the minds of the Joint Select Committee. Evidence was led on the subject by all the interested parties, shipowners and all those who own these companies, especially people who had made a heroic effort in developing Indian shipping under very adverse circumstances and against acute foreign competition. And the Joint Select I

Committee was of the opinion that the clause needed very radical changes. And I may point out, Sir, that if you look at the Report of the Joint Select Committee, you will find that in its proceedings of the 22nd July it has recorded that this clause had to be modified. At that time it was thought by the hon. Minister that at least two-thirds of the shares should be held by citizens of India and the Chairman and the Managing Director should also be Indian nationals. The Committee was not agreeable to it and the question came up again on the 23rd July before the Committee. The proceedings show that consideration of clause 12 was again held over, mainly because that point was not acceptable to the Committee. Then you will note that on the 24th July the final draft of clause 12 came up and there it was decided that at least 75 per cent of the shares should be owned by Indian nationals and that was the proposal which was fully accepted by the Government at that time.

Sir, there are very cogent and strong reasons why 75 per cent, should be fixed as the proportion. In the 1947 Resolution of the Government of India, that percentage had been accepted as the basis of the policy of the Government of India for developing Indian shipping. Secondly, under the Indian Companies Act, there are a large number of provisions which cannot be changed or decisions which cannot be taken without a majority of at least three-fourths of the shareholders. It was found necessary, therefore, that Indian shareholders should have this percentage so that they could never be overruled by foreign interests. That is the main reason why 75 per cent, was fixed as the basis for the share of Indians and I think it was a very wise decision.

Many arguments had been advanced. In fact there was a proposal before the Committee that foreign shares should be allowed to the extent of 40 per cent. In fact, there was a proposal that it may be allowed to the

[Shri J. S. Bisht.]

extent of even 49 per cent. I personally am in favour of foreign participation in the development of our industries. No under-developed country can make progress without such foreign participation, because we have not got the necessary capital with us. But so far as merchant ships are concerned, it is an entirely different thing altogether. It is not merely an industry, but it is also our second lines of defence. The whole of our import and export trade, in fact, depends on our merchant shipping. We noticed that at the time of the partition of India the job of the removal of the refugees from one part of the country to the other part was done by Indian ships entirely. No foreign ship came forward to help us at that time. Similarly in case of emergency, as for instance the Suez crisis, or a crisis of some other kind it is doubtful if any foreign ship would be helpful, because their interests may lie elsewhere or their sympathies may lie elsewhere and they will find a thousand and one excuses not to help us at that time. So this is our second line of defence. It is not only mere merchant shipping, but it is merchant navy and it is vital that Indians should have the dominant interest in it. In fact I must state there are small countries, one in Africa—Liberia—and another in Central America—Panama—which you will be surprised to learn have a total tonnage registered under their laws, tonnages fantastically large. Surely we do not want on the Indian Register Indian shipping of that magnitude made up in that manner. It is a mere bogus thing. Anybody, any foreigners or consortium of foreigners could come and merely register themselves under the Indian Act. Could you by any stretch of imagination call that Indian shipping? There may be six or seven or eight million tons. In fact Panama has more than ten million tons. But that is not their shipping at all. They have not the necessary control over them. After all, ships are not located in your country over which you have physical

possession or physical control. They are on the high seas and at a moment of emergency hardly 10 per cent, of your shipping may be in your ports. The rest 90 per cent, will be on the high seas.

SHRIMATI SAVITRY DEVI NIGAM (Uttar Pradesh): Even if it is 100 per cent., the ships can be taken over by us.

SHRI J. S. BISHT: That is quite true and the hon. Minister has assured us many times. But even if you allowed cent percent participation by foreigners, would they ever invest their money? After all, are you going to throw away your hard-earned money in that way? You may be interested in developing your shipping. But nobody is going to risk his money on ships which, as the hon. Member pointed out, could be taken over overnight by passing an ordinance or some such thing. Still you have no physical control or physical possession over them. You may pass a law on paper. In the case of other industries like the steel industry or the textile industry you have them located in the country and you have got immediate control and possession over them. You can ask the army to march and take them over. But the ships are floating on the seas and you cannot take possession of them. Your taking over will be merely a "paper taking over".

SHRIMATI SAVITRY DEVI NIGAM: Your ships, if they are on the high seas can come back.

SHRI J. S. BISHT: But you do not have physical control or possession of them, because they are away. Therefore, I am in favour of not allowing foreign participation in this and for once at least, I am in agreement with the hon. Member, Mr. Khan, of the Communist Party that no foreign participation should be allowed here.

SHRI JASPAT ROY KAPOOR:
Walking into his parlour.

SHRI J. S. BISHT: In the other House the hon. Minister has accepted

a private Members' motion for adding a proviso to this clause, namely, clause 21 which says:

"Provided that the Central Government may, by notification in the Official Gazette, alter such minimum percentage,".

I would invite your attention to the word "alter" occurring here. It does not speak of adding to or subtracting from. It may be increased or it may be decreased. It may be altered. But I hope the hon. Minister will only increase it from 75 per cent, to 85 per cent, and even to 95 and 100 per cent, and never reduce it from 75 to 74 per cent. I hope that is the . . .

SHRI H. P. SAKSENA: The sense of the House.

SHRI J. S. BISHT: Yes, that is the 'sense of the House and also the assurance of the hon. Minister, because ! we do not want that by a backdoor method you should alter it in a manner which is inconsistent with the overwhelming decision of the Joint Select Committee and the pressure of public opinion which, I should say, induced the Government to kindly accept that particular proposal. That word "alter", as I said, is a very convenient one. But it should mean only that you can change it from 75 per cent, to something more. It says that the minimum can be changed. So you can change it from 75 to 85 or 90 per cent. In fact, the hon. Member, Shri Dhage, has been always anxious he has already given notice of an amendment that it should be 100 per cent. There may be technical difficulties. There is for instance, the Mughal Line which is already partly owned by British citizens. That might create some sort of difficulty. If you make it 100 per cent., then these ships which are already Indian ships will not be registered as Indian ships and they will be put in some sort of a difficulty.

We do not want to create any such difficulty.

THE VICE-CHAIRMAN (SHRI P. N. SAPRU) : May I point out that the hon. Member has taken more than ten minutes. I am very very sorry but the time is limited.

SHRI J. S. BISHT: I understand it, Sir. Therefore, with all these good points, I would appeal to the hon. Minister to give an assurance on the floor of this House and, through the House to the whole country and the shipping interests that if ever he alters this percentage, he will alter it in the direction in which my hon. friend, Mr. Dhage points out which would gradually work up to 100 per cent.

DR. R. P. DUBE (Madhya Pradesh): The previous speakers have been talking about the legal points but I, not being a lawyer, am not going to talk about legal points. I am going to make a suggestion and I do not know whether the hon. Minister will accept it or not. I personally think that the target that the Planning Commission has fixed so far as the shipping industry is concerned, that is, 900,000 tons, is I think most inadequate. Why can't we increase that target? People are against foreign capital coming in but the Minister yesterday mentioned that Japan was willing to give hundred million dollars loan to enable us to increase our shipping tonnage. This will mean that we will get about 150 to 200 ships but the Minister said that we have not got men to man those ships. It seems that we have not got the personnel to man all these 150 or 200 ships. If that is the case, why can't we take a little less so that we can have forty or fifty ships? I am perfectly sure that even these forty or fifty ships are not coming in a day. They will take some time before they can reach us and by that time we can get the men to man them. We have got seamen of our country working in other foreign ships; these people could be drafted to our service. We have got officers of Indian nationality working in British ships and we can have those officers and by that time we can also train more officers. My contention is

[Dr. R. P. Dube.] that if we have more ships, we will be able to save a lot of foreign exchange that we are at present spending by way of payment of freight charges to foreign companies. I think about 80 to 90 crores are being spent on this account; I do not know the exact figure but I think it is somewhere round that figure. That is the main reason why I am requesting the hon. Minister to think over this question and not to just straightway reject it on the ground that we have not got the men to man them. I think if you cannot have 150 ships or 200 ships, you can have 40 or 50 ships.

I have nothing more to say excepting to make this request. I have not got time to go into details and I also do not want to go into the various clauses of the Bill which have been¹ already discussed by other Members.

SHRI H. P. SAKSENA: Mr. Vice-Chairman, I must thank you for the very kind opportunity that you have given me to express my views on this Bill. I begin with genuinely and wholeheartedly supporting the Merchant Shipping Bill which was presented to us yesterday in a very patriotic speech which was full of fervour and national sentiment, for which again I congratulate the hon. Minister who placed it before us yesterday. By a very happy coincidence, Sir, yesterday when the Merchant Shipping Bill was placed in this House, our Vice-Admiral Katari was taking an Indian fleet consisting of ten naval ships from the Port of Cochin, bearing the name of Mysore—I wish the Deputy Chairman were here as I would have referred him to the State that he comes from—and others for purposes of combined exercises to be carried out under the tactical command of Vice-Admiral Katari.

Now, Sir, so far as the 461 clauses of the Bill are concerned, there is no necessity very much to deal with them clause by clause for the very simple reason that it all depends upon how the instrument that the thing produces

is made use of. It is only determined by the person who places it before you and the sentiment and the fervour with which he is animated.

Sir, there are only a very few points I should concern myself with and the most important of them all is the entry of equity capital into the shipping industry. None whatsoever, by no means at all, should it be permitted.

THE VICE-CHAIRMAN (SHRI P. N. SAPRU): You mean foreign equity capital?

SHRI H. P. SAKSENA: Yes, foreign equity capital. It should never be permitted to be included in the list of moneys that we require. Our indigenous shipping industry is making headway. It has practically completed the target of 900,000 G. R. T.

THE VICE-CHAIRMAN (SHRI P. N. SAPRU): You should not strain yourself.

SHRI H. P. SAKSENA: I am not straining myself. If you would very kindly put up with me for a couple of minutes, I shall have finished.

The good points of the Bill are, as has been pointed out by other hon. Members, that for the first time in the history of our shipping in recent years of course—I am not talking of the ancient times—we are going to have a national register in which all the ships sailing on our seas or on the seas of other countries will be registered. The management has been entrusted to the care of a Development Board and the functions of the Board have also been mentioned. There would be twenty-two members and sixteen of them will be non-officials. Only six will be the Members of Parliament, four from the other House and two from this House.

I have, Sir, always been a lover of nature. Nature, Sir, is best represented by the best and the most beautiful specimen of the handiwork of men; including, of course, the women.

And in order to appreciate the handiwork of the men who have been made in the manifestation of God, himself you have got to look upon the work that has been presented by my friend Mr. Patil. Therefore, Sir, criticising it and looking at it askance from this angle of vision or that angle of vision is not my line, and therefore, Sir, I give my wholehearted support to this Bill.

श्री पां० ना० राजभोज (बम्बई):
उप सभाध्यक्ष महोदय, यह एक मंतोप की बात है कि जहाजरानी उद्योग का एक राष्ट्रीय कानून हमारे सामने है। भारत में पहली बार जहाजों की नौद हो जायेगी और यह उद्योग को बढ़ाने के लिए तथा उद्योग में काम करने वाले मजदूरों के कल्याण के लिए एक डेवलपमेंट फंड का निर्माण किया जा रहा है। यह उद्योग बहुत महत्वपूर्ण है। नेवी से कम महत्व का शिपिंग उद्योग नहीं है बल्कि नौसेना के बाद दूसरे नंबर पर है और इसको रक्षा की दूसरी पंक्ति कहना अतिशयोक्ति नहीं है।

मेरे कहने का मतलब यह है कि इस उद्योग का महत्व हमारे पुराने जमाने में भी माना गया था और हमारे जहाज यहाँ से अन्य देशों में जाते थे। लेकिन जब से हिन्दुस्तान में ब्रिटिश राज हुआ तब से इस उद्योग की अवनति हुई और उसको जान बूझकर खत्म किया गया। हमारे उद्योग प्रस्ताव में इसकी नौद की गई है और प्रथम पंचवर्षीय और द्वितीय योजना में भी इस उद्योग के लिए ४५ करोड़ रुपया दिया गया है। मेरी प्रार्थना यह है कि यह जो बिल है वह बहुत अच्छा है। इस बिल में सब से अधिक जो विवाद की बात है वह परदेसी हिस्से की है। इस बिल के मुताबिक इस उद्योग में ७५ परसेंट टका पैसा जो होगा वह भारतीय लोगों का होना चाहिये। इसके साथ ही साथ इस परमैटेज को बढ़ाने की ताकत सरकार को दी गई है। लेकिन इस चीज को लेकर कुछ लोग सरकार को

क्रिटिसाइज करते हैं और कहते हैं कि सरकार परदेसी लोगों को प्रोत्साहन दे रही है। मेरी प्रार्थना यह है कि जब हम पंचशील की बात हर वक्त कहते हैं तो हमें दूसरों के साथ सहजोवन की बात कार्यरूप में अपनानी चाहिये। जब हम पंचशील की बात बोलते हैं तो दूसरों के साथ परदेसियों के साथ हमें अधिक से अधिक प्रेम बढ़ाना चाहिये।

DR. R. B. GOUR (Andhra Pradesh): I think, Sir, the hon. Member may come straight to his point; He wants a Scheduled Caste representative on the Board.

श्री० पां० ना० राजभोज : दूसरी प्रार्थना यह है कि इस उद्योग में जो हमारे सीमेन हैं वे कम दर्जे के छोटे वर्ग के लोग हैं, उनको स्टाफ में ज्यादा से ज्यादा लिया जाना चाहिये। इस उद्योग में शिड्यूलड कास्ट और अदिवासी जाति के जो स्किलड वर्कर हैं उनके बारे में मंत्री महोदय से यह प्रार्थना है कि उनको ज्यादा से ज्यादा प्रोत्साहन मिलना चाहिये। इस उद्योग के बोर्ड में कई प्रकार के लोग आ जाते हैं। बोर्ड को बढ़ाने की कोशिश हो रही है वह अच्छी है। बिल के अनुसार बोर्ड में जो प्रतिनिधि होंगे उसमें मजदूर और दूसरों का हित करने वाले लोग भी रहेंगे जो सब दृष्टि से अच्छा होगा, ऐसा मेरा विश्वास है।

क्लाज १२ में एम्प्लायमेंट ऑफिसर के बारे में कई प्रकार के रूलस एंड रेगुलेशन जो बनाये हैं वे अच्छे हैं। क्लाज २१ में इतनी क्लीयर पोजीशन है कि उसमें जो इंडियन शिप रजिस्ट्रेशन के बारे में कई बातें लिखी गई हैं वे सब अमल में आयेगी ऐसा मुझे विश्वास है। इस बिल में सीमेन की ट्रेनिंग के लिए जो ३० लाख रुपया खर्चा गया है उसे भी ज्यादा से ज्यादा बढ़ाने की जो कोशिश की जा रही है वह अच्छी बात है।

ज्यादा कुछ कहना नहीं चाहता हूँ। किन्तु एक दो बातें और निवेदन करके मैं अपना भाषण समाप्त कर दूँगा। इस बिल

[श्री पा० ना० राजभोज]

में सरकार का यह प्रयत्न है कि इसमें ज्यादा से ज्यादा रुपया सरकार का लगे। इस बिल में नेशनल शिपिंग बोर्ड की स्थापना भी महत्वपूर्ण है। संसद् के प्रतिनिधित्व को बढ़ाया गया है किन्तु नाविकों तथा आम जनता को भी इसमें दिलचस्पी लेनी चाहिये। उनका प्रतिनिधित्व उसमें होना चाहिये।

दूसरी बात यह है कि विदेशी कम्पनियों में विदेशी कामगारों की संख्या पर नियंत्रण करना चाहिये। हमारे लोगों को शास्त्रीय ज्ञान मिलने की कोशिश होनी चाहिये।

सीमेन के काम के घण्टे, बेतन, ग्रेचुइटी वगैरा कल्याणकारी योजना करनी चाहिये क्योंकि भारतीय सीमेन बहुत सस्ता है। उसको दुनिया की मार्केट की स्थिति मालूम नहीं है। उनमें यूनियन नहीं है, उसकी शुरुआत होनी चाहिये और उसको दूसरे उद्योगों के साथ-साथ आगे बढ़ाना चाहिये। इसलिये मेरी प्रार्थना यह है कि सदन में जो बिल इस समय लाया गया है वह सब दृष्टियों को विचार करके लाया गया है। जो लोग यह कहते हैं कि इस उद्योग को नेशनलाइज किया जाना चाहिये, इसका राष्ट्रीयकरण किया जाना चाहिये, इसी उद्देश्य को दृष्टि में रख कर हमारे पाटिल साहब यह बिल लाये हैं। उनके हृदय में

THE VICE-CHAIRMAN (SHRI P. N. SAPRU) : Please bring your remarks to a close. I am sorry to have to ring the bell.

(Interruption.)

श्री पा० ना० राजभोज : तो जो लोग इस तरह का क्रिटिसाइज करते हैं, भलत दृष्टि से करते हैं।

(Interruption.)

श्रीमती सावित्री देवी निगम: उप सभाध्यक्ष महोदय, सचमुच जैसा कि अन्य सदस्यों ने कहा हम सब लोगों के लिए यह अत्यन्त गौरव और सौभाग्य की बात है कि इस

विधेयक के द्वारा पहले पहल भारतीय रजिस्टर पर हमारे सर्वा जहाज रजिस्टर किये जायेंगे। श्रीमन्, इतने सन्देह नहीं कि इत विशाल राष्ट्र का चहुमुखी क्रमिक विकास बहुत कुछ इस महत्वपूर्ण शिपिंग उद्योग के विकास पर निर्भर है। इसलिये इस विधेयक पर विचार करते समय हमारे लिये आवश्यक है कि हम तीन बातों की ओर विशेष रूप से ध्यान रखें।

पहली बात यह है कि सन् १९४७ के प्रस्ताव के निर्णय के अनुसार तृतीय योजना के अन्त तक २ मिलियन जी० आर० टी० का टार्जेट पूरा करना है। दूसरा यह कि प्रतिवर्ष लगभग १५० करोड़ से कुछ अधिक फ्रॉरिन एक्सचेंज फ्रेट के रूप में जो हम खो रहे हैं उसको बचाने की कोशिश करें और तीसरा यह कि शिपिंग उद्योग का इतना विकास, इतनी तरक्की करना है कि यह हमारे देश के लिए सचमुच एक सेकण्ड लाइन ऑफ़ डिफेंस बन सके। अगर हम मान लें कि मौजूदा स्थिति, ७ लाख जी० आर० टी० का जो टार्जेट है, वह पूरा हो जाय तो फिर ११ लाख जी० आर० टी० को यदि हम १९५६ से १९६६ तक के ७ सालों में बांटे जिसे हमें इस बीच में पूरा करना है—तो हर साल एक लाख ७५ हजार टन के हिसाब से पूरा करना पड़ेगा और जिस के लिये हमें २३ जहाज हर साल २३ करोड़ मूल्य के चाहिये। तो श्रीमन्, मैं यह पूछना चाहूंगी कि जब हम इतने लोन आलरेडी ले चुके हैं तो क्या हम इतनी कैपेसिटी रखते हैं कि २० करोड़ रुपया प्रतिवर्ष लेते रहें और उसमें ६ परसेंट के हिसाब से ४ करोड़ १० लाख रुपया हर साल वापस करते जायें। श्रीमन्, यदि हम में यह कैपेसिटी नहीं है तो मैं पूछना चाहूंगी कि क्या हम इस टार्जेट को बिना फ्रॉरिन इक्विटी कैपिटल इनवाइट किये हुए पूरा नहीं कर सकते हैं ?

श्रीमन्, इस तरह से हम विदेशों से कब तक लोन लेते रहेंगे ? इस तरह से तो हम देश

को बेचते जायेंगे। इसलिए हमें इंडियन शिपिंग की डेफिनिशन को बदलना होगा जैसा कि मैंने अमेंडमेंट दिया है। अगर वह मंजूर हो जाता है तो उससे स्थिति बदल जाती है क्योंकि जब तक हम कंट्रोल रखेंगे तब तक हम लोगों को ८ करोड़ रुपया हर साल इक्विटी कैपिटल के रूप में मिल जायेगा। मेरी समझ में नहीं आता कि इसमें क्या नुकसान है। मैंने श्रीमन् जो अमेंडमेंट दिया है उसमें यह बात साफ है कि जहां डाइरेक्टरेट का परसेंटेज, मैनेजिंग एजेंट का परसेंटेज है बिल्कुल वही रहेगा जो मौजूदा बिल में है। हमारा फॉरिन इक्विटी कैपिटल जो है वह अधिक हो सकता है इससे हमारे शिपिंग उद्योग में इतना अधिक महत्वपूर्ण विकास हो सकेगा, उन्नति हो सकेगी जिसकी कि वास्तव में हमारे लिए बहुत आवश्यक है।

श्रीमन्, एक बात बहुत लाभ की है अगर हम उसे स्वीकार कर लेते हैं। यदि हम "६०—४०" का अमेंडमेंट मान लें तो २० जहाज २ करोड़ की क्रामत के हमें तुरन्त मिल सकते हैं क्योंकि जहाजरानी के दाम आजकल तेजी से गिर रहे हैं। यदि उसका पूरा फायदा हम उठा सकते तो न हमें लोन लेने की चिन्ता होगी न हम वह फॉरिन एक्सचेंज ही खोंगें, क्योंकि जितना भी फॉरिन एक्सचेंज इन जहाजों से हम कमायेंगे उसे हम नये जहाज खरीदने में लगा सकेंगे। इससे साथ ही साथ हम करोड़ों रुपया फ्रंट के रूप में जो पूल है, उसमें देते हैं, उसे बचा सकते हैं।

श्री हर प्रसाद सक्सेना : आपकी समझ में नहीं आ रहा है।

श्रीमन् सार्वित्री देवी निगम : अभी एक भाई ने कहा कि क्या जरूरत है, क्या आवश्यकता है फॉरिन इक्विटी कैपिटल की। अगर वे जहाजरानी के उद्योग के इतिहास पर और वाक्यातों पर दृष्टि डालते तो वे इस प्रकार की दलील नहीं देते। अगर उन्हें कहीं रुस से फॉरिन कैपिटल आने की आशा

होती तो हमारे अगोजीशन वाले भाई कभी भी फॉरिन कैपिटल का विरोध नहीं करते। उनको तो जिस प्रकार का ब्रॉक मिल जाता है उसी के अनुसार एक स्वर से कहना शुरू कर देते हैं। इसलिए मैं समझती हूँ कि हम लोगों को राष्ट्रीय दृष्टिकोण से, हर चीज को देखते हुए बिना किसी संशय और भय के इस शिपिंग उद्योग का विकास करने के लिये बड़े ध्यानपूर्वक और समझदारी से काम लेना चाहिये।

श्रीमन्, अभी हाल में श्री मोरारजी भाई ने विदेश में अपने एक भाषण में कहा कि वे फॉरिन इक्विटी कैपिटल का स्वागत करेंगे और उसे पूरा सहयोग देंगे। इसलिए मुझे श्रीमन् पाटिल साहब का यह कहना बिल्कुल आउट ऑफ टाइम और आउट ऑफ प्लेस मालूम होता है कि हम लोग फॉरिन कैपिटल नहीं चाहते हैं—एक पैमे का भी। ये दोनों बातें एक दूसरे से कितनी भिन्न हैं। मैं चाहती हूँ कि ऐसी बातें जब हमारे माननीय मंत्रीगण, कैबिनेट के सदस्य कहें, तो उसमें सन्तुलन और सार्थक्य जरूर होना चाहिये।

[MR. DEPUTY CHAIRMAN in the Chair]

श्रीमन्, क्लोज २१ में जो प्रोवाइजो एक्सेप्ट किया गया है, मैं उसका स्वागत करती हूँ और मैं इसके लिये मंत्री महोदय को, धन्यवाद देती हूँ। मैं चाहती हूँ कि जिस वातावरण की सृष्टि हुई है उसे बनाये रहने दिया जाय ताकि फॉरिन कैपिटल आ सके। जो हमारे समय का प्रोवाइजो है, सन् १९४७ का रेजोल्यूशन है, उसको मैं पढ़ती हूँ :

2 P.M.

"The Government of India wish to add that any company which finds it difficult to comply with any of the conditions (a) to (d) above, may apply for Government's specific approval to its being treated as an Indian Shipping Company. Such applications will be considered by Government in the light of

[Shrimati Savitri Devi Nigam.]

the reasons for which the Company asks for special treatment and the circumstances which prevent it from complying with all the four conditions."

तो मैं सोचती हूँ कि इस नये प्रोवीज़ों में कोई नई बात नहीं कही गई है। बस पुराने रेज़ोल्यूशन को ही दुहराया गया है।

श्री उपसभापति : दो बज गये।

श्रीमती सावित्री देवी निगम : जब तरह तरह के भय हमें दिखाये जाते हैं और यह कहा जाता है कि यह हमारी सैकेड लाइन ऑफ डिफेंस है और हमें फ़ॉरेन पार्टिसिपेशन (foreign participation) में खतरा है तो मैं यह कहना चाहती हूँ कि यदि हमारे हंड्रेड परसेंट शेयर हों और हमारे नेशनल शिप क्रिती और शोर पर हों और लड़ाई छिड़ जाये या कोई एमर्जेंसी क्रिस्ट हो जाये, तो हम कुछ नहीं कर सकते हैं। उन शिप को बही देना रोक लेंगे। इसके अतिरिक्त जब डाइरेक्टर्स ७५ परसेंट इंडियन होंगे और मैनेजमेंट हमारा होगा तो हमें इस प्रकार की संकाएं नहीं करनी चाहियें।

श्री उपसभापति : आप समाप्त कीजिये।

श्रीमती सावित्री देवी निगम : मन्त्री महोदय से मेरी यह प्रार्थना है कि वे मेरा ९० और ४० परसेंट का अमंडमेंट मान लें। इससे हम १५० करोड़ फ़ॉरेन एक्सचेंज जो फ़ंड के रूप में हर वर्ष हमारे हाथ से निकल जाता है वह बचा सकेंगे और हमारे शिपिंग उद्योग की तरक्की भी हो सकेगी। धन्यवाद।

DR. P. J. THOMAS (Kerala): First of all, I should like to congratulate the Government on this very important Bill. To my mind it is a very good work of consolidation and I think the Government and its advisers deserve credit for that, because all the old Acts and decisions have been brought together and con-

solidated in this. And I think it will remain for a very long time as a very valuable piece of legislation and Government has to be congratulated on that.

Now, the most important point on which differences arose is about foreign participation which is covered by clause 21. The Government has already made provision for 75 per cent, of the directors being natives of India and all that, and therefore the necessary safe-guards have been provided, and so if the foreign participation is 25 per cent, or even more, not much harm can be done to the country. After all, in these days when foreign exchange is so much in demand in the country, when we are unable to increase our exports, we certainly must depend upon either loans or equity capital from outside. Now, loans are not going to be of much use, because first of all, they are not so easily available and secondly they throw a great burden upon us. The companies that take loans will be very much hit and they will have to carry a heavy burden and some of them probably may go phut if you insist on only loans being taken by them.

As for the proviso under clause 21 about the Government being given special power to change the ratio of foreign participation, I think it is a wise decision. After all we all believe in State action and therefore it is best that we leave it to the Government as advised by the Board. And so long as a strong man like our present Minister is in charge, I have no doubt that Government will see to it that foreign participation is to our advantage and not against our interests. And we have also got very important people in our shipping world, people like Shri Ramaswami Mudaliar, who know all about these things. He has told the Select Committee the difficulties he has had to encounter in the shipping conferences, but with a strong Minister and a strong Government here he will be very much stronger. I hope other companies also will come up; after all we have got

only two companies now which are participating in the conferences. We require more companies in the conferences and the Government must help these new companies and thereby make India a stronger participator in these conferences. It is only thus we will be able to raise our shipping standards to higher and higher levels.

I have only one point to mention. Now, the -word 'continent' has been used for India in the clause on definitions and geographers, I do not think, would agree to that. Probably it is found in some earlier Act and it has "been copied in here. At least now we must correct that to 'sub-continent'. "The area of India and Pakistan may be rightly called a sub-continent. Even China which is far larger and more populous than India has not called itself a 'continent'. Therefore it is desirable that we should correct that word. I have not given any amendment but I do hope the hon. Minister will look into the matter and change the word into 'sub-continent'.

SHRI S. K. PATIL: Mr. Deputy Chairman, I am extremely grateful for the reception that has been given to this Bill. The fact that as many as 24 Members have participated in the discussion and made a good many constructive suggestions is proof positive of the very keen and live interest that this House takes in this Bill. I shall confine myself to only just one or two points because if I just go on referring to all the criticisms about all clauses, it may drag me on to other fields and the particular point which I want to emphasise might not get that much attention which I must give to it. Therefore I shall address myself mainly to clause 21 which defines Indian Shipping and on which there have been all these criticisms and suggestions. Incidentally I would tell you—the House has a right to know, as some charges have been made that the Government have been shifting their position, changing their policy and so on ancj so forth—a word in explanation as to how this Bill came to be introduced, how this 25

came in, how even 100 per cent foreign participation merely for registration purposes came in, and how even this 51-49 ratio came in. It is not due to any change of policy or attitude on the part of the Government—not that I am ashamed; if the Government want to change it in the larger interests of the country the Government have every right to do so—in this particular case it has not so happened that there was any change in policy. Therefore I owe an explanation to the House.

So far as 100 per cent. foreign ' capital for purposes of mere registration alone is concerned I explained in the other House that supposing merely for purposes of registration any ship with 100 per cent, foreign capital wished to come here and put itself on our register subjecting itself to all the rules and all the laws of this country, I not only that but to all the regulations I even of taxation, then surely the Government thought, the drafters who were responsible for drafting the Bill thought, that there was nothing wrong because it was merely for purposes of registration and not for any development or promotional activities where Government loans etc. would have to be given. It was not going to be bad even if the larger interests of the country were taken into consideration.

So far as the 25-75 ratio is concerned, I think one hon. Member rightly said—I have also explained it elsewhere—that it was purely notional and symbolic from the very beginning because when we parted from Pakistan a situation arose when there was no company in India which could claim that it had 100 per cent. Indian capital because the shares were held by j people whose nationality was doubtful and it is doubtful in some cases even now. Therefore Pakistani citizens, Burmese citizens, people who were ! with us 20 years, 11 years and 10 'l years back, were all participants and I they had shares sometimes to the tune ' of 10 per cent., 15 per cent, and 20

[Shri S. K. Patil.] per cent, and so on. Therefore it was thought that in order not to make any mistake at all that no disqualification should apply to any particular industry by reason of its shares being held by people who were non-Indians, a wide margin of 25 per cent, was put in. That is how this 75-25 ratio came in the 1947 Resolution. But whether it is 25 or 51 or 49, as I said, I have always held that it is notional; it is symbolic. In other countries also it has not been taken advantage of. I have gathered some material and it would be very useful to the House to see as to how other countries which are maritime countries—maritime powers they call it—and which have got larger mercantile marine, in some cases over 30 million G.R.T. and in no case below 4 or 5 million G.R.T., have acted in this matter. It will be very interesting for us to note that. Now, I am not taking the very small countries. Some countries have 50 per cent, so far as their legislation goes and important among them is France which is a great maritime country. Greece has got a large merchant fleet and Haiti, they have got 50 per cent, participation of their own which means naturally 50 per cent, foreign; it is of course in law, in theory, but not in practice. Now 51 per cent, is majority; 50, I cannot call majority, but 51 per cent, is majority. Now Belgium which has got a big mercantile marine—and they also build ships for others—has got 51; Germany has also 51. These are countries which have got mercantile marine and they are also builders; they build ships for the rest of the world. Now, Italy is a big maritime country and in Italy something is very significant which the House should know. In the original Act of Italy, that is, the Act that was made in 1942—and it is not very ancient—they had said that their capital—it means the indigenous capital of Italy—should have a predominant interest. That was the expression used. 'Predominant interest', whatever it is, would mean that it is more than 51 per cent. It can be anything. But the actual expression used

was 'predominant interest'. But in 1952 they themselves thought, ten years afterwards, that the word; 'predominant interest' had got to be defined. Why that should arise for a definition I am not prepared to say. I do not know. But when it was defined, the definition was that the national capital must be at least 75 per cent.—exactly the thing that we are having today. Now, coming to some other countries, it is 66 per cent, in the case of China and Denmark. And in U.S.A. it is 51 per cent, so far as the theory goes. But there also for their coastal trade it is 75 per cent. That we have got. Now, it may be said that these might be the figures, but there also it is 51 and 75. What I am quoting is this that they are notional figures in the sense that advantage has not been taken by the foreign equity capital, by anybody there, according to our information. If it were so, I could now explain the position which would appear very curious indeed. References have been made to Panama and Liberia shipping. Panama has got somewhere about 4 to 5 million G.R.T. and Liberia has got 7 million G.R.T. Now, they are ships which are called flags of convenience. Why is it so? Panama and Liberia are small countries and they are not really interested in increasing their shipping. Because there are not those drastic laws and taxation and other things there, it pays the investors to go and invest their money in Panama and Liberia and they can make profit. Therefore, you will see that all the 4 or 5 million G.R.T. in Panama and 7 million G.R.T. in Liberia, perhaps more than 90 per cent, of it, belongs to the non-Panaman and non-Liberian people, because they are the flags of convenience. Anybody can invest money there. The laws by which restrictions are imposed by other countries are not there. Also, there are not these drastic taxation laws there. And, therefore, they can make some profit. Therefore, let us not compare ourselves either to Panama or Liberia.

Now, I would go a step further and say that those people who feel

that possibly other countries will come and invest money in India should know that many people from the United States and the United Kingdom are investing money in the Panaman and Liberian shipping. Now, may I ask in all humility . . .

SHRI JASPAT ROY KAPOOR: So, we have nothing to be afraid of.

SHRI S. K. PATIL: No. What I am saying is that if it were possible for any equity capital—I am arguing a different thing—although in theory and in law the other people could go and invest money, they are not investing. If they were investing money, why should the people in the United Kingdom and U.S.A. go and invest money outside? It is because they find that it is convenient for them to do so. I am merely saying so because all these percentages that exist elsewhere are merely for purposes of legislation. I call it symbolic; call it notional. You may call it in any way . . . *(Interruption)* . I am not yielding, because I do not want that the chain of my argument should be broken. The time at my disposal is very short. What I am told is that many people here seem to imagine—and I wish I were in a position to share their confidence—I have got the greatest respect for the views expressed by my hon. friend, Dr. Kunzru. I have listened to him with rapt attention, because he is entitled to that. If there was anything in it then indeed the advice of an elder statesman, of a wise man, I would have been easily prepared to take. He said—and there is nothing wrong about it—that I am rather stubborn in my attitude. In all humility I would tell my hon. friend, Dr. Kunzru, that I may be. I am not quarrelling with him, because he said so. But I am much too practical in life to be stubborn in anything. And if I really knew that my national shipping was going to get that kind of help which sometimes people imagine they are going to get I would not even appear to be as stubborn—■not that I have been—as sometimes

people feel that I am stubborn. I shall tell for very good reasons that this is not going to happen.

You will see that apart from the fact that ship is a second line of defence, etc., very rightly it has been pointed out by some of the Members that shipping is a kind of a vital industry, where the national laws are going to be so drastic in times of emergency that anybody who wants to engage in equity capital or share capital ought to be afraid in engaging in it, because it is not like any other industry.

Another thing is that in 1947 when we made our last policy about shipping, there also not only the percentage of foreign participation was 25, but there was a proviso which was read by the hon. lady Member here that wherever any company found or anybody found that by inviting or having more participation of foreign capital, the company could go on better, the Government had reserved the right of considering the case and even allowing that company to have a larger participation than 25 per cent. One such company, I am told, came and it was pointed out that they wanted some 33 per cent or something. Even when it was granted, we had the smell of it, but I have not seen the substance of it, of any capital coming from anywhere. What I am telling is that even during the last eleven years, in the very formative stages of our ship-building, when it was open to the Government to have a little larger participation if the foreign capital was coming, we did not even try it. We did not believe in it. The Government does not go in for it. Apart from that, the Government has not got the monopoly of wisdom. Other people might say, why did you not try, because we are having foreign equity capital in many of our concerns, loans also from many concerns. But there was no offer up to date of anybody who is prepared to have that capital. It appears as if foreign capital is waiting in the lobbies, waiting merely for the door to be opened. You invite it by changing

[Shri S. K. Patil.] this Bill and the foreign capital is coming, seems to be nothing short of a hallucination. Such a thing does not exist. And, therefore, being a practical man, I look to these things. While there is no chance of getting it anywhere and I am not getting it, yet I am making enemies of people who are in it and who are doing something about it and so on. By a curious coincidence and for different reasons altogether, as it were, you find the communists, the ship-builders and shipowners and the Government, all have come to one conclusion. There is nothing wrong about it. There is nothing sinister about it. The reasons may be different, because the communists do not want or the leftists do not want that there should be any outside capital for other reasons, because the foreigners should not come. The Government wants that in such a vital trade we need not have any interference of the foreigners, because it is a very vital trade. The shipowners, because they have got larger ships, do not want that the foreigners should come and help some other company and have it. It is true. I understand all those reasons. But the fact is that all these three elements, looking to be so very opposed to each other, have ultimately come in one pool, which ultimately really protects the national interests of this country and I think like a practical man it is my duty to accept that position, and I do not say that because you belong to another group therefore the things are wrong. Therefore, Sir, while the foreign capital in that sense is not forthcoming, everybody said and my friend Shrimati Savitry Devi Nigam said, how can we build all that tonnage without foreign participation? In what dreams she got it, from where, that this capital would rush to India, with the help of which I am going to build those ships, I do not understand. If she says the source of foreign capital I could really go and have it—I wish she says that. I have got that proviso added in her interest in order that all those dreams could be realised and that the foreign capital

could be utilised, if there is a foreign, capital of that type.

I have the greatest respect for my hon. friend Mr. Sapru. He advanced a very curious argument which I did not understand. He says that if we have got these companies in India, these companies are trying to, monopolise, that Scindias have got more shipping, and so on and so forth. It may appear like that. Nobody went to the help of Scindias when they were in difficulty, but they are in difficulty all their lifetime. Even, accepting the argument that he does not want that sort of capitalism in India and that therefore he wants that we should do something to rebut it, if capitalism comes from outside he is prepared to accept it. I cannot understand that. If there is a feeling, that certain companies alone will monopolise, I share that feeling and I shall do everything in my power to see that such a monopolistic tendency does not grow in the country. There are many things in the hands of the Government. Have you noticed that we got them credit, irrespective of whether the Scindias is a big company and the others are small, because there was some possibility of adding to our shipping? We have taken the view that they have got the enterprise with them, not because the enterprise is expressed by the large tonnage, but because of the presumption that they have enterprise. Even if they are small companies we are going to their help and we shall give loans to all of them. Therefore, in order to checkmate the monopolistic tendency in this country, we need not open the door to foreign capital and say that you may come. May I ask who is the foreign capitalist? After all the most difficult thing to attract is the money. If anybody in this hon. House believes that the money is so easy to get, that you have merely to whistle and the money will be coming, it is not a correct assumption. In the face of most of the draconian measures that we are adopting here, which we are putting on the Statute Book, who is going to put money in equity

capital I do not understand. What are the things that we lay down? The principal place of business of the company must be in India. That is not very important from the point of view of equity capital participation. Then, not less than three-fourths of the total number of directors of the company are going to be citizens of India. They are there even if you do the other things. Then, the Chairman of the Board of Directors and the Managing Director are also to be citizens of India. The managing agents of the company are to be citizens of India, or if a company is the managing agent it has to satisfy the requirements specified in subclauses (i) to (iv). Therefore, may I ask, Sir, when you have got all these drastic restrictions, apart from the vital nature of this industry, apart from the supreme sovereign rights of our State in times of emergency when it can overnight, by ordinances, bring shipping completely, one hundred per cent., under the control of the National Government—even if you forget these factors and come to the other factors which are known as commercial factors, which person is going to have his equity capital in a big way, 40 per cent, 49 per cent, or 50 per cent., in a company of which at least three-fourths of the Directors are Indians, of which the Chairman of the Board of Directors and the Managing Director are Indians, and of which company the managing agents also have got to be Indians? Therefore, you could see that sufficient precautions have been taken so that we are not overwhelmed in any way.

Then under the Companies Act if you want to have special resolutions passed, it lays down that we have got to have a majority of two-thirds and so on. A time may come when we have got to pass a special resolution. Shipping also is a line where the freight has to be decided, where sometimes even favoured treatment has got to be given to some. Many things are to be done. There are various kinds of secrets which are not necessarily to be divulged in the

presence of other people. Therefore shipping is not like other industries. It has been pointed out by hon. Members that it is a good thing that the physical existence of other industries is on the land. But shipping is a floating business, and unless you have got hundred per cent, your own men or a considerable majority of them, which position we want so far as the seamen are concerned, you could not be sure. I because the war has shown many many examples where the shipping of the countries has changed hands on the seas because the ships have no exact location. Therefore, Sir, it is not a question of my wanting them, it is not a question of any stubbornness on my part, but I see no sign, not ray of hope anywhere that the foreign, equity capital is wanting to come.

Then, my hon. friend Shri Himat-singka has suggested that if you take it as a loan, that would be a dangerous thing, and therefore equity capital is good. If you take it as equity capital, even a layman will understand that he has also to share those losses. My friend is a very shrewd businessman. If I tell him if there is a prospect of the company incurring some loss in the near future, I am sure at any rate that he will not put one rupee in that company. He expects that the foreigners will really put their money in equity capital knowing fully well that all these restrictions are there—I am not talking of emergency restrictions but the restrictions that are in the Bill. Sometimes it may happen that if you make losses, those losses should be covered. I do not mean to suggest that it is going to happen, it is just an argument. Then, again, if you make any profit, the profits have got to be repatriated. It may appear sometimes that we are in a haste in order to complete our target and we possibly find that there are no other means. But these means are doubtful means. These means do not help the shipping. If there are one or two offers to me from somebody saying "if you merely increase it to 25 per cent or 30 per cent or 35 per

[Shri S. K. Patil.] cent, we are prepared to put our money in it" and so on, then, at any rate, if not in principle but for expediency, sometimes we could have that. Therefore, Sir, my humble submission is that it is not possible. Therefore any increase in the shares of the equity capital is not really good and it may bring a lot of disaster and difficulty with it, and therefore Government is of the opinion that we should not encourage it.

Then, Sir, you will see why I had accepted that proviso. There also you could see that in Parliament after all the decisions are the sum total of the feelings expressed by the House. If there is a door opening, there should be some possibility of opening this if foreign capital is coming, and the Government for sometime at any rate until we are able to tide over the present emergency, should have some kind of power to alter that if need be. When I found that opinion was gathering in the other House, then I thought of such a provision, and knowing both the Houses fully well and the views of the Government I thought there was surely no risk in accepting that. It is not for the change of opinion that it has been accepted. The House knows fully well the policy of the Government. Even then we thought, if some foreign capital was coming, why should we not take that power? Of course that can be withdrawn at any time by coming to this House. So, that is why that proviso has been added.

Then my friend Shri Avinashilin-gam Chettiar said that two things might happen. It is true that legally it may happen and I am wholeheartedly with him when he makes that suggestion that in that proviso you have not said that the majority that is the Indian share capital, cannot go below 51 per cent. Government can alter that, Government can bring it from 75 to zero, and may take 75 to 'even 100. Therefore, that is not in t

the proviso, and that is right. If I may say so, it is not any omission.

Another suggestion was that if there was a larger percentage of the foreign equity capital, it would also be represented in the managing agency and therefore for that reason there should be some amendment. Although as I have conceded, there is some point legally, actually when you consider it for practical purposes, it has no meaning at all, for the simple reason that apart from the Government's decision—I am not asking you to simply accept Government's assurance, after all assurance is something different from a Statute or a Bill; a Minister may give an assurance but it has not the same importance as the provisions of a Statute; therefore assurances are to be taken for what they are worth. My hon. friend Mr. Chettiar is not prepared to take the assurance of the Government. I am sure he will take it, but apart from that there are other considerations which I now urge, and the considerations are that three-fourths of the Directors are going to be Indians, and even if the foreign capital increases, the Chairman of the Board of Directors and the Managing Directors are also going to be Indians. Under the Company Law we have got sufficient protection, and there you find that it is the Directors ultimately who are responsible even for the managing agency, for what they will do and what they will not do. Under that, these directors will be able to exercise the requisite control over the managing agent. Section 368 of the Companies Act, 1956 expressly provides that .

"the managing agent of a company, whether appointed before or after the commencement of this Act, shall exercise his powers subject to the superintendence, control and direction of its Board of directors."

That Section also imposes a further restriction on the Board of directors. They are to act within the provisions of the memorandum and the articles of association of the company and be subject to the restrictions contained in Schedule VII. What is Schedule

VII? One of the restrictions contained in Schedule VII is that the managing agents cannot purchase or sell any capital assets except where "the purchase price or the sale price, as the case may be, is within the limits prescribed by the Board of directors, etc. That means, the whole power of it has been given to the Board of directors. I am merely suggesting this that we need not cut so fine as that, for the many reasons that I have given. But although that Act or that proviso is there and it will there, it is there merely as a sense of security or confidence to some members that if any such thing comes, the capital should not run away or fly away. There is some power with the Government that in some circumstances, the Government can take advantage of it, "Therefore, it has remained there and so, there is no fear on that ground.

The other ground is that the other conditions are so very drastic. A man may say that I will put 40 or 50 or 60 per cent, of my capital. I do not mind your directors or managing agents. Everything will be there. Yet, I am putting the capital. I have not got that life-long experience. Any business man can come across this and has come across this. Therefore, I do not find that there is any particular need of that part—100 per cent. I am merely stating that legally that point is correct. A slight amendment here or there may be made. But there is no need for it. »

I do not want to take up the time of the House. There have been many things that have been stated. I can assure Shri Rohit Dave there—and today, the reply has been made by my "hon. colleague—that so far as the seamen are concerned, I began my speech by saying that all these things which are really very exhaustive and -which we must do for the welfare of the seamen have not been done in this particular Bill because this Bill was not intended to be so complete as we would like to have it. We shall have to change the Bill some time and I give him an assurance that I have given before that whenever we feel

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that we can do something in order to promote the interest of the welfare of these people, the Government will be only too willing to do that.

With these few words, once more, I congratulate this House for the very constructive and practical way in which they have looked at this Bill. I would humbly appeal to them to give us a chance, when we are having this Bill and our national shipping. This House is competent—and the other House is competent—to change the law any time that they like. There are no real conflicts in our national interest. Therefore, with that opportunity and with the wholehearted co-operation which both the Houses of Parliament have given us, I have not the slightest doubt that there will be no difficulty in completing our target. Nobody should be anxious that the loans may not be forthcoming. I did not tell you a sort of a story, but something that has happened and a few loan officers have come to us. They will come to us and there is nothing wrong in getting these loans. Equity capital is a fixture. It makes a large amount. If you take the loans they are not heavy. They sit lighter than the equity capital because there is no enlargement and it is possible to have them. As I said in the other House, the loan was a hundred million dollars. But we did not want it, as I said. You can say we can get 200 ships out of that. We are not prepared to have it. We ourselves have reduced it to twenty-five million dollars. I have not processed it till now. Even those twenty-five million dollars will give you not one or two, but forty to fifty ships and you require 16 or 20 in order to finish the target of nine hundred thousand tons. I am not myself satisfied with that target of nine hundred thousand tons. We must go on. And if you got this loan and if you are able to process this loan, this will give us another two hundred thousand tons. Possibly, we shall have more than a million GRT within the Second Five Year Plan. Therefore, let us not criticise each other. We have done it in a practical manner. It does not harm anybody. It is really processing

[Shri S. K. Patil.] our opinion and the national' policy in regard to the national shipping.

With these words, I commend this Bill for the consideration and acceptance of the House.

MR. DEPUTY CHAIRMAN: The question is:

"That the Bill to foster the development and ensure the efficient maintenance of an Indian mercantile marine in a manner best suited to serve the national interests and for that purpose to establish a National Shipping Board and a Shipping Development Fund, to provide for the registration of Indian ships and generally to amend and consolidate the law relating to merchant shipping, as passed by the Lok Sabha, be taken into consideration."

The motion was adopted.

MR. DEPUTY CHAIRMAN: We shall now take up clause by clause consideration.

■ We ought to close this Bill by three O'clock. There are forty-four amendments on a number of clauses. Therefore, I would request hon. Members to be very short and speak only on important amendments.

Clause 2 was added to the Bill.

Clause 3—*Definitions*

SHRI N. C. SEKHAR: Sir, I move:

11. "That at page 3, after line 43, the following be inserted, namely:—

Explanation.—Notwithstanding anything contained in this subclause, vessels of any tonnage so employed may continue to be manned by officers holding home trade certificates of competency obtained between 1952 and the date of commencement of this Act after which date such holders can serve on a vessel below three thousand tons only."

12. "That at page 4, at the end of line 19, after the word 'ship', the following be inserted, namely:—

'and also any officers holding home trade certificates of competency plying home^trade or foreign going ship'."

(The above amendments stood also in the names of Shri Bhupesh Gupta, Dr. R. B. Gour, Shri V. Prasad Rao, Dr. A. Subba Rao and Shri P. A. Solomon.)

I SHRI NAWAB SINGH CHAUHAN: (Uttar Pradesh): Sir, I move:

29. "That at page 3, lines 38-39, the words 'not exceeding three thousand tons gross*' be deleted."

30. "That at page 3, at the end of line 43, for the words 'or Burma' the words 'Burma or on the Red Sea, Persian Gulf and East Coast of Africa' be substituted."

MR. DEPUTY CHAIRMAN: The clause and the amendments are now before the House:

There are no speakers. (*To Shri Raj Bahadur*) Do you accept those amendments?

SHRI RAJ BAHADUR: No, Sir.

SHRI NAWAB SINGH CHAUHAN: I withdraw.

SHRIMATI SAVITRY DEVI NIGAM: He wants to withdraw them.

Amendments Nos. 29 and 30 were, by leave, withdrawn.

MR. DEPUTY CHAIRMAN: (*To Shri N. C. Sekhar*) Do you want me to put your amendments to vote?

SHRI N. C. SEKHAR: Not necessary.

Amendments Nos. 11. and 12 were, by leave, withdrawn.

MR. DEPUTY CHAIRMAN: The question is:

"That clause 3 stand part of the Bill."

The motion was adopted.

Clause 3 was added to the Bill.

Clauses 4 to 12 were added to the Bill.

Clause 13—Seamen's Welfare Officers

SHRI N. C. SEKHAR: Sir, I beg to move:

13. "That at page 11, for lines 26 to 28, the following be substituted, namely:—

'13. (1) The Central Government shall appoint seamen's welfare officers at all major ports in India and in such other ports outside India as the Government may consider necessary'."

(The above amendment also stood in the names of Shri Bhupesh Gupta, Dr. R. B. Gour, Shri V. Prasad Rao, Dr. A. Subba Rao and P. A. Solomon.)

MR. DEPUTY CHAIRMAN: The clause and the amendment are now before the House.

SHRI N. C. SEKHAR: I have nothing particular to add, but I want to make only one point in this particular clause as to where the officers should be appointed. My point is that at all major parts these welfare officers should be appointed, in which Cochin and Kandla also should be included. That is my point.

SHRI RAJ BAHADUR: We cannot accept this amendment because the word 'shall' unnecessarily restricts us and it is also not in consonance with the latter words which occur in the amendment itself—namely, "as the Government may consider necessary." Both cannot go together. Apart from that, we appoint welfare officers for wholetime only at such ports where there is a good quantum of work sufficient to keep them engaged. We have got them in Bombay, Calcutta, Madras and in certain foreign ports. So, it is not necessary and we can even now do according to our needs.

MR. DEPUTY CHAIRMAN: The question is:

13. "That at page 11, for lines 26 to 28, the following be substituted, namely:—

'13(1) The Central Government shall appoint seamen's welfare officers at all major ports in India and in such other ports outside India as the Government may consider necessary'."

The motion was negatived.

MR. DEPUTY CHAIRMAN: The question is:

"That clause 13 stand part of the Bill."

The motion was adopted.

Clause 13 was added to the Bill.

Clauses 14 to 20 were added to the Bill.

Clause 21—Indian Ships SHRI V. K.

DHAGE: Sir, I move:

1. "That, at page 14, for the existing clause 21, the following be substituted, namely:—

'21. For the purpose of this Act, a ship shall not be deemed to be an Indian ship unless owned wholly by persons to each of whom either of the following description applies:—

- (a) a citizen of India; or
- (b) a company which satisfies the following requirements, namely:—
 - (i) the principal place of business of the company is in India;
 - (ii) hundred per cent of the share capital of the company is held by citizens of India;
 - (iii) all the directors including the chairman and managing director of the company are citizens of India; and

- (iv) the managing agents, if any, of the company, are citizens of India or in any case where a company is the managing agent, the company satisfies the requirements specified in sub-clauses (i), (ii) and (iii)'."

SHRIMATI SAVITRY DEVI NIGAM: Sir, I move:

2. "That at page 14, line 13, for the word 'seventy-five' the word 'sixty' be substituted."

SHRI T. S. AVINASHILINGAM CHETTIAR (Madras): Sir, I move:

4. "That at page 14. lines 15 to 20 j be deleted."

DR. R. B. GOUR: Sir, I move:

5. "That at page 14, line 16, for the word 'alter' the word 'raise' be substituted."

6. "That at page 14, line 17, for the word 'altered' the word 'raised' be substituted."

7. "That at page 14, line 18, for the word 'altered' the word 'raised' be substituted."

(The above amendments also stood j in the name of Shri Bhupesh Gupta.) |

DR. H. N. KUNZRU (Uttar Pradesh): ' Sir, I move:

8. "That at page 14, after line 20 j the following further proviso be inserted, namely:—

'Provided further that the following categories of share capital will be regarded for the purposes of this sub-clause, as held by citl- I zens of India, when held by;

(i) persons of Indian descent domiciled abroad:

(ii) persons domiciled in States protected by India under treaty obligations;

(iii) persons domiciled in neighbouring countries to be determined by the Government of India and notified in the Gazette of India.' "

DR. R. B. GOUR: Sir, I move:

15. "That at page 14. lines 15 to 20 be deleted."

16. "That at page 14, line 21, for the words 'not less than three-

fourths of total number of the words •all the' be substituted."

17. "That at page 14. lines 27 to 29, the words 'or in any case wner-t-a company is the managing agent the company satisfies the requirements specified in sub-clauses (i), (ii), (iii) and (iv)' be deleted."

SHRI JASPAT ROY KAPOOR: Sir, I move:

31. "That at page 14, line 13, for the word 'seventy-five' the wora 'sixty' be substituted."

SHRI P. S. RAJAGOPAL NAIDU (Madras): Sir, I move:

33. "That at page 14. lines 15 to 20 be deleted."

(Amendments Nos. 15 to 17 also stood in the names of Shri Bhupesh Gupta, Shri V. Prasad Rao, Shri N. C. Sekhar, Dr. A. Subba Rao and Shri P. A. Solomon.;

SHRI JASPAT ROY KAPOOR: Sir, I move:

34. "That at page 14, line 16, after the words 'Official Gazette' the following be inserted, namely:—

'which notification shall be laid for not less than thirty days before each House of Parliament as soon as may be after it is made and shall be subject to such modifications as Parliament may make during the session in which it 13 so laid or the session immediately following.' "

SHRI P. D. HIMATSINGKA (West Bengal): Sir I move:

35. "That at page 14, line 20, for the words 'specified in this clause', the words 'specified in this sub clause' be substituted."

SHRI JASPAT ROY KAPOOR: Sir, I move:

36. "That at page 14, after line 20, the following further proviso be inserted, namely:—

'Provided further that the voting right in respect of every share held by a person other than a

citizen of India shall be half that of the right of a citizen of India in respect of a share held by him in the company.' "

SHRI NAWAB SINGH CHAUHAN: Sir, I move:

37. "That at page 14, after line 20, the following further proviso be inserted, namely:—

'Provided further that following categories of share capital will be regarded, for the purposes of this sub-clause, as held by the citizens of India, when held by—

- (i) persons of Indian descent domiciled abroad;
- (ii) persons domiciled in States protected by India under treaty obligations;
- (iii) persons domiciled in neighbouring States having special treaties with India and ordinarily resident in India or having property or business connection in India.' "

SHRI JASPAT ROY KAPOOR: Sir, I move:

38. "That at page 14, line 21, for the word 'three-fourths' the words 'eighty per cent' be substituted."

SHRI P. D. HIMATSINGKA: I move:

39. "That at page 14, line 28, for the words 'the company' the words 'the managing agency company' be substituted."

I also move:

41. "That at page 14, line 29, after the brackets and figure '(ii)', the words 'without the alteration under the authority of the proviso thereunder' be inserted."

MR. DEPUTY CHAIRMAN: The clause and the amendments are before the House.

SHRI V. K. DHAGE: In the amendment as cyclostyled there is a little mistake.

DR. R. B. GOUR: Does not matter because it is going to be rejected in any case.

SHRI JASPAT ROY KAPOOR: May I suggest for your consideration, subject of course to the suggestion being accepted by the other movers of amendments, that those hon. Members who have had their say on the subject matter of the amendment may please accommodate others who have had no say on the subject matter of their amendments?

MR. DEPUTY CHAIRMAN: I leave it to the good sense of the hon. Members.

SHRI V. K. DHAGE: I will not speak now. I have spoken before but I wish to point out a mistake in cyclostyling here in sub-clause (iii) of the amendment. 'All the directors including the chairman and managing agents . . .' is cyclostyled, but it should be, instead; 'managing director of the company are citizens of India.' 'Managing agents' are covered by sub-clause (iv). I have spoken already and I will follow the suggestion of Mr. Kapoor and I will give him the chance to speak.

MR. DEPUTY CHAIRMAN: Shrimati Nigam. One or two sentences.

श्रीमती सावित्री निगम : उपसभापति महोदय, श्रीमन्, अभी पाटिल साहब ने इस डिबेट का जवाब देते समय कहा कि सन् १९४७ से लेकर अभी तक, उस रिजोल्यूशन के बावजूद भी कोई इक्विटी कैपिटल क्यों नहीं आई। इस सम्बन्ध में मुझे इतना कहना है कि उस समय चूँकि हम लोगों ने उस रिजोल्यूशन के अनुसार उसी रेशियो (*Ratio*) से डाइरेक्टर का या मैनेजिंग एजेंट्स का कोई भी रिप्रेजेंटेशन परमिट नहीं किया था, तो आप बतलाये कैसे फॉरेन इक्विटी कैपिटल आ सकती थी? लेकिन चूँकि हम ने इस नये विधेयक की धाराओं से डाइरेक्टर और मैनेजिंग एजेंट्स का भी २५ परसेंट रिप्रेजेंटेशन परमिट किया है इसलिये मुझे विश्वास है कि अब

[श्रीमती सावित्री निगम]

पहले की सी स्थिति नहीं रहेगी और जरूर इक्विटी कैपिटल आयेगी यशर्तकि माननीय पाटिल साहब उस प्रकार डिसकरेज न करें जैसा कि उन्होंने इस बिल को मूव करते वक्त किया था। अगर वे इस प्रकार डिसकरेज नहीं करेंगे तो मेरा विश्वास है कि इन हालात में फ्रॉरिन कैपिटल जरूर आयेगी।

दूसरी बात मुझे यह कहनी है कि मान लीजिये वे यह सोचते हैं कि कोई फ्रॉरिन इक्विटी कैपिटल नहीं आने वाली है तो उन्हें मेरा अमेंडमेंट खुशी से स्वीकार कर लेना चाहिये क्योंकि उसका खतरा नहीं है।

तीसरी बात, अगर मेरा "६०" "४०" वाला अमेंडमेंट स्वीकार कर लिया जायगा तो उन्हें इस प्रकार का डर जाता रहेगा कि चूंकि हमारे जहाज युद्ध के समय "सेकैंड लाइन आफ डिफेंस" होते हैं, जसा कि बिष्ट साहब को उन्होंने रिफ्र करतें हुए कहा, कि अगर वे बराबर हाई वाटर में फ्लोट करते रहेंगे तो हम उन पर कंट्रोल नहीं रख सकेंगे उसके बारे में मुझे यह कहना है कि चाहे और किसी मामले में आप इक्विटी कैपिटल अलाऊ न करें लेकिन जहाजों के मामले में, चाहे उसमें हंडरेड परसेंट नेशनल कैपिटल क्यों न लगी हो, इमरजेंसी के वक्त हम ऐसा कर सकते हैं कि चाहे किसी कंट्री के शोर्स में वे हों, वही देश उन पर कंट्रोल करने के लिये आर्डिनेंस द्वारा अधिकार अपने ऊपर ले सकते हैं। ऐसी स्थिति में हमें कोई खतरा नहीं रह सकता है चाहे उसमें फ्रॉरिन कैपिटल लगी हो या नेशनल कैपिटल।

इसलिये मैं माननीय मिनिस्टर महोदय से अनुरोध करूंगी कि इन हालात में वे मेरे अमेंडमेंट को स्वीकार कर लें, नहीं तो मैं श्रीमन्, स्वयं उसको विदड़ा कर लूंगी।

emu T. S. AVINASHILINGAM
CHETTIAR: Mr. DeDuty Chairman, I don't
move amendments on flimsy

grounds. I have two reasons for moving this amendment. One is, I am against any provision to be incorporated in law which gives such blanket powers to the Government—it may be our Government today, it may be another Government tomorrow— which may nullify the purpose of the Act itself and the provision which I seek to omit today gives such powers. That is one of the reasons why I stand before you to move the amendment. I know the fate of the amendment but it is a matter of principle that I don't like, I don't wish, I don't think it is a good legislation which contains such powers like this. Number two is, it was the unanimous decision of the Select Committee. I read it last time and I don't propose to take the time of the House in reading it again. After the decision had been taken, there were no indication of any kind that an amendment like this was being moved and accepted; As far as I see and as far as I have observed, it came very suddenly before the Lok Sabha. I think an amendment like this should not have been accepted. Hon. Mr. Patil has accepted the reasons behind my amendment and it was very generous of him to have accepted the reasons but I think he should have found the courage to accept the amendment and to go back to the Lok Sabha though it is usual that bills are not usually sent back to the Lok Sabha because it takes time. In a matter like this where an amendment will really improve the Bill and the reasons for that having been accepted, the Government should accept this amendment and face the Lok Sabha even at the cost of some time. In view of these reasons, even knowing very well the fate of the amendment, I am very much constrained to move this amendment.

DR. R. B. GOUR: I would be very happy if the hon. Minister accepts Mr. Chettiar's amendment No. 4, in list I, because he wants to delete the proviso itself which is the unfortunate proviso that has crept in the Bill from the debate of the Lok Sabha which

was not there when the Bill was thoroughly discussed in the Select Committee. I am told and the report of *the* minutes of the Select Committee show, that the Select Committee had discussed this issue of foreign participation rather at great length. Lot of pressure was brought on the Government to modify its original formula and bring down the Indian participation. Nevertheless the Government thought it fit to modify it. Just now the Minister said—he has a good word even for the Communist Party—thats all of us were unanimous on this point that the Indian national interests will have to be safeguarded. Having accepted that and having also told us, being a practical man that he is, he should be the last person to remain stubborn. I don't know why he got this proviso included—such a general proviso—which actually completely nullified the clause relating to 75 per cent, and 25 per cent. Our suggestion is, if the Government wants power, let them have it for raising this 15 per cent. First let them not have it. In fact we see suddenly problems are thought like that there are some Pakistani nationals, some Burmese nationals, some nationals of Indian origin living abroad and they become problems and therefore this whole thing becomes necessary. There always these small shareholders come, when land reforms come, the old landlady comes where she has half an acre that is being cultivated by somebody. In shipping also, the small man comes. He may be in Pakistan, or Burma or anywhere. I would agree if Dr. Kunzru's amendment is accepted that all those of Indian origin who are abroad will also be considered as Indians.

SHRI BHUPESH GUPTA (West Bengal):
Why?

DR. R. B. GOUR: Does not matter.

SHRI BHUPESH GUPTA: I will explain.

DR. R. B. GOUR: That is a different matter. I concede, suppose you accept if these things, it is a small thing. Now

it is not a question of a Rs. 10 share or so. What is most important is when we mean 'foreign', we mean foreign big business control on the coastal shipping. He brought into the argument the instances of France, Italy and other countries, such maritime countries, such advanced capitalist countries, where in spite of a 49 per cent, and 51 per cent, participation or a 50 per cent, and 50 per cent, or even 75 per cent, and 25 per cent, they have no difficulty in practice. That is true, but they are States where the national economy is very strong and so there the problem does not arise, whereas we here are a weak nation as far as this is concerned and we have a weak national capital and so here is the place for all these big foreign capitalists to try to invest and through their investments pursue a policy of actual intervention and then completely take over the control of the shipping industry. Therefore, we have to be more guarded. It is not necessary for France or the United States or Britain to be guarded, because they are very strong. In fact they are so very strong that they create problems for weak nations like ourselves. And so to equate our Bill with the law that a maritime country like France or Britain or the U.S.A. has, is not to take into consideration the fact that we do not stand on the same footing of strength, with that strength of capital and of national economy as France, Britain or the U.S.A. So we very strongly stress this point. Firstly, it is beyond our understanding why you want it here. You yourself say that no foreign capital is coming. Then why have it? This morning you said that

MR. DEPUTY CHAIRMAN: That will do.

DR. R. B. GOUR: We are told that we are going to complete our target without any foreign participation. If that is so, why do you want foreign participation? If nothing is forthcoming, then in practice, there is no problem. Then why have it in theory? It is not merely in theory. It will not

[Dr. R. B. Gour.] rest there. You are really opening the flood-gates and that¹ is why we are apprehensive. This is a disastrous proviso and it should go. If you want power, that power should be to raise it from 75 per cent., not to lower it.

MR. DEPUTY CHAIRMAN: Dr. Kunzru.

SHRI BHUPESH GUPTA: Sir, I would . . .

SHRI H. N. KUNZRU: He had better speak first.

MR. DEPUTY CHAIRMAN: All right.

SHRI BHUPESH GUPTA: I am very grateful. It was very kind of Dr. Kunzru to have given me the chance to precede.

I think I should first clarify the point about this amendment.

MR. DEPUTY CHAIRMAN: Be brief. We have to complete all stages of the Bill by three o'clock.

DR. R. B. GOUR: That will not be possible.

SHRI BHUPESH GUPTA: I will be brief. But I cannot put it in exactly two or three words. I think I should immediately clarify the position my colleague was speaking about. He was saying this by way of a concession.

MR. DEPUTY CHAIRMAN: So you are opposing him?

SHRI H. N. KUNZRU: I think the hon. Member should clarify his own position and not that of another hon. Member of his Party.

SHRI BHUPESH GUPTA: No, I am not amenable to giving concessions so easily. But my colleague is a very kind hearted person and when he saw Dr. Kunzru was making this suggestion, he was for making this concession. That is the point. But here I may make it very clear that it is not

a question of people of Indian origin or not. If they are of Indian origin, then they must be either our nationals or the nationals of certain other States. If the person is not an Indian citizen, then he must be the citizen of some other State, and just because he has an Indian origin, we cannot accept him for the simple reason that his State would be in control. Suppose a person of Indian origin is living in Britain. Naturally not he but the British Government will have control. What we are aiming at in this matter is not to give any opening for any control by a foreign power or foreign State and our shipping should be entirely national. That is our approach. If we cannot get that much assistance, then naturally if some people who are foreigners are to be allowed, then we will better have people of Indian origin rather than those who have no such origin at all. That is the position. Therefore, there is no contradiction between the stands. It is a question of how much we can get them to accept.

I am greatly surprised that the Congress Party or some Members of the Congress Party are still trying to pressurise argument, or shall we say, to pressurise some people with the suggestion that this quota should be reduced, that from 75 per cent, it should be 60 or 40 per cent. We are opposed to it. We want our shipping to be entirely national. I do not accept the suggestion, no matter from what quarter it comes, that we cannot build our shipping industry unless and until we *kotow* to the foreign interests or their agents in this country speaking for them. I say there are people outside. I am not meaning hon. Members here. But there are certain shipping interests in the country who say that foreign participation should be there in order to ensure their infiltration into our economy. Sir, this is a dangerous trend in our economy. I can understand loans from foreign countries. I can understand ships purchased with the help of the suppliers' credits from the United States or the United Kingdom. I can;

understand this kind of foreign assistance on such loan basis. But for the life of me, I cannot understand why when we are going to build our shipping industry, foreigners should be given some vested interests by way of equity capital. If it is the view that they should hold our shipping industry to ransom, let them do so. We shall seek assistance elsewhere. We know how to act in such circumstances. But let us speak—if I may use the expression—from a position of national strength in economic matters. We are building our economy on independent foundations and it is possible to negotiate loans from other countries with a view to buying ships for our mercantile marine. Therefore, we need not feel any defeatism or pessimism as some Members of the Congress Party seem to do, despite their majority which they feel at some points of time. So this is the important point.

Sir, shipping industry is a vital industry. It is the life-line of our trade. So we should see that there is the minimum, only the least possible scope, for any kind of actual or potential interference by foreign powers under whatever cover it may be.

(Time bell rings.)

Therefore, we would not like the Government to make over or to mortgage our shipping industry in this manner. I would congratulate the hon. Minister. He has been a good and tough nationalist and he should accept our amendment. Have the power to raise the Indian quota.

MR. DEPUTY CHAIRMAN: That will do.

SHRI BHUPESH GUPTA: That is what we have been asking.

MR. DEPUTY CHAIRMAN: He agrees with you.

SHRI BHUPESH GUPTA: He does not. Will he accept the amendment?

MR. DEPUTY CHAIRMAN: Not your amendment. But he agrees with you.

SHRI BHUPESH GUPTA: Thank you, very much. You have discovered this agreement and I am grateful to you. Then why not give expression to this agreement in the shape of the enactment? What comes in the way when we two agree? Sir, you are a very right-minded person and you have pointed out agreement. In honour of that, let him agree to accept this amendment. What comes in the way? Are they the British and American vested interests? Therefore, we press our amendment.

SHRI H. N. KUNZRU: I shall briefly explain my amendment. I have asked three categories of persons to be treated for the purpose of holding shares in the shipping industry as citizens of India. They are: Persons of Indian descent domiciled abroad, then persons domiciled in States protected by India under treaty obligations, and third, persons domiciled in neighbouring countries to be determined by the Government of India and to be notified in the Official Gazette. I shall take the second and third categories first. Now, when speaking of persons domiciled in States protected by India under treaty obligations. I have in mind States like Sikkim and Bhutan. Can any harm come to us if we allow people in these States to have the opportunity of holding shares in any equity capital that we may offer? They may not take any shares. But there does not seem to be any reason for not treating them as Indians.

SHRI BHUPESH GUPTA: Can I ask a question?

SHRI H. N. KUNZRU: Certainly.

SHRI BHUPESH GUPTA: Take for instance Bhutan. There we do not control municipal matters. Suppose in Bhutan there is a foreign concern which is interested in a shipping concern and so some people come and take shares. Thus the foreigners will come through the backdoor. Seemingly, this may sound a very fine sentiment, but it may well be open to them to come indirectly into the picture.

3 P.M.

SHRI H. N. KUNZRU: It will not be regarded as an Indian ship.

MR. DEPUTY CHAIRMAN: Dr. Kunzru we have to take up some other business. We will continue this on Thursday. Tomorrow we are discussing Planning.

DR. R. B. GOURI: The ships can wait for some time. They have run aground.

SHRI JASPAT ROY KAPOOR: I find from the agenda papers circulated for tomorrow that we will have some time.

MR. DEPUTY CHAIRMAN: This will be taken up on Thursday. Tomorrow we are discussing Planning.

SHRI JASPAT ROY KAPOOR: But only for three hours, I suppose.

MR. DEPUTY CHAIRMAN: You will get the revised agenda paper.

MOTION RE GANGA BARRAGE PROJECT

DR. A. N. BOSE (West Bengal): Sir, I beg to move:

"That the statement on the Ganga Barrage Project, laid on the Table of the Rajya Sabha on the 2nd September, 1958, be taken into consideration."

The statement gives a picture of the problem of the Ganga but it does not go far enough to elucidate all the points involved. It is rather too brief. So, for the enlightenment of the House. I shall go into some problems of the river Ganga. This river, Sir, is the life-line of Northern India. The Ganga river with its branches and tributaries starts from East Punjab.

MR. DEPUTY CHAIRMAN: The time allotted for this discussion is two

hours. I have got four names with me and so Members will please adjust the time and be short as far as possible.

DR. A. N. BOSE: This river which starts from East Punjab flows right up to West Bengal. In Bengal it bifurcates into two branches, one branch flowing into the East as river Padma and one branch going down through Bengal as Bhagirathi-Hooghly to descend into the Bay. This Bhagirathi-Hooghly channel is fast deteriorating owing to heavy deposits of silt. The drainage capacity of the channel has been seriously affected because of this silting causing congestion and flood. This phenomenon has led to several very serious consequences. I shall deal with them one by one. In the first place, the upward progress of the tidal flow from the sea has ceased causing high bores in the lower reaches of the river. Sand bars have been formed at frequent intervals as a result of which navigation from the sea to the port of Calcutta has been seriously impeded and Calcutta is fast losing her shipping. In the second place, as soon as the monsoon ends every year, the supply of fresh sweet water along the channel goes down alarmingly. Saline water rushes into the channel from the sea. Now, Calcutta is entirely dependent on the river Hooghly for drinking water. The water of the Hooghly is also used for industrial purposes. It is serving factories which have grown up in the riparian regions along the banks of the river stretching up to 70 miles and these mills have been heavily damaged because of the salinity of water. Equally, if not more, has been the casualty in the locomotive engines. The boilers of these engines using salt water have been grievously and irreparably damaged. The result has been irregularity in the running of the trains and further frequent civil commotions. The third result is the chronic visitation of floods. Floods have been caused because of the silting up of the channel. The frequent flood devastations have inflicted heavy injuries on the six prosperous rice grow-