

That the Bill further to amend the Constitution (Scheduled Castes) Order, 1950, the Constitution (Scheduled Castes) (Union Territories) Order 1951, the Constitution (Jammu and Kashmir) Scheduled Castes Order, 1956, the Constitution (Dadra and Nagar Haveli) Scheduled Castes Order, 1962 and the Constitution (Pondicherry) Scheduled Castes Order, 1964, as passed by Lok Sabha, along with the spelling corrections which have just been moved, be taken into consideration.

*The motion was adopted.*

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

*Clause 2 was added to the Bill*

*Schedules I to V were added to the Bill.*

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

**डा. सत्यनारायण जटिया :** मैं प्रस्ताव करता हूँ :

**"कि विधेयक को पारित किया जाए"**

*The question was put and the motion was adopted.*

### **THE MERCHANT SHIPPING (AMENDMENT) BILL, 2002**

THE MINISTER OF SHIPPING (SHRI VED PRAKASH GOYAL): Sir, I beg to move:

**"That the Bill further to amend the Merchant Shipping Act, 1958 and the Major Port Trusts Act, 1963, be taken into consideration."**

Sir, I have a few points to make with regard to this Bill. We have been signing many MoUs with the International Maritime Organisation. These amendments particularly affect two things. One of them is the image that India carries as a world-class maritime country strictly according to the international norms and regulations.

THE VICE-CHAIRMAN (SHRI NILOTPAL BASU): Just excuse me. Just a minute, please. What is this sound coming? ....(Interruptions)...

SHRI S.S. AHLUWALIA (Jharkhand): I think there is a TV installed in the Upper Gallery and sometimes they switch on the proceedings of the Lok Sabha which is echoing here in the Chamber. ...*(Interruptions)*...

**श्री मूल चन्द मीणा (राजस्थान): इस पर जरा ध्यान दीजिए ।**

THE VICE-CHAIRMAN (SHRI NILOTPAL BASU): There should be silence in the House. ...*(Interruptions)*.. No business can be transacted like this. ...*(Interruptions)*...

SHRI S.S. AHLUWALIA: Whatever instrument it is, it should be removed from there. ...*(Interruptions)*...

THE VICE-CHAIRMAN (SHRI NILOTPAL BASU): Yes, Mr. Minister.

SHRI VED PRAKASH GOYAL: Secondly, it also has an international obligation to continuously upgrade the quality of its shipping. Our ships have to trade internationally and could be subjected to inspections at foreign ports to check the conventions and protocols to be complied with whose status keeps changing. Similarly, an equal concern is that foreign flag ships will then be subjected to inspections when they visit Indian ports with a view to protecting our waters from safety and environmental hazards. We have to be dynamic and responsive to both needs and time. The present effort is to incorporate the provisions of the conventions and protocols acceded to by India in the Merchant Shipping Act, 1958. Once the proposed amendments are approved by Parliament, India will be able to keep up its international obligations. The present Bill contains amendments to twenty-two sections of the Merchant Shipping Act, 1958, and one section of the Major Port Trusts Act, 1963, besides addition of eleven new sections to the Merchant Shipping Act, 1958, on three major concerns. The first one is, amendments which are necessary to implement the provisions of the five Conventions/Protocols to which India has become a party in the recent past. The second one is a consequential amendment to section 116 of the Major Port Trusts Act, 1963, to bring it at par with provisions of the Merchant Shipping Act. The third one is, amendments needed to meet the operational requirements.

Now, I shall briefly touch upon the proposed amendments.

Sir, based on the IMO Protocols, the validity period of different certificates are proposed to be made uniform so that Indian ships meet with

all the international obligations and requirements and do not face difficulty at foreign ports. The amendments proposed in this regard will take care of this.

Then, there are the claims for damages that may occur during the operations of a ship. The damages could be in the nature of loss of life or personal injury or damage to property. In such cases, a ship owner will be required to pay for damages. The amendments incorporate the provisions of the IMO Convention on the Limitation for Liability -- it cannot be of lesser limits as of now -- for Maritime Claims, LLMC, 1976, which India has acceded to. This convention lays down the limits up to which a ship owner is expected to pay the claims. In the absence of this amendment, ship owners, in case they are required to pay, have to pay liability which is not as required by the IMO Convention and to provide insulation against the currency fluctuation.

In view of the heavy oil traffic along our coast, there is a high risk of oil pollution, which could result in damage to coastal and marine environment. There will also be a requirement of a large scale cleaning up operations, which would require substantial costs to be borne by us. The existing provisions of the Merchant Shipping Act must be updated in terms of total liability compensation as per the Civil Liability and Fund Conventions of 1992 of the IMO to which India has become a party. The proposed amendments offer better limits as well as improved scope of Claims.

As a consequence of accession to the Convention on Limitation of Liability for Maritime Claims (LLMC), 1976, and proposed amendments to the Merchant Shipping Act, 1958, Section 116 of the Major Port Trusts Act, 1963, must be amended. This is needed to bring it in line with the limitation of liability for damage to harbour works, basins waterways and aids to navigation. As of now, the M.P.T. Act provides for unlimited liability, which is contrary to the provisions of the Convention being incorporated in the Merchant Shipping Act, 1958, which were incorporated earlier. Another important thing is: The employment of seamen was regulated through Seamen Employment offices. In keeping with the commitment of my Government and the liberalised atmosphere opportunities for skilled youth, foreign shipping companies have been allowed to directly recruit seamen without going through the Seamen's Employment offices. This is also in line with the policy of avoiding discrimination. Shipping companies increasingly seek the services of the recruitment and placement service providers, who are called manning agents, for employment of seafarers on their vessels. As

I said, this has expanded the employment opportunities for our seafarers, but as of now there is no provision to fix the accountability of these agents for the fulfilment of obligations concerning service conditions including wages. In order to protect our seafarers from being exploited or being stranded at foreign ports without being paid wages and without any provision for repatriation, it is necessary that a system of licensing of recruitment and placement service providers should be brought in. This would ensure that the recruitment and placement service providers fulfil their obligations to the people they recruit. It is to facilitate the system of licensing of such service providers that some amendments in the Act have been proposed. The seamen's employment offices are being given this role of regulating the recruitment and placement service providers. We also propose to avoid discrimination in employment of seamen and avoidance of malpractices in employment of seamen.

From the point of view of safety and as stipulated in the Safety of Life at Sea (SOLAS) Convention, 1974, every Indian ship is required to carry an appropriate 'minimum safe manning document' on board. Today, there is no law. They may carry 'minimum safe manning document' or not. Accordingly, minimum safe manning scales are required to be framed as per the guidelines of the concerned IMO resolution. At present manning scales are included in the Act itself and therefore, lack the flexibility because the needs of large ships and small ships along the coast are different. After this amendment, they will have different manning scales for the ocean-going ships as well as the coastal water ships.

In order that the minimum safe manning scale can be prescribed to lay down different standards also for small ships and offshore supply vessels engaged in coastal trade and with the need to provide different manning scales based on the size of the ships duration of voyage etc., amendments are proposed to make rules in this regard. This will boost the development of coastal shipping encouraging of which has been recommended by various committees. Commensurate with the size of our coasts, our coastal shipping is very, very poor.

With the proposed amendments India will not only be able to meet its International commitments, arising out of accession to various IMO Conventions and Protocols but also will be at par with the systems and requirements of other advanced maritime nations.

*The question was proposed.*

THE VICE-CHAIRMAN (SHRI NILOTPAL BASU): Now, since there are no Members on the Panel of Chairman present here, if the House agrees, I would request Shri Raju Parmar to take the Chair.

SOME HON. MEMBERS: Okay, Sir.

[THE VICE-CHAIRMAN (SHRI RAJU PARMAR) in the Chair].

THE VICE-CHAIRMAN (SHRI RAJU PARMAR): Thank you. The first speaker is Shri K. Rahman Khan.

SHRI K. RAHMAN KHAN (Karnataka): Sir, I welcome the Merchant Shipping (Amendment) Bill, 2002, which seeks to incorporate some of the recommendations of the International Marine Organisation -- India being a member of that Organisation. This Bill is a very comprehensive Bill and it seeks to incorporate the recommendations relating to the compensation to be payable to the seamen, regulations regarding the seamen's employment benefits, and how to claim damages caused to the ports by ships.

While welcoming this Bill, the Minister in his initial remarks said that India is very poor in maritime shipping. We have a large coastal area. India has a big coastal line, but when compared to the other smaller countries, we are very weak; very poor in shipping. We are not advanced in the sense that still some of the big vessels cannot enter our shores. A smaller country like Singapore receives bigger ships than any of our ports. So, in the light of all this, it is very important that some of these amendments are implemented. At the same time, the Government should see to it that the Shipping Industry is developed. Shipping assumes a greater significance, particularly in this age of liberalization and globalisation. When compared to international shipping standards, we are nowhere near them.

Similarly, our ports are not being developed the way they should be. The functioning of the Port Trusts are being affected. Most of the ports are losing heavily, because we are not able to provide facilities at the ports. That is why, the Government is now thinking of corporatizing ports. Now, a Bill is also being brought to corporatize ports to see that the private sector can also enter this area. In fact, the private sector has already entered this area. Some private sector ports have already come up. We should think of not only having good ports, but we should create all other facilities conducive to the creation of new ports. We should see to it that our shipping industry develops. There should be incentives for the development of the shipping industry. I am sure that the Government will

give more importance to shipping so that we can attract, more and more, international ships to come to our ports. These ships are going to Singapore and Ceylon. Ceylon is a very small country. Singapore is also a very small country. It is a city State. But they get more ships than India. So, we should address this issue.

It was also said that there is a discrimination in the employment of seamen. Very little importance is being given to this area. Actually, nobody knows how seamen are recruited, what are the regulations for employment, etc. It is said that agents are exploiting them.

Another area which has to be looked into is, leakage of oil. Now, there is a movement of tankers. Sometimes, leakages crop up in the tanks. As a result, oil spreads into the sea and the whole area gets polluted. The fishing industry also suffers because of this. Therefore, tankers should be of some standard. In case a leakage develops in the tank, thereby polluting the sea, then some compensation should be paid to the affected people. It is good that the Bill incorporates the provision relating to payment of compensation also. It is a very comprehensive and good piece of legislation. I welcome this Bill.

**श्री एस.एस.अहलुवालिया (झारखंड) :** उपसभाध्यक्ष महोदय, मैं वाणिज्य पोत परिवहन अधिनियम संशोधन विधेयक का समर्थन करने के लिए खड़ा हुआ हूँ। इस संशोधन विधेयक को लाने की जरूरत इसलिए पड़ी कि वाणिज्य पोत परिवहन अधिनियम, 1958 में यह विधेयक बना था और तब से अगर हम देखें तो वाणिज्य पोत परिवहन की संख्या दिन पर दिन समुद्र के यातायात में, समुद्र के आयात-निर्यात में बढ़ती जा रही है। जब हम एक ओर विश्व व्यापार केन्द्र की तरफ अग्रसर हो रहे हैं तो उस वक्त हमें महसूस होता है कि हमें न केवल क्योंकि सड़कों के माध्यम से तो सामान विदेशों में नहीं पहुंचेगा, उसके दो ही रास्ते हैं, या तो आकाश मार्ग से अर्थात् वायु मार्ग के माध्यम से या जल परिवहन के माध्यम से ही सामान का आदान-प्रदान हो सकेगा। पर इसके साथ-साथ इंटरनेशनल मैरिटाइम ऑर्गेनाइजेशन जिसके साथ समय-समय पर समझौते होते रहे हैं, उसको पूरा करने के लिए भारत के जितने विधेयक इनसे संबंधित हैं, उनमें संशोधन लाने की जरूरत है। यही कारण है कि आज संशोधन करने के लिए यह विधेयक इस सदन के सामने है।

महोदय, जल परिवहन या वाणिज्य पोत परिवहन के माध्यम से ही कभी भटकते हुए वास्को डि गामा ने हिंदुस्तान के बारे में पता लगाया था और कभी भटकते हुए कोलम्बस ने अमेरिका का पता लगाकर भ्रमित होकर कहा था कि यह भी इंडियाना है। आज भी भ्रमित होकर लोग वहां के मूल लोगों को रेड इंडियन्स कह कर पुकारते हैं। वे भी जब इस तरह से घूमने गए थे तब इसी तरह के वाणिज्य पोत परिवहन के माध्यम से ही पहुंचे थे।

महोदय, इंटरनेशनल मैरिटाइम ऑर्गेनाइजेशन के साथ-साथ इंटरनेशनल कन्वेंशन ऑन लिमिटेशन ऑफ लायबिलिटी ऑफ मैरिटाइम क्लेम्स के बारे में भी नवम्बर, 1976 को दस्तखत किए गए पर उसके पहले जो सारे विश्व में एक नई सोच चली, वह थी - The safety

of life at sea, जिसके लिए समुद्र में जीवन रक्षा अधिनियम, 1974 में लाया गया। इन सारी चीजों को सामने रखा जाए तो हम देखेंगे कि ग्लोबलाइजेशन के इस माहौल में अधिक संख्या में मर्चेंट शिपिंग का कारोबार बढ़ेगा, चाहे वह आयात के लिए हो या निर्यात के लिए। महोदय, समुद्र में आने-जाने की इस व्यवस्था पर बहुत सारी मजबूरियाँ आती हैं। आज सुबह ही आप लोगों ने देखा होगा, हम सबने टी.वी. पर देखा कि स्पेन के पास एक जहाज जो भारी तेल लेकर जा रहा था, दो टुकड़ों में टूट गया और सारा तेल रिस करके सारे स्पेन के कोस्टल एरिया में आ गया जिसके कारण सामुद्रिक जीवन रक्षा तो खतरे में पड़ ही गई, साथ-साथ कोस्टल एरिया के वातावरण में भी काफी परिवर्तन आया। अब ऐसी अवस्थाओं में हमें अगर कोई कानून पास करना हो या क्लेम लेने हों तो हमारे पास ऐसे प्रावधान होने चाहिए। हमें याद है कि 1989 में हमारी बंगाल की खाड़ी में एक जहाज में ऐसे ही रिसाव शुरू हो गया था और तेल बहने लगा और बंगाल की खाड़ी का पूरा पानी तेलमग्न हो गया था। उस वक्त हमारे पास कोई ऐसे कानून नहीं थे। हम यह ब्रूँद रहे थे कि किस कानून के तहत हम इस पर कार्यवाही कर सकते हैं। उस वक्त हमें युनाइटेड नेशन्स तक जाकर अपनी गुहार लगानी पड़ी थी और कहना पड़ा था कि उस इलाके के समुद्र के जीव जन्तुओं का जो नुकसान हुआ है या हमारे कोस्टल एरिया का जो नुकसान हुआ है, उसकी भरपाई कैसे होगी। महोदय, इन्हीं चीजों को सामने रखते हुए और सिविल लाइबिलिटी कन्वेंशन को मद्देनजर रखते हुए इस संशोधन को सदन के सामने लाया गया है, यह एक अच्छी पहल है। मैं समझता हूँ कि यह सिर्फ अच्छी पहल विधेयक को पास करने की ही नहीं है, पर अच्छी पहल है। आने वाले दिनों में हमारे वाणिज्य पोत परिवहन व्यवस्था के लिए एक अच्छी शुरुआत और सुनहरा अवसर होगा। विदेशों में जिस तरह से कानून बने हुए हैं, वही कानूनी व्यवस्था अगर हम यहां देंगे तो और भी आयात और निर्यात के माध्यम, आयात खुलेंगे इसके माध्यम से यह वाणिज्य पोत परिवहन का यातायात हमारे देश में बढ़ेगा। यही कहते हुए मैं इस संशोधन विधेयक का समर्थन करता हूँ।

SHRI C.O. POULOSE (Kerala): Thank you, Mr. Vice-Chairman, Sir, for giving me this opportunity.

Sir, as the Minister has rightly pointed out, this Bill is to update the old Act. The Bill provides for the manning of ships, licensing procedure and other things in accordance with the convention accepted by India. The number of deep sea-fishing vessels is increasing. The current statistics on sea food export shows that among other vessels, the number of deep sea-fishing vessels and ships is increasing enormously. Even though, the facilities provided in these ships have improved a lot, but they are not sufficient for the safety in the hour of distress. You know, yesterday, and, today also, the newspapers and electronic media have reported that some fishing vessel was sinking in the Bay of Bengal. In many cases, the safety equipment in ships are not sufficient for the protection of the ships and crew. The information as well as broadcasting equipment are also not adequate. There are many instances of inadequacies in these equipments when ship wreckages take place, or, when the weather condition gets from bad to worse. The safety vessels and seamen should be given high priority

and the Government should provide enough guarantee for that. The scientific and technological advancement of today have created enough scope for improving these facilities. The Government should concentrate on all these aspects. I request the Government to provide insurance facilities for the seamen along with ships. The workers employed in these merchant ships are given remuneration much lower than the minimum standard wages. There is no law, or, the law is not enforced properly to make the seamen to get their lawful wages. There are also many workers employed in ships of other countries and the Government is not doing anything to oversee whether these workmen are getting remunerative wages, or, whether their wages are delayed, or, not paid at all. The Major Port Trust Act is being amended by this Bill. It is necessary. Now, the Government's thinking is to privatise these ports, its building units and ships. Its intention of privatising everything will not be a welcome step. It will not help in the development of the country. I request the Government to review its strategy, and instead, develop the ports and the ship-building yards such that the country can withstand the pressure from the multinational corporations and the shipping tycoons.

Sir, there should be a sufficient guarantee for removing the pollution created by the tankers carrying oil. There should be some more international conventions, and the Government should take a lead in this area so that this pollution is controlled.

Almost all the provisions put forward in the Bill are intended to upgrade the shipping industry. It is a welcome step.

With these words, I conclude.

SHRI S. VIDUTHALAI VIRUMBI (Tamil Nadu): Sir, at the outset, I support the Merchant Shipping (Amendment) Bill, 2002, that has been brought before us for discussion. The intention of this amendment Bill is good, but, at the same time, the mere implementation of the provisions of this Bill is not going to solve the problems that are being confronted by this sector.

Sir, we have a national shipping policy. Our standing in the globe is fourteenth. That means there are 13 countries above us. We have a long stretch of shores. The amount realised through the freight on the shipping industry constitutes between 3 and 3.5 per cent of the total export trade earnings. According to the Tenth Plan Working Group's estimate, within five years we may have to purchase more than 150 ships. That may cost about 3.5 billion dollars. How are we going to make up the deficit? What is the problem that we are faced with?



Sir, in our case, 70 per cent of the goods are being handled by ships owned by foreigners. Only 30 per cent of the total export trade goods are being carried by our national lines. This is the situation.

This Bill has been brought before us only for a limited purpose. One is to place the seamen's placement service providers under the control of the Director-General of Shipping. The second is, actually the ship-owners will be relieved, to some extent, from the sufferings that they are experiencing now. This is the second thing. From the 1976 Convention, it is easy to enforce and safeguard the interests of the ship-owners. But I want to mention one thing in this regard. Sir, 13 per cent of our shipping tonnage has been flagged out. Why was this flagging out taking place? This flagging out was taking place because of our taxation policy. I want to quote, Sir, a news clipping from *'The Hindu Business Line'* dated 5<sup>th</sup> February, 2002. I quote "The sea-going vessels engaged in overseas trade, totalling 6.38 million GRT, account for the bulk of the country's total shipping tonnage and the off-shore supply vessels and coastal vessels the balance 0.69 million GRT. Of the sea-going vessels, the dry bulk carriers account for nearly 38 per cent of the total tonnage, crude tankers at 32.5 per cent, and product tankers 15 per cent. The other vessels include OBOs (three), LPG carriers (seven) and the acid carriers (seven), general cargo vessels (29) and cellular vessels (10). Indian crew employed on foreign flag vessels are not required to pay income-tax while the same benefit is not extended to Indian seafarers employed in Indian vessels. It is a very important issue. As a result, the Indian ship-owners cannot retain good people. The retention is possible, but only at a high cost, which makes it even more uncompetitive." This is the issue that we are facing. Therefore, Sir, now the increasing demand for the petroleum products needs more ships for us; we want tankers. Therefore, I feel that we have this problem. Nearly 12 major ports are here; 194 million tonnes are being handled. But not a single port is according to the international standard. We are able to provide only feeding vessels. We have to depend either upon the Singapore Port or the Colombo Port. When we compare our ports with their ports, we find there are not of that standard. With due respect to that country, I would say, it is a very small country, but they are able to have the main port of international standard. In case, if the Department concerned, the Ministry concerned, is eager to implement the *Sethusamudram* project; it is good because, we are going to get around 400 nautical miles now in the sphere of shipping. That way, the cost of the product goes up, and due to

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that reason, our products become uncompetitive also. Therefore, what we say is that the *Sethusamudram* project is an essential one. The shipping policy and the port policy should go together and these should be integrated. Both the port policy and the shipping policy cannot be delinked. Therefore, now what is happening is that the countries which are enjoying the international port status, they are of the view, that there should not be any development in this sphere, in India. But, some vested interests are doing this job. The Government of India has to overcome that hurdle. Therefore, so far as the shipping industry is concerned, we have to cover a long way. At the moment, we are carrying only 30 per cent of the goods. We have to carry by our own ships the balance 70 per cent goods also. According to the Tenth Plan, even if we buy ships, we are not going to cope up with the problem that we are confronting right now. We must also give some thought to the construction of ports in the shipping sector. Sir, unemployment is growing everyday, everywhere, that too after liberalization. After liberalization, only the capital has a free flow. There is no free flow of labour. When this is the situation, when we have got an opportunity to provide employment through some sectors, we must cash on it. Keeping that in view, we must see to it that more and more construction companies are started by the Government sector or the private sector or the joint sector. Only then we can cope up with this problem. But anyhow, the intention behind this Bill is very good, and therefore, I support this Bill. Thank you.

DR. M.N. DAS (Orissa): Mr. Vice-Chairman, Sir, I thank you for giving me this opportunity to speak a few words. Sir, when we are discussing India, *vis-a-vis*, maritime position, maritime activities, we must not forget that India commands the entire Indian Ocean, as far as Antarctica; and not merely that, much more than that, India commands the trade route between the entire Western Hemisphere and the Eastern Hemisphere, including South East Asia and the Far East and *vice-versa*. Now, the basic question is: "Has India enough of deep sea ports for import of commodities, for export of commodities?" Sir, in the answer to a question this very day, which could not be taken up, the hon. Minister has shown the figures. In the year 2000-01, India had to import 20930 million tonnes of coal. In the year 2001-02, India had to import 20548 million tonnes of coal. What for is this coal necessary? Sir, for your information and for the information of the hon. House, a time is coming when our thermal power stations and hydro power stations will come to a close. And the dams where silting is taking

place, dredging is a very costly affair. Side by side, we are losing from our mines the quality coal, and we have to depend on inferior coal. Therefore, we are going to import thousands of millions of tonnes of coal from Australia in the near future before India becomes dark. In this connection, I would like to draw the attention of this House to one basic factor. Sir, a multinational company, perhaps, named as ISP, operating in countries, including Thailand, Singapore and U.S.A., searched for a proper place for a deep sea port, and discovered one place called Dhamra, where three rivers converge and fall into the Bay of Bengal, that is, Baitarni, Brahmani and Kharasrota, and where the water of three rivers fall into the sea, the place has become so vast that it can accommodate at a particular given time 30 largest cargo carrying vessels, and you can import millions of tonnes of coal from Australia today, and hereafter, and that coal will go from India to Pakistan, to Bangladesh, to Nepal, but that construction of the deep sea port at Dhamra is being delayed for reasons best known to the Government. I am now told by scientists that that company is going to search for a similar place, possibly somewhere in the coastal belt of Africa. Now, they are going to invest Rs. 4000 crores, Sir, in the first phase of the construction. But, the Government of India delays the matter; State Government of Orissa delays the matter, and the construction work doesn't begin. So, they have started searching for a new place like that in the African coast. Will it be desirable? They are going to invest money and pay royalty to you the largest cargo carrying vessels, means 1,50,000 tonnes, at a time 30 ships can anchor there. But still, we delayed that gigantic project due to bureaucratic hurdles, or ministerial hurdles, God knows, what for? And if you delay further by a single month more, two months more, or six months more, then they might find a similar place in Africa. So, I appeal to the Government to immediately take up the construction of Dhamra Port. You are not spending a single rupee. But they are going to spend Rs. 4000 crores in the first phase of the construction. Thereafter it will continue. So, let us think of our future with a vision and the Government of the time, whatever Government it may be, must be able to think ahead of time, of one generation, of two generations, decades and a century. If you are getting a chance that a Multinational Corporation builds up a deep-sea-port at Dhamra, we have no reason to delay the matter indefinitely without coming to a definite conclusion, or, decision, or, approval of the scheme. Thank you very much.

THE VICE-CHAIRMAN (SHRI RAJU PARMAR): Thank you, Mr. Das. Now, I request the Minister to reply.

SHRI VED PRAKASH GOYAL : Sir, I am very grateful to the House for their unequivocal support to the Bill. Mr. Rahman Khan, actually all the speakers, have made very valuable suggestions and which will surely be looked into in more detail and in more depth. Mr. Rahman Khan has mentioned that the Government should encourage shipping and more so, Port Trusts functioning. Now, the shipping industry needs a very competitive environment. For that purpose, we have undertaken all the Ports, all the 12 Ports, a cost reduction programme of 10 per cent within one year. It is the first time that we are trying that and I am very happy to tell you that we are getting the cooperation of all agencies, managers, as well as, workmen. As regards, Seamen Employment Regulation, I have explained the advantages of that and the very need of that. It has been widely welcomed. फिर कानून की व्यवस्था का प्रावधान, वास्तव में उसी के लिए तो यह बिल है। हमने पास तो किए हुए हैं, लेकिन जब तक कानूनी व्यवस्था नहीं हो तो कड़ाई से उनका पालन नहीं हो सकता है और इसी के लिए इस बिल को यहां लाया गया है। Shri C.O. Poulse has spoken about the safety of our ports. The safety of our ports is second to none in the world. It is looked after by a separate agency, the Coast Guard.

The safety equipment and medicines, for the health of the users: he has mentioned that they are not in a very good condition. We will examine it in more detail and see that whatever provisions are available, at the international level, are provided and maintained here. And, enforcement of law, as I said, will be there, if there is a law. That is why it is coming.

Regarding privatisation of ports, firstly, there is an international requirement. What is being proposed through another Bill, which will be coming up, is to go for corporatisation. That means, to make them more efficiently managed ports. They will have more decision-making powers in their hands. That is the first step. I hope that when it comes before you, you will support it.

Regarding privatisation of shipyards, we are trying to find international shipyards to join us technically, as well as in the management. First, we have to improve their condition. One of our shipyards, the Cochin Shipyard, is competing and getting orders through global tenders. Others, unfortunately, are not. One is at Vishakhapatnam; and another is at Kolkata. We are taking special steps. Special teams are working to ensure that they come out of the red.

Pollution by foreign ships: I have mentioned that pollution by any ship is equally dangerous, and compensations will now be regulated. Some hon.

Member has suggested that the Government should take a lead in the IMO. Yes; I fully endorse that.

Mr. Virumbi has mentioned that mere amendments does not amount to implementation. The first step is to have a legislation through which you can take action. Then, there are a lot of laws in the country, which will hook the culprits and not leave them scot-free. The law enforcement agencies, after that, will be able to play an effective role.

He said, 30 per cent of our exports is carried by foreign ships. It saddens our heart; if that is so. Therefore, I have said, we are making extensive efforts to get larger ships and to improve the working of the shipyards. We are finding new terminals, which the international players will operate. We already have four. Three or four tenders are in the offing, and I am sure, we shall not continue to suffer from this disadvantage.

Flagging not in India: There is a very important point regarding tax reductions, and with this in mind, we are now actively pursuing with the Ministry of Finance and other agencies to bring in the tonnage tax. It is a universal practice. Tonnage tax becomes a pre-defined amount. If the new people have to bring ships from foreign companies, they cannot bring unless they know the amount of tax they have to pay. So, that is being done. And for the existing shipping companies, unfortunately, we don't have many; there are only two large companies the other amendments in the Finance Bill have been brought in in the last Budget, the income-tax rates and other measures. Tax on the new crew, *vis-a-vis* the foreign vessels crew is also on the cards; as I said, the tunnel tax and the tax on the Indian crews. More and more ships, for oil, are being acquired. We are going in for very large crude oil carriers. We are going in for very large crude carriers, which are called VLCC, so that large ships can bring oil. Oil is going to be the future cargo, and we are not equipped for that. We have issued a tender; we have received the bids. It is in the process of being finalised. Another important point that has been mentioned is the setting up of an international transshipment terminal. Unfortunately, all these years, we have no such terminal where large ships can come. So, the large ships, which is the order of the day, can bring materials and take materials out through daughter ships, because the mother ships can't come there. We have taken up a project at Cochin, known as the Vallarpadam Project, which is also in a very advanced stage. Tenders are likely to be issued within a month or so. Then, we will have international competition for running a modern terminal. The Shipping Policy has already been drafted.

Our aim is to get a level-playing field. I have mentioned a few steps. Mr. Das has brought out one or two things. We have not been able to use India's commanding position in the Indian Ocean and the international trade route because the large ships have to go around Sri Lanka and, as I said, we are going to have this advantage, once we have the international terminal. In fact, when I mention about the Indian Ocean, many of you may not know that it is the only ocean in the world which is named after a country, and there is no such ocean anywhere in the world. That shows our historic position, in terms of ocean-going vessels, and we are going to get that again. Another requirement for larger tonnage means improvement of ports, expanding their size and the costly operation of dredging. We have undertaken that; we are strengthening our own organisation, the Dredging Corporation of India, which has already achieved a very high level of efficiency. They have reached Rs. 500 crores; they gave 65% dividend. Now, we have set a target of Rs.1,000 crores for them; and, I am sure, they will achieve that. The Vallarpadam project, which I have already mentioned, is coming up, and I.H.P., etc., which has been established in other ports, may come to Vallarpadam. I think I have answered most of the related questions and responded to the suggestions. With these words, I request that the Bill be passed. Thank you.

THE VICE-CHAIRMAN (SHRI RAJU PARMAR): Thank you, Mr. Minister. Now the question is :

"That the Bill further to amend the Merchant Shipping Act, 1958 and the Major Port Trusts Act, 1963, be taken into consideration."

*The motion was adopted.*

THE VICE-CHAIRMAN (SHRI RAJU PARMAR): Now, we shall take up the clause-by-clause consideration of the Bill.

*Clauses 2 to 20 were added to the Bill.*

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

SHRI VED PRAKASH GOYAL: Sir, I move:

"That the Bill be passed".

*The question was put and the motion was adopted.*