

ESTIMATES COMMITTEE (1981-82)

(SEVENTH LOK SABHA)

THIRTY-SECOND REPORT

MINISTRY OF SHIPPING AND TRANSPORT

SHIPPING—MAJOR PORTS

Presented to Lok Sabha on 27 April, 1982



**LOK SABHA SECRETARIAT
NEW DELHI**

April, 1982/Vaisakha, 1904 (Saka)

Price: Rs. 8.80

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CORRIGENDA TO 32nd REPORT OF ESTIMATES
COMMITTEE.

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ESTIMATES COMMITTEE

(1981-82)

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Shri H. G. Paranjpe—*Joint Secretary*

Shri K. S. Bhalla—*Chief Financial Committee Officer*

Shri H. C. Bahl—*Senior Financial Committee Officer*

INTRODUCTION

1. The Chairman of Estimates Committee having been authorised by the Committee to submit the Report on their behalf present this Thirty-second Report on the Ministry of Shipping and Transport—Shipping—Major Ports.

2. The Committee took evidence of the representatives of the Ministries of Shipping and Transport, Agriculture, Commerce, Finance, Petroleum and Chemicals, Railways, Steel and Mines, MMTC and SAIL and Officers of the Port Trusts of Bombay, Cochin, Madras, Calcutta, and Haldia on 4th, 5th, 28th and 30th January, 1982. The Committee wish to express their thanks to the officers of these Ministries and organisations for placing before them material and information which they desired in connection with the examination of the subject and for giving evidence before the Committee.

3. The Committee also wish to thank the Indian National Ship-owners' Association Bombay; Madras Chamber of Commerce and Industry, Madras; Bengal Chamber of Commerce and Industry, Calcutta; Shipping Corporation of India Ltd., Bombay and All India Port and Dock Workers' Federation, Bombay, for giving evidence and making valuable suggestions.

4. The Committee also wish to express their thanks to all other institutions, associations, bodies and individuals who furnished memoranda on the subject to the Committee.

5. The report was considered and adopted by the Committee on 16 April, 1982.

6. For facility of reference the recommendations/observations of the Committee have been printed in thick type in the body of the Report. A summary of the recommendations/observations is appended to the Report (Appendix II).

NEW DELHI;
April 26, 1982
Vaisakha 6, 1904 (S)

S. B. P. PATTABHI RAMA RAO,
Chairman.
Estimates Committee.

CHAPTER I

CAPACITY PLANNING

A. Past Planning

On the eve of Independence, India had five major ports, namely, Bombay, Calcutta, Madras, Cochin and Vishakhapatnam. A new major port at Kandla in Gujarat was conceived and developed during the first and second plan periods. The port of Mormugao became the country's seventh Major Port when Goa was liberated in December, 1961. Paradip in Orissa was developed as the eighth major port and commissioned in November, 1966. Two other major ports—one at Mangalore in Karnataka, and another at Tuticorin in Tamil Nadu, were developed and commissioned in 1974, in order to meet the expanding requirements of port facilities. There are thus at present ten major ports in India, viz.; Bombay, Calcutta, Madras, Cochin, Vishakhapatnam, Kandla, Mormugao, Paradip, Mangalore (New), Tuticorin.

1.2. During the last 30 years of planning ending in March, 1980, a sum of Rs. 980 crores (approx.) was invested on the development of major ports. The Plan-wise details of allocations, actual expenditure and percentage of utilisation are set out below:

(Rupees in crores)

Plan	Allocation	Actual Expenditure	Percentage of utilisation
1	2	3	4
1st Five Year Plan (1951-56)	64.00	26.32	41.00
2nd Five-Year Plan (1956-61)	98.00	45.50	46.40
3rd Five-Year Plan (1961-66)	111.00	92.95*	84.30
Annual Plan (1966-67)	37.00	23.66	63.30
Annual Plan (1967-68)	44.50	25.49	58.60
Annual Plan (1968-69)	43.00	39.67	92.80
4th Five-Year Plan (1969-74)	294.00	265.16	90.00
5th Five-Year Plan (1974-78)	473.00	359.35	76.00
Annual Plan (1978-79)	93.00	53.44	56.00
Annual Plan (1979-80)	80.00	47.76	60.00
Total	1335.00	979.29	73.00

*This includes an expenditure of Rs. 19.65 crores incurred by the Govt. of Orissa on Paradip Port before it was taken over by the Central Govt.

1.3. During evidence the Committee were informed that from 1971-72 to 1980-81, the plan funds for development of major ports were about Rs. 969 crores out of which an amount of Rs. 715 crores was spent, leaving a short fall of over Rs. 150 crores.

1.4. The following statement gives an idea of growth of traffic handling capacities available at the end of each Plan from the Third Plan onwards.

1.5. Traffic Handling Capacity of Major Ports.

Name of Port	Beginning of 3rd Plan 1961-62	End of 3rd Plan 1965-66	Beginning of 4th Plan 1969-70	End of 4th Plan 1973-74	.illion Tonnes)	
					End of 5th Plan 1977-79 & as on 31-3-	£6
1. Calcutta . .	12.16	12.20	12.50	12.50	5.50*	Bulk
Haldia . .	—	—	2.50	3.50	9.96	Cargo Shifted to Haldia
2. Bombay . .	14.50	15.00	15.60	16.50	16.50	
3. Madras . .	3.20	5.00	7.00	7.00	15.00	
4. Cochin . .	3.25	4.20	5.70	5.45	5.45	
5. Visakhapatnam .	3.60	8.00	10.00	10.00	12.40	
6. Kandla . .	1.06	1.80	2.10	2.15	13.05	
7. Mormugao] . .	—	8.00	8.60	8.25	15.85	
8. Paradip . .	—	—	2.00	2.20	3.35	
9. Mangalore . .	—	—	—	1.55	1.55	
10 Tuticorin . .	—	—	—	2.00	2.70	
	37.77	54.20	66.30	71.20	101.31	

*The capacities indicated here have been estimated now on the basis of existing data.

1.6. Secretary, Shipping and Transport, informed the Committee during evidence that as against 107 million tonnes capacity planned so far, a capacity totalling 101 million tonnes had been achieved by 1980-81. There was thus a shortfall of 6 million tonnes.

1.7. It has been stated by the Ministry that the main reasons for shortfall in planned capacities are as under:

- (i) Acute shortage of foreign exchange particularly in case of execution of Haldia Dock Project;
- (ii) Delay in finalisation of detailed plans and procurement of construction equipments;
- (iii) Delay in supply of handling equipments by indigenous manufacturers;
- (iv) Scarcity of construction materials like cement and steel;
- (v) Slow progress by the Contractors.

1.8. Secretary (Shipping and Transport) explained during evidence that the shortfalls in achieving the planned capacities during Third Plan onwards were attributable mainly to delay in three main projects like the Fertilizer Handling Plant in Haldia, the Iron ore Handling Plant at Paradeep and the Fourth Oil Berth at Bombay.

1.9. Secretary added that regarding the equipments such as tugs, dredgers etc. the orders are primarily placed with some major public

sector organisations. Sometimes there are delays and they are asked to expedite. He mentioned that a reclaimer which was ordered on MAMC was delayed for two years. It was sought even to import it but there was difficulty in importing it at a short notice

B. Sixth Plan Performance

1.10. Given below is the statement indicating outlay and expenditure for 1980-81 for plan schemes of Major Ports:

(Rs. in Crores)

Name of the Port	Outlay (1980-81)	Expenditure (1980-81)
1. Calcutta	4.91	1.61
Haldia Dock	2.33	1.48
Haldia Channel dredging	2.00	—
BHRTW	2.75	2.40
2. Bombay	21.01	8.07
Nhava Sheva	0.60	0.03
3. Madras	9.11	3.31
4. Cochin	6.18	3.82
5. Visakhapatnam	10.74	5.81
6. Kandla	9.62	4.30
7. Mormugao	2.63	2.44
8. Paradip	8.12	10.37
9. New Mangalore	5.30	2.06
Kudremukh	6.00	2.90
10. Tuticorin	7.04	6.46
TOTAL	98.34	57.76

1.11. It is seen that the expenditure for the first year of the Sixth Plan fell much short of the outlay earmarked for all the ports except Haldia Dock and Paradip.

1.12. The following reasons have been advanced for shortfalls in the Plan proposals during the first year (1980-81) of the Sixth Plan. The amount of shortfall in case of each project is indicated in brackets (in Rs. lakhs).

Calcutta

E.F.C. Schemes regarding conversion of a Hopper Barge into Grab Dredger (80); Tug Sturdy and Lotus (63); repair facilities (30) and Hi-Fix Chain (25) could not be sanctioned. There was also slow progress in respect of schemes relating to procurement of wharf and yard cranes (100); 2 Locomotives (50); construction of quarters (19) and Pontoons and Gangways (24).

Haldia Dock

Slow progress in respect of workshop facilities and Plant replacement (27); construction of quarters (11) and repair shed (20).

Bombay

Slow progress of contractors/slow progress in respect of 4th Oil Berth (193); Dock expansion and Ballard Pier extension (50); construction of quarters (30); Purchase of 2 high power tugs (350); Diesel fork-lift (350); 2nd travelling crane (50); Pilot launches (45); Container handling facilities (435).

Madras

Slow progress of contractors/slow progress in respect of construction of outer arm (149); acquisition of 4 grabbing cranes (106); dust control (36); container handling facilities (203) and re-modelling of boat basin (36).

Cochin

Procurement of container handling equipment estimated to cost Rs. 4.5 crores was kept in abeyance (150); delay in awarding contract for integrated development project (72).

Vishakhapatnam

Slow progress in respect of 3rd wagon tippler (84); construction of quarters for CISF (15); acquisition of land for quarters (23); non-procurement of tractor tug due to court case (50); delay in settlement of escalation claims in respect of suction hopper dredgers (17); construction of additional mooring berth (72); procurement of repier mobile crane (30); procurement of steel hopper barges (38). Besides there was delay in processing the sanction for 10-ton electric wharf crane and revised cost estimates of shipping tug in replacement of 'Ranapratap' accounting for Rs. (51).

Kandla

The shortfall is mainly due to slow progress of certain important schemes like Floating Dry Dock (137); 30 ton

Bollard Pull Tug (72) Salaya Offshore terminal (85); Wharf cranes and container handling equipment (140). Besides there was delay in processing sanction for certain schemes.

Mormugao

Due to slow progress of the schemes relating to construction of staff quarters and procurement of tug 'Mocambique'.

New Mangalore

The shortfall was mainly due to slow progress in the procurement of tugs (116). Besides shortfall of material like cement etc. contributed.

Kudremukh

The shortfall in this case is only due to savings in the quantity to be dredged (300).

1.13. Explaining the reasons for the shortfalls during the first year of the Plan (1980-81) Secretary, Shipping and Transport, stated during evidence (January 1982) that there was some delay in getting sanctions, but now most of the sanctions had been issued. There were still some delays in the supply of equipment. When Committee pointed out that delays in issuing sanctions showed too much of red-tapism which should be avoided, the Secretary stated that during the last 1½ years this was one of the biggest work programmes which has been sanctioned. He added that efforts were being made towards cutting down building time from 4 years to 18 months or maximum 24 months. They were also cutting down time for tendering, documentation, drawing detailed estimates and at other stages. But he felt that still it would take some time before all this got streamlined. He stated that during the current year (1981-82) an expenditure of Rs. 90 crores was expected to be incurred against an allotment of Rs. 100 crores. He assured the Committee that next year it would definitely be Rs. 130 crores. Secretary informed the Committee further that leaving out 2 or 3 projects, almost all other projects in the Sixth Plan stood sanctioned and work on processing had already started on them.

1.14. It is unfortunate that in the development of major ports, the Ministry has never, since the beginning of First Five Year Plan, been able to make use of plan outlays fully. During the period between the First and the Fifth Plan there was a shortfall of the order of Rs. 353.71

crores equivalent of 27 per cent of the total outlay. During the 10 year period 1971—81 the shortfall was of over Rs. 250 crores i.e. about 26 per cent against an outlay of Rs. 969 crores. Consequently, as against a target of 107 million tonnes of port capacity, only 101 million tonnes capacity could be achieved till 31-3-1980 leaving a shortfall of 6 million tonnes traffic in physical terms.

1.15. During the Third Plan period onwards the shortfalls are attributable mainly to three major projects viz. the Fertilizers Handling Plant at Haldia, the Iron ore Handling Plant at Paradeep and Fourth Oil Berth at Bombay.

1.16. Shortfall continued even during the first year (1980-81) of Sixth Plan. Out of an outlay of Rs. 98.84 crores during 1980-81, expenditure during the year only of the order of Rs. 57.76 crores showing a shortfall of 41 per cent.

1.17. These shortfalls have resulted from an all round slow progress of plan projects. What is more disturbing is that the shortfall during 1980-81 has resulted from delay in according sanctions for various plan schemes.

1.18. Even during 1981-82 the Ministry is not hopeful of using the outlay of Rs. 100 crores fully. It expects to spend only Rs. 90 crores.

1.19. This analysis reveals, beyond any doubt, that the Ministry of Shipping and Transport has failed to achieve financial and physical targets of port development during the successive Plan periods. Instead of coming down, the shortfall has risen from 27 per cent upto the end of Fifth Plan to 41 per cent in first year of the sixth Plan. This shows that even now the Ministry has not been able to gear itself upto the development tasks expected of it. Whatever be the reasons, capacity delayed is capacity lost for the period of delay resulting in adverse effect on development in vital transport sector. The Committee strongly urge the Ministry to analyse the reasons for its dismal performance in the past and take conclusive measures without delay to ensure that the Plan targets are achieved in full and on schedule at least hereafter. The Committee would like to be apprised of the measures taken in this regard.

(Sl. No. 1)

C. Perspective Plan

1.20. It is noted that an overall assessment of port facilities and future requirements have been made upto 1984-85. The Committee

asked whether any broad perspective plan for ports development in the country for the next, say, about 15 years had been drawn up in respect of all major ports.

1.21. The Ministry stated as follows:—

Tuticorin, Mormugao and Vizag Ports have already sent their Master Plans to the Ministry, and they are under scrutiny. The work of collection of data received for updating the Master Plan for future development of Kandla Port has been completed. The Master Plan on the basis of the said data is being updated. The details of comprehensive Master Plan for the New Mangalore Port with a minimum time horizon of 10 years for the infrastructural facilities has already been submitted to the Ministry. Action is being taken to prepare a Master Plan covering next 15—20 years. The Madras Port has already prepared tentative plan for an Outer Harbour north of Bharathi Dock. The layout has been sent to the Research Station, Pune for further studies. As regard Paradip Port firm proposals from the three consultancy firms are yet to be received. Reminders are being sent. Offer from M/s. Consulting Engineering Services Pvt. Ltd., New Delhi has been received. As advised by the Ministry, the up-dating of the Master Plan for Bombay Port will be taken up after receipt of DPR on the proposed Nhava Sheva Port from the consultants M/s. HOWE (India) Pvt. Ltd. and the report on the Social Cost Benefit from the IIM, Bangalore, which are expected by the end of 1981. A draft Master Plan for Calcutta Port has been prepared and is now under examination in consultation with various departments, with a view to finalising the same. Views of all the concerned departments have not yet been received. This is being expedited. The work of preparation of a Master Plan for Cochin Port was entrusted to M/s. Engineers India Limited and the same is in progress.

1.22. Secretary, Shipping and Transport stated during evidence that as regards the total country's Plan a group was being appointed shortly to prepare a plan for the period 1995—90 i.e. for the Seventh Plan. It was not proposed to go beyond 1990 at present.

1.23. The Committee find that Master Plans for the future development of the ports of Kandla, Madras, Paradip, Bombay, Calcutta

and Cochin have not yet been finalised. These should be finalised expeditiously.

(S. No. 2)

1.24. The Committee welcome the Ministry's proposal to appoint a group to prepare a total plan for the development of ports for the Seventh Plan period. Port development schemes being long gestation projects, the Ministry may consider whether, instead of having a five-year perspective planning as at present, would it not be better to have a longer perspective in planning for development of ports.

(S. No. 3)

Sixth Five Year Plan

1.25. According to the projections worked out by the Working Group on Ports for Sixth Five Year Plan 1980-85 anticipated traffic and the capacities at the ports as on 31-3-85 are expected to be as follows:—

Sl. No.	Commodity	projections	Capacity as on 31-3-1985
1	POL	51.00	48.50
2	Iron ore	37.00	45.50
3	Coal	4.4	6.25
4	Fertilisers Foodgrains and general cargo	38.49	31.31
TOTAL		130.90	131.56

1.26. It has been stated by the Working Group in this connection that "in case of POL the shortfall is only 1.5 MT which could be covered by slightly higher occupancy." In respect of traffic of fertilizers, foodgrain and general cargo which are handled at general cargo berths, the Working Group says that "the overall capacity falls fairly short of the traffic projections. This is unavoidable, as it would not be possible to step up the capacity in one stage." It has been conceded by the group further that "certain amount of congestion appears to be unavoidable if the traffic projections fully materialise."

1.27. At present too the overall capacities for handling fertilizers and general cargo is less than the traffic which is 103 per cent and 108 per cent respectively of the capacities.

1.28. It has been represented to the Committee that optimum utilisation factor of a berth is 50 per cent to 60 per cent and

once this stage is reached, increase in the capacities should be planned. Transport Policy Committee had recommended adoption of berth occupancy of 75 per cent which is more than 60 per cent suggested by international organisations. The Working Group has adopted 75 per cent in view of scarce resources.

1.29. Drawing attention to the Working Group's projections according to which even at the end of Sixth Five Years Plan, port capacities to handle POL, fertilizers and general cargo would be much less than the projected traffic, the Committee asked the Ministry in evidence whether it would not like to give a fresh thought to Sixth Plan proposals. Secretary (Shipping and Transport) stated that these were only projections and that many changes were taking place these days. For example, in the case of POL the whole scene had shifted in the sense that earlier the crude was being imported from Gulf countries and now a good deal of crude was available in India. The pattern of crude was getting different. Again possibly less fertilizer would now be imported than envisaged earlier because of increase in indigenous production. Secretary added that if congestion in general cargo was removed, then there would be no real problem for handling Indian foreign trade by the end of the Sixth Plan. He added that "In fact, we feel that we are quite geared to meet India's foreign trade adequately by 1985".

1.30. Secretary informed the Committee that 17 berths were being built at present. It is a huge programme of construction which would add to India's port capacity. The witness was hopeful that with some managerial discipline and efficiency and labour peace, it should be possible to meet the requirements of foreign trade. He added that the basic bottlenecks were in Bombay. Other ports in India, by and large, were all right.

1.31. He stated that Bombay was congested because it had a hinterland which was nearly half of India and it was not possible to feed this hinterland from Mangalore or Cochin. It had to be done from Bombay or Kandla.

1.32. The representative of the Deptt. of Steel stated during evidence that in regard to import of Steel there had been congestion at Bombay Port causing difficulties. The representative of MMTC, stated that the projections of iron ore seemed to be quite all right. As regards fertilizer, he stated that imported fertilizer would be between 4.5 and 6 million tonnes per year compared to 1980-81 when it

was 5.2 million tonnes. This year (1981-82), figure was likely to be lower by a million tonnes. Secretary, Shipping and Transport added that the fertilizer import could be around 5 to 6 million tonnes which the ports were capable of handling.

1.33. With regard to import of Crude and Petroleum products, the representative of the Ministry of Petroleum and Chemicals expressed the view that the projections in this regard were more or less realistic except for Bombay, because of the accelerated programme of Bombay high production. Export of Crude from Bombay Port was also slightly increasing, compared to the projection shown in the aforesaid statement. The POL projections were all right for 1984-85.

1.34. Secretary (Shipping and Transport) informed the Committee that these projections had been arrived at after detailed discussions with various Ministries.

1.35. When asked about the norms for optimum berth utilisation laid down by export bodies and when it was expected to reach these norms, the Secretary stated that 75 per cent berth occupancy had been accepted by the Ministry of Shipping and Transport and the Planning Commission. Although according to the technical experts of his Ministry it was a little too high, they had accepted this berth utilisation norm.

D. Utilisation of Port Capacity

1.36. The working Group on ports for Sixth Five Year Plan 1980—85, constituted by the Planning Commission had assessed optimum utilisation of port capacities, in August, 1980. The total traffic handled by the ten major ports during 1980-81 was 80.41 million tonnes. A statement showing commodity-wise port capacities vis-a-vis traffic handled during 1980-81 is attached (Appendix I). As can be seen from the statement, utilisation of POL capacities was 84 per cent, iron ore 61 per cent, coal 29 per cent fertilizers 103 per cent a general cargo 108 per cent and overall 79 per cent.

1.37. It is seen that as against the total capacity of 101.31 MT, all the major ports put together handled 80.81 MT in 1980-81 (79 per cent of the capacity). While, on the one hand, there was under-utilisation of capacity at certain ports in respect of certain commodities, on the other hand, there was acute congestion at Bombay and some

congestion at Madras and other ports. The Committee pointed out in evidence that there was a need for a more rational utilisation of port capacities.

1.38. The Committee drew the attention of the Ministry to the New Mangalore Port's capacity to handle POL which was much more than the traffic. They asked the Ministry whether the spare POL capacity at this port could not be utilised for handling edible oil traffic. Secretary (Shipping) stated that "we have no objection" in utilising the spare POL capacity for edible oil traffic.

1.39. The Ministry stated that the utilisation figure of 79 per cent overall was not of much relevance as the capacities were not interchangeable in most of the cases.

1.40. Answering a specific question regarding under utilisation of iron ore capacities at the ports of Vizag, Paradip, Madras and Haldia the Ministry stated that the main reason for under utilisation of ore handling facilities at the aforesaid four ports was recession in the world trade. Secondly the buyers considered facilities at certain ports inadequate and hence were reluctant to nominate vessels to lift iron ore from these ports.

1.41. Port-wise, the position was stated to be as under:—

1. Vizag:

1.42. The present mechanical handling system at Vizag Outer Harbour can load vessels upto 15.3 m draught (about 1,00,000 DWT) at 8,000 tonnes per hour.

1.43. The export during the last three years through this port is as under:

	(Million tonnes)
1978-79	5.96
1979-80	5.43
1980-81	5.66

1.44. The projected traffic during the Sixth Plan period is as under:

	(Million tonnes)
1981-82	7.00
1982-83	8.00
1983-84	8.00
1984-85	8.00

1.45. At present, a scheme for installation of a 3rd Wagon tippler has been taken up which is expected to be completed by March 1982. On its completion, the port would be able to handle 3.00 million tonnes annually.

1.46. It has been stated by the Ministry that no doubt the port has potential for exporting larger quantity of ore in bigger vessels. But, unless there is a firm and long term commitment by the purchasers, no further investment can be planned to enhance port facilities.

2. Madras

1.47. It is a deep drafted harbour which can receive vessels of draft upto 14 m i.e. about 80,000 DWT. Iron ore handling facilities at Madras can handle upto 7-8 million tonnes of ore annually. At present a quantity of 3.0 million tonnes is being handled. This is due to the limitation in railway capacity (Bellory-Rospet Sector to Madras) which is at present limited to 3.0 million tonnes. However the Department of railways have taken up certain measures to improve the capacity to 5.0 million tonnes. Further this could be enhanced to 7.0 million tonnes with further deepening of the Harbour, provided a long term commitment is given by the buyers. At present the utilisation of the facilities is about 74 per cent.

3. Paradip

1.48 This port can receive ore carriers of drafts of 11.9 m (39 ft.) i.e. about 60,000 DWT. The port has an annual capacity of 3.0 million tonnes of iron ore. The buyers consider the existing loading rate and the draft of the port inadequate and hence are reluctant to nominate vessels. At present the utilisation is of the order of 64 per cent. The Committee have been informed that measures are being taken to improve the loading rate.

4. Haldia

1.49. The existing ore handling facilities in Haldia Dock has an annual capacity of 4.0 million tonnes. The dock can admit vessels of 12.19 m (40 ft). However, at present export of iron ore through this port is almost nil as the shipping channel to the Dock can admit vessels of 9.14 m (30 ft.) draft only. The Port Trust is formulating a

scheme for the improvement of drafts upto 10.67 m (35 ft.) Even with this improvement it is doubtful about the prospects of export of ore through this port.

1.50. Explaining the utilisation of Coal handling capacities at Calcutta and Haldia, the Ministry stated as follows:—

1. Calcutta

1.51. The existing coal handling facilities can handle 1.00 million tonnes annually. The average utilisation is of the order of 38 per cent. The main reasons for unsatisfactory performance are as under:—

- (i) The draft of 7.92 m (26 ft.) to the port is not available throughout the year.
- (ii) Availability of vessels for loading is less in number.
- (iii) Arrival of wagons is irregular and untimely thus affecting the output of the coal handling plant.

2. Haldia

1.52. The throughput with the existing facilities is not satisfactory. The present utilisation is about 52 per cent. The low performance is due to the following:

- (i) low performance of the handling system.
- (ii) non-availability of adequate coal|colliers.

1.53. As regards low performance, corrective measures are stated to have been taken and the performance is improving gradually. Port is now in a position to meet the programme for shipment of coal subject to the availability of coal|colliers.

1.54. The ten major ports of India have a total capacity of handling 101.31 MT of traffic. As against this they handled a total of 80.41 MT of traffic during 1980-81 showing a capacity utilisation of 79 per cent. According to the Ministry the overall utilisation figure of 79 per cent is not of much relevance as the capacities are not inter-changeable in most of the cases.

1.55. The Committee find that while at certain ports in respect of certain commodities the capacity is grossly under-utilised, at other ports and in respect of certain commodities at the same port the traffic is fair in excess of the capacities. For example, POL capacities

are under-utilised at Tuticorin, New Mangalore, Mormugao, Bombay and Kandla; iron ore capacities are grossly under-utilised at Haldia, Paradeep, Vizag. and Madras; coal capacities are grossly under-utilised at Calcutta and Haldia and general cargo capacities are not fully utilised at Calcutta, Haldia and Cochin. Even if one takes an overall picture, excepting at Bombay, capacity at no other port is fully utilised. Capacities for various types of traffic at the ports, it is presumed, must have been decided after detailed studies of demand and development potential and provided at colossal cost. If these are not being fully utilised, it is either due to faulty planning or lop-sided development or failure of management, and for all this, the Ministry of Shipping and Transport has to bear the blame.

(S. No. 4)

1.56. From the study of the reasons for under-utilisation of iron ore and coal handling capacities at Madras, Vizag., Paradip, Haldia and Calcutta, the Committee have come to the conclusion that utilisation of capacities at these and other ports can be substantially improved if adequate infrastructural facilities are made available and draft deep enough for certain types of ships is provided at certain ports. This should be done without delay so that heavy capital investment does not remain infructuous. The Committee suggest that for this purpose a critical study of the available capacities and traffic at each of the major ports should be made by a task force with a view to drawing up concrete schemes to provide essential and supporting facilities to make the maximum use of the existing capacities. The Group should also identify capacities which can be suitably modified to handle traffic of other commodities for which there might be demand or for which the demand could be generated.

(S. No. 5)

1.57. The Committee feel that this exercise should be completed without delay and the report made use of by the expert group which is being set up by the Ministry to draw up perspective plan for the Seventh Five Year Plan period (1985—90).

(S. No. 6)

1.58. The Committee find that even if the Sixth Five Year Plan projections regarding capacity growth as worked out by the Working Group of the Planning Commission materialise fully, shortages in capacities will still persist in respect of POL, fertilizers, foodgrains and general cargo. The Committee feel that a second look at the Sixth Five Year Plan scheme in the context of the critical study of

existing capacities, as suggested by the Committee hereinbefore, is necessary not only to ensure optimum utilisation of existing capacities but also to provide more facilities for handling general cargo traffic in respect of which the position at present is admittedly very difficult.

(S. No. 7)

1.59. The Committee find that the Ministry has worked out future projections of demand and supply on the basis of 75 per cent berth occupancy in ports. On this basis the Ministry is hopeful of being able to meet the foreign trade requirements of the country during the Sixth Five Year Plan. But in view of the fact that this level of berth occupancy is not only stated to be higher than international norms but also considered by the Ministry's own experts to be "a little too high", the Committee cannot but view the Ministry's optimism with a little doubt. The Committee would like to advise the Ministry to review its expectations of berth occupancy more realistically so that it does not find itself in an unenviable position of not being able to cope with sea traffic requirements of foreign trade, at the end of Sixth Five Year Plan period.

(S. No. 8)

CHAPTER II

CONGESTION

A. Nature and Magnitude

2.1 Congestion at Port and its incidence is judged by the number of vessels waiting for a berth and the average waiting time. The port will be said to suffer from congestion if the ships suffer pre-berthing detention beyond and reasonable time. Besides, there could be a situation where the unloaded cargo is not removed from the docks/storage places expeditiously, resulting in congestion at the docks.

2.2 During the past 3 years, the Ports of Bombay, Calcutta and Madras have suffered from congestion on several occasions.

2.3 The following statement shows the maximum number of ships waiting for berthing and the maximum waiting periods for *general* cargo vessels at these ports during the last 3 years:—

Name	1979		1980		1981 (Jan. Aug.)	
	Max. No. of ships waiting.	Max. waiting period (days)	Max. No. of ships waiting	Max. Waiting period (days)	Max. No. of ships waiting	Max. waiting period (Days)
Bombay	46 (March)	67 (Feb.)	38 (Sept.)	20 (Jan.)	30 (April)	45 (July)
Calcutta (including Haldia)	35 (May)	32 (April)	19 (Jan.)	29 (Jan.)	19 (Jan.)	6 (Jan.)
Madras	27 (Dec.)	47 (Aug.)	19 (Jan.)	19 (Jan.)	22 (Aug.)	18 (Aug.)

Bombay Port

2.4 The Ministry stated that throughout 1979 there had been congestion at Bombay Port and number of vessels waiting for berth had varied from 6 on 1st August, 1979 to 46 in March, 1979. The waiting period during First quarter of 1979 in respect of general cargo vessels

was around 2 months. Later on there has been some improvement. During 1980 the Bombay Port did not suffer from acute congestion. Again the congestion started building up from February, 1981 onwards and the position in July, 81 had worsened when the number of waiting vessels had increased to 25 and the waiting period in respect of general cargo vessels was 45 days. Since then there has been some improvement in the position.

Calcutta and Madras Ports

2.5 The Ministry further stated that in Calcutta and Madras there was congestion throughout 1979. The position at Calcutta had improved from the beginning of 1980, and continues to be easy till now. However, in Madras the position has again worsened from May, 1981. At Madras Port, the position deteriorated as there was heavy and bunched arrival of ships at an average of 5 vessels a day carrying larger quantities of both general and bulk cargo. Moreover heavy and intermittent rains disrupted cargo handling. The Port is making efforts to reduce the pressure by constant and close supervision over the vessels' work. A team of officers is watching the clearance of goods from the transit sheds and wharves.

2.6 The Chairman, Madras Port Trust stated during evidence (Jan., 1982) that in Madras Port congestion had been only a temporary feature and was controllable. In 1980 the Port faced the severest of congestion and a Committee was appointed to go into the causes of congestion. The Committee came out with very clear recommendations. The most important of these was the phased clearance of cargo from sheds and wharves. This was taken up on a war footing and this resulted in the easing of congestion in the Port. Congestion also results from the bunched arrival of vessels over which the port authorities have no control. Madras faces congestion during North East Monsoon and North West Monsoon. During North West Monsoon when the western ports are not in a position to cope with the requirements, the vessels get diverted to eastern coast.

2.7 Secretary, Shipping & Transport, confirmed the view that there was no congestion in Madras Port.

B. Waiting period

2.8 The following statement gives a comparative picture of maximum waiting period for ships at major ports in 1976-77 and 1980-81:

	1976-77		1980-81	
	Waiting period (in days)	Traffic handled (MT)	Waiting period (in days)	Traffic handled (MT)
Bombay . . .	19	17.39	38	16.63
Calcutta . . .	5	8.02	33	9.29
Cochin . . .	7.96	4.77	39.38	5.27
Kandla . . .	37.21	3.31	90.96	8.82
Madras . . .	12	7.84	44	10.40
Marmugao . . .	11.87	13.46	37.79	13.76
New Mangalore . . .	27.29	0.87 (in 1978-79)	19.54	0.96
Paradeep . . .	25	3.32	37	2.29
Tuticorin . . .	9.77	1.06 (in 1978-79)	8.77	2.63
Vishakhapatnam . . .	17.36	8.70	26.03	10.26

2.9 It is seen from this statement that in 1980-81 that the maximum waiting period as compared to 1976-77 at all the major ports (except New Mangalore and Tuticorin) had doubled and trebelled at some ports and had gone up more than five times at Calcutta and Cochin, whereas traffic had increased only marginally.

2.10 Asked to comment on the decline in loading/unloading rate at the ports, Secretary, Shipping and Transport, stated during evidence, that 'average' waiting time should be taken into account to judge efficiency; He said that "maximum gives a very distorted picture." He informed the Committee that "average" waiting time for ships had declined since 1978.

2.11 Asked as to what should be the optimum waiting time Secretary added that 24 hours should be the maximum waiting time because of the tide or some such thing. Ports in the advanced world had no waiting period for ships. In case ships had to wait for longer period, the ship owners had to pay and even if the delay occurred due to the fault of port authorities, the port authorities did not have to pay any costs.

C. Turn Round Time

2.12 Actual turn round time of vessels (in days) in the major ports during the last 3 years is stated to be as follows:—

Major Port	Actual turn round time per ship (in days)		
	1978-79	1979-80	1980-81
Bombay	14.00	11.91	8.43
Calcutta	25.6	29.8	16.2
Cochin	4.96	5.67	5.17
Kandla	11.75	11.45	10.19
Madras	5.4	5.4	4.9
Mormugao	11.2	9.44	9.4
New Mangalore	7.27	6.68	8.06
Paradip	10.7	17.2	9.5
Tuticorin	7.20	8.00	5.24
Visakhapatnam	8.54	9.88	6.14

2.13. It is seen that the turn round at Kandla, Paradip, Mormugao, Bombay and New Mangalore was much higher as compared to that at Madras, Cochin and Tuticorin where the turn round time is notably low.

2.14 The Committee desired to know the reasons for higher turn round at Bombay, Calcutta, Kandla, Paradip and Mormugao. The Ministry stated that the turn round time in Bombay was more mainly because the ships suffered pre-berthing detention on account of congestion due to heavy arrival of ships. Bombay Port is working beyond its rated capacity in respect of general cargo vessels. At Calcutta the turn-round time of ships was higher on account of distinctive features including its estuarine character, long navigational channel requiring expert pilotage and tidal restriction. At Kandla ship loads are of larger quantity which take longer time in unloading. Paradip Port has only one general cargo berth and ships have to wait whenever there is bunch arrival of ships. At Mormugao iron ore which consists of more than 90 per cent of the total traffic is handled at only one mechanised berth. Ships have to wait for berth whenever there is more than 1 ship at the port.

2.15 The Ministry further stated that while certain ports like Calcutta, Cochin were under-utilised, the other ports like Bombay, Madras were working beyond their capacity. With a view to use spare capacities available at some of the ports and reduce pressure on the congested ports, an Inter-ministerial Committee on Rationalised Distribution of Cargo had been constituted. This Committee plans the ports of import/export in respect of bulk commodities like fertilisers, fertilisers raw-materials, cement, edible oil, coking coal, iron and steel, sugar, foodgrains, etc. The flow of traffic through the various major ports is reviewed from time to time and efforts are made to regulate the traffic with reference to the capacity of the major ports.

2.16 Further, there are schemes in the Sixth Five Year Plan for increasing the capacity of the ports. The details of these schemes are given below:—

Continuing Schemes

- (i) Fourth oil berth at Butcher Island, Bombay (Rs. 24.48 crores).
- (ii) Modification of iron ore handling plant at Paradip Port (Rs. 08 crores).
- (iii) Construction of second general cargo berth at Paradip (Rs. 7.20 crores).
- (iv) Fertiliser handling plant at Haldia (Rs. 4.24 crores).

New Projects Sanctioned

(i) **KANDLA PORT**

- (a) Sixth general cargo berth (Rs. 17.49 crores)
- (b) New Oil Jetty (Rs. 6.02 crores).

(ii) **BOMBAY PORT**

- (a) Two high-powered tugs (Rs. 10.20 crores).
- (b) Container handling equipment (Rs. 7.60 crores).

(iii) **PARADIP PORT**

- (a) Procurement of one rail-mounted stacker-cum-reclaimer (Rs. 2.50 crores)
- (b) Construction of 3rd general cargo berth (Rs. 7.12 crores).

(iv) **MORMUGAO PORT**

Construction of a multi-purpose cargo berth at Mormugao Port (Rs. 11.71 crores).

Schemes under Consideration

- (i) Procurement of an additional quayside gantry crane for handling containers at Bombay (Rs. 4.50 crores).
- (ii) Construction of one fertiliser berth at Paradip Port for Paradip Fertiliser Plant (Rs. 15.50 crores)
- (iii) Construction of second oil jetty at Haldia (Rs. 6.00 crore plan provision).
- (iv) Construction of deep water cargo berth for handling bulk cargo at Vadinar, Kandla Port (Rs. 13.82 crores).

Nhava Sheva Project

2.17 A new port at Nhava Sheva near Bombay is proposed to be constructed during the Sixth Five Year Plan. A token provision of Rs. 30 crores has been earmarked in the Sixth Plan.

2.18 Asked about the optimum turn-round time for vessels the Secretary Shipping and Transport stated in evidence that "it was a bit again complicated because turn round time depends on the nature of the ship. If a ship carries 40,000 tonnes fertiliser, its turn-out will be more than a ship bringing 20,000 tonnes fertiliser. It depends on the discharge rate and the loading rate. You will not be able to get a good idea because ship sizes are different." Secretary added that the Ministry was monitoring the loading and unloading rate and judging the performance at each port against standards laid down for the purpose.

2.19 In small ports like Paradip which has one cargo berth, when there is one ship unloading, there is no scope for anything else. Similarly Mormugao and Mangalore have very restricted number of berths. In Mangalore there were three. Kandla, by and large gets bigger ships. It takes about 20 days if it is 30,000 tonnes. The daily unloading rate is about 1500 tonnes. The witness stated that more berths were being built to ease the situation. Secretary informed the Committee that a ship card system had been introduced about six months back. This card indicates when a ship came, how many days it took in loading and unloading, etc. At the end of the month, a chart is prepared and the performance was reviewed by the Ministry.

D. Congestion at Bombay—Causes

(i) Capacity of Port

2.20 Regarding the reasons for congestion at Bombay Port, the Ministry had stated that Bombay Port had been called upon to handle cargo far in excess of its capacity. As against its capacity to handle 6 million tonnes of cargo, other than POL and Coal, it had handled about 8.7 million tonnes during 1979-80 and 8.5 million tonnes during 1980-81.

2.21 The following statement shows trends of traffic other than POL and Coal, from 1965-66 to date:—

1965-66		8.53
1966-67		8.76
1967-68		8.34
1968-69		6.86
1969-70		6.42
1970-71		6.14
1971-72		6.51
1972-73		6.33
1973-74		7.41
1974-75		7.65
1975-76		8.16
1976-77		8.46
1977-78		7.04
1978-79		7.77
1979-80		8.73
1980-81		8.55

2.22 Asked as to why Bombay Port capacity (6 MT excluding POL and Coal) had not been increased when it had been called upon to handle more than 8 MT traffic since 1965, Secretary, Shipping and Transport stated that capacity of Bombay Port could not be increased. Basically a new port has to be built there and in the next five years a new port is going to be developed.

(ii) *Nhava Sheva*

2.23 To remove persistent congestion at Bombay Port, a port at Nhava Sheva is envisaged. Need for early setting up of Nhava Sheva has been voiced from time to time. The working group on Major Ports for Sixth Plan also recognised the need for establishing a bulk cargo terminal at Nhava Sheva as early as possible.

2.24 It is seen, that inspite of Government attention having been drawn to the urgent need for a port at Nhava Sheva, only a token provision of Rs. 30 crores has been made during the Sixth Plan period as against Rs. 80 crores suggested by the Working Group.

2.25 Explaining the position regarding funds for construction of Nhava Sheva Port, Secretary Shipping and Transport stated in evidence that "the construction of Nhava Sheva port is agitating us most. There is a good chance of getting funds from the World Bank etc. We hope to have the investment decision before the middle of this year (1982) and start the construction early next year. We hope to construct it within five years."

(iii) *Diversion of Traffic*

2.26. Explaining the reasons for congestion the Ministry had stated that there was a tendency on the part of various importing/exporting agencies to prefer Bombay Port for import/export of their cargo mainly because of its developed hinterland and existence of good railway and other infrastructural facilities.

2.27 It was stated before the Committee by non-officials that Government could ease congestion at certain ports by nominating ports in a suitable way for import/export of Government controlled cargo, so as to ensure a fair distribution of cargo over the Major Ports. The schedule of sailing could also be adjusted to ease congestion at ports like Bombay.

2.28 A pie was expressed that all cargo, the consuming centres of which are not Bombay and nearby areas, particularly bulk cargoes like food grains, fertilisers, cement, sugar, edible oil, iron and steel and rock phosphate etc. should be directed to ports like Kandla, Mormugao, Mangalore and to the major ports where there is surplus berthing capacity.

2.29 Shipping Corporation of India suggested that in order to ease congestion at Bombay and Madras, Paradeep on the East Coast and Kandla/Mangalore on the West Coast, should be developed and the traffic of bulk and upcountry cargo could be diverted to these ports.

2.30 Asked to give the Ministry's reactions to the suggestion to divert traffic from Bombay to other ports, Secretary, Shipping and Transport, stated during evidence that he had himself held numerous meetings asking the parties concerned to take fertilisers, edible oil, sugar etc. to another port but they had not agreed for the reasons that these commodities were required at Bombay. There was only a small margin of cargo which could be diverted to other ports.

2.31 Regarding fertilizer raw materials, viz., rock phosphate and sulphur—the representative of MMTC stated that this cargo could

not be diverted because the factories for which these were imported. Bombay was the most convenient port. He added that efforts were made to divert sulphur cargo to the extent possible to Bhavnagar and Kandla, but not much quantity could be diverted. There was difficulty of getting wagons from Bhavnagar, and Kandla for this kind of cargo.

(iv) *Import of Steel*

2.32 The Ministry had stated that a factor which had contributed largely to the present congestion at Bombay port was the arrival of a far greater quantum of steel during 1981 than what was envisaged. Apart from SAIL, large quantities had been imported by private parties under OGL. Between periods January to March 1981 and April to June, 1981, the port was called upon to handle 3.77 lakh tonnes and 3.47 lakh tonnes of steel respectively, as against the envisaged quantum of 2.35 lakh tonnes and 2.25 lakh tonnes.

2.33 The Ministry informed the Committee (September, 1981) that 14 vessels carrying 1,82,000 tonnes of steel were waiting at Bombay Port. Some of this cargo was not destined for Bombay, but the importing agencies preferred to bring cargo to Bombay.

2.34 Secretary, Shipping and Transport, stated during evidence that "16 ships in Bombay came full of steel. We could not send them away. They bring steel of private people under O.G.L. Bombay allotted only one berth for steel and general cargo ships had to wait for months. In spite of these things the ships did not go. They discharged in mid-stream. There was lot of criticism in the Press, etc. We said, you have got beyond your quota; let them go somewhere else; but they did not go. They discharged it in mid-stream. Merchants speculate things; they want to have the commodity near to their control".

2.35 Referring to the aforesaid quantum of steel movement in Bombay in 1981, Chairman, Bombay Port Trust informed the Committee that "For iron and steel and other bulk commodities, one berth was allotted. It was at that time (monsoon period) a large movements rather disorderly movement. We really did not know what was coming and in that order. In the future we hope it will be controlled better and it will be more orderly; and it is just not dumped on Bombay Port. This coordination is not taken charge of by the canalising agents".

2.36 Asked if it would be desirable to give more power to port authorities to divert cargo from one port to another, Secretary (Shipping and Transport) stated that this would not solve the prob-

lem. It would completely upset all economic planning if it is forced by law. He was of the view that "we should try to improve our port facilities. I think we can manage it. Infrastructure facilities should be developed."

2.37 It was represented to the Committee that one of the reasons for congestion at Bombay was that consignments intended for other ports like Mangalore, Cochin, Tuticorin and even Calcutta were discharged at Bombay. The position at Bombay could be eased if cargo intended for areas around Cochin and similar other ports were not unloaded at Bombay but were diverted to the nearest ports.

2.38 The Secretary (Shipping admitted during evidence that they did not know where the goods destined for the port of Bombay would ultimately be going.

2.39 The representative of the Ministry of Commerce assured the Committee that so far as MMTC and STC were concerned there was no case where a consignment intended for other ports was unloaded at Bombay. As a result of systematic planning, efforts were having made to ensure that the pressure, in so far as goods meant for STC and MMTC were concerned, should be diverted from Bombay to other ports.

2.40 The Committee asked whether there was any system in the Government to ensure that at the time of grant of import licence, the port of discharge indicated in the application was appropriate and nearest to the area for which imported material was required and if not, whether such a system should not be introduced. The representative of the Commerce Ministry informed the Committee during evidence that "prior to 1978-79, we did have a system of requiring the indication of the port in the licence. But there was difficulty in regard to this because it often happens that space in the concerned port was just not available and the orders had to be obtained for the amendment of the licence. Therefore, the whole matter had to be reconsidered by inter-ministerial committee and as a matter of simplification of procedures it was decided that there should be some flexibility and there should not be any rigidity about the port for import purposes. So, this has been removed only recently."

2.41 When asked whether old practice should not be revived and whether importers should not be told that preference would be given to them in the matter of issue of import licences if they did

not insist on having cargoes delivered at congested ports like Bombay and opted for other ports, the representatives of the Commerce Ministry stated that "We can examine it."

(v) Provision for Alternative Port of Discharge.

2.42 For import of bulk cargo generally ships are chartered by importers. Movement of vessels is guided in accordance with the Charter Party terms. Neither the Port authority nor the Government has any authority to divert the ships from one port to another in contravention of the charter party terms.

2.43 It was suggested in this connection that since the different departments of the Government are the main importers of bulk cargo such as foodgrains, fertilizer, cement, steel, edible oil etc. They should be asked to incorporate an alternative port of discharge in the charter party agreement itself so that the vessels might be diverted from one port to another if the port of call was congested at that point of time.

2.45 Giving his reactions to this suggestion Secretary, Shipping and Transport stated during evidence that:

"Actually, most of the departments are already keeping various ports of discharge in their terms. We are telling these departments not to keep such a clause. If you keep the option of bringing your goods to any port, the shipowner will ask for 30 dollars if he was otherwise to charge 15 dollars. India, in my opinion, pays for greater freight than others. This is because we are keeping our options open. If you settle for all the ports of India, you have to pay very heavily."

(vi) Cochin as compulsory Port of Call.

2.46 During their tour, it was suggested to the Committee that Cochin should be made a compulsory port of call for liner vessels to relieve congestion at Bombay.

2.47 The Secretary, Shipping and Transport stated during evidence that while the liner vessels of our own country could be subject to our control, nothing could be done if the liner vessels of another country did not want to touch the port.

(vii) Utilisation of Moorings berths in Cochin.

2.48 On the question of possibility of diverting cargo to Cochin Port with a view to causing the prevailing congestion at Bombay

Port it was brought to the Committee's notice during on-the-spot study tour to Cochin Port that the only possibility of handling diverted cargo from Bombay at Cochin Port was at Stream Moorings 67 E, 8, 9, and 10. These had been recently dredged, but had not been used for more than a year owing to the labour's refusal to go to these moorings. It was suggested that if one motor-boat could be employed to carry the labour to and fro, these moorings could also be used.

2.49 The Chairman, Cochin Port Trust stated that there were 12 moorings berths of which two were being used regularly. Others were being sparingly used. He added that Cochin port was not very congested port. The average waiting time being only less than two days going by the figures of last year, with the result that trade would prefer to wait for getting alongside berths rather than mooring berth. Traders normally did not prefer mooring berth and there was no compulsive reason to go to the moorings berths. Another reasons, he added, was that they could have discharge of one cargo normally for these moorings berths and even for that lighters had to be engaged. Cochin had no lighter of its own and there was shortage of lighter with private parties also. There was more pilferage when discharge was made at moorings berths.

2.50 When asked why the Port went in for moorings berths, the Chairman, Cochin Port Trust, explained that the port had started off initially with mooring berths and the alongside berths were developed subsequently. Even after the alongside berths came into being the moorings continued to be used as it provided supplementary capacity whenever needed. The Development Adviser, Ministry of S&T added that Cochin Port had not always been having small cargo share as it was having now. Before Mangalore and Tuticorin ports came up, Cochin Port did have larger share of the Cargo. At that time moorings berths were utilised and they were in great demand. Now because of the other ports, its utilisation had gone down.

(viii) *Rail-Road Links*

2.51 To ease situation at Bombay which admittedly is the most congested port diversion of traffic from Bombay to other ports is one of the suggestions made to the Committee. It was stated that the traffic could be diverted to nearby ports of Kandla, Mormugao and New Mangalore if these three ports were provided with adequate cargo handling equipment and rail-cum-road links to these ports were further developed. For example, it was suggested to the Committee at a number of places that Bombay should be connected

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with broadgauge rail upto Kandla in the North and upto Mangalore via Mormugao in the South. It was brought to the Committee's notice that Government had already drawn up a project for Konkan railway on the western coast and if this was executed expeditiously, the nearby ports of Mormugao and Mangalore could be fully ready to take a big load of traffic from Bombay.

2.52 Similarly, it was suggested that the road links to the ports of Kandla, Mormugao and Mangalore also needed to be developed to take more traffic.

2.53 Commenting on these suggestions Secretary Shipping and Transport stated in evidence that:—

“We would definitely like to have better road and rail links connecting Kandla, Mormugao and New Mangalore with the hinterland. If there are good rail links, some diversions can take place. If these ports are connected to Bombay by broadgauge, some diversion is possible.”

E. Role of Minor Ports

2.54 The working Group on Ports had stated that the overall capacity fell fairly short of the traffic projections. This, the Group opined, was unavoidable, as it would not be possible to step up the capacities in one stage. The Group stated that in the meanwhile, additional traffic has to be handled by increased diversion to minor ports, operation of ships at mid-stream acceptance, higher berth occupancy and other means.

2.55 The Committee asked the Ministry of Shipping and Transport whether the question of diverting traffic from major ports to nearby minor ports have been examined in the context of congestion at major ports.

2.56 Secretary, Shipping and Transport stated during evidence that minor ports were being used like, Porebunder, Pondicherry, Cuddalore, Kakinada had been used in the past whenever there had been congestion at the nearly major ports. He added that there was a scheme of giving loans to State Governments for developing minor ports but it was scrapped. The Ministry was trying to revive that scheme so that minor ports could be developed.

2.57 A representative of the Ministry of Shipping and Transport also stated before the Committee that previously the Government of India were giving assistance to the State Governments to develop

minor ports, but this scheme had been given up. The National Development Council decided that development of minor ports would have to be purely from out of State Plan resources, with the result that certain minor ports which could be developed and which could ease the pressure on adjoining major ports were not being developed to the extent that it was desirable.

2.58 Asked whether it has not the responsibility of the Ministry to develop minor ports also, Secretary (Shipping) stated that under the Constitution, "our direct responsibility is for development of major ports." He informed the Committee that New Mangalore and Paradip ports were earlier "minor" ports. Central Government had subsequently taken over the responsibility and developed them as "major" ports. When asked to indicate other minor ports which could be developed by the Central Government as "major ports" to reduce the congestion at the existing ports, Secretary stated that "It is a difficult question to answer."

2.59 Bombay, Calcutta and Madras Ports have suffered from congestion on several occasions during the last 3 years. The congestion at Bombay has been persistent and very acute as will be seen from the fact that the maximum number of general cargo vessels and maximum waiting period respectively, were 46 vessels and 67 days in 1979, 38 vessels and 20 days in 1980 and 30 vessels and 45 days in 1981 (January-August). As compared to the position in 1976-77 maximum waiting period at all the Major Ports (except New Mangalore and Tuticorin) had doubled and trebled at some ports and had gone up more than five times at Calcutta and Cochin, whereas the traffic had increased only marginally. These statistics show that it is not merely the congestion which has afflicted certain ports, but there has also been an all round decline in efficiency at the ports as compared to 1976-77. This has caused serious concern to the Committee. According to Secretary (Shipping & Transport) 24 hours should be the maximum waiting period at Indian ports, because of tide and some such thing. He told the Committee that ports in advanced countries had no waiting period for ships. The Committee wonder when Indian ports will be able to reach the standard of advanced ports abroad or at least the level of efficiency hinted by Shipping Secretary and whether ports have set any targets for themselves in this regard. At least those ports which are not congested can be asked to achieve the aforesaid level of efficiency within a few years.

(S. No. 9)

2.60 Turn-round time has also been sharply different from port to port during the last 3 years. It has ranged between 8-14 days at

Bombay, 16 to 25 days at Calcutta and 10-11 days at Kandla. The lowest in 1980-81 was 4.9 days at Madras and the highest 16.2 days at Calcutta. The Ministry has attributed different turn-round periods at different ports to different reasons, like congestion at Bombay, estuarine character of Calcutta port, limited number of berths at Paradip and Marmugao, different sizes of ships touching different ports. Though more berths are stated to be under construction to ease the situation at certain ports, this by itself is not likely to reduce the turn round time. Discharge and loading rates also play an important part in this process. The Ministry it is stated, judges the performance at each port against standards laid down for the purpose. The Committee feel that Ministry should lay down optimum turn round time for each port after taking into account the number of berths and other facilities available there and make concrete efforts to accelerate the loading and unloading rates to bring down the turn round time to the optimum limits.

(S. No. 10)

2.61 Bombay port has a capacity to handle 6 MT of traffic, other than POL and Coal. It has handled over 8 MT of traffic in 7 out of 16 years since 1965. Shipping Secretary has stated that capacity of Bombay cannot be increased. Only a new port (Nhava Sheva) can help ease the pressure on Bombay port. He expects the new port to come up within the next 5 years. But seeing the meagre allocation of Rs. 30 crores for the new port during Sixth Five Year Plan period as against Rs. 80 crores suggested by the working Group, the Committee have doubt if, this way, the port will be ready within 5 years. The Committee would like the Ministry to accelerate the investment decision for the port of Nhava Sheva and arrange for adequate funds for the development of this port within the shortest possible time.

(S. No. 11)

2.62 There is a tendency on the part of various importing/exporting agencies to prefer Bombay port mainly because of its developed hinterland and existence of good railway and other infrastructural facilities. The lack of adequate rail and road links to and from the nearby ports of Kandla, Marmugao and New Mangalore would be accentuating the problem of Bombay. The Committee agree to the view placed before them by a number of non-officials that if rail and road links to the ports of Kandla, Marmugao and New Mangalore are developed and adequate cargo handling equipment provided there, a good bit of traffic can be diverted from Bombay to these ports, thus relieving pressure at Bombay. The Ministry has also accepted this view. The Committee recommend that Bombay should be connected by broadgauge rail upto Kandla in the north and upto Mangalore via

Marmugao in the south and in this context the Konkan Railway project, which has already been drawn up by Railways should be executed expeditiously. (S. No. 12)

2.63 Diversion of traffic to nearby ports is the only practical way to ease pressure on Bombay and other such ports wherever there is acute congestion there. But the Committee regret to find that the Ministry of Shipping and Transport, let alone importing agencies of the Government who may have their own reasons to stick to Bombay, is sceptical about the workability of diversion scheme even though the Chairman, Bombay Port Trust, made a plaintive admission before the Committee about large and disorderly movement of cargo to Bombay and wished that such cargo should be better controlled in future and not dumped in Bombay. The Ministry is not in favour of vesting power in port authorities to divert ships from a port where there may be heavy congestion to another nearby port where position may be easy. The Ministry thinks that improvement of port facilities and infrastructure is the only way to deal with heavy shipping traffic. While here is no denying the fact that ultimate solution to the problem lies in creating higher capacity and improving facilities at congested ports, the Committee feel that at times diversion of traffic can also help tide over the difficulties and should be resorted to in times of acute congestion. The Committee would suggest the Ministry to consider vesting statutory powers in a central agency like Inter-Ministerial Committee on Rationalised Distribution of Cargo which it should exercise in larger public interest of removing bottlenecks in shipping traffic and order diversion of ships carrying cargo not only for Government and public sector but also for private sector to nearby convenient ports with a view to easing congestion at any of the major ports. They would like to be apprised of the action taken in the matter. (S. No. 13)

2.64 The ultimate and lasting solution to the problem of congestion at major ports is, as already stated, undoubtedly the expansion of capacities and cargo handling facilities at these ports. The Committee take note of the various schemes for development of port capacities and facilities which are under execution and the new projects which have been sanctioned or which are being considered for execution during the Sixth Plan Period. Such projects have a tendency to linger on and on resulting in cost over-runs. The Committee cannot over emphasize the need to execute all these projects without delay so that additional capacities become available at the earliest. But this can be done only if the Ministry plays an active role in monitoring progress and solving problems which might arise in the course of execution of these projects. (S. No. 14)

2.65 From the statements made by the Ministry before the Committee the general impression, that goods not destined for Bombay are brought at Bombay because of the preference of importers for this port, stands confirmed. To avoid such situations the Committee recommend that at the time of the issue of import licence it should be ensured that the port of delivery of cargo is the port nearest to the place for which goods are imported. This measure will enable Government to disperse traffic rationally among all the ports and avoid congestion at Bombay and other such popular ports. Such a practice was there in the past, but recently it is stated to have been discontinued. The Committee recommend that the old practice should be revived. (S. No. 15)

2.66 The Committee would also suggest that along with the nearest port of discharge of cargo, as recommended in the preceding para, an alternative port should also be mentioned so that in the event of acute congestion at the port of first preference, the cargo can be diverted to the alternative port to avoid long detention of the ship at the former port. (S. No. 16)

2.67 The Government should also examine whether some sort of fiscal or tariff concession or weightage in the matter of issue of import licence or any priority in this regard cannot be given to those importers who choose ports other than congested ports for the discharge of their goods. (S. No. 17)

2.68 The suggestion to make Cochin as a compulsory port of call to relieve pressure at Bombay merits consideration. The Committee are aware that the Ministry has no hold over liner vessels of other countries and cannot therefore compel them to touch Cochin. But persuasion combined with incentives can yield some results and should be attempted. (S. No. 18)

2.69 The Committee have taken note of the factors because of which moorings berths at Cochin port are not popular and are not preferred by the importers. But to strike off the port capacity at moorings berths will be total waste of investment already made. The Committee would like to suggest that the feasibility of utilising these berths at times of heavy traffic should be studied and necessary facilities provided to labour and importers as and when these are considered necessary to be pressed into service. (S. No. 19)

2.70 The Working Group of the Planning Commission had visualised a positive role for the minor ports to relieve pressure on major ports. The Ministry informed the Committee that minor ports had

been used in the past to divert traffic from major ports. The Central Government had a scheme to grant loans to State Governments to develop minor ports with a view to augmenting port capacities but the scheme has been scrapped recently. Seeing the growing traffic at major ports and the inadequacy of port capacities there which is likely to persist even after Sixth Five Year Plan period the Committee are of the opinion that discontinuance of the scheme to grant loans to develop minor ports was not a correct step. The Committee recommend that the Government should revive the earlier scheme and start giving loans to State Governments to develop minor ports like Porbander, Karwar, Pondicherry, Cuddalore, Kakinada and similar other ports so that these ports can take more traffic and thus help relieve pressure on major ports and can also be used for diverting traffic from nearby major ports in times of congestion.

.. (S. No. 20)

CHAPTER III

CARGO CLEARANCE

A. Role of canalising agencies and high sea sales

3.1 Non-clearance of goods especially small parcels sold by canalising agencies like STC, MMTC on high seas had been mentioned as a factor delaying clearance of cargo from ports resulting in congestion. It was mentioned in a memorandum that there is inordinate delay in despatch of documents by these agencies to the purchasers/consignees with the result that the latter are not in a position to clear their cargoes promptly.

3.2 It has suggested to the Committee that where canalising agencies booked orders on behalf of Indian traders, they might place a consolidated order on the foreign supplier and also allow a duplicate order to be placed by the respective traders in India. If this procedure is followed the traders would be able to get their documents direct from the foreign supplier and would be able to clear the cargo promptly.

3.3 A representative of the Ministry of Commerce stated during evidence that there was some delay in the transmission of these documents from the headquarters to the regional offices, but very recently the procedure had been streamlined and steps taken to see that these documents were transmitted quickly.

3.4 In regard to the suggestion re: duplicate order to be placed by the consignees, the representative of the STC expressed the view that it was essentially a transaction between STC and the organisation. They were buying from foreign agencies who may not find duplicate order acceptable. Also a duplicate order would probably be required to be supported by payment by the parties. In his view this arrangement would not be feasible.

3.5 It was stated in a memorandum that Public Sector Organisations, like STC & MMTC who primarily dealt with items like non-ferrous metals, newsprint, asbestos, etc. resorted to high sea sales, and on vessel's arrival did not take responsibility for clearance of cargo which resulted in detention to vessel and congestion

in sheds. It was suggested that in order to overcome this situation, these organisations should be encouraged to construct their own Bonded Warehouses near major ports to which they should remove their cargo from vessels and effect eventual sale/delivery to consignees customers.

3.6 The Ministry of Commerce has stated that MMTC is the canalising agency for import of non-ferrous metals and aluminum at major ports like Bombay, Calcutta and Madras only. All these items are imported under "Stock and Sale Procedure." These items are not sold on high seas basis. MMTC had hired sufficient godowns (commercial or bonded) at these three ports to accommodate the arriving material from time to time. In respect of other items such as steel, fertiliser, sulphur and rock phosphate, there were no delays on account of clearance procedures. The Ministry of Commerce has added that sulphur and rock phosphate which are sold on high seas, are generally removed expeditiously by actual importers.

3.7 But according to the Ministry of Shipping and Transport is the discharge from the ships gets affected at time because of slow clearance of fertilisers or its raw material at certain ports.

3.8 The Ministry of Commerce has also intimated that items like newsprint, asbestos etc. are imported through STC, the canalising agency. The STC has hired many godowns all over India to receive incoming consignments. Arrangements are made for bonding at various warehouses. The Central Warehousing Corporation undertakes warehousing arrangements on behalf of STC. The question whether the canalising agencies could be entrusted with the task of arranging on their own clearance of imported goods sold on high seas, was examined by the Commerce Ministry. However, the examination revealed that once the goods were sold on high seas and documents transferred to the actual importers, legally or otherwise, the canalising agency could not exercise any hold or control over the cargo. In fact, they would not be permitted to clear such cargoes as the title of goods would not belong to them. The Ministry of Commerce has further stated that in case STC undertakes removal and storage of all imported goods to its own warehouses for further delivery to consignees it would negate the very purpose of high sea sales which confer benefits to various importers, i.e., non-incidence of sales tax and godown charges etc. Besides, the canalising agencies would have to face practical difficulties in warehouses, protecting and movement of such Cargoes the volume of which is variable.

3.9 The Ministry of Shipping and Transport has however, be stated that as far as the ports are concerned, the suggestion that Public Sector Organisations should be encouraged to construct bonded warehouses near the major ports, if accepted, would be welcome.

3.10 During evidence before the Committee, the Chairman, Bombay Port Trust (BPT) explained the difficulties being experienced in regard to the canalising agencies like STC and SAIL resorting to high sea sales of paper and steel made to various parties. Since many of the parties would not come forward to take delivery of the goods the port remained congested. This problem persisted despite the port charges having been raised. He suggested that if the parties to whom high sea sales were made did not come forward to take delivery of the cargo within three free days, then the Canalising agency should assume responsibility of trucking it away.

3.11 Secretary, Shipping and Transport, supported the view that the system of high sea sales should stop. If the system of high sea sale had to continue, then goods should be removed without delay.

3.12 The representative of STC observed that if STC was asked to take delivery, it would be fully geared to take the delivery itself. But in the system of high sea sales, the documents were transferred to the parties. The ownership and the title of goods passed on to them. According to him 90 to 95 per cent of the parties taking delivery both of documents as also of goods and only a very small number of consignees lagged behind. Only 5 to 10 per cent consignees were not taking the delivery. Whatever documents were not collected by the parties from STC on payment the same were cleared and taken to STC godowns and sold from godowns.

3.13 Regarding steel imports, the representative of the Steel Authority of India Ltd. (SAIL) stated during evidence that there were 5 to 10 per cent cases where the material imported by SAIL had not been lifted immediately. As and when it had been brought to notice by the port authorities, SAIL had got in touch immediately and got the matter cleared. He informed the Committee that SAIL was taking the payment from parties in advance who were keen to lift the material. He pointed out that many other parties were importing material under OGL and added that if the reference was about them, then if BPT could enforce their bye-laws, the congestion would certainly ease.

3.14 The witness added that if BPT could give them (SAIL) wagons on priority basis, they could load the material to consuming points which were far away from the ports. He did not however, share the view that High Sea sale was causing any major congestion. He stated that the canalising agency could not shirk responsibility but it was wrong to think that all high sea sales were essentially to obviate the sales tax. There could be other reasons also. He added that if SAIL were to buy all this, their cash credit requirements would go up and all this would have to be loaded on the price. The price of primary material like steel would go up and that would affect the price of other finished goods.

3.15 The Representative of the Ministry of Commerce expressed doubts if it could be possible to completely do away with the high sea sales; selling on high seas was an accepted practice.

B. Slow Clearance by Consignees

3.16 A view was expressed before the Committee that the port users themselves much also share the blame for the menace of congestion. Several holders of import licences are not actual users. They secure import licences for speculative purposes. They do not have warehousing facilities. If the market for the items imported by them becomes bearish, they do not lift the cargo promptly as they do not have the requisite funds to get the cargo released. This was stated to be one of the reasons why thousands of packages have remained uncleared for long.

3.17 It was also stated that the congestion in warehouses at Bombay Port was due to non-readiness on the part of receivers to take delivery or due to delayed clearance of cargo by consignees for many other reasons. The trading organisations however, denied this charge. They stated that this might be the case in a few cases but because of high warehousing rates at Bombay Port no consignee would like to keep his cargo in the Port warehouses for a period longer than it was absolutely necessary.

3.18 The Ministry of Shipping and Transport stated in a note to the Committee that the reasons cited for non-clearance of the cargo may have their part to play in the present situation. The fact, however, remains that the consignees do not clear their cargo fast. Thus it is for the consignees to make financial arrangements for taking delivery of cargo expeditiously. The considerations like financial difficulties, looked from the ports' angle, do not justify their leaving the cargo in the docks for long periods. Consignees

should first clear the cargo and then look for prospective purchasers, instead of leaving the cargo in the docks while they are searching for perspective purchasers.

3.19 Secretary, Shipping & Transport stated during evidence as follows:

"We do accept that the clearance of cargo in Bombay Port is slow. There are some reasons. And some of the reasons have been given here. I have also to admit that, to some extent, it is the managerial failure. They have no control over congestion and space. Leaving out the top management, at the down level, there is no inclination to clear this. So it is a vicious circle. I feel that if the Port was really in full control, it could pressurise these people to take away the cargo. We feel that sometimes people escape demurrage for various reasons. The container fellow escapes demurrage because he says that he has no place to open the trade and the customs. It also has no place to open the container. In this we need the cooperation of the trade and the customs. It also needs firmer managerial control."

3.20 As regards demurrage, Chairman, Bombay Port Trust stated that it was not low. He informed the Committee that out of an earnings of Bombay Port Trust of Rs. 107 crores last year, Rs. 30 crores was earned by demurrage.

Inability of importers to retire documents

3.21 One of the reasons of congestion is stated to be the non-clearance or delayed clearance of cargo from ports due to inability of importers to retire documents from banks and make payment of customs-duty and port dues in time.

3.22 Asked if any study of these phenomena had been made, Secretary (Shipping and Transport) stated that no detailed study had been made by the Ministry. The representative of the Ministry of Finance also stated that no study had been made on the side of customs. But it was known that there were delays in payment of customs duty even after documentation process had been completed. Without customs clearance, however, the goods could not be cleared, he added.

3.23 The representative of the Ministry of Finance informed the Committee that "From the customs side, we also make of weekly survey about clearance of documents vis-a-vis payment of duty by the importers. We have a system of clearance where duty is paid first and goods are allowed to be passed only after examination. We have found that in 90 per cent of the cases there is a time gap of over 10 days after payment of duty before the importer goes for obtaining clearance of the goods. There are many cases where the importer has paid the duty but he has not come forward to take delivery for over ten days."

Enforcement of Bye Laws at Bombay

3.24 With a view to easing congestion at Bombay it has been suggested that the port authorities should enforce the bye-laws under which ships are required to unload cargoes B/Lading-wise and the B. P. T. shore staff are also required to stack them likewise. Non-enforcement of these bye-laws had led to cargoes getting mixed up and congested in the port area making it difficult to trace the packages and rendering them easily susceptible to pilferage and theft.

3.25 The Ministry stated in a written reply that they agree that strict enforcement of the bye-laws for unloading of cargoes Bill of Lading-wise would streamline the arrangement for stacking cargoes. Bombay Port Trust are reportedly taking steps to ensure strict enforcement of the provisions in the bye-laws.

3.26 During evidence, Secretary Shipping and Transport stated "we are convinced that unless the goods are unloaded B/Lading-wise, we cannot enforce the bye-laws. Surely, in the transit shed, the goods can be stacked. If they do not do this, there will be pilferage, confusion and all that. You can never deal with the goods if they are lying in heaps. The goods should be unloaded B/Lading-wise. The whole thing depends on this single step."

Free time for clearance of cargo

3.27 The Committee have been informed that consignees are expected to remove their cargoes from port premises within three days (excluding Sundays and Dock holidays) following the general landing date. After this free period, the consignees have to pay wharfage demurrage etc. for keeping their consignments in port premises beyond the free period. The port authorities cannot dispose of goods not removed from its premises before the expiry of two months.

3.28 Asked about the measures taken to remedy the position, the Ministry informed in this connection that Bombay Port has increased their demurrage rates considerably to discourage importers against leaving their cargo uncleared in the docks. After free period of 3 working days Calcutta Port has the right to charge 3 times the scheduled rates on any goods which in their opinion could have been removed from their premises before the rent was incurred. Madras Port has stated that the clearance of cargo from the Port is satisfactory. They have further stated that the demurrage rate as per the scale of rates is linked to the wharfage rate and generally it acts as a deterrent for leaving the cargo in transit sheds. The position in respect of clearance cargo in transit sheds. The position in respect of clearance of cargo at that port is, by and large, satisfactory.

Uncleared Cargoes

3.29. The Committee desired to have an analytical note giving the break-up and period-classification of uncleared cargoes at Bombay port.

3.30 The Committee were informed that in Bombay Port the total number of import packages lying in the transit sheds and warehouses in the docks including outlying areas as on 2nd November, 1911, were 6,82,681. Their break-up was—

	No. of packages
(i) Within free period [i. e. within three days, (excluding Sundays and Docks Holidays and in case of dutiable goods, any other day on which Customs duty may not be assessed or received) following General Landing Date]	2,43,133
(ii) Two months or less (i.e. period during which BPT cannot dispose of goods not removed from its premises)	2,30,032
(iii) Over two months	2,09,516
	6,82,681

3.31 It was stated that no action by the Bombay Port Trust was possible in respect of uncleared packages falling under (i) and (ii) above, except that in respect of those falling under (ii), demurrage as prescribed could be levied. Action to issue notices and effect sales by auction or tender could be taken only in respect of uncleared packages falling under (iii) above. All the uncleared packages falling under (i) and (ii) pertain to 1911.

3.32 The year-wise break-up of the packages which are lying un-cleared for over two months is as under:

	No. of Packages
Upto 31-12-1978	5,111
1979	8,430
1980	22,434
1981 (upto 1-11-1981)	1,01,537
	1,37,512
Confiscated by Customs*	38,950
Under investigation of Special Investigation and Intelligence Branch of Customs*	33,054
	72,004
	1,37,512
	2,09,516

*Yearwise details maintained by Bombay Customs.

3.33 The Docks Department was stated to be aiming at disposal of all un-cleared packages pertaining to the period upto 1978 by December, 1981 and if there were no overmuch objections from the Customs, that Department hoped to be able to dispose of all these packages.

3.34 It has been stated that sale of un-cleared packages by Public auction or tender is governed by sections 61 and 62 of the Major Port Trusts Act, 1963 (38 of 1963). BPT has stated that Power available to BPT under the Major Port Trusts Act, 1963, cannot be exercised without 'complying with restrictions contained in section 48 of the Customs Act, 1962 (52 of 1962). No package can be sold even if it remains in the Port premises for over two months unless specific permission for its disposal is accorded by the Customs. The Docks Department forwards lists of packages lying un-cleared for more than two months to the Customs for permission to proceed with the sale. The packages for which Customs do not give permission for sale fall under the following three categories:

- (i) Confiscated packages;
- (ii) Packages under SIIB action;
- (iii) Packages under routine Customs examination and withdrawn from sale.

3.35 Therefore, the number of packages disposable by the Port Trust is reduced to that extent. Of a total of 2,09,516 packages lying un-cleared for more than two months, the number of packages which cannot be sold are 72,004 consisting of (i) 38,950 confiscated

packages and (ii) 33,054 packages under SIIB action and withdrawn from sale.

3.36 The number of packages which can be sold by Bombay Port Trust is 1,37,512. They are now at various stages of disposal, viz., (i) issue of notices; (ii) examination and assessment; (iii) valuation; (iv) gazette notifications; (v) Customs final release order, and (vi) sale.

3.37 In a note submitted by Bombay Port Trust (BPT), it is stated that sales of uncleared packages by auction or tender are effected in conformity with the guidelines laid down by the Port Trust Board. Until recently, the main thrust was on getting a fair price, with the result that pace of sale was slow. In order to step up the rate of disposal and ease the congestion created by uncleared cargoes, the Port Trust Board amended the guidelines with emphasis on expeditious disposal. In spite of this, sale has not picked up to the extent expected due largely to the nature of complexity of the problem. To some extent, the committee of officers who conduct the sales are inhibited by the fear of possible consequences. BPT feels that a review of the guidelines may be called for and will be made in the near future.

3.38 According to the latest information furnished to the Committee the No. of packages laying uncleared at Bombay Port within free period, within two months and beyond two months as on 28th December, 1981 was as under:—

Within free period	2,27,72 ⁶
Within two months	2,86,73 ⁴
Beyond two months	2,11,32 ⁰
	<u>7,25,780</u>

3.39 The Committee pointed out that only about 30 percent of consignments were being cleared within the free period and asked whether it did not show that the measures taken so far to ensure prompt clearance of cargo had not been fully effective. The Chairman, BPT replies "The clearance is by the consignee. We have been pushing and prodding the consignee, it goes on all the time." In this connection he suggested *inter alia* the following further measures were needed to accelerate clearance of cargo:

- (i) Such parties as do not file their bills, of lading should be penalised. This had been taken up with the Ministry of Commerce. The response from that Ministry was awaited.
- (ii) High seas Sales should be stopped and if that be not possible the canalising agency should take the responsibility to remove the goods, if the consignee does not remove within 3 days. This suggestion is said to have not been accepted by the Ministry of Commerce.
- (iii) Section 61 and 62 of the Major Port Trust Act should be amended to provide that if after a certain period the goods are not auctioned, the Port Trust should be empowered to destroy them or dispose them of.

3.40 The Chairman, BPT informed the Committee that on 28th December, 1981, as many as 94,195 packages were lying for more than 2 months at Bombay Port on Customs account: 61032 in Port Trust Warehouses and 33163 in Customs warehouses. These figures were contested by the representative of the Ministry of Finance who stated that the total number of packages lying in Bombay Port Trust for about two months in Customs account was 14000, out of which about 6000 were lying outside the Bombay Dock in customs rented godown. In view of the wide variation between the two figures, the Committee desired to be furnished with a reconciled statement after consultation between BPT and Customs. The following reconciliation statement purported to have been prepared jointly by Bombay Port Trust and Bombay Customs was furnished by the Ministry of Shipping & Transport.

Bombay Port

RECONCILIATION STATEMENT

No. of packages lying for more than two months for want of Customs clearance as on 28-12-1981.

(I) *Outside Docks* : 37355

Details are as under :

(a) In Warehouses hired from the Bombay Port Trust 31164

(b) In Warehouses hired from the private parties 6191

37355

These are all packages confiscated by the Customs. Their ownership, custody and disposal vests in them.

(II) *Inside Docks* : 46772

(a) Export cargo involved in CBI case 10698

(b) Pending with Customs for action 8657

(c) Packages cleared or under clearance or under process of sale by Bombay Port Trust. These include goods released by the Customs after penal action, the Bills of Entry having been handed over to importer but of which no separate intimation was sent to BPT. There is a time lag between the release of Bills of Entry by the Customs and clearance by importers who are given one month to clear the goods on payment of fine and duty. A procedure for better coordination and intimation being sent to BPT immediately is being worked out.

27417

46772

(III) *Double Counting* 10068

Grand Total 94195

3.41. In a separate communication the Ministry of Finance again challenged the accuracy of figures of consignment shown in the aforesaid statement as pending clearance on account of customs. According to the Ministry of Finance, only 8657 packages were pending clearance on account of customs as on 28 December, 1981 and not 4195 packages as was likely to appear from the Statement.

Customs Formalities:

3.42 Another reason contributing to delay in clearance of cargo from the ports is stated to be observance of time consuming customs formalities before allowing imported goods being taken into the town or bonded warehouses.

3.43 Secretary (S&T) stated that the position regarding customs formalities and improved through discussions with the customs authorities. There was still room for improvement and streamlining of the procedure.

3.44 When asked if this matter had been taken up with the concerned authorities in writing, the Secretary replied in the negative.

3.45 Secretary (S&T) stated that as in many advanced countries, only sample customs checking should be done. Customs does much more inspection. That is time consuming.

3.46 The representative of Finance Ministry did not agree with Secretary (S&T)'s view. He stated that the present formalities were not time consuming but essential. Apart from simple collection of revenue, the customs authorities in India had the main function now to act as a frontier watch-dog for the various import regulations which had been imposed by the various authorities. In addition, they were responsible for ensuring quality control, ensuring drug control and ensuring the enforcement of insecticides and pesticides Act. There were 25 to 30 Acts which they had to enforce of late, the Customs was practically exercising the functions of the Chief Controller of Imports as a result of general licence system. He added that formalities relating to import regulations were more time consuming than collecting the customs duty.

3.47 According to the Deptt. of Revenue (Ministry of Finance) the customs authorities have not only simplified the procedures relating to clearance of cargo based on constant review but have extended many facilities to the Port Trust and the trade for expeditious clearance.

3.48 In certain cases imported goods can be examined at importer's private bonded warehouse/public bonded warehouse against over-time fees.

3.49 Full-Containers-Load are permitted to be taken outside the dock premises for examination. The procedure has been published through Public Notice.

3.50 During evidence the representatives of the Ministry of Finance stated that notwithstanding the number of extra facilities which had been extended to the importers from time to time a lot of them did not seem to be keen to benefit from them for example, there is a procedure under which the steamer agents can file their manifests before the arrival of the cargo so that the bills of entry could be processed in the customs house and the goods are cleared as soon as they are landed. According to the representative of the Finance Ministry only in about 40 per cent of the cases the steamer agents had filed their manifests in advance. And even where these manifests had been filled before the arrival of the vessel the importers had filed their bills of entry before the arrival of the vessels in only 42% of the cases. In most cases the bills of entry of the importers are filed after the vessels have arrived and they lose 7 to 14 days advantage which they can have if they file such documents before the arrival of vessels.

3.51 When asked if this was intentional the representative of the Ministry of Finance stated that in many cases either they did not have the documents or they did not have instructions. In the case of canalising agencies they have their own difficulties.

3.52 The Deptt. of Revenue (Finance) has intimated that an analysis of the Survey conducted recently has revealed that the main reasons for delay in clearance of goods in order of importance are:—

- (1) Pending for payment of duty (B/E completed).
- (2) Documents received late (Shipping and other relevant documents still awaited from Importers).
- (3) Awaiting reply to Show Cause Notice from importers.
- (4) Awaiting I.T.C. and other bonds.
- (5) Awaiting catalogues, explanation, price list, separate value etc.

- (6) Awaiting instructions (Goods confiscated in the option to clear a fine etc.)
- (7) Awaiting bonds (for concessional assessment and Provisional Duty).
- (8) Goods damaged (Survey to be arranged by importers before clearance).

3.53 It has been stated that as the reasons account for about 70% of the delay; eliminating these would go a long way in expediting clearance of the goods.

Other factors:

3.54 It was represented to the Committee that following are some of the other factors which contribute to congestion in Bombay Port:—

- (i) Clearance of cargo from transit sheds generally begins after general landing date is declared. This is done only after the ship has discharged 2/3rd of the cargo.
- (ii) the number of the clearing agents available at Bombay is inadequate. Many of them are so small that they do not have a staff of more than 4 to 5 persons nor do they have necessary resources.
- (iii) According to the existing practice customs officer begins examination of cargo only after 50 percent of the cargo is landed.

It was suggested:—

- (i) Tally sheet of landed cargo should be exhibited on board and the consignees called upon to clear the cargo within 2 days. This will discourage the tendency to use transit shed as godowns available on cheap rates.
- (ii) The landed cargo should be removed to the rear shed and kept in a portion, earmarked only for imports.
- (iii) Customs examination should start immediately after the cargo is stored in the transit shed.
- (iv) Cargo not cleared within 5 days should be removed to the warehouses at the consignees cost.
- (v) number of clearing agents should be substantially increased.

3.55 Secretary, S&T. stated during evidence that "leaving out suggestion which was somewhat impracticable, all the other suggestions are very good and we should adopt them. The Chairman of the Bombay Port Trust says that the tally sheets are so many in number that it will be very difficult to display all the tally sheets."

3.56 The Chairman, BPT expressed the view that 3 days free time (excluding Sundays & holidays) for clearing cargo was fair and it should be maintained.

Clearing Agents:

3.57 The Committee wanted to know whether there were any clearing agents who were approved or registered as such.

3.58 The Committee were informed that clearing agents were appointed by Customs and not by Port Trust. The representative of the Ministry of Finance stated that there were regulations as to who should be employed as a clearing agent. When the vacancies are filled up as and when they occur, they take steps to see that the person who should be clearing agent had adequate resources to act as a clearing agent.

3.59 The witness informed the Committee that there were no regulations which provided about the exact number of personnel to be employed by a clearing agent. The regulations broadly laid down that clearing agents should have suitable resources to deal with the business.

3.60 The representative of the Ministry of Finance further informed the Committee that the number of clearing agents at present was 360 at Bombay Port and that notices had been issued for increasing the number of clearing agents to 430. According to the Customs House's Assessment 430 clearing agents would be adequate.

3.61 He added that increasing the number of clearing agents from 300 to 500 or 700, it was not going to help the situation in any way. Not all the 300 or the 350 employees who were there were really competent and capable.

3.62 Chairman, BPT expressed the view that the number *per se* of clearing agents at Bombay Port was quite large but not all of them were competent. Some were very small and some had more resources. In his view not only their number should be increased but by the process of selection it should be ensured that new entrants were more competent.

C. Traffic Management at Bombay Port:

3.63 It was stated in a memorandum that as of today, the traffic management in the Bombay Port was very poor and a large number of trucks made unnecessary movements in the dock area for lack of proper guidance. Many trucks that are not needed at a particular point of time remain parked for long hours and even for a number of days within the dock area thus preventing movement of goods which need to catch a particular vessel. Apart from this, the port area needs to be properly organised by way of removal of obstacles to the movement of lorries. There have been a large number of instances where cargo, containers or unwanted equipment or other accessories have blocked traffic. It is very strongly felt that if this aspect is corrected immediately, it will greatly facilitate lorry traffic in the Port.

3.64 The Ministry stated that the Bombay Port was seized of the problem of flow of lorry traffic inside the dock area. They appointed Kirloskar Consultants to undertake a study of traffic flow in the docks and recommend measures for a traffic control system to optimise vehicular throughout and cut out delays in the vehicular traffic in the docks. The Consultants' recommendations consist of short-term and long-term measures. Short-term recommendations have been accepted/implemented by Bombay Port. Other recommendations are under examination of the Port.

3.65 Secretary, (S&T) stated during evidence in this connection that, "We do admit that the position is still unsatisfactory there is no proper circulation. I have personally visited the Bombay Port many times and have had long discussions with Chairman and others. They have a consultant who has given some plan also how to improve the circulation. The consultant can help, but most of the things are just commonsense. Some improvement has taken place in the last three or four months, but I admit that this is one of our weakest sectors."

3.66 Non clearance of goods sold by canalising agencies on high seas due to delayed despatch of papers by these agencies to the consignees has been mentioned as a contributing factor for congestion at Bombay port. The suggestion that the canalising agencies should build their own warehouses at the port for storage of uncleared cargo imported by them has been welcomed by the Ministry of Shipping & Transport but not acceptable to the Ministry of Commerce. The Ministry of Shipping and Transport wants the high sea sales to stop

if the goods sold on high seas cannot be cleared without delay. According to the STC and SAIL, the parties whom goods are sold at high seas generally take prompt deliveries except in 5 to 10 per cent cases. The Ministry of Commerce and the canalising agencies however strongly feel that the high sea sales has come to be an accepted practice and it would not be possible to completely do away with this. Taking note of the sharp difference of opinion on the question of high sea sales and lack of consensus among the Ministries concerned about the solution to the problem, the Committee recommend that this matter should be studied in depth by an inter-ministerial and expert body to determine the extent to which high sea sales have contributed to congestion at the ports and how this problem can be tackled to the satisfaction of both the Ministry of Shipping and Transport, Ministry of Commerce and the canalising agencies.

(S. No. 21)

3.67 A view has been expressed before the Committee that delay in clearing cargo from port premises is also due to non-readiness on the part of the consignees to take delivery either because they are short of funds or because they have no warehousing facilities and they keep the goods at the port premises till the market is favourable for them to sell the goods at premium. This charge has been denied by trading organisations who have stated that demurrage charges at Bombay Port are too high to keep the cargo for a period longer than it is absolutely necessary.

3.68 In this context Secretary, Ministry of Shipping and Transport was candid enough to admit that clearance of cargo in Bombay Port had been slow to some extent because of the managerial failure. He felt that if the port was really in full control of the situation, it could pressurise consignees to take away the cargo. Sometime consignees escaped demurrage for various reasons. This reveals a very alarming aspect of port management at which the Committee cannot but express serious concern. The Committee expected that if managerial control was lax to the knowledge of the Ministry, something concrete should have been done by it to strengthen management and make it competent to handle the port affairs firmly and fairly for all without fear or favour. The Committee would urge the Ministry not to delay the remedial action on this front any longer.

(S. No. 22)

3.69. Failure to enforce Port bye-laws, under which ships are required to unload cargoes Bill of Lading-wise and shore staff are also required to stack them like-wise has been brought to the Com-

mittee's notice. The Ministry has accepted that non-enforcement of these bye-laws would lead to confusion, mix-up congestion and even pilferage. When the usefulness of the system of unloading and stacking of goods B/Lading-wise has been admitted by the Ministry, the Committee expect that it will instruct all ports to enforce the bye-laws to this effect strictly and ensure compliance with the instructions. (S. No. 23)

3.70 Non-clearance or delayed clearance of cargo from ports is also stated to be due to inability of importers to retire documents from banks and make payments of customs duty and port dues in time. The Committee find that no study of this phenomenon has been made either by the Ministry of Shipping and Transport or by the Ministry of Finance from the customs side. The Committee have also been informed that even where customs duty has been paid, in 90 per cent of the cases, there is a time gap of over 10 days after payment of duty before the importer clears the goods. The Committee feel that this is a phenomenon which should be studied jointly by the Ministry of Shipping and Transport and the Ministry of Finance with a view to finding a solution to the problem.

(S. No. 24)

3.71 Consignees are expected to remove cargoes from the port premises within 3 days (excluding Sundays and Dock Holidays) following the general landing date and after this free period they have to pay demurrage. If the goods are not removed within 2 months, the port authorities can dispose of the goods by auction or otherwise. Notwithstanding this in Bombay Port large number of packages remain uncleared long after the free period of 3 days and even after two months when the goods are liable to be disposed of. As on 2 November, 1981, there were 6,82,681 import packages lying uncleared in the Bombay docks including outlying areas, of which 2,09,516 lay uncleared for more than 2 months. The number rose to 7,25,780 packages on 28 December, 1981 of which over 2,86,000 packages lay there for more than free period but upto two months, while more than 2,11,000 packages were lying there for more than two months. The Port Trust, it is stated, is handicapped in disposing of the 2 months old packages despite the powers allowed under sections 61 and 62 of the Major Port Trusts Act, 1963 because of the restrictions contained in Section 48 of the Customs Act, 1962 under which no package can be disposed of without the specific permission of the customs. Even the amended guidelines laid down for expeditious disposal of goods have not been effective enough in expediting disposal.

3.72 Even if, out of 2,11,320 packages lying at Bombay Port (on 28-12-81) for over two months, 94195 packages were held up on customs account, the fact remains that for the rest of the packages (1,17,125), which could have been disposed of under the law but were not disposed of, the responsibility squarely lies on the Bombay Port Trust which has admitted its inability to step up disposal of such goods. From this the Committee cannot but come to the conclusion that the Port Trust authorities are themselves to blame to a considerable extent for the congestion in port warehouses. This also testifies to the failure of the management to exercise vide statutory powers vested in them to dispose of over-two months old packages lying at the port premises. The Committee regret that, even the Ministry of Shipping & Transport has failed to take serious notice of the alarming state of congestion at Bombay port on account of uncleared cargo and to apply correctives. The Committee would like that the Ministry and the port authorities at all ports should continually review the position of uncleared cargo at port premises and take remedial measures, including disposal of over two month old packages lying there, without delay. In this regard, if the present procedures stand in the way of quick action, these should be reviewed and streamlined so that the congestion at the port may be minimised to the extent possible within the powers of the port authorities.

(S. No. 25)

3.73 Representations against the time consuming formalities of customs resulting in delays in clearance of goods have been made to the Committee by official and non-official organisations though the Finance Ministry has maintained that the formalities were essential and were not time consuming. The Customs, it is stated, have not only simplified the procedures but have extended many facilities to the Port Trust and the Trade for expeditious disposal, such as examination of goods at Importers' private bonded/public bonded warehouses and allowing full-containers load to be taken outside the dock premises for examination. The Ministry of Finance has also stated that steamer agents who have been allowed the facility of filing cargo manifesto before the arrival of the vessels so that bills of entry could be processed in the Customs House in advance and goods cleared as soon as they are landed. But only in about 40 per cent of cases, this facility is availed of by the steamer agents. The Customs have also identified a number of other reasons which have delayed clearance of cargo and for which, they say, the Consignees are responsible. This shows as if everything is all right with Customs and all the blame lies with the steamer agents and the consignees. This sounds strange. The Committee feel that there is

need to go into this matter in depth to find out the real reasons for steamer agents or consignees not availing themselves of the facilities extended by Customs and to see how far their difficulties can be sorted out in the larger interest of easing congestion at the Ports.

(S. No. 26)

3.74 From as many as 94195 packages lying at Bombay Port (outside as well as inside the docks) for want of customs clearance in some form or the other (though Ministry of Finance accepts responsibility only in respect of 8657 packages), the conclusion cannot be resisted that customs performance in this field is not all that good as it is claimed to be. And, over and above, the controversy as to the exact number of uncleared packages at Bombay Port between the Port Trust and the Customs goes to show that the coordination between the two organisations is far from satisfactory. The Committee would like that the Customs organisation should shed the attitude of self righteousness which it has adopted in this regard and both the Port Trusts and the Customs set-ups at all ports should critically review the state of congestion at each port on account of customs clearance in one form or the other and jointly evolve a way out of the present difficult situation.

(S. No 27)

3.75 In the Committee's opinion, the customs should re-orient its approach and streamline its procedures to speed up clearance of goods and give consent to dispose of goods, as the case may be, with a view to ease congestion at the port premises.

(S. No. 28)

3.76 According to the existing procedures clearance of cargo from transit sheds generally starts after general landing date is declared. This is done only after the ship has discharged 2/3rds of the cargo. Further the Customs Officer begins examination of cargo only after 50 percent of the cargo is landed. It is noted further that the number of clearing agents available at Bombay is inadequate.

3.77 The following suggestions made to the Committee to ease congestion at Bombay Port premises have been welcomed by the Ministry:—

- (i) The landed cargo should be removed to the rear shed and kept in a portion earmarked only for import.**
- (ii) Customs examination should start immediately after the cargo is stored in the transit shed.**
- (iii) Cargo not cleared within 5 days should be removed to the warehouses at the consignees cost.**

3.78 The Committee would expect that these suggestions would be translated into action at the earliest. (S. No. 29)

3.79 Shortage of clearing agents at Bombay port has been brought to the Committee's notice. The Committee find that the Bombay customs has already initiated action to increase the number of clearing agents from 360 at present to 430. The Committee are concerned to note that not all the clearing agents at the Bombay Port are fully competent or fully equipped to handle the jobs. The Committee feel that mere increase in the number of clearing agents would not be enough unless the new entrants are selected after a careful screening with reference to their capacity and competence. (S. No. 30)

In order to enable clearing Agents to function effectively, it is also essential that they should be given adequate facilities and their problems regarding suitable office accommodation are also considered sympathetically. (S. No. 31)

3.80 Traffic management at Bombay Port is stated to be very poor. Traffic management has been admitted by Secretary, Ministry of Shipping and Transport to be one of the weakest sectors requiring immediate attention. The Committee note that the Bombay Port Trust has appointed a traffic consultant to undertake a study of the traffic flow in the docks and some of his recommendations have been implemented and others are under examination. The Committee hope that the port authorities will take all the necessary measures to enforce proper traffic control in the port area so as to ensure smooth flow of traffic of all kinds. (S. No. 32)

D. Condition of Sheds in Calcutta Port

3.81 It was represented to the Committee that the condition of the sheds in Calcutta where the cargo is stored is deplorable particularly during the monsoon. The approaches to the sheds from different sides were also in a poor condition making it difficult to move the cargo into and out of the sheds. Because of the unsatisfactory condition of the sheds and their precincts, there was often heavy congestion of vehicular traffic near the sheds. The lighting arrangements in the sheds as well as along the wharves were also in bad shape and needed considerable improvement.

3.82 The Ministry stated that the majority of the sheds at Calcutta Port are old and require heavy maintenance repairs every year. Because of constraints of resources, the maintenance repairs of the sheds could not be done at very satisfactory level. In the current financial year a major drive was launched, particularly

against roof leakage. The position on this count has improved. The roads inside the docks get damaged during the monsoons. However, repairs are carried out as soon as possible after the monsoons.

3.83 During evidence the Chairman, Calcutta Port Trust stated that "Calcutta is a very old port. The docks are more than 75 years old. The Subhash Dock is more than 50 years old, normal repairs are not enough; some special repairs are needed. For 15 years, the port faced serious financial difficulties, no special repairs were done since 1965. During the monsoon, due to leakage, goods are affected complaints became serious. We started spending money; we spent Rs. 32 lakhs in 1980-81; in 1981-82, there is Rs. 53 lakhs; we have spent Rs. 33 lakhs; we will spend another Rs. 20 lakhs on repairs, on roads, etc. Next year it is Rs. 70 lakhs. This is apart from the special provision we are making of Rs. 15 to 20 lakhs for loading arrangement which is inadequate. We think, if we get some surplus, some 3 or 4 crores, will be able to carry out the special repair. I hope that the position will improve by 1982."

3.84 As regards congestion of vehicular traffic were the sheds, the Ministry stated that there was a tendency for lorries and trucks to park haphazardly inside the docks. As a result of special drive, there has been an improvement in the position recently. Meanwhile, Calcutta Port are negotiating with NATPAC (National Traffic Planning & Automation Centre) for carrying out a study of the problem and suggest improvements. A project report has been received and is under examination.

3.85 The Ministry added that there is adequate space to handle pelletised cargo at Netaji Subhash Docks.

3.86 It was represented to the Committee during their visit to Calcutta Port that considerable amount of steel always remained at the Docks, causing congestion of sheds and yards and this retarded vessels' output at the congested sheds. At times, the problem became acute and penal rent on steel cargo had to be imposed to induce the parties to effect speedy clearance of the cargo.

3.87 Similar congestion is reportedly faced at the fertiliser berths due to delay in commencement of delivery by the handling agencies, absence of any realistic road delivery programme, and railway booking of cargo not being made in time etc.

3.88 The Committee wanted to know as to why consignments of steel and fertilizers were allowed to occupy space at docks for unduly long periods.

3.89 Chairman, Calcutta Port Trust (CPT) stated during evidence that Steel unloading in Calcutta port was done with magnetic grabs. The port did not own them and the parties themselves brought these. Mobile equipment was needed to stack them properly. There was shortage of mobile equipment and this caused delay. He added that the Port should have 'Steel Dump' under its authority. SAIL had its own dump. For non-SAIL imported steel cargo, port authorities could have a dump within dock premises so that the congestion was less.

3.90 Regarding fertilizer, Chairman CPT, added that the main difficulty is that fertilizer comes in bulk. It has to be bagged which takes time. He stated that Railways had been requested for closed 4 wheelers for movement of fertilisers. But Railways insisted that they would give them only in rake form which the CPT felt was difficult to tackle. Railways alternatively offered open box wagons. These were not suitable for fertilisers.

3.91 He stated that CPT requisitions for 'closed 4 wheelers' were not being met by Railways by more than 20 or 25 percent. Therefore, the congestion remained. He informed the Committee that the handling agents concerned were mostly public sector agents like Hindustan Fertiliser, Food Corporation etc. Regarding taking out fertiliser from the port, he stated that delay took place because they did not have sufficient trucks. When they proposed to bring their own labour from outside for bagging and stitching, the port labour did not agree. Chairman CPT suggested that either fertiliser should be bagged elsewhere or truck movement should be expedited, or 4 wheeler wagons must be given by the Railways.

3.92 In this connection, the representative of the Ministry of Railways stated that steps had been taken to expedite movement of commodities at Calcutta Port. He stated that one solution was that as much as possible, movement could be rake-loaded. He was of the view that with proper planning it should be possible to maximise rake-loaded movement. Wagons would however be provided piecemeal whenever possible. The condition of the 4-wheelers on Eastern Railways, was very bad due to coal handling. These wagons were open and were coming back loaded with coal and other materials. Covered wagons were not available there. In non-monsoon weather it could be moved in open wagons covered with tarpulin.

3.93 The Chairman, CPT pointed out that the arrangement did not exist to move the bulk commodity because the bulk commodity had to be unloaded and it had to be bagged, stitched and moved. In this process a lot of time was consumed. If there was an arrangement with the Railways that the bulk commodity could be moved from the docks, there would be a lot of saving.

3.94 When asked as to what was the difficulty in bagging fertilizers and why it could not be bagged in FCI's godowns, the representative of the Ministry of Agriculture stated that the proposal for taking the fertilizer and bagging it in the hired godowns had come up a number of times but the difficulty was the shortage of godown space where the bulk cargo could be taken and bagged.

3.95 It has been represented to the Committee that the transit sheds in Calcutta port are not being properly maintained. In monsoon season it becomes particularly difficult to move the cargo in and out of the sheds, often causing heavy congestion of vehicular traffic in front of the sheds. Lighting arrangements in the sheds as well as along the wharves are also reportedly in bad shape. The Ministry has admitted that the Calcutta port is very old and requires heavy and special repairs but because of constraint of resources, no special repairs have been done since 1965. It required Rs. 3-4 crores to carry out some special repairs. According to the Ministry the position is expected to improve this year (1982). That a major port like Calcutta should have reached such a sorry pass as not to have funds to carry out necessary repairs to sheds, roads and lighting system not only reflects on the management's efficiency but also betrays the indifference of the Ministry. The Committee urge the Ministry to look into this matter urgently and ensure that adequate

funds are made available to the Calcutta port so that special and heavy repairs required at the port are not neglected any longer.

(S. No. 33)

3.96 The Committee hope that the study of the traffic problems near the sheds of Calcutta port proposed to be commissioned through National Traffic Planning and Automation Centre will be undertaken soon and follow-up action taken to set things right without delay.

(S. No. 34)

3.97 It has been brought to the notice of the Committee that large amounts of imported steel remain accumulated at the docks at Calcutta port causing congestion of sheds and yards and retarding vessels' output at the congested sheds.

3.98 The port authorities have stated that the congestion results from lack of proper equipment with the port and due to lack of its own dumping arrangements for non-SAIL imported steel cargo. Given proper equipment and a dump under the port's authority, this problem can be brought under control. The Committee would expect the Ministry to look into the matter with a view to finding a practical remedy to the problem.

(S. No. 35)

3.99 It is stated that a similar situation of congestion is faced at the fertilizer berths of the Calcutta port due to delay in commencement of delivery by the handling agencies—mainly public sector agencies like Hindustan Fertilizers and the F.C.I.—for want of adequate arrangements for movement of fertilizers. This is apparently because of lack of coordination between agencies and the Railways. The Chairman, Calcutta Port Trust was of the view that either the fertilizer should be bagged outside the port premises or the trucks movement should be expedited, or covered 4-wheeler wagons should be provided by the Railways for safe movement of fertilizers. The Railways were ready to extend all cooperation to the port and handling agencies in expediting movement of fertilizers. When every agency concerned is ready to cooperate, all that is a joint effort to evolve a suitable arrangement to handle the fertilizers imports and to ensure their expeditious movement. The Committee should like the Ministry of Shipping and Transport to take the necessary initiative in this regard.

(S. No. 36)

CHAPTER IV

CARGO HANDLING EQUIPMENT

A. Availability

4.1 According to the Ministry, the following could be considered reasonable time for annual repairs etc.:—

Electrical wharf cranes	10-12% of the total time available in a year.
Mobile cranes	15-18%
Fork lift Trucks	20-25%

4.2 The following table shows the position regarding actual availability of cargo Handling Equipment at major ports in relation to total time available in a year:

Sl. No.	Name of the Port	Wharf Crane	Mobile Crane	Fork lift Truck	Tractors
		%	%	%	%
1.	Mangalore	99.46	92.73	92	98.78
2.	Tuticorin	95.7	99.7	96.7	
3.	Kandla	80	82.8	75.9	96.6
4.	Madras	99.93	56.5	83.7	81.5
5.	Mormugao	78.6	83.5	82	
6.	Bombay	91.65	74.3	84.7	67
7.	Calcutta	89	95.6	75.7	98.7
8.	Cochin	88.5	79	74.4	97
9.	Visakhapatnam	89.3	70.3	61.4	62
10.	Paradip	85.3	NA	NA	NA
11.	Haldia	NA	92	73.4	39

B. Utilisation of Cargo Handling Equipment

4.3 According to the Ministry, the optimum period for which any equipment can be effectively deployed is 30—35 percent of the available time in a year.

4.4 The following table shows the actual level of utilisation of cargo handling equipment at the major Ports vis-a-vis the optimum hours for which it could be effectively deployed:—

Name of the Port	Wharf Crane	Mobile crane	Fork Lift Truck	Tractors
	%	%	%	%
Mangalore .	3.45	13.74	3	1.154
Tuticorin	2.8	1.18	7.9	Nil
Kandla .	40	2	28.88	7
Madras .	53.63	31.6	61.2	27.2
Mormugao .	31.5	16.5	4.5	—
Bombay .	27.5	45.6	13.76	40.9
Calcutta . .	46.4	6.2	45	—
Cochin	16.7	17.2	16.7	7.9
Vizag	29.6	23.74	24.6	10.8
Paradeep .	47.15	NA	NA	NA
Haldia	Nil	51.7	35	24.5

4.5 Commenting on the degree of comparative utilisation of equipment at Major Ports with respect to optimum utilisation norms (30—35 percent) the Ministry stated in a note that by and large the Wharf Cranes are very well utilised in the port of Kandla, Bombay, Mormugao, Madras, Paradip and Calcutta. The degree of utilisation for these cranes at Cochin & Visakhapatnam is also stated to be reasonably good. However, the Ministry conceded that in the port of Mangalore & Tuticorin the degree of utilisation has been rather poor.

4.6 As regards fork lift trucks, the Ministry stated that at Kandla, Calcutta, Cochin, Madras & Haldia utilisation is very good. The degree of utilisation at Visakhapatnam and Bombay has been reasonably good. The degree of utilisation in other ports like, Tuticorin, Mangalore, Mormugao and Paradip has rather poor.

4.7 The Ministry added that where the equipment is procured recently, owing to high capital cost, the charges for hire are also likely to be heavy. Often Cranes remain under utilised, owing to this reason.

4.8 With respect to Mobile Cranes and Tractor Trailors the Ministry accepted that excepting in Madras, Bombay, Visakhapatnam and Haldia, the degree of utilisation has been generally poor.

4.9 The Ministry pointed out that equipments which are hired out on shift basis show better utilisation (revenue-wise) than those which are hired out on hourly basis. Mobile cranes, and in certain cases Fork lift trucks also, the trades demands are of sporadic nature and as such these are requisitioned on hourly basis only. Being a service organisation, the port has to cater to the demand of the Trade and Traffic even if these demands are not of uniform or intensive nature. Moreover, a port has to gear up with peak load requirements, though the demand for peak load may not be of regular in nature. Besides, there has to be stand-by equipments particularly for mobile equipments, which effectively remains unutilised.

4.10 This Ministry stated that "It is currently taking a review of various cargo handling equipments vis-a-vis requirements commensurate with utilisation."

4.11 The Ministry informed the Committee that as an interim measure procurement of additional cargo handling equipments had been restricted to bare minimum and was being sanctioned strictly on the basis of dire necessity. The replacement proposals are being strictly pruned and restricted to lesser numbers than the actual number of equipments replaced. Schemes related to better maintenance infrastructures are being expedited for minimisation of break downs in service.

4.12 The Committee pointed out during evidence that at almost all the ports, users had complained to the Committee that the equipment was not readily available when required; its maintenance was far from satisfactory with the result that even when it was available it either went out of order in the midst of operation or did not work to its capacity.

4.13 When asked to state the reasons for so much under-utilisation of equipment in the context of users' complaint of non-availability of equipment, a representative of the Ministry of Shipping and Transport stated during evidence that "in some of the port like Bombay, Calcutta, Vizag and Pradeep, the cranes have been utilised to a great extent. When the crane utilisation goes up during the peak periods, it is not available to the customers and they complain about their non-availability. On the other hand,

if we try to build in the requirements of peak load, then the utilisation part goes down. We have necessarily to strike a balance between the two and aim for a reasonable utilisation."

4.14 He stated further that "secondly, at some places like Tuticorin and Mangalore, the utilisation is rather low. When we investigated this. It was found the equipment was procured recently at a comparatively higher capital cost. As the hire charges are worked out on cost basis, the hire charges in the newer ports are higher as compared to the other ports where the equipment was procured at less price. Therefore, there was a certain amount of under-utilisation. We have now reduced the charges and the utilisation has gone up."

4.15 Asked whether there should not be uniform hire rates for equipment at all the ports, Secretary (Shipping & Transport) stated that the Ministry had requisitioned a study through the "Bureau of Costs" to determine the economic rates. He added that uniform rates at all the ports might not be possible.

4.16 It was also brought to the Committee's notice that cargo handling equipment at almost all the ports was out-moded, out-dated and obsolete. Most of the equipment, having been installed decades ago, had out-lived its span of life. Efficiency of the equipment was very low and its continued service for the period of hire by users was not at all dependable.

Equipment at Bombay Port

4.17 It was represented that all equipment at Bombay port was based on the trade pattern existing several years back, even a decade in some cases. For years, there has been no modernisation of any equipment, whatsoever. For example hydraulic cranes in F&V Docks are a century old. The capacity of equipment is also said to be very negligible. The electric cranes available in Indira Dock having capacity of only 3 tonnes have become obsolete. Even the bare necessary items of Mobile equipment, such as tractors, trailers, trolleys, etc. absolutely essential to handle heavy and overdimensional cargo, are ill-equipped. It was stated that this port had two floating cranes, out of which, one was scrapped and therefore, only one floating crane (viz. "Sharvan") was available for handling heavy-lifts. Demand for crane was very heavy and, at times, vessels had to suffer long delays due to its non-availability in time.

4.18 Explaining the position in this regard the Ministry stated that "depending on the usage and category of equipments normal economic service life of port equipments vary between 7 to 30 years. In this context, it is natural that there should be some equipments in Bombay Port which are based on the trade pattern that obtained several years ago."

4.19 As regards hydraulic cranes in P&V Docks, the Ministry stated that "it is true that these are very old cranes with small lifting capacity. On the basis of Mehta Committee's recommendations, the question of replacing these cranes with electrical wharf cranes was examined. The Bombay Port's view was that replacing the hydraulic cranes by electrical crane called for extensive work on laying up of electrical power cable etc. In view of limitation on space, this could lead to complete disruption of crane service at the berths resulting in aggravation of the congestion at the Port. After detailed examination, it was decided that PBT should procure 8 nos. Tyre-mounted tower type Mobile Cranes of higher capacity which would meet the demand for large parcel sizes in these docks. The port has already received few of these cranes and the others are on the process of being assembled/delivered."

4.20 "A floating crane (on replacement of the crane which has been scrapped) has been ordered on M/s. Mazagon Dock Ltd., Bombay in 1979. Delivery of the floating crane has been delayed by one year and is expected to be delivered by end of December, 1981. Government sanction of Rs. 1157 lakh has been accorded for procurement of equipments for handling of containers at Bombay. The Port has already placed order for 3 Nos. transfer cranes for handling of containers in the yard on a Japanese firm. Further, procurement of top lift trucks etc. are at an advance stage of procurement process."

Equipment at Calcutta Port

4.21 In regard to the position of equipment at Calcutta it was represented to the Committee that most of the equipment at Calcutta Port such as floating cranes, tractor trailers, mobile cranes harbour crane and fork lifts at the Port had already outlived their useful life, some of these being as old as thirty years. According to available statistics there are 29 mobile cranes in the port of which 14 were purchased in 1957-58 and an equal number between 1964 and 1965. Of the 37 fork lifts, 20 were purchased in 1973-74, 10 in 1974-75 and 7 in 1975-76. Of the 45 tractors 27 are

fourteen to twenty years old. In the K. P. Docks the cranes at certain berths were purchased in 1942/43 while in the N. S. Dock out of 43 cranes, 23 were bought in 1929.

4.22 The Ministry stated that "it is true that most of the equipments at Calcutta Port are very old. It is also partially true that the Port's financial position has been one of the major constraints in way of modernisation and replacement of equipments to the desirable extent."

4.23 The Ministry added that "the degree of replacement/rehabilitation of equipments is closely linked with quantum of traffic handled or projected traffic for the near future and the economy of operation. In view of substantial reduction in traffic through Calcutta Port because of limitation of draught all the existing old equipments, could not be considered essential for replacements. The Ministry informed the Committee that the following cargo handling equipments were scheduled for replacement during the current five year plan (1980-85):—

- 8 Nos. 3 tonne capacity electric wharf cranes.
- 4 Nos. 6 tonne capacity portal cranes.
- 17 Nos. 6 tonne capacity Mobile cranes.
- 4 Nos. 10 tonne capacity Mobile cranes.
- 10 Nos. 10 tonne capacity tractor trailers.
- 5 Nos. 20 tonne capacity tractor trailers.
- 5 Nos. Diesel locomotives.

As far as the maintenance function is concerned the Ministry state that "it is to be appreciated that with age and usage, the equipments become more prone to break-down. But on the basis of the degree of availability of equipments at Calcutta Port, it will not be correct to say that the performance of equipments have deteriorated because of negligence of maintenance. However, during the current plan period provision for schemes for improving the workshop facilities have been made which would result in improvement of the existing maintenance function."

4.24 During evidence the representative of the Ministry of Shipping & Transport admitted that "at certain places the equipment beyond its service life is being utilised where the maintenance is good. Some of the ports which do not have the resources will have necessarily to go slow on replacement according to the available resources."

4.25 The witness added that a census of the port equipment was being taken every two years and the Ministry was aware of the equipment which had outlived its nominal life. According to the witness such equipment could not, however, be scrapped. It would be scrapped only if it was uneconomical to maintain it, otherwise it would be continued

4.26 During evidence the representative of the Ministry informed the Committee that "certain economic life is fixed for each equipment. These are meant wharf crane is as guidelines which have been fixed. The service life of 30-35 years. The life of mobile cranes is 15-18 years. Wharf cranes, which have completed such notional life exist in the case of older ports like Madras, Calcutta and Bombay. In the case of other ports, mobile cranes which have completed the notional life are there."

4.27 He added that "at Major Ports economic life is a guiding factor for replacements. There are other conditions such as quality of maintenance and availability of spare parts. On these basis, we have to decide whether replacement is to be done. In each case, in every Plan period, we take up some equipment for replacement."

4.28 Given below is a statement of equipment available at various ports indicating years of service rendered by each category.

LIST OF EQUIPMENTS AVAILABLE AT VARIOUS PORTS INDICATING YERS OF SERVICE

Sl. No.	Name of Port	Mobile Cranes			Wharf Cranes			Fort lift trucks		
		Nos. available	Nos. below 15 yrs.	Nos. above 15 yrs.	Nos. available	Nos. below 30 yrs.	Nos. above 30 yrs.	Nos. available	Nos. below 10 yrs.	Nos. above 10 yrs.
1	Kandla	4	3	1	26	26	Nil	10	8	2
2	Bombay	44	10	34	194	104	90	75	66	9
3	Mormugao	3	1	2	15	6	9	6	Nil	6
4	Mangalore	6	6	Nil	8	Nil	8	5	5	Nil
5	Cochin	9	4	5	24	17	7	52	32	20
6	Tuticorin	7	5	2	10	10	Nil	18	18	Nil
7	Madras	29	16	13	48	41	7	76	76	Nil
8	Vishakhapatnam	11	6	5	30	21	9	54	42	12
9	Paradeep	6	4	2	3	3	Nil	18	18	Nil
10	Calcutta	37	17	20	127	69	58	49	49	Nil
	(a) Calcutta									
	(b) Haldia	2	2	Nil	Nil	Nil	Nil	7	7	Nil

4.29 The Development Adviser to the Ministry of Shipping and Transport informed the Committee that in the beginning of the Plan 1980-85 a working group had gone into the question of investments in the ports. This group examined at great length as to what would be the items of investment and especially about replacement of old or obsolete equipment. The Group recommended replacement of certain items. These recommendations were accepted partly or fully depending upon the available resources. Plan ceiling have also to be kept in view and these are reviewed at the time of mid-term appraisal and during the next Plan. The Development Adviser stated that many of the items had already been installed or were being installed. It would take one or two years to replace all the important cranes which were in use now. Bulk of them had been ordered.

C. Spare Parts

4.30 It was explained to the Committee during their visit to Bombay Port that a good number of cranes and other equipment were out of commission for want of spare parts. The spare parts had to be purchased through their Central Projects organisation and there was a set procedure for the purchase which did not permit them to procure spares from anywhere and every where as is done by the private parties.

4.31 The Ministry stated that the Central Purchase Organisation works under the control of Indian Port Association (IPA). On the basis of position ascertained from CME, Bombay Port Trust, "it is not correct that all spare parts are to be purchased through the Central Purchase Organisation of the IPA."

4.32 The Ministry added that in fact equipment spares are generally purchased by all ports by usual tendering practice and the items of proprietary nature are directly purchased from the equip-

ment suppliers. No. of equipments which are out of order for want of spares as on 10-12-81 at Bombay Port are given below:—

Mobile Cranes

No. of equipments	Time since when out of order
3 Nos.	1 month
2 Nos.	2 months
3 Nos.	3 months
1 No.	4 months
4 Nos.	5 months
1 No.	7 months
Total : 14 Nos.	

Fork Lifts

2 Nos.	1 month
1 No.	2 months
1 No.	3 months
2 Nos.	4 months
2 Nos.	5 months
1 No.	8 months
Total : 9 Nos.	

4.33 The Ministry informed the Committee that to ensure timely supply of spares stores Department had taken a number of measures including monitoring of required spares, cash purchase of emergency spares and review of requirements with the manufacturers. Stocking methods are being improved. Forward planning had been started for future requirements of spares.

4.34 The Ministry added that the position as ascertained from other ports indicated that there were no equipments specifically lying idle for want of spare parts.

4.35 During evidence the Chairman, BPT explaining the problems coming in the way, of timely availability of spares at the Bombay

Port stated that "when the equipment breaks down only then they come to know what spares are needed. Unless they open the whole crane they cannot judge. When they go to the supplier, they say given us consolidated. When we go, he charges the service, storage, inventory costs."

4.36 The Chairman, BPT added that "we are buying computer. 3,500 items have been computerised. Bulk is remaining. We are slowly coming up. We are sending people for material management. We are tightening up the procedure. We will overcome the problem. There are about 21,000 items."

D. Workshop facilities

4.37 It was stated in a memorandum that in Calcutta Port routine maintenance of and repairs to mobile equipment needed to be strictly supervised to ensure maximum utilisation of all insufficient resources. At present the procedure required for carrying out repairs is too time-consuming and involved, and the period required until such equipment is back in operation unreasonably long. In his connection it would be advisable that a very close look is given to the productivity in the workshops in respect of repairs to determine what is the percentage of such equipment to be brought back into operation.

4.38 The Ministry stated that "the magnitude of maintenance involvement is directly connected with the age of equipments. A recent study has been carried out by the Administrative Staff College of India, Hyderabad. Certain inadequacies in staffing and workshop facilities have been indicated in the report. The report is under examination of the Port. In the meantime, strict supervision has been enforced on productivity. Certain schemes for modernisation of workshop facilities have been included during the current five year plan".

4.39 The Ministry added that "it is our view that percentage of down time for equipments is one of the important criteria of judging the maintenance efficiency. The average down time for mobile cranes and fork lift trucks at Calcutta has been 10 per cent and 5.3 per cent respectively which are well within the acceptable norms and may be considered satisfactory".

4.40 The Committee wanted to know whether the Ministry had made any study of the workshop facilities available at each Port for maintenance and repair of equipment and whether it could say that the maintenance workshops were working satisfactorily and efficiently. The Development Adviser informed the Committee that the

ports themselves had engaged consultants and other agencies to undertake the studies. In the light of their recommendations they were formulating proposals. He added that "according to the Ministry barring Calcutta, Paradip and Haldia, the workshop facilities at all other ports are fairly good".

4.41 When pointed out that a number of complaints to this effect had been received in respect of other ports also, the representative of the Ministry stated that "the ports need not necessarily depend on the workshops; they can go outside also for repairs".

E. Charges for Equipments

4.42 It was represented to the Committee that Crane charges were fixed at 8 hourly basis. If a crane went out of order midway full charges were recovered.

4.43 The Ministry stated that the cargo operations at all the Major Ports are undertaken on shift basis. Hire charges of cranes have been fixed by some of the ports like Bombay, Calcutta, Madras, Kandla, Murmugao and Tuticorin on shift basis or on half shift basis while in the case of remaining ports, the hire charges have been fixed on hourly basis. At some ports the trade has to pay a minimum charge prescribed in the scale of Rates of the port whether the equipment is hired on shift basis or hourly basis.

4.44 A representative of the Ministry stated during evidence that "the reasons for the variations (in the system of levying hire charges on shift, or half-shift or hourly basis) can be looked into and it is possible to arrive at some uniformity in fixing the hire charges of cranes. A decision will be taken at the ensuing Port Chairman's Conference".

4.45 During the visit of the study group of the Committee to New Mangalore Port, it was represented to the Committee that charges for the floating crane (Hanuman) at New Mangalore Port were very high and that these need to be looked into.

4.46 The Committee have been informed by the Ministry that earlier different charges were collected depending upon the weight of the container subject to a minimum of Rs. 500/-. However since 31st December 1981, the charges have been reduced to Rs. 400/- per container.

4.47 During evidence Secretary, Shipping and Transport, stated that this crane being too big was not being used at Mangalore Port. The Ministry was thinking of transferring it to Vizag.

4.48 It was also represented to the Committee during tour that consignees have to pay for the hired equipment even though the labour might have gone on strike and the equipment might not have been used. In such circumstances there should be remission of such charges.

4.49 The following position in respect of each port has been furnished to the Committee:

BOMBAY PORT

4.50 The port has reported that when strike takes place, the consignees or their agents cancel the equipment which was earlier booked and thus they are not required to pay the hire charges.

CALCUTTA PORT

4.51 The port has reported that they do not hire out equipment for traffic operations and so question of realisation of hire charges during labour strike does not arise. However, if the parties apply for use of equipment on payment of charges these charges are refunded if services cannot be rendered due to break-down of equipment or labour strike or due to any other reason.

MADRAS PORT

4.52 The port has reported that even though consignees apply for hire of equipment in advance, the equipment is supplied to consignees against requisition for individual shifts. If labour goes on strike, the consignees can refrain from giving requisition for equipment in the following shifts and thereby adjust charges paid for future requisitions. Cases of lightening stoppages are considered on merits.

PARADIP PORT

4.53 The port has reported that hire charges for equipment other than cranes are levied for the actual supply of equipment which includes the charges of operators, interest and depreciation of the equipment etc. Only fuel is the variable cost which depends upon actual use of equipment. Once equipment is hired out to the trade and if rendered idle, full hire charges should be collected even though the equipment is rendered idle on account of labour strike.

TUTICORIN PORT

4.54 The port has reported that hire charges for equipment are levied only for the duration of actual utilisation.

VISAKHAPATNAM PORT

4.55. The port has reported that consignees cancel the requisition for hired equipment whenever labour goes on strike and hence the question of remission does not arise.

KANDLA PORT

4.56. The port has reported that cases for remission of charges in individual cases are considered by the port on merits. The remission is granted for 1/2 shift in case the crane works for 4 hours or less.

COCHIN PORT

4.57 The port has reported that when equipment is not utilised on account of strike by the port labour, no charge is recovered from the party for the period of strike. However if the steamer agents etc. go on strike and cargo handling is held up and the cranes are not put to use, the port does not refund hire charges on such occasions.

NEW MANGALORE PORT

4.58. The port has reported that when the labour goes on strike, no charges are realised from the users for the strike periods.

MORMUGAO PORT

4.59 The port has reported that there has been no demand for refund of charges for hire of equipment on ground of strike. If any such claim arises in future each individual case will be examined on merits.

4.60 From the port-wise position furnished by the Ministry in this regard, it has seen that liability of users to pay hire charges for equipment in the event of labour strike varied from port to port, the representative of the Ministry stated during evidence that "I do agree that this is not a satisfactory situation;". He assured to review the position.

Use of private equipment at Cochin

4.61 It was brought to the Committee's notice at Cochin that the port equipment at Cochin port was 4 times as costly as outside equipment. For instance it cost about Rs. 200 to move an empty container using port equipment like cranes and chassis while this operation could be carried out with private forklift truck for as

little as Rs. 10. Moreover port chassis cost Rs. 1200 per day while the same could be had from private sources at Rs. 250.

4.62 The Ministry of Shipping and Transport informed the Committee that "the port rates have been prescribed keeping in view the guidelines regarding fixation of rates. The rates charged by private operators on the equipment available with them cannot be compared with the rates of the equipment of the port as the port trust has to man its equipment according to a prescribed manning schedule giving pay and allowances and other benefits to its employees on the pattern established. The Port Trust has also to ensure a reasonable return on the equipment. In respect of a private operator, however, the wages may be much lower and establishment costs also lower. In that situation, a private operator may be in a position to offer his equipment at a lower rate".

4.63 It was also represented further that despite, the port equipment being inadequate and unserviceable the port did not permit the use of private mobile equipment to be used in the port area. Private equipment, it was stated, was allowed at Bombay, Madras, Tuticorin and New Mangalore.

4.64 Asked to state the policy of the Government in regard to utilisation of private mobile equipment in ports the Ministry stated that "In the context of non-availability of certain specialised equipment with the Port, the Government have advised the port to consider the possibility of private operators being allowed to bring these equipment to the port and operate. However, the port has not so far been able to get private operators to bring such equipment in the port on terms and conditions acceptable to the port".

4.65 The Chairman, Cochin Port Trust stated in evidence that "cost of the port equipment is admittedly higher than the cost of the cost of the private equipment. The port rates are fixed in view of the guidelines regarding the fixation of rates, taking into consideration the manning schedule and the cost".

4.66 When asked why private equipment was not being allowed at the Cochin Port, the Chairman, Cochin Port Trust stated that "the reason for not allowing private equipment is that the port itself has the equipment. When the port equipment is there and workers are manning it, they would not allow any private equipment to come in.

4.67 The Secretary (Shipping Transport) stated that what had bought was already there and it had to be used. But in future at

least it could be seen the private equipment, which was cheaper, was used."

4.68 Clarifying the position, another representative of the Ministry stated that "when the Port Trust equipment is available, it should be used. The charges should be competitive and where the charges are not competitive, private equipment which is much more cheaper could be used. That is accepted. The problem in Cochin is that the manning scales for labour are excessive. This is the main reason for the excessive charge of the equipment. So the Chairman (Cochin Port Trust) has been asked to have discussions with the labour unions. These discussions have been going on for a long time. These labour unions always resist, and resist very strongly, any reduction in manning scales".

4.69 According to the Ministry, the optimum period for which any cargo handling equipment can be effectively deployed is 30-35 per cent of the available time in a year. From the data furnished by the Ministry, the Committee find that the utilisation of cargo handling equipments at major ports is much below the optimum. All types of equipments are grossly under-utilised in ports like New Mangalore, Tuticorin and Cochin. Mobile cranes are not being fully utilised in Kandla, Mormugao, Calcutta and Vizag; fork lift trucks are under-utilised at Mormugao, Bombay and Vizag. Utilisation of some of the equipments is as low as 1, 2, 3 or 4 per cent as against an optimum of 30-35 per cent. The Ministry is currently taking a review of various cargo handling equipments vis-a-vis requirements commensurate with utilisation. The Committee hope that the study will be completed expeditiously and the follow up action taken to ensure that the cargo handling equipment purchased at heavy cost is utilised upto the optimum level. The Committee would like to be apprised of the outcome of the study and the follow-up action taken in the light thereof.

(S. No. 37)

4.70 The Ministry has informed the Committee that as a result of investigation of the reasons of low utilisation of equipment at some ports like Tuticorin and Mangalore it was found that the equipment at these ports was procured recently at comparatively higher capital cost and consequently the hire charges, which are worked out on cost basis, had to be fixed at higher levels as compared to other ports where the equipment was procured earlier at lower prices. At certain ports where the Ministry had reduced the hire charges, the utilisation of equipment had gone up. The Ministry has requisitioned a study through Bureau of Industrial Costs and Prices to determine the economic rates for hiring out equipment. The Committee feel

that if the hire charges for equipments continue to be worked out on the basis of capital cost, then the new equipment which might be procured hereafter at huge capital cost might become almost prohibitive for use by the port users. In their opinion the Ministry should devise a more rational and more fair system of working out hire charges for port equipment. This would not only step up the utilisation rate of port equipment but would also result in higher revenue through more extensive use of the equipment. The Committee hope that after the study by the Bureau of Industrial Costs and Prices is completed, the hire rates of port equipment will not only be made reasonable and attractive but also, as far as possible uniform for all the ports. (S. No. 38)

4.71 The Committee find that cargo handling equipment at the ports has outlived its service life and is outmoded with capacities unsuited to latest requirements and trade patterns. According to the Ministry economic life of a mobile crane is 15-18 years and that of Wharf Cranes 30-35 years. At Bombay port 34 out of 44 mobile cranes are over 15 years old and 90 out of 194 wharf cranes are over 30 years old. At Calcutta 20 out of 37 mobile cranes are over 15 years old and 58 out of 127 wharf cranes are over 30 years old. At other ports also position is more or less similar. For instance, all the 8 wharf cranes at Mangalore and 9 out of 15 at Mormugao are more than 30 years of age; at Cochin 5 out of 9 mobile cranes are more than 15 years old.

4.72 The Ministry, it is stated, is taking a census of the port equipment every two years and it is aware of the equipment which has outlived its normal life. But, the Ministry has stated that such equipment cannot be scrapped until its maintenance becomes uneconomical. Financial constraints also stand in the way of replacement of outmoded equipment. The Ministry had drawn up a plan to replace old equipments at various ports. While the Committee appreciate the financial and other difficulties faced by the Ministry and the ports in regard to replacement of old equipment, they feel that the Ministry's approach to continue to use the equipment till its maintenance becomes uneconomic and not to take the efficiency and productivity of the equipment in the context of changing pattern of trade is not a very happy approach. In the Committee's opinion, the port users are entitled to expect modern and efficient equipment of international standards to handle cargo at all the major ports in India. The Committee would therefore like the Ministry to review the position from this angle.

(S. No. 39)

4.73 Shortage of spare parts needed to repair the cargo handling equipments at Bombay has been brought to the Committee's notice. And even though the Bombay Port Trust is reported to have taken a number of measures for expeditious procurement of spare parts, the measures taken so far do not appear to have been effective enough, as, otherwise, 14 mobile cranes and 9 Fork lifts would not have been lying idle on this account, most of them for a period of 3 to 8 months. The Chairman, BPT, stated before the Committee that "when the equipment breaks down, only then they come to know what spares are needed." This reveals a very unsatisfactory and unscientific method of working of the Bombay Port Trust insofar as the inventory planning is concerned. The Committee would like the Ministry to direct the Bombay Port Trust to evolve a scientific system of anticipating demand of spare parts and building up a proper inventory so that, as far as possible, the spare parts required for repair of equipment are available without delay and the equipment does not lie idle unnecessarily for want of spare parts.

(S. No. 40)

4.74 The Committee would like that the inventory system in other ports should also be reviewed with a view to making them modern and scientific.

(S. No. 41)

4.75 It has been conceded by the Ministry that workshop facilities at Calcutta, Paradip and Haldia are not satisfactory and need improvement. Considering the underutilisation of equipment at various ports, importance of efficient workshop facilities for repair and maintenance cannot be over-emphasized. The Committee are informed that certain ports have themselves engaged consultants to study the Workshop facilities and are formulating proposals to improve their working. The Committee would like the Ministry to monitor the implementation of the measures being taken by various ports to tone up the efficiency of their workshops and ensure results within a time frame.

(S. No. 42)

4.76 There are different practices in vogue for fixing hire charges for cranes at different ports. Some ports fix charges on shift basis, some on half shift basis and others on hourly basis. At some ports the trade has to pay a minimum charge whether the equipment is hired on shift basis or on hourly basis. The Committee are glad to note to it the Ministry would be looking into this matter with a view

to bringing in some uniformity in the matter of fixing hire charges for equipment at all the ports.

(S. No. 43)

4.77 The Committee note that liability of users to pay hire charges for cargo handling equipment in the event of labour strike varies from port to port. The Ministry has admitted that this is not a satisfactory situation. The Committee would like the Ministry to review the matter and introduce a rational and fair system of charges payable by hirers of port equipment in the event of labour strike.

(S. No. 44)

4.78 Equipment at Cochin Port is reported to be much costlier than the private equipment which is available but not allowed to be used there. It was also brought to the Committee's notice that despite the Cochin Port Trusts' equipment being inadequate and un-serviceable, the port did not allow the use of private equipment there even when such equipments was allowed to be used elsewhere.

4.79 The Ministry has admitted that the private equipment is not allowed to be used at Cochin port because port trust equipment is already available for the purpose. In justification of higher charges for the port equipment as compared to that charged for private equipment, the Ministry has stated that the port trust equipment has to be manned according to a prescribed manning schedule, giving pay and allowances and other benefits to its employees on the established pattern and its charges have to be fixed to ensure a reasonable return on investment on the equipment. These arguments have not carried conviction with the Committee. They consider that it is unreasonable and irrational to compel port users to hire only port trust equipment for handling cargo and then force them to pay higher charges than those prevailing for private equipment. In evidence before the Committee, however, the Ministry of Shipping and Transport appreciated the genuineness of the port users' grievances, and agreed that the hire charges should be competitive and where hire charges were not competitive, private equipment should be allowed to be used. The Committee hope that follow-up action will be taken in this regard without hesitation.

(S. No. 45)

F. Mechanisation

4.80 The following table shows the percentage of cargo, which is handled mechanically:—

Kandla	4.9%
Bombay	4%
Mormugao	87%
New Mangalore	Nil
Cochin	Nil except a very small quantity of fertiliser.
Tuticorin	Nil
Madras	60%
Vishakhapatnam	83%
Paradeep	79.2%
Calcutta	45%
Haldia	92.9%

4.81 It is seen from above that a number of ports are not equipped with mechanised handling for cargo and this factor accounts for longer turnover for vessels and consequential congestion at ports.

4.82 Asked if these ports are not handicapped in cargo handling because of inadequate absence of mechanisation, the Ministry stated that to obtain the obvious advantage of full mechanisation, the prerequisite is availability of cargo in huge quantity. As far as New Mangalore Port is concerned, the mechanised handling facilities for Kudremukh Iron Ore loading are available. The absence of mechanised handling facilities does not pose any problem in respect of other traffic handled at the Port. As regards Cochin Port, it may be stated that fully mechanised means for handling of POL, liquid Ammonia and Hydrochloric Acid exist in this Port. This cargo accounted for about 75 per cent of the total traffic through the Port during 1980-81. Further, in the case of fertiliser and raw material cargo, a separate berth is being constructed—it will be equipped with a mechanical unloader.

4.83 The Ministry further stated that in the New Tuticorin Port, provisions are there for mechanised handling of petroleum products, Naptha and Furnace Oil. Govt. sanction has been given for installing 2 Nos. sophisticated marine unloading arm at a cost of Rs. 70.00 lakhs which will push up the existing rate of handling to 600 tonnes/hr. This installation is expected to be completed by end of 1982. Further, to handle the projected coal traffic of 2.25 million

tonnes, a new coal jetty is under construction at an estimated cost of Rs. 297.00 lakhs. Tamil Nadu State Electricity Board, who will be the main user of the berth, will be installing mechanised unloading system to achieve the unloading rate of 2,000 tonnes/hr.

4.84 M/s. Southern Petro-chemical Industries Corporation (SPIC). are the main user of fertiliser and raw materials through Tuticorin. The Committee have been informed that to accelerate the rate of handling of fertiliser, it has been proposed to SPIC to instal mechanical handling facilities for fertiliser at one of the general cargo berths. If and when they come up with a firm proposal, the matter would be considered further.

4.85 A representative of the Ministry of Shipping and Transport drew the attention of the Committee to certain problems in introducing bulk handling equipment in an on-going Port where certain facilities are already there. In Bombay, when bulk handling equipment was introduced for fertilizers, the equipment was lying unutilised for about two years till certain agreements had to be completed with labour. There are certain limitations in trying to switch over to bulk handling equipment in a place where materials were already being handled. At Vishakhapatnam, aluminium is handled mechanically. The coal for steel plant is also being handled mechanically. Wherever possible, the mechanical handling has been envisaged in the Sixth Plan. So far as the breakable cargo is concerned, container handling equipment is to be used. Secretary Shipping and Transport stated that in most of the advanced countries, breakable cargo was being handled mechanically. Materials like oil, coal, cement are handled through the bulk handling system and the general cargo is almost fully containerised except a few items like steel.

Secretary informed the Committee that in Bombay, the labour did not allow mechanical handling for three years. This was the dilemma being faced in this regard.

4.87 When asked whether alternative jobs could not be provided to labour, the Chairman BPT explained that various solutions were worked out but these were not acceptable to labour. It was offered that there would be no retrenchment but the posts of those who retire would not be filled. Mechanised equipment was brought in Bombay Port in 1977 but an agreement with labour could be arrived at only in october, 1980. The Chairman BPT added that modernisa-

tion could not be done without encountering serious problem from the labour.

4.88 The Secretary stated that the only way out was that of bringing the system in a phased manner.

4.89 Mechanisation of cargo handling in Indian ports has been slow and in majority of the ports it hardly exists. The percentage of cargo handled mechanically has been as low as 4.9 per cent at Kandla, 4 per cent at Bombay, and nil at New Mangalore and Cochin. Looking to the advantages accruing from mechanisation and keeping in view the need for the Indian ports falling in line with advanced countries in regard to the cargo handling systems, it is obvious that conventional methods of handling have ultimately to be replaced by fast, efficient and clean methods through mechanisation. The Committee are aware that in Indian ports, however, the process of mechanisation has essentially to move forward in a phased manner. So long as the existing manpower employed to handle cargo in ports is not directly affected and their jobs are secured, it should not be difficult to persuade labour to move along on way to mechanisation. The Committee hope that the Ministry will patiently pursue the matter and gradually succeed in introducing mechanisation in cargo handling equipment in more and more ports and fields.

(S. No. 46)

CHAPTER V

CONTAINERISATION

5.1. In the transportation technology, one of the remarkable changes has been the rapid growth of containerisation all over the world. As far as it relates to Indian ports, except in the case of Haldia, there are no adequate container handling facilities at other ports. However, with the existing facilities, some of the major ports are handling the container traffic during the last five years. These are indicated below:

Name of Port	75-76 TEUS (Tonnes)	76-77 TEUS (Tonnes)	77-78 TEUS (Tonnes)	78-79 TEUS (Tonnes)	79-80 TEUS (Tonnes)
1. Calcutta	32 (320)	596 (5960)	612 (6120)	558 (5580)	2048 (prov) (20480)
2. Haldia	—	—	100 (1000)	1318 (13180)	2430 (24300)
3. Bombay	5991 (44784)	5472 (65145)	13595 (109142)	38080 (361812)	77832 (857392)
4. Madras	184 (1840)	262 (2620)	482 (4820)	1227 (12270)	4433 (44330)
5. Cochin	3538 (27364)	2975 (30425)	2198 (29351)	2446 (34800)	8063 (116400)
6. Tuticorn	Nil	Nil	Nil	Nil	134 (1340)
TOTAL (TEUS)	9745	9305	16987	44429	94940

Note: The traffic in respect of Bombay and Cochin are actuals, whereas the actual traffic in TEUS (20-ft. equivalent units) of the rest of the ports has been converted by adopting 1 TEU=10 tonnes.

5.2. Containerisation is growing very fast in shipping traffic all over the world. It has been brought to the Committee's notice that shipping lines of a number of countries do not accept cargo except in containerised form. If the ports in India do not catch up with the progress in regard to the containerisation elsewhere in the world, then our foreign trade is likely to suffer.

5.3. Dealing with the question of containerisation, the Working Group on ports for the Sixth Plan (1980—85) observed as follows:—

“On a very rough reckoning, 70 to 80 per cent of our break-bulk export cargo is containerisable and even bulk cargoes like fertilizers and mica can be advantageously containerised. Many shipping lines are already providing container services at some of the major ports and the prospects of generation of additional container carrying capacity are bright provided necessary infrastructure and handling facilities become available at our ports. In this context, it is also necessary, to keep in view the rapid development of container handling facilities at some of our neighbouring ports, which pose a major challenge to the status of our ports which can be met only by accelerated development of necessary facilities at these ports.

Under the circumstances, the best that can be attempted is to visualise possible levels of materialisation of container traffic at various ports and plan for the development of matching facilities rather than establish such equations for every year to come. Considering the vast potential of containerisable traffic that can be containerised, the Working Group is convinced that once the facilities are provided the container traffic will “burst” and this phenomenon will continue till such time preponderant quantum of containerisable traffic really gets containerised”.

(p. 37)

5.4. The Ministry informed the Committee that “In view of the rapid growth in containerised traffic, container handling facilities are being planned in view the following objectives:

- (i) The main 4 ports, viz. Bombay, Cochin, Madras, and Haldia will be able to handle gearless ships. Though, owing to limitations in draughts and beams, cellular ships of latest generation can be handled only at Nhava-Sheva or alternative port on West Coast and Madras.
- (ii) The other ports will be able to handle general container vessels and container oriented vessels. Recognising the need for a coordinated approach in respect of Calcutta/Haldia, apart from the container terminal at Haldia, it

is also proposed to encourage inter-transport of containers by barges, rail and road.

5.5. The concept of containerisation is to achieve the following objectives in the following stages:

- (i) Upto Indian ports where containers are retained and cargo stuffed and destuffed. This would be purely a port project.
- (ii) Substantial numbers of containers move into and from inland container depots (ICD). This would involve multimodal transport and entail coordinated approach.
- (iii) Ultimate stage would introduce door-to-door movement of containers.

5.6. It is proposed to establish three ICDs at Delhi, Ahmedabad and Bangalore to be followed by establishment of large number of ICDs at other suitable locations. At present an ICD at Bangalore has already been established.

5.7. The ICD at Bangalore started functioning from 10-8-81 at Bangalore Cantonment Station. This is only an interim stage and finally a full-fledged ICD will be established near Whitefield. However, the traffic has not picked up as with the existing tariff, it is more economical for the exporter/importer to carry goods from Madras by road. However, efforts are being made to remove the bottlenecks in operating and keeping the traffic to the minimum as a part of developmental effort to make the scheme successful. Measures that are to be initiated have already been identified.

5.8. During evidence Secretary (Shipping and Transport) informed the Committee that "the modern container port in Madras, with a bit of luck, should be operational by June, 1983. It will be a real, modern container terminal. That is under construction. The equipment is being ordered. In Bombay, it will be a make-shift arrangement till Nhava-Sheva is built."

5.9. Nhava-Sheva, the witness stated, would be operated "By about 1986-87." He added that "Cochin and Haldia also, we are going to modernise. Already we have asked for certain consultants to come from England; they were here this months (Jan. 1982)".

Equipment for Containers

5.10. In this connection it was represented to the Committee that Bombay Port had recently witnessed a phenomenal increase in container traffic and the Port authorities had been caught unawares. There was no properly equipped container berth there but one conventional berth had been reserved for handling container traffic. The port had no special equipment for handling containers and loading and unloading operations had to be carried out by the ship's own derricks which were, however, slow and could not function as speedily as the dock cranes. The port also did not have equipment and other facilities for grounding and stacking of containers and for transporting them to and from discharging points.

5.11. The Ministry stated that "it is true that the Port does not have proper container handling facilities at present. The following schemes relating to container handling facilities have already been sanctioned for Bombay Port:

- (a) Arrangement for Forklift trucks (5 numbers).
- (b) Container handling facilities:
 - (i) 1 quayside gantry crane.
 - (ii) 3 Nos. yard gantry cranes.
 - (iii) Chassis and prime-movers.
 - (iv) Development of Manganese Ore Depot area.

5.12. In addition to the above, procurement of one more gantry, crane is under consideration by Government."

5.13. The Committee were informed that though installation of cranes to handle containers had been sanctioned by Government, the procurement of equipment was held up as a result of disagreement between the Ministry of Industry and the Ministry of Shipping. While the Ministry of Shipping desired to procure container handling cranes from foreign suppliers as in their opinion the indigenous manufacturers did not have the technical know how to manufacture such cranes, the Ministry of Industry was examining the question of their supply from indigenous manufacturers. The delay in this matter was delaying the procurement of cranes.

5.14. The Committee have been informed that there are two types of container cranes which are required by Bombay Port Trust. One type is known as 'transtainer' (Stacking cranes)

while the other type is known as a 'Portainer' (Quayside gantry crane) BPT required 3 Nos. of type mounted transtainers import of which was cleared at the instance of Ministry of Shipping & Transport on 23rd April, 1981 vide DGTD's letter No. BA/7/17(81)/979. Orders for the procurement of type-mounted transtainers are stated to have already been placed on a Japanese firm.

5.15 As regards quayside gantry cranes (Portainers) the Ministry informed the Committee that the Ministry of Shipping and Transport had sought clearance from DGTD (June, 1981) for import of 2 gantry cranes for the Madras Port Trust and another such crane for the Bombay Port Trust; it was also indicated that Bombay Port Trust may require one more crane of this type. Clearance for import was sought on the ground that indigenous manufacturers would not be able to deliver these sophisticated cranes in time and that indigenously manufactured cranes would not be trouble-free.

5.16. The DGTD officers, felt that as at least two Indian companies, both in the public sector, Jessop & Company and Braithwaite & Company, had facilities for the manufacture of the requisite type of gantry cranes in collaboration with renowned firms like PACECO/Clerk and Krupps respectively, there was no need for giving import clearance and that order should be placed on indigenous manufacturers.

5.17. The matter was discussed again in August, 1981 when it was stressed by Ministry of Heavy Industry once again that orders for the two cranes for Madras should be placed on Jessop in consideration of their lowest offer and assurance of timely trouble free supply. Ministry of Shipping and Transport was, however, of the view that while the 2 cranes required for Bombay Port Trust could be procured from indigenous sources, those for Madras should be imported.

5.18. On further consideration subsequently, the Ministry of Heavy Industry informed the Ministry of Shipping and Transport that any two of the four gantry cranes required for Madras and Bombay Port Trusts could be allowed to be imported if orders were placed simultaneously on Jessop & Company for supply of the balance two cranes. The Minister for Industry wrote a letter on October, 31, 1981 to the Minister for Shipping and Transport on these lines. In reply to this letter, the Ministry of Shipping and Transport, again stressed that import should be allowed for the 2 cranes required for Madras. As for the requirement of cranes for

the Bombay Port Trust, it was indicated that orders could be placed on indigenous manufacturers only for one crane now and another when the second crane is sanctioned. The decision for awarding this contract lay with the Bombay Port's Board of Trustees and it would be based on technical and financial evaluation of the offers received from the indigenous manufacturers.

5.19. Secretary, Shipping and Transport, informed the Committee in evidence that, after correspondence and discussion lasting for about six months, the matter had been finally decided (January, 1982). One imported and one indigenous crane would be procured for Madras and Bombay would first have one imported crane and, later on, if required, it would have an indigenous one. Secretary stated (January, 1982) that "These are being ordered within a month. In Madras it should be in position by May-June, 1983; in Bombay also, in about 18 months."

Infrastructure for Containerisation

5.20. A view has been expressed that while container traffic in Indian ports has increased at an astonishing rate since 1973, the infrastructural back up is still missing. This mode of transport demands sophisticated handling equipment, a sound transportation system and a well developed infrastructure "We have none of these requirements", says the expert quoted above. "Not only are the facilities at the major ports inadequate, the infrastructure, for moving containers to inland point is weak".

5.21. Attention in this connection has been drawn to the following weaknesses:—

1. The railways must have a sufficient number of flat wagons to cart containers from hinterland to the ports and back.
2. The road transport must be strengthened to bear the load of container movements.
3. The current customs regulations require inspection of goods within the port. This defeats the very purpose of containerisation since cargo then has to be destuffed and stuffed at port. The regulations need to be altered to allow inspection outside the port.

5.22. Asked if the Ministry had chalked out programmes to develop these facilities to cope with the growing containerised

traffic trends in major ports of the country, Secretary (Shipping and Transport) stated during evidence: "To be frank with you, our progress in handling containers inland is almost a failure till now because, even if the labour agrees, the cost of sending these containers is high. The rake system of railways has started. They are in a position to run one or two trains from Bombay to Delhi, weekly or fortnightly service. Similarly, most of the national highways of India can take 20 ft. container; there is no problem. But, unfortunately, the other problems of customs, labour and costing have not yet been settled".

5.23. When asked whether these problems could not be resolved through conferences with the roadways customs and transport, Secretary stated "We are continuously doing it. But, somehow we have not been able to make a breakthrough yet".

Container traffic at Calcutta/Haldia

5.24. It was stated in a memorandum that there was lot of potential in Calcutta/Haldia complex for container operations particularly in view of the fact that engineering goods, tea, jute yarn, glass sheets and other high freighted general cargo which are originating from the Calcutta/Haldia port complex. However the container facilities available at Calcutta and Haldia are not being utilised:

- (i) for lack of infrastructure for handling containers.
- (ii) reluctance of container vessels to call at Calcutta/Haldia, this being uneconomic at these ports.
- (iii) absence of suitable and sufficiently economic transport system between Calcutta and Haldia.

5.25. The Ministry stated that the container traffic at the port of Calcutta had increased from 32 nos. in 1975-76 to 7838. In case of Haldia container traffic had increased from 100 TEUs to 7906 in 1980-81. During April and October, 1981, Calcutta handled 9882 and Haldia only 2975 containers. However, the container traffic at Haldia has not picked up because of lack of outside infrastructural facilities. Although the rail link with Haldia has been established, there is minimum possibility of movement of containers between hinterland and Haldia by rail, in the absence of adequate suitable-type of wagons capable of carrying containers. In view of this, a scheme to feed Haldia Container Terminal by barges with

containers from Calcutta has recently been introduced. This mode of movement of containers to Haldia is expected to again a further momentum thereby ensuring more utilisation of berth capacity at Haldia. As far as Calcutta is concerned, the traffic has considerably increased.

5.26 The Ministry added that one of the other factors contributing to the reluctance of container vessels to call at Haldia was the limitation in the draft to the port of Haldia which at present is 30 ft. only. A comprehensive scheme is under preparation by the Port with the main objective of increasing the draught to 35 ft. This scheme has been included in the Sixth Plan and may take 4-5 years for implementation.

Stuffing/Destuffing of Containers

5.27 The Committee were informed during their tour to Bombay that the labour were not agreeable to permit containers being taken outside the port premises for delivery to the consignees. While the ideal system is that the containers should go freely from the consignees to the ship for loading and directly from the ship to the consignees after unloading, the labour insist that the containers should be stuffed and destuffed within the port premises.

5.28 It was suggested to the Committee that if the port labour is deployed to load/unload and stuff/destuff containers at the Inland Container depots and consignees premises, there is no retrenchment of labour and if the payment is made to labour on piece-rate basis, the labour may withdraw their opposition to these schemes.

5.29 Secretary, Shipping and Transport informed the Committee during evidence that this question had been discussed with labour for almost two years now. But, somehow, it had not been possible to make a break. The Ministry has accepted the point that if the Port Trust is handling containers, or a container has been fixed outside the port premises, the port labour would be employed. But where the container goes to a factory or a person, it would be very difficult to use the port labour, because then arrangement for transport of the labour has also to be made by the port authorities. He was of the opinion that the suggestion that the port labour should go to every factory was impractical.

5.30 So far as the fear of retrenchment of labour was concerned, he considered unjustified. He added "we are willing to have piece rate, but the norms have not been settled. We are telling the

Bombay Labour "if you cannot accept the world norms, at least take the norms prevailing in Madras, where containers are being re-stuffed. If it is 5 containers a day, please accept it". But they are talking of 2 or 2-1/2 containers which is very low. We have no objection to it in principle. We say that if a man can do, let us say, 100, we will put it at 75 so that he can get incentive for doing the other 25. But we cannot keep it so low as 25".

5.31 Containerisation is growing very fast in shipping traffic all over the world and India has no option if it has to effectively participate in international general cargo trade. Certain shipping lines, it is stated, do not accept cargo except in containerised form.

5.32 Containerised traffic in India ports has been growing significantly since 1975-76. From 9745 TEUs (20 ft. equivalent units) in 1975-76, the number of TEUs handled by Indian ports rose to 94940 in 1979-80. In view of the rapid growth of containerised traffic, container handling facilities are being planned by the Ministry with the objective of equipping four major ports, namely, Bombay, Cochin, Madras and Haldia to be able to handle gearless ships and to equip other major ports to be able to handle general container vessels and container oriented vessels. But the Committee are concerned to note that the progress of equipping ports to handle containers or gearless ships is far from satisfactory. The ports which have been chosen as container terminals lack properly equipped container berths and the necessary equipment to handle the container traffic. Infrastructural back-up to handle containers at the ports and inland is also lacking. What has pained the Committee is that even in the matter of deciding as to whether the equipment be manufactured indigenously or imported, there have been delays. In the case of Bombay and Madras for instance it has taken the Ministry of Shipping and Transport and the Ministry of Industry nearly six months to arrive at this decision as to whether and if so how many gantry cranes should be imported and how many should be manufactured indigenously. The Committee are afraid that if decision making in such matters is delayed, the ports chosen for handling container traffic may not be fully operational by the target dates. The Committee would, therefore, urge that selection and procurement of equipment for container traffic should be accelerated so that the Indian ports become fully equipped at the earliest to handle the gearless ships, general container vessels and container oriented vessels efficiently and without difficulty.

5.33 The Committee would wish to warn the Ministry that if installation of proper container handling equipment and infrastructural back up to handle containers are delayed or neglected, it will be

Indian ports and the Indian trade which will suffer the most and this should be avoided at all costs. (S. No. 47)

5.34 The Committee find that it is proposed to establish three inland container Depots (ICDs) at Delhi, Ahmedabad and Bangalore to be followed by establishment of a large number of ICDs at other suitable locations. An ICD at Bangalore has already been established. But according to Secretary, Shipping and Transport, progress in the matter of developing infrastructure required to handle containers inland, "our progress is almost a failure till now." He informed the Committee that the Railways were in a position to transport containers from Bombay to Delhi and most of the national highways could take 20 ft. containers but "unfortunately the other problems of customs, labour and costing have not yet been settled." Though all these problems were being discussed with the agencies concerned, "we have not been able to make a break yet." This is a highly disappointing picture at which the Committee cannot but express serious concern. If development of infrastructure for handling containers inland does not synchronise with the provision of container handling facilities at the ports, the huge expenditure being incurred on the ports for this purpose will remain infructuous and the country will not be able to reap full advantage of containerisation. This contingency must be avoided. (S. No. 48)

5.35 Since infrastructure required for container handling has to be developed, on many fronts such as, railways, road transport, labour, customs, it will require the collective and concerted efforts of many Ministries and it will be difficult for one Ministry viz. Ministry of Shipping & Transport, to do it alone. The Committee therefore recommend that an inter-Ministrial task force should be set up to draw up and implement a comprehensive plan of action to develop infrastructure to handle the inland movement of containers and to find solutions to problems of labour cooperations and customs clearance. (S. No. 49)

5.36 The Committee find that the container traffic at Haldia has not picked up because of lack of outside infrastructure facilities. Although rail-link with Haldia has been establish, there is minimum possibility of movement of containers between hinterland and Haldia by rail in the absence of adequate suitable type of wagons capable of carrying containers. A scheme to feed Haldia container terminal by barges with containers from Calcutta has been introduced, Another problem contributing to the reluctance of container vessels to call at Haldia is the limitation in the draft to the Port of Haldia which

at present is 30 ft. A scheme is stated to be under preparation with the main objective of increasing the draft to 35 feet but this may take 4-5 years for implementation. This shows lack of coordination with the Railways and lack of advance planning on the part of Port authorities for both of which the Committee cannot but hold the Ministry of Shipping and Transport fully responsible. The Committee would urge that now when the reasons for the Haldia container traffic not picking up have been identified, the Ministry should organise accelerated action to ensure that the right type of wagons are provided by the Railways to move containers and the draft is deepened to the requisite level to facilitate movement of container vessels. (S. No. 50)

5.37 The stuffing and destuffing of containers by the Labour has also posed a problem at Bombay. The labour insist that the containers should be stuffed and destuffed within the port premises but if this is done, the advantage of containerisation would be lost.

5.38 According to the Ministry the question of deployment of labour for stuffing/destuffing containers and other related matters have been discussed with labour for almost 2 years but it has not been possible to make a break-through. The Ministry has categorically stated that fear of retrenchment of labour is unjustified. All that the Ministry desires is that the norms of labour deployment should be reasonable and have built in incentives to encourage higher output. The Committee desire that efforts should be intensified to persuade the labour to agree to the most scientific and efficient methods of handling containers and to dispel any unfounded fears of retrenchment or loss of wages. (S. No. 51)

CHAPTER VI

STORAGE SPACE AT MAJOR PORTS

6.1 According to the Ministry the position about the cargo handling and storage space available at each major port is as follows:

Bombay Port: The total warehousing accommodation (inclusive of the warehouses temporarily converted for aggregation of export cargo) can accommodate 3.5 lakhs packages. This is considered inadequate because the number of uncleared packages lying in the port premises after the expiry of free time has been over 5 lakhs. In the absence of adequate land, it is not possible to augment this capacity any more. The details of storage space are given below:—

(i) All transit shed covered area	2,81,049 sq. mts.
open area	89,568 „
(ii) Uncleared goods warehouse	—
Covered area	83,870 „
Open area	33,033 „
(iii) Bonded warehouses Covered area	10,254 „
Open area	34,839 „
(iv) Export goods warehouses	—
Covered area	23,121 „

Calcutta Port: The transit shed accommodation at Calcutta Port is 2.29 lakh sq. metres (approx.) which is adequate to meet the requirements of the port.

Haldia Dock Complex: The total transit/cargo handling storage space at Haldia is approximately 1.56 lakh sq. mts. and it is adequate to meet the requirement of the port.

Cochin Port: The areas of transit sheds and warehouse at Cochin port is approximately 65208 sq. mts. The port has undertaken the Construction of an overflow shed with a capacity of 4850 sq. mts. construction of another shed with a space of 1365 sq. mts. has also been taken up. These two sheds are in replacement of the dismantled ones. There is also another proposal to demolish one more old shed behind the wharf and to construct a new one in its place.

An additional storage space of 7964 sq. mts. will become available when construction of all the above sheds is completed.

Kandla Port: The total storage space/cargo handling space at Kandla is approximately 1.30 lakh tonnes against the requirements of 2.25 lakh tonnes. Two godowns with a capacity of 14,000 tonnes are undertaken the construction. Central Warehousing Corporation (CWC) has undertaken the construction of godowns with a capacity of 32,000 tonnes. The CWC and other private parties have also plans to construct additional godowns with a capacity of 62,000 tonnes.

Madras Port: The warehouses and transit sheds have total storage space of 1.28 lakh sq. mts. Besides open area of about 2.52 lakh sq. mts. is also available. This is considered adequate for the present requirements.

Mormugao Port: The total storage space at Mormugao Port is about 21027 sq. metres which is not adequate. Construction of two new sheds with a storage space of 3600 sq. metres is in hand. Another plot measuring 9700 sq. metres has been allotted to Warehousing Corporation for the construction of their godowns. Private parties are being encouraged to build warehouses at the port.

New Mangalore Port: Transit/ warehousing space of about 21,000 sq. metres is available at the port. Two transit sheds of 4330 sq. metres capacity are under construction. Space at the port is considered adequate for the present.

Paradip Port: The transit sheds/warehouses with a storage capacity of 12,500 sq. metres are available at the port. This is not adequate for the requirement of the port. Construction of transit sheds/warehouses measuring 16,400 sq. metres is in hand. Central Warehousing Corporation has also a godown with a capacity of 4000 tonnes.

Tuticorin Port: The transit shed/warehousing space available at the port is 17,600 sq. metres. Two warehouses with a total capacity of 5550 sq. metres are under construction. The storage space available at the port is inadequate. The problem of storage space would be solved after these two warehouses are constructed.

Visakhapatnam Port: The storage accommodation with a capacity of 97,500 tonnes is available at the port. An open area of 4.66 lakh sq. metres for stacking cargo is also available. The covered storage

space is not adequate to meet the requirements. Two more warehouses with a total capacity of 30,000 tonnes are under construction.

6.2 From the information given above it is seen that storage space at a number of major ports namely Bombay, Kandla, Mormugao, Paradip, Tuticorin, Vishakhapatnam, is inadequate. At a number of ports additional storage space is either under construction or is being planned. The position at the remaining major ports also not very satisfactory according to the users.

6.3 The Committee enquired whether the Ministry had made any systematic study of the present requirement *vis-a-vis* availability of storage space at each of the major ports now and what the position would be in the next 10—15 years.

6.4 Secretary, Shipping and Transport stated that this aspect was being monitored continuously. He expressed the view that there is no difficulty, if the goods are moved quickly. Even all the warehouses in the world could not do it, if the goods are not cleared quickly. If they are cleared quickly, then there would be no serious shortage of warehouses in the ports. He stated that at the end of the Sixth Plan, if there is shortage, more warehouses can be built.

6.5 As regards the ports where storage space will continue to be inadequate *vis-a-vis* projected traffic at the end of the Sixth Five Year Plan and extent of shortage, the Ministry stated in a note submitted after the evidence that no detailed study had been made to assess the requirements of storage space for the projected traffic at the end of the Sixth Five Year Plan. Further, the nature, type and mix. of a cargo very not only from Port to port but also within the port and it would be difficult to assess the exact requirement of storage space.

6.6 However, the Ministry stated, additional storage spaces are being created during the Sixth Plan at the ports where immediate need is felt. These are indicated below:—

<i>Kandla</i>	1	Warehouses	.	.	38,000 tonnes
	2	Transit Sheds	.	.	12,000 tonnes
	3	Open storage	.	.	71,000 tonnes
	4	Storage for fertilisers	.	.	30,000 tonnes
<i>Bombay</i>	1	Transit Sheds	.	.	
	(i)	Covered			6,532 sq. mts (On hire)
	(ii)	Open			1,21,500 sq. mts.

<i>Mormugao</i>	1 Transit Sheds	4,000 tonnes.
	2 Ware houses	18,000 tonnes.
<i>New Mangalore</i>	1 Transit Sheds	4,380 sq. mts.
	2 Open storage	10,125 sq. mts.
<i>Cochin</i>	1 Transit Sheds	8,000 sq. mts.
<i>Tuticorin</i>	1. Warehouses	16,000 tonnes.
<i>Madras</i>	1. Transit Sheds	12,730 sq. mts.
	2. Transit open area	3,340 sq. mts.
<i>Pisakhapatnam</i>	1. Storage Sheds	80,000 tonnes.
<i>Paradip</i>	1 Transit Sheds	12,900 sq. mts.
	2. Warehouses	5,810 sq. mts.
	3. Storage for fertilizers	2,720 sq. mts.

6.7 The storage and warehousing space at a number of major ports, namely, Bombay, Kandla, Mormugao, Paradip, Tuticorin and Vishakhapatnam is inadequate according to the Ministry's own assessment. The position at other ports is also not very satisfactory according to users. Additional storage/warehousing space at Kandla, Bombay, Mormugao, New Mangalore, Cochin, Tuticorin, Madras, Vishakhapatnam and Paradip is being constructed during the Sixth Plan period. Surprisingly, the Ministry has made no detailed study to assess the requirements of storage space for the projected traffic at the end of Sixth Five Year Plan. It would be a serious lapse if now when only three years more are left of the Sixth Five Year Plan such a study is delayed further. The Committee would advise the Ministry that it should undertake a study of the problem now so that it can initiate measures to meet the storage requirements at the ports before it is too late. (S. No. 52)

6.8. Needless to say, such a study should also take into consideration the new trends in our exports and imports so that new storage capacities can be so planned as to match the type of cargo that each port may be called upon to handle. (S. No. 53)

CHAPTER VII
SECURITY ARRANGEMENTS AT PORTS
A. Thefts/Pilferages

7.1 The following statement gives information about value of goods stolen, total number of cases registered and the total No. of convictions secured during the last three years at the Major Ports.

Year	Value of thefts	Total No. of cases registered	Total No. of convictions secured
1	2	3	4
<i>Bombay Port</i>			
1. 1978-79	37.14 lakhs	143	43
2. 1979-80	44.29 lakhs	205	59
3. 1980-81	79.01 lakhs	189	30
(In 1981-82 upto February 1982, the value of goods stolen from Bombay Port was Rs. 158.62 lakhs Rajya Sabha, S. Q. No. 466, dated 26-3-1982)			
<i>Cochin Port</i>			
1. 1978-79	5655	10	1
2. 1979-80	25550	13	2
3. 1980-81	9800	13	1
<i>Madras Port</i>			
1. 1978-79	1,63,272	130	71
2. 1979-80	2,11,675	123	61
3. 1980-81	6,58,254	170	27
<i>Calcutta Port</i>			
1. 1978-79	152391.50*	493	206
2. 1979-80	414765.00*	665	156
3. 1980-81	4702468.45*	666	113

*These figures relate to the calendar years 1978-79 and 1980.

1	2	3	4
<i>Haldia Dock Complex</i>			
1978-79	0.94 approx.	48	5
1979-80	1.09 approx..	105	4
1980-81	9.80 approx.	186	5
<i>Kandla Port</i>			
1978-79	14046	7	6
1979-80	110201	11	5
1980-81	161870	12	4
<i>Mormugao Port</i>			
1978-79	4400.00	5	5
1979-80	2416.25	10	10
1980-81	3560.00	5	5
<i>New Mangalore Port</i>			
*1978-79	160	2	..
1979-80	28150	1	..
*1980-81	34595	27	..
*value of sandle wood pieces not included.			
<i>Paradip Port</i>			
1978-79	7445	19	2
1979-80	69370	32	Nil
1980-81	59248	18	Nil
<i>Tuticorin Port</i>			
1978-79	313	2	1
1979-80	7822.40	11	Nil
1980-81	2820	6	1
<i>Visakhapatnam</i>			
1978-79	44232.83	76	Nil
1979-80	78984.10	107	10
1980-81	81515.20	82	9

7.2 The security at the major ports of the country is being looked after by the Port's security organisation, State Police or/and the Central Industrial Security Force. The position in respect of each Port is described below:

BOMBAY PORT

The watch and ward functions in the docks are performed by the Port's own security organisation and the State Police.

CALCUTTA PORT

At Calcutta Port, Security arrangements are looked after by three separate agencies viz. Central Industrial Security Force, Port Police and Port Security Organisation.

PARADIP PORT

The security of the port is being looked after both by CISF and Port Security Organisation. It is proposed to entrust the full responsibility to the CISF.

KANDLA PORT

Security of the port is entrusted to Watch and Ward staff of the port.

In all other ports viz. Cochin, Haldia, Vishakhapatnam, Mormugao, New Mangalore, Madras and Tuticorin Central Industrial Security Force is mainly responsible for security at the Ports.

7.3 It was brought to the notice of the Committee that "at all major ports, particularly at Bombay, Cochin and Madras there is very heavy incidence of theft and pilferage and at various forums, shipowners/agents have voiced their concern in this respect. In Bombay, robbery of cargo from sheds and from containers in broad daylight has become a matter of routine. In Cochin, robbers are coming on board the ship and by giving threat of dire consequences, have been robbing the cargo from the ship. These instances are not only limited to vessel but also common in the transit sheds and warehouses. Even in Madras, thefts have been going on a larger scale in the transit sheds and warehouses."

7.4 It was represented to the Committee that security arrangements at some of the other ports also such as Calcutta and Haldia were not satisfactory.

7.5 There were reports in "The Times of India" on December 15, 16 and 17, 1981 regarding systematic thefts and plundering of vessels, wharfs and warehouses at Bombay port for high value cargo by armed gangs of thieves backed by powerful criminals working in collusion with the police and port and customs officials. This

matter was raised on the floor of Rajya Sabha on 23rd December, 1981. According to the Press Report the total loss could be of the order of Rs. 50 to 100 crores in a year.

7.6 A view was expressed that dual responsibility was one of the reasons for laxity in security arrangements. At Bombay port there is the Maharashtra State Police and the Port Trust Watch and Ward staff who are jointly responsible for the security arrangement. The port users were categorically of the opinion that unless policing is entrusted to a Central police force like Central Industrial Security Force, no improvement in the situation is possible.

7.7 The users also felt that the magnitude of thefts was much more than admitted by Port authorities.

7.8 The Ministry stated in a note that "the security arrangements at Madras Port are considered satisfactory and pilferages and thefts are well under control. At Calcutta and Haldia Ports after the induction of CISF, the incidence of theft cases had declined but since 1979 the rate of thefts has slightly gone up but this is due to overall law and order situation in the area. The security arrangements at Bombay Port are however causing some concern and urgent steps are being taken to improve the security arrangements further."

7.9 Some of the major steps taken or proposed to be taken at Bombay Port for improving and strengthening the existing security system at the docks with a view to reducing the number of thefts and pilferages from the docks are outlined below:—

- (1) The Bombay Port Trust has appointed a retired Inspector General of Police on contract basis for studying the present security arrangements for suggesting ways of improving them. His report is expected shortly. Action has already been initiated on the interim suggestions made by him.
- (2) In the case of vulnerable and valuable commodities, the insurers are permitted to arrange discharge supervision by private supervisory agencies to avoid losses.
- (3) Lighting in the docks is being improved in phases. In parts of Indira Dock and Victoria dock. Sodium Vapour Lights have been installed for better illumination.

- (4) Joint patrolling by the police and BPT Security Staff has been introduced.
- (5) Rationalisation of entry and exist system in the Docks is under consideration. BPT officers have been asked to inspect security postings in the Docks and report absence of police personnel to the Deputy Commissioner of Police.
- (6) Coordination meetings are held at the level of Home Secretary (Maharashtra Govt.) and Additional Commissioner of Police (Crime). Monthly meetings are also held with the Deputy Commissioner of Police (Port) and other police officials.
- (7) Bombay police has formed a crime intelligence cell to gather intelligence with regard to the thefts from Bombay docks. This cell gathers intelligence and wherever any information regarding planning of thefts is received, advance action is taken to prevent such thefts.
- (8) As the root cause of the pilferages and thefts is the congestion at Bombay Port and the delay in the clearance of goods, the Bombay Port Trust is taking various steps to reduce congestion. Recently BPT has taken 30 acres of open land and 71,000 sq ft. of covered land outside the port areas from private parties for storing uncleared packages.
- (9) Bombay Police is taking necessary action under the Bombay Police Act to prevent occurrence of thefts in Bombay Port Preventive action was taken by the police against 6597 persons in 1978, 7994 in 1979, 8308 in 1980 and 10051 in 1981 (upto 15 December).
- (10) Fencing and lighting are being improved at the vulnerable points along the perimeter wall.
- (11) Gates across railway lines, which are not in use, would be removed and the gap walled up. It is planned that the cargo and the containers should not be permitted to be stacked near the wall or the water front.
- (12) The number of security points-both fixed and mobile is being increased. Workers will not be allowed to stay inside the docks after the shift is over.

- (13) The watch towers are proposed to be constructed at strategic points.
- (14) The State Police is being requested to strengthen the Crime Intelligence Cell responsible for the port area. This Cell will be given advance information about the details of the import general manifest containing vulnerable and valuable items of cargo.
- (15) Finance Ministry is being requested to strengthen its Revenue Intelligence Wing at Bombay and conduct raids on premises, which are suspected to contain pilfered goods, on which Customs duty has not been paid.
- (16) The number of patrol boats available with the Port Trust is being increased. State Police and the Customs authorities are also being requested to increase the patrolling in the harbour waters.
- (17) Efforts will be made to store the valuable cargo in a few locations so that it would be easily guarded round the clock.
- (18) Port is planning to gather intelligence on a continuous basis from the users like insurance companies, agents and association dealing with vulnerable items of cargo.
- (19) More gates are being planned to be opened with a view to ensure the early clearance of cargo. Support equipment for clearance will be made available round the clock.
- (20) Separate parking areas for cars and taxis, are being earmarked. Parking of these vehicles on or near the wharves will be stopped. Vehicles will be allowed to enter the dock only for the period, which is considered essential for the working of the port.
- (21) Dock area will not be permitted to be used as a working place for the trucks. The trucks will be permitted entry only an hour or two before the actual loading of the imported cargo.
- (22) Roads are being widened and no cargo or container will be permitted to be stacked within the free way.

- (23) It is proposed to demarcate parking zone for trucks waiting in the quay to take import cargo or for bringing in export cargo. Truck drivers, who contravene traffic regulations inside the docks, will be suitably disciplined.
- (24) It is planned to instal electronically operated weighbridges. Number of weighbridges is also being increased.
- (25) Railway tracks, which are not in use, are being paved for the use of vehicular traffic.
- (26) It is proposed to instal a V. H. F. communication system in the docks with a view to bring about better coordination between different functionaries of the administration.
- (27) It is proposed to set up an Antipilferage coordination Committee with representatives from the State Police, Bombay Port Trust Customs Coast Guard, INSA, Steamer Agents, Stevedores, Customs Agents, Railways, GIC, transporters and FICCI.
- (28) Action is also being taken to induct CISF into the Port. There has been some delay in this regard as the Port could not provide residential accommodation required by the CISF personnel. Efforts are now being made to obtain some land from the Defence Ministry and the Railways. It is expected that the CISF will be inducted into the Bombay Port within a period of six months.

B. Dual responsibility

7.10 On the question of dual control for security being a reason for laxity in security arrangements, the Ministry stated that "It is a fact that at the Bombay Port security arrangements are entrusted to the Port's own security organisation and the Bombay Police. The Port's own security staff have not been vested with any powers for investigation of thefts, for arrest of culprits and their prosecution in the Court. Even if the Port's Security Organisation is made entirely responsible for security in the docks, the functions of investigation of thefts, arrest of culprits and prosecution will have to remain with the State Police. The dual control of Security Organisation, that is, with the Port's own Security Organisation and with the State Police does not, by itself, lead to any laxity in security arrangements."

7.11 The Ministry added that it "has no objection to entrust the security arrangements to CISF in Bombay. In fact Bombay Port

Trust have approved in principle the induction of the Central Industrial Security Force as far back as in June, 1977. It has not been possible so far to induct the CISF as the Bombay Port cannot meet the conditions to provide requisite residential accommodation for the CISF personnel as required under the CISF Rules, 1969, for want of suitable plots of land on which quarters for them can be built. It may be stated that all other Major Ports (except Kandla) security arrangements have been entrusted to CISF to the extent possible."

7.12 During evidence, the representative of the Ministry informed the Committee that the Ministry favoured the induction of CISF for security work at Bombay Port. The witness added that a decision had now been taken that at Bombay CISF should be inducted and they would replace the State Police as well as security staff of Bombay Port Trust. There would thus be only one agency for security arrangements. He informed the Committee that the Ministry had taken up with the Defence authorities to have the land, which was leased out to them, released in order that accommodation could be provided for CISF personnel.

7.13 Secretary, Shipping and Transport expected the CISF to be inducted for security duties at Bombay Port this year (1982).

7.14 When asked if the Ministry had any idea about the total incidence of loss or pilferage at Bombay Port, the representative of the Ministry stated that it would be very difficult to hazard a guess. The official figures about losses, thefts submitted to the Committee already were based only on FIRs filed with the Police.

7.15 Dealing with the question of posting of CISF at Bombay Port for security duties the Minister of Shipping and Transport, *inter-alia*, stated in Rajya Sabha on 26th March, 1982—

"I have already mentioned on earlier occasions also that for inducting the Central Industrial Security Force, they insist on our providing accommodation facilities. The difficulty in Bombay is that we are not in a position to provide accommodation facilities. But fortunately, the Defence Ministry has agreed to release certain area which was in their possession in the Port area—about three to four acres of land. They have already released that area. And the Port authorities have taken decision on that. And the Port authorities are very anxious to see that in this area barracks are built as early as possible.

I hope that within a period of six months, it would be possible for the Port authorities to build the barracks and the CISF would be inducted. And then, I think, the position will improve very much."

(S. Q. No, 466, dt. 26-3-82)

C. Tally of Cargo

7.16 It was represented to the Committee that "with the high scale of theft and pilferage shipowners are made a scapegoat for the losses of cargo occurring due to theft on shore and these are finally disposed of as "cargo not landed at discharge port"; i.e. short-landing from the ship. At certain ports, even proper tally is not maintained by the Port authorities. This lacuna gives an alibi to the theft of shortlanding." According to a "The Times of India" report the discrepancy between the actual number of packages landed and that entered in the tally sheet is often as great as 20 to 40 per cent. Port users at Cochin also testified to the phenomenon of under tally by 10 per cent at the Port.

7.17 The representative of an important Shipping interest stated during evidence before the Committee in this connection that:—

"It is the general practice that no port takes 100 per cent tally:—they always take 75 per cent tally and the remaining cargo of 25 per cent remains in the doldrums. 100 per cent tally must be ensured at all the ports and a copy of the tally sheet at the end of the day or the beginning of the next shift should be given to the shipping company or the steamer agent so that they can say that their vessels has brought so many packages; and therefore the liability from that time onwards remains with the Port Trust.....They must make sure that they must take 100 per cent."

7.18 It was brought to the Committee's notice that presently, there is no independent organisation acceptable both to carriers and port authorities to undertake the tally of the cargo while the same is being loaded/discharged at various ports. All tally work in the port is being done by the respective Port Trusts under their scheme, and as and when any special tally is required by the shipping company, they appoint Cargo Surveyors (private firms) to whom Licences are issued by the Government to take tally of the cargo, on behalf of the Carriers, and safeguard their interests in case of any shortage of claims. However, the tally taken by

these firms is not binding on the Port Trust and the Port Trust takes liability of the cargo to the extent tallied by their own staff.

7.19 It was suggested that if any tally unit could be developed under D.G. Shipping, it might be able to undertake the tally work, which could be binding on both the Carrier and the Port. The Government could also consider having a Tally Corporation system as is prevalent in Japan. This Corporation can work under the D. G. Shipping. Another alternative can be that the D.G. Shipping could have a panel of reputed cargo surveyors, to undertake all tally work at various ports under their jurisdiction and such tally be made binding on both the Carriers as well as the port authorities.

7.20 The Ministry stated that "it is not true to say that shipowners are made scapag at for losses because proper tally is not maintained by the Port authorities. There are sufficient safeguards to protect the interest of the shipowners like taking of tally by the Steamer Agents, stevedores, recount of cargo in case of short tally in the presence of representatives of the shipowners. It would not be desirable to leave the tallying work to a third independent party, as suggested. Since tally constitutes the receipt of cargo taken into custody by the port trust and therefore it cannot be trusted to a third party."

7.21 Secretary (Shipping and Transport) stated in evidence that "we do accept that the system has many inadequacies." Referring to the proposal for independent tally system as suggested by users, the witness added that "we feel there cannot be any independent tallying system. What we can think of it, we can associate some shipping agents or other people, but basically the tally work has to be done by the Port. As far as we are concerned, we consider that the port tally record is the only authentic record. If others are watching the record, we would have no objection."

7.22 The witness further stated that the trouble arose because goods were unloaded in a most jumbled up way and they got mixed up. The labour in Indian ports is not in full knowledge of the quality and description of goods and lack of basic education is a serious handicap.

Markings on Cargo

He added that it was also due to managerial inadequacy.

7.23 It was also suggested to the Committee in this connection that packages of Cargo should be marked with number and port's insignia at the time of unloading. In the absence of such a marketing the cargo got mixed up. The port authorities should give receipt number and mark the number of packages unloaded.

7.24 The representative of the Ministry stated that the type of system that prevails in ports is that "they do not mark the name of the port on the cargo. They mark the name of the ship. Marking of the port is not really important." He added that we do not think that there is much scope for improvement here. The scope of improvement is in regard to unloading the cargo, how to stack the goods after unloading. Certain ships bring cargo in a jumbled way. So, an improvement in the system of stacking the cargo after unloading is necessary, not so much in marking the cargo."

Port Accountability for loss of Cargo

7.25 It was represented to the Committee that port trust rules should be amended so that in case of any theft/pilferage occurring within 15 days from the date of landing of the consignment in respect of import cargo and/or from the date of deposit of export consignment, they should be liable to pay full compensation to importers/exporters. This should be applicable in respect of all ports in India. It should also be ensured that the sufferers get the compensation within very short period of time.

7.26 According to Major Port Trusts Act, ports are responsible for claims only for a period of 7 days. It has been represented that this is to put it mildly, grossly unfair. The port must take full responsibility of the cargo so long as the same is in its custody as a bailee.

7.27 It was stated in another memorandum in this connection that "the question of accountability of the Port Trust needs to be looked at again. The users of port services find it impossible to obtain compensation from the Port Trust even when loss or damage occurs, when goods are in the Port's custody. The Major Port Trusts Act and the Bye Laws seem to offer such wide protection that it is futile to pursue any claim against the authorities. The incidence of loss and damage to goods can be considerably reduced if the Port Trust can be made liable and the liability can be enforced."

7.28 The Ministry stated that under the provisions of the Major Port Trusts Act, 1963, the responsibility of the Port Trust is that of a bailee. In accordance with the Regulations on the subject, the port trust takes the care expected of a bailee for 7 working days in respect of goods which have come to its custody. Under the Rules applicable for import cargo in the port, the free period prescribed for the cargo is generally 3 days from the last day of discharge of cargo from the ship. In respect of export cargo, the free period, by and large, extends to 6 days (at certain ports the free period is more in respect of certain commodities) from the date of

receipt of the cargo. Therefore, in the normal circumstances, such an import/export cargo should be shifted or cleared within the free period, and the goods are not expected to remain in the port premises beyond such periods.

7.29 According to the Ministry it will not therefore be in the interest of the port to extend the time limit prescribed in the relevant rules.

7.30 The Ministry added that a period of 7 clear working days is considered adequate. The traffic handling at almost all the major ports is suffering because of congestion in the transit sheds due to non-clearance of the cargo in time. If the liability period is extended further, there would be problems in speedy clearance of goods, from the docks. There is no reason why the port should continue to be liable for the custody of goods for an unlimited period."

7.31 The Committee pointed out that the parties who did not take delivery of the goods within the prescribed period of seven days, must be paying demurrage. If that be the case the Committee asked how the responsibility of the port could be taken to be over after the seven days. The Committee also pointed out that the value of cargo stolen was very huge and thefts, it was represented to the Committee, could not take place without collusion between the Port Trust people and those persons who operated there and pilfered goods.

7.32 The representative of the Ministry stated that under the law the responsibility of the Port Trust as bailee was upto seven days. He added that "it is not as if the Port Trust authorities do not take care of the goods beyond this period of seven days. The Port Trust does hold the goods in transit sheds, in the warehouses or in open stock-yards. The Port Trust also engages security staff to look after the goods beyond the period of 7 days. The consignees also engaged security personnel to take care of the goods. But in spite of that, the thefts do take place." The witness added that action had already been taken to prevent thefts and also to control this problem particularly in Bombay.

7.33 Secretary, Shipping and Transport, stated in evidence that "there is good scope for extending the period. Our strategy had been that the people should clear them as quickly as possible. In seven days normally goods should be cleared." He added that "we will look into it. This is a point which is worth looking into."

7.34 The Committee are concerned to find that Security arrangements in almost all the ports are deteriorating and the situation at some of the major ports such as Bombay, Calcutta, Madras, Haldia, is particularly distressing. According to the official figures in

Bombay the value of stolen cargo increased from Rs. 37.14 lakhs in 1978-79 to Rs. 79.01 lakhs in 1980-81. It more than doubled in 1981-82. when, upto February 1982, the cargo worth Rs. 1.58 crores had been reportedly stolen. In Calcutta the number of theft cases increased from 493 in 1978-79 to 666 in 1980-81 and the value of cargo stolen rose there from Rs. 1.5 lakhs to over Rs. 47 lakhs in 1980-81. In Haldia Dock complex also the number of theft cases rose steeply from 48 in 1978-79 to 186 in 1980-81 and the value of stolen cargo rose from 0.94 lakhs in 1978-79 to Rs. 9.80 lakhs in 1980-81. Curiously while the number and value of theft cases have been rising from year to year, the number of cases in which convictions have been secured has been coming down in Bombay, Calcutta and Madras.

(S. No. 54)

7.35 Reports of thefts at Bombay Port reaching the Committee and published in the press are very alarming. It is alleged that armed gangs are operating there in collusion with local police, port and customs officials and robbing goods on the docks and from the ships. It is further alleged that the magnitude of thefts and pilferages amounts to over Rs. 50 crores a year. The Ministry has stated that the official figures of the value of thefts of goods from port premises given by them, according to which goods worth over Rs. 79 lakhs were stolen in 1980-81, were based on FIRs lodged with the police. The Ministry has not prepared to hazard a guess about the total loss. The Committee are informed that the Ministry has now taken a number of measures to prevent thefts and tighten security measures at Bombay Port and is considering some more measures in this regard. But why the Ministry or the port authorities tolerated the utterly unsatisfactory security arrangements at the port so far and did not take remedial measures as it now claims to have taken, remains unexplained. This reveals a deplorable state of affairs at Bombay port for which, the management cannot escape responsibility.

(S. No. 55)

7.36 The security at Bombay Port is looked after by the Port's own security organisation and the State Police. It has been represented to the Committee that dual responsibility is one of the reasons for laxity in security arrangements at Bombay Port and there is a general feeling among port users that unless policing at the Bombay Port is entrusted to a Central Police force like Central Industrial Security Force, no improvement in the situation is possible. It is a matter of deep regret that though Bombay Port Trust, realising the need for a unified control of Bombay Port premises for the purpose of security, had approved in principle the induction of

the Central Industrial Security Force as far back as 1977, it has not been able to implement this proposal so far for lack of requisite residential accommodation for the CISF personnel. The Committee find that a decision has now been taken to induct CISF at Bombay Port in replacement of the State police and the Port's own organisation and to make CISF to be solely incharge of the security arrangements there. This is a welcome, though belated, measure. The Committee take note of the assurance given by the Minister of Shipping and Transport in Rajya Sabha on 26th March, 1982 that within a period of six months it would be possible for the Port authorities to build residential barracks for CISF near the Bombay Port area and put CISF in position to handle the security arrangements at Bombay Port. The Committee hope that this welcome measure would not get delayed any further.

(S. No. 56)

7.37 The Committee would like to refer in this context to the experiences at Calcutta, Haldia and Madras where thefts/pilferages have been on the increase inspite of the fact that the security arrangements there are manned by CISF. The Committee would like to caution the Ministry against any sense of complacency on this account after the posting of CISF at Bombay, they would like the Ministry to keep the new arrangements at Bombay Port, when enforced, under watch and whatever else is required to be done to make the new experiment there a success.

(S. No. 57)

7.38 The Ministry has made an in-depth study of the security arrangements at Bombay Port and initiated certain measures to control the incidence of thefts there. The Committee would like that similar studies should be made in respect of Calcutta, Madras and other such ports where the incidence of thefts is high with a view to tightening security measures there also.

(S. No. 58)

7.39 From the information supplied by the Ministry it is seen that at Calcutta Port the responsibility for security arrangements is divided among three agencies, viz. CISF, Port Police and Port security organisation. In the Committee's opinion this pattern of divided responsibility leads to laxity in security and responsibility for lapses in such cases cannot be fixed. The Committee would recommend that at Calcutta and any other port where there may be dual or multiple control over security, the duality or multipli-

city of control should be eliminated and one single organisation should be made solely responsible for security arrangements.

(S. No. 59)

7.40 The port users are not satisfied with the existing tally system at ports. The tally of cargo unloaded at ports is at present prepared by the respective port trusts through their own staff. Shipping companies can appoint licenced cargo surveyors to take tally of cargo on behalf of the carriers, should they so desire, but the tally taken by these surveyors is not binding on the port trust. Port trusts accept liability for only such cargo as is tallied by their own staff. It has been reported to the Committee that at certain ports there is an under-tally to the extent of 10 to 40% and this is done by the port trust staff to escape liability in the event of theft or pilferage of the cargo. Secretary, Shipping and Transport, has admitted in evidence that the present tally has many inadequacies, but he is not in favour of introducing any independent tally system and is not prepared to accept any record other than that maintained by the port trust staff as authentic record for the purpose of accountability.

7.41 The Committee have gone into the matter carefully. They are of the opinion that there is no justification to continue a system like the present tally system in which the port users may have little confidence. In their opinion there is ample justification in the demand made by port users that an independent tally unit, which should not be under the port trust but may be under the Director General, Shipping or any other such Government or Government approved organisation should be set up at each port to undertake the tally work and its report should be binding on both the carriers and the port authorities. In the alternative the Government may appoint a panel of reputed cargo surveyors to undertake the tally work at the ports and their tally should be binding on the carriers and the port authorities. The Committee would like the Government to introduce a proper system of independent tally at the ports at the earliest.

(S. No. 60)

7.42 The Ministry has stated that the difficulty in making a proper tally of the un-loaded cargo arises because of the jumbled way in which the cargo is un-loaded and stacked at the shore. This problem can be taken care of by the port authorities if the labour can be trained in the matter of handling and unloading the cargo in a

systematic manner and their working can be properly supervised. The Committee would advise the Ministry to evolve a suitable scheme for training of the labour in loading/unloading cargo and tighten supervision.

..

(S. No. 61)

.. 7.43 At present the cargo unloaded at a port is marked with the name of the ship from which it has been unloaded and not with the name or insignia of the port; nor is the cargo given any numbering for easy reference later on. It could improve the matters considerably if the Ministry could devise a suitable system of numbering every piece of cargo unloaded at the ports and making them with the insignia or the name of the port. The Committee would like the Ministry to examine this matter.

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(S. No. 62)

.. 7.44 Under the provisions of the Major Port Trusts Act, 1963, the responsibility of the Ports Trusts is that of a bailee. In accordance with the Regulations on the subject the Port Trust takes the care expected of a bailee for 7 working days in respect of goods which have come to its custody. The Ministry apprehend that if the liability period is extended further, it would hinder speedy clearance of goods from docks. In the Committee's view this is no reason why the Port should absolve itself of the responsibility of security of goods placed in its custody after 7 days. This can lead to an indirect invitation to anti-social elements to pilfer goods from port premises with impunity after seven days of unloading in collusion with port officials.. While the Committee would like all measures to be taken to ensure clearance of cargo as early as possible including authorisation to port authorities to dispose of the un-cleared cargo after a certain period, they do not approve of the present system under which the port is allowed to disown responsibility for the security of the cargo left at the port after seven days of unloading. If the port can claim demurrage for goods left at the port premises after a certain period, it should also be held responsible for any theft of goods while they are in its custody. The Committee recommend that the relevant regulations may be amended so as to make the ports accountable for the custody of the imported cargo till it is delivered to the consignee or its ultimate disposal by way of auction or otherwise as may be provided in the law.

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(S. No. 63)

CHAPTER VIII

PORT RAILWAYS

8.1 All the Major Ports are connected with the Trunk Railways, and are also fairly well served by roads. In addition to being connected by the Trunk Railways, there is a network of railway lines, called Port Railways, for haulage of cargo within the port limits.

8.2 The Port Railways are run by Port Staff at six ports, viz. Bombay, Calcutta, Visakhapatnam, Madras, Paradip and Mormugao, while at the remaining four ports, Port Railways are run by the Trunk Railway authorities and Ports do not have any staff of the own.

8.3 The Ministry has stated that there has been proper coordination between the Port Railways and the Trunk Railways and that there is no problem on that count. It is governed by a written agreement between the Port and the concerned Trunk Railways. The Committee have been informed that regular coordination meetings at different levels and daily exchange of information regarding, indents, wagon requirement, incoming traffic-levels, outgoing traffic forecast, operating restrictions, etc. help in achieving proper coordination. Besides, one senior officer of the concerned Trunk Railways is appointed as a Trustee on the Port Trust Board. This also helps in having proper coordination with the railways authorities.

8.4 It has been stated in a memorandum that Port Railways are an anachronism now but the main Railways would not be willing to maintain them at loss which in most cases they are incurring. A major policy decision to ask major railways to take over and operate the Port Railways is called for.

8.5 A non-official witness stated during evidence that wherever new ports had come up, only main railways were operating. At such ports there is no mixture or duplication of the administrative authority; there is no duplication of equipment involved. But, where both the Port Railway and the main railway are working, there is a total duplication of everything. One can always pass on the buck from A to B and from B to C. Even if one man has handed over the wagon, the other may say he did not receive it. The condition of the wagon is always disputed.

8.6 Another witness expressed the view that the main difficulty with the port railways was regarding availability of wagons for moving cargo. He was of the view that the Port Railways were not as efficient as the main Railways.

8.7 The Ministry stated that some of the Port Railways are incurring financial losses due to various reasons. In regard to maintenance of port railways by Trunk Railways at all the major ports, the views of the Ministry of Railways were as follows:—

8.8 "The question of management and operation of Port Railways by Indian Railways will depend on the circumstances, situation and layout etc. of each port railway and will therefore differ in each case. The Indian Railways are already operating some port railways. Recently it was decided to entrust to Indian Railways the operation of the port railway of the proposed Nhava-Sheva Port."

8.9 The Committee wanted to know if any independent study of the advantages and disadvantages of maintaining the Port and Trunk Railways under two different authorities had been made and if the Ministry could say that the present dual system at six ports was an ideal system and the merger of Port Railways and Trunk Railways would not bring about any significant change in their efficiency.

8.10 Secretary, Shipping and Transport stated during evidence that, "recently a study had been made by the Bombay Port Railways and the report was being considered. Some work had also been done about the Calcutta Port Railways. He stated:—

"Our general opinion is that port railway is an out-dated concept and some day it will have to go, or at least shrink. We have discussed it with the Railways. They are not willing to take the total staff, because according to them the port railways are over-staffed. There is also some resistance from the port railways staff union. As a general policy we feel that the port railways have to shrink or go away completely. The problem is how do we carry the staff with us."

He added:—

"Our approach would be that, so far as bigger railway systems in Bombay, Madras and Calcutta are concerned, they should shrink rather than face complete abolition. But, in the case of small ports, they can be completely taken over by the railways."

8.11 Where Port Railways and Trunk Railways have not been intergrated and placed under single unified control, as is the case at Bombay, Calcutta, Vishakhapatnam, Madras, Paradip and Marmugao, the problems of duplication and coordination are bound to arise, affecting the efficiency of cargo movement. The ideal arrangement in the interest of efficiency of operations would be to merge Port Railways into Trunk Railways. While the Ministry of Shipping and Transport agrees with this view, the Ministry of Railways, it is stated, has reservations on taking over the port railways, because of over-staffing of port railways. The port railways staff unions are also reported to be showing resistance to the idea of take-over by Trunk Railways. The problem appears to have now narrowed down to the mechanics of merger so far as the Ministry of Shipping & Transport and the Ministry of Railways are concerned. The Committee hope that, with tact patience and persuasion, the authorities would succeed in bringing round the port railway staff to the idea of integration of the two railway systems and persuade the trunk railways to take over the port railways in due course. (S. No. 64)

Coordination with Railways—Wagons:

8.12 It has been stated by the Ministry of Shipping & Transport that:—

“By and large the Trunk Railways are able to cater to the requirements of wagons for the ports. However, at times difficulties are being experienced in clearance of bulk commodities like imported fertilisers, cement, coking coal, steel etc. Both at Kandla and Vizag due to imbalance between export and import cargoes as sufficient number of empty wagons are not generated for clearing the imported cargo. In view of the inadequate supply of wagons there, port capacities are not being utilised fully. Large quantity of cargoes get piled up in the ports from time to time and further discharge from the ships gets affected. The Railways maintain that it is uneconomical to move empties to these ports. But the fact remains that a large hinterland of the country is located nearer northern hinterland. In case cargo cannot be unloaded due to non-availability of of empties, they are diverted to Southern ports. From there the haulage distance to north is much more. Apart from being uneconomical, it involves avoidable energy consumption.

Similarly, the problems of shortage of wagons persist at the Ports of Cochin, New Mangalore and Paradip. At Calcutta, difficulties are faced at times in clearing imported cargo requiring general service (4 wheelers) covered wagons. The requirement of such wagons is primarily for carrying cargo like fertilisers, food, paper and various other consumer items. The Ports of Tuticorin and Mormugao are connected only with the metre-gauge with the result that the railway's carrying capacity is limited. Non-availability of broad-gauge facilities at the Ports involves transshipment adding to the transportation cost."

8.13 The Ministry of Shipping & Transport has further informed the Committee that, "the present requirements at Kandla for clearance of imported cargo is about 150 wagons per day. As against this 60 to 70 wagons per day are made available by the railways. In order to decrease the imbalance between import and export at the port, the port is stated to have given a package of incentives to shippers and ship-owners with the result that exports from this port are improving. In addition, the port is pursuing with importers to clear their cargo by road transport. It has also been impressed upon the railways to grant freight concession to all exports' cargo moving to Kandla Port.

8.14 The Vizag port has reported that at present level of traffic and on the basis of traffic pattern of earlier years the average number of wagons' requirements per day (excluding iron ore) is 475 units as against the present average of supply of 310 units.

8.15 At Calcutta the present requirement of covered wagons (for piece-meal despatches) is stated to be 100 wagons per day against availability of 30 wagons from inward releases. The Calcutta Port has reported that due to shortage of wagons empty covered wagons from railway terminal located in and around Calcutta where large number of such wagons are received with consumer goods should be made available to the Port. The port has further stated that the other alternative could be lifting of restrictions imposed by the Railway Board on piece-meal despatch of CRT|BC wagons in lieu of latest types of wagons and replacing of conventional type by covered wagons by CRT|BCK wagons.

8.16 The port of New Mangalore has reported that importers want to move the entire quantity of bulk cargo such as fertilisers and wheat by wagons only. As such sometimes shortage of wagons

was being experienced. The Port has suggested that if the importers were to move 50 per cent of the imported cargo by road and the remaining imported cargo by rail then there would not be any shortage of wagons.

8.17 Paradip Port has been experiencing difficulties from time to time due to non-clearance of cargo on account of inadequate supply of wagons. The Port has suggested that free hand should be given to them for back loading of iron ore rakes releases at the port. They have further intimated that for clearance of general cargo and fertilisers, piece-meal wagons should be supplied whenever necessary.

8.18 Cochin have intimated that shortage of wagons exists at the port especially when large volume of bulk cargo accumulates at the port awaiting transportation to hinterland points. The port has taken the matter several times with the authorities but there has not been any marked improvement in the position.

8.19 Bombay Port have reported that there is no acute shortage of wagons for programme of movements of commodities like food-grains and fertilisers.

8.20 Madras has reported that no difficulty has been experienced in supply of wagons.

8.21 The Ministry of Railways has intimated that approval of broad-gauge link of Tuticorin is a sanctioned work which was included in the Supplementary Demands for Grants for Railways in 1981-82. In regard to Mormugao, Ministry of Railways have reported that the survey is in progress to ascertain the feasibility of converting the Hospet-Mormugao and linked sections from metre-gauge to broad-gauge and final decision on linking Mormugao on broad-gauge will be taken after consideration of the Surveyor's report.

8.22 Shortages in supply of wagons for movement of cargo have been reported at the ports of Kendla, Vishakhapatnam, Calcutta, New Mangalore, Paradip and Cochin. The problems at all the ports are not alike. Railways too have some operational problems. But the Committee need hardly stress that adequate supply of wagons for movement of goods to and from ports is absolutely essential. The Committee have also no doubt, that with the increasing efficiency in freight movement lately brought about by Railways, it should not be beyond the ingenuity and capacity of the Railways to evolve suitable solutions to the problems and meet the wagon demands at

the ports in full. The Committee would recommend that the Ministry of Railway and Ministry of Shipping & Transport should jointly discuss the wagon position in respect of each port and draw up agreed programmes to clear imported cargo with utmost expedition.

(Sl. No. 65)

8.23 The Ports of Tuticorin and Mormugao are connected only with the metre-gauge with the result that the railway carrying capacity is limited, and transshipment adds to the transportation costs and causes delays. The Committee learn that broad-gauge link to Tuticorin has already been sanctioned. A survey is in progress to ascertain the feasibility of converting Hospet—Mormugao and linked sections from metre-gauge to broad-gauge and final decision on linking Mormugao on broad-gauge will be taken after consideration of the Surveyor's report. Needless to say, the broad-gauge linking of Mormugao and Tuticorin with the hinterland as also the broad-gauge link of Mangalore with hinterland to its north would go a long way in improving the operational efficiency of these ports and also provide better and economic transport system for the benefit of Indian importers and exporters. The Committee would urge that broad-gauge links to these ports should be provided on a priority basis.

(S. No. 66)

CHAPTER IX

DRAFT PROBLEMS

A. Draft Problems in Ports

9.1 Adequate depth of water is essential for the operational efficiency of ports as well as of the vessels. It was stated in a memorandum furnished to the Committee that it will be in the national interest that all major ports, barring Calcutta, where the draft depends on Hooghly River, should maintain depth of 33 ft. at all times. It will serve large volume of foreign exchange which is at present being lost in bringing bulk cargo on charter party terms because the agreement exists on a maximum showing the draft of 29 ft.

9.2 A statement showing drafts to be maintained at the Major Ports and the maximum drafts being maintained are as follows:—

	Draft to be maintained	Draft actually maintained (1981)
1. (a) Calcutta	7.90 m (26 ft.)	6.7 m
(b) Haldia	12.14 m (40 ft.)	8.8 m
2. Bombay—(as in January)		
Indira Dock	10.36 m (34 ft.)	30.0 ft.
3. Madras—		
(a) Jawahar Dock	10.67 m (35 ft.)	10.7 m
(b) Outer Harbour	14.00 m (46 ft.)	14.0 m
4. Vizag—		
(i) Inner Harbour	10.21 m (35.5 ft.)	10.21 m
(ii) Outer Harbour	15.30 m (50 ft.)	15.30 m
5. Kandla	9.75m (32 ft.)	27.4 to 30.1 ft.
6. Paradip	11.9 m (39 ft.)	34 to 39 ft.
7. Marmugao	12.19 m (40 ft.)	12 m
8. Cochin	9.14 m (30 ft.)	9 m
9. Tuticorin	9.14 m (30 ft.)	27 ft.
10. New Mangalore	9.14 m (30 ft.)	30 ft.

9.3 Indicating its reaction to the suggestion that 33 ft. draft should be maintained at all ports the Ministry of Shipping and Transport stated that "in the case of berths which have been planned recently, they have been designed to a minimum of 11 m (36 ft.) depth of water which corresponds to 10.36|10.65 m (34|35 ft.) draft. However owing to various constraints such as technical feasibility, resource, viability it may not be possible to maintain such depths at all ports". The Ministry have stated that requisite depths were being maintained at Marmugao, Mangalore, Cochin, Tuticorin, Madras and Vishakhapatnam ports. Ports of Kandla and Paradeep have siltation problems. From the figures furnished by Ministry regarding the drafts required to be maintained and actually maintained at each of the major ports, it is seen that adequate drafts are being maintained at New Mangalore, Madras and Vishakhapatnam and Paradeep. The position at Cochin is also more or less satisfactory. But the problem of draught is there at Bombay, Calcutta, Haldia, Kandla and Paradeep drafts of the desired depths are not being maintained.

Bombay

9.4 In a memorandum submitted to the Committee it has been stated that the Bombay port had a draft of 30 ft. at 3 berths and draft at other berths ranged from 25 to 28 ft. As per the present trend of size and type of vessel, the volume of the vessel was not being fully utilised because of constraints in the availability of Draft. It was further stated in the memorandum that siltation of berths in the Port was very heavy and because of inadequate oil Dredger available with the Port authorities, they were unable to dredge berths effectively. BPT should ensure maintenance of 30 to 32 ft. draft, at all times, at all berths, except at Harbour Wall berths where the depth should be maintained to 24 to 25 ft. with proper maintenance.

9.5 The Ministry had also informed the Committee that Bombay Port was faced with serious siltation problem. The rate of siltation was 3 metres per year. The Committee gathered during tour (1981) that the draft at Indira Dock was 3—5 feet less than the scheduled draft. On account of high rate of berth occupancy, it had not been possible to release berths for dredging in a systematic manner.

9.6 The Ministry clarified in a note that siltation rate of 3 metres per year was for outside harbour wall berths, B.P.S. and BPX berths. Siltation rate at the berth inside the dock basin in Indira Dock was about one metre per year. The Ministry further clarified that "it is

not correct to assume that an entire dock has not been dredged from some specific time. During the last 2½ years, some berths have been dredged at Indira Dock and P&V Docks. This has enabled deeper draft vessels (30 ft. to 31 ft.) draught vessels to be brought at the dredged berths in Indira Dock.

9.7 Dock berths have been dredged whenever berths could be released for dredging taking into account requirement of ships.

9.8 High berth occupancy inhibited release of berths for dredging in the previous years. As non-release of berths for dredging would have affected shipping, it was decided to take up a special phase programme so that berths were released for dredging.

9.9 The Committee were informed that a programme had been drawn up from 15 October, 1981 to complete dredging of various berths in a year's time. The Ministry stated that this programme was intended to be continued.

9.10 According to the information furnished by the Ministry, the total maintenance dredging requirement in Bombay harbour is estimated at 4.27 million cu.m.

9.11 The annual quantity that is being dredged is less than the requirement. The Ministry stated that "as the port has been congested, it has not been possible to make berths available for dredging. As against 34 ft. draft to be available at Bombay, drafts actually available at the Port during the last 3 years has been about 25 to 30 ft."

9.12 It was represented to the Committee that dredging at Bombay Port was not as efficient as required. The dredging capacity with the Port authorities was not adequate. The port authorities should stick to dredging schedule and complete the work within the minimum time possible. In drawing up a schedule of dredging the fiscal resources should be taken into account and utilised fully. Instead of allowing the dredgers to dredge at leisure, incentives for completing dredging work within the allotted time should be given and berths should be made available on schedule.

9.13 The Ministry stated that dredging capacity of Bombay Port in respect of maintenance dredging is adequate. However, the optimum utilisation of dredging capacity has not been achieved owing to various factors, not only for Bombay Port, but for other ports also. In addition, Bombay has a very special problem, in

having a very high berth-occupancy (almost 100%). A systematic plan for release of berths for dredging has been evolved and put into operation. Under this Plan, since October, 1981, dredging at five berths have been completed and dredging at the sixth berth is in progress. In view of almost 100% berth occupancy at Bombay port, it is an impossible task sometimes to adhere to such planned schedule as that will only aggravate the existing acute congestion.

9.14 Secretary, Shipping and Transport stated during evidence (Jan. 1982) that BPT was finding difficulty to release the berth, but it had now started a systematic programme of releasing berths one by one.

9.15 The Chairman, Bombay Port Trust explained that the problem was more along the harbour. The siltation rate was about one foot. In other places it was less, about 1/3rd of that. From 15th October, 1981 an integrated plan had been brought into force to release the berths on a more systematic basis and when the berths were taken off the operations, all other ancillary work was also taken up at the same time. He assured the Committee that it was making good progress.

Marmugao

9.16 The Committee were informed during tour to Marmugao port that the port authorities had not found it possible to draw any programme for dredging there as the berth occupancy was very high during fair season and during the monsoon period dredging would be infructuous.

9.17 Secretary, Shipping and Transport stated that "My impression is, as far as Goa is concerned there is no problem may be it is because of their own inadequacies of port management. But otherwise there is no problem". But in the rainy season the berths are not fully occupied".

Calcutta & Haldia

9.18 The Ministry have informed the Committee that Navigational channels to Haldia and Calcutta have been posing a lot of problems over a period of time. There are number of bars situated in the navigational channel. Every year, intensive dredging has been undertaken to maintain the draft for the ports of Calcutta and Haldia. In spite of these massive dredging efforts, results are not commensurate with the efforts. This is mainly due to the

peculiar and complex behaviour of the Hooghly estuary. In order to evolve a long term solution and also methodology for maintaining the requisite depth in the navigational channel, the port has carried out extensive model studies abroad as well as in India. Based on this, the port has prepared a comprehensive scheme for maintaining as well as improving the depths in the navigational channel. This scheme consists of engineering measures like dredging over the bars, and river training works at various locations in the channel. This report is under examination by the Ministry.

9.19 It was stated in a memorandum that the expected draft had not been available at Haldia for various reasons when the Haldia Dock system was envisaged it was hoped that a draft of 40 ft. would be available there throughout the year. This has not materialised. As a result, constant dredging, river training works etc. have become necessary to maintain the navigational channels open to shipping in the lower reaches of the river also. The port authorities have been incurring substantial expenditure towards dredging and maintenance of the river, about 80% of which is now being met by the Central Government. It is necessary that the Central Government should meet the full cost of dredging and maintenance of the river, In similar situations many foreign countries have undertaken full responsibility for dredging and maintenance of their riverine ports by meeting the full cost of such maintenance. It is only proper that the Government of India should also undertake this responsibility and in view of the importance of the Hooghly and the Calcutta-Haldia Dock system for the import export trade and economic development of the entire eastern region, declare the river as a National Waterway.

9.20 The Ministry stated that "It has been decided in principle to declare the Allahabad-Haldia stretch of the Ganga-Bhagirathi-Hooghly river system as a National Waterway. The bill in this regard is being drafted by Ministry of Law in consultation with the Ministry of Shipping and Transport and it is expected to be moved in the Parliament in the near future."

9.21 The Ministry added that "after the above waterway was declared as a National Waterway, it would be the responsibility of the Centre to maintain the waterway for mechanised crafts for which draughts required would normally not exceed 2.5—3 metres (8-10 feet) in the foreseeable future. According to the Ministry

there is no proposal to assume any responsibility of maintaining depths upto Calcutta for Ocean going vessels as a result of the waterway upto Haldia being declared as a National Waterway".

9.22 The Ministry added that "In view of the foregoing, no reimbursement of the expenditure to Calcutta Port Trust for dredging either upto Haldia or Calcutta, consequent on the waterway being declared as a National Waterway, is visualised and this expenditure will have to be borne by Calcutta Port Trust, for which 80% of the expenditure will be shared by the Government upto 1981-82. The question regarding further continuation of subsidy is under consideration of a Committee set up by the Government". The proposal that the Government should subsidise the full cost of dredging and maintenance of the river to Calcutta Port Trust is not favoured by the Ministry.

9.23 Secretary, Shipping and Transport stated during evidence that "this point had been raised many times by the Calcutta Port itself that we should meet hundred per cent charge. But till now the Government has not agreed to pay hundred per cent. There is no proposal to make it hundred per cent. We feel that every port does dredging. There is no port in India which does not do channel dredging. When Government of India is giving 80 per cent there is no reason why the port should not also bear some portion of the cost of dredging. Unless they pay some portion, they will not be involved in the process of dredging. Otherwise, they will put up the cost too much. First of all, a percentage sanctioned should be borne by the Port".

B. Dredging quipment in Port

9.24 The Ministry has informed the Committee that Ports of Vizag., Bombay, Mormugao, Madras, Kandla have adequate fleet of dredgers to meet their maintenance dredging requirements. The Port of Tuticorin has very little dredging requirement and a small dredger belonging to the minor port is capable to meet the requirement. The Port of New Mangalore has only one small fabricated dredger and the maintenance and capital dredging of the Port is looked after by Dredger Corporation of India Ltd. (DCI), on contract basis. The Ports of Cochin and Calcutta have less dredging capacity than their requirements. For approach channel dredging, the Cochin Port is dependent of D.C.I. Calcutta has enough dredging capacity for dredging in Dock basin. The river

dredging of Calcutta Port is supplemented by outside dredgers of DCI. Paradip has lost its dredger 'KONARK' and the Port depends now on DCI dredgers. However a sand Pump dredger is available with the Port to assist the beach nourishment and reclamation work.

9.25 In addition to the maintenance dredging requirements the capital dredging requirements of the ports is to be met by DCI dredgers.

9.26 The Ministry have stated that by and large there is no difficulty in availability of dredgers as most of the ports requiring large quantum of dredging possess their own dredging fleet. For ports like Mangalore, Cochin, Tuticorin, Paradip and Calcutta where assistance from Dredging Corporation of India is obtained, the programming of deployment of dredgers is normally done well in advance. However, on very rare occasions, owing to natural disturbances, like cyclones etc., a substantial shift of bed material may take place in port like Paradip. In such situations, sometime difficulties are faced in availability of a dredger on immediate basis. But such occasions have been rare and there has been no operational hazard so far.

9.27 Norms: The Ministry of Shipping and Transport had constituted a 'DREDGERS UTILIZATION COMMITTEE' in 1972 to fix up norms and recommend measures for the optimum utilization of dredgers. As per recommendation of this Committee, the norms for working of dredgers have been fixed at 50,000 hours per annum on the basis of 3 shift work.

9.28 The actual utilisation of dredgers belonging to the Major Ports for the last three years has ranged between the following figures:

Kandla	1302-3321 hrs.
Bombay	527-4658 hrs.
Mormugao	1180-5598 hrs.
New Mangalore	1565-2098 hrs.
Cochin	1173-4169 hrs.
Madras	622-3882 hrs.
Vishakhapatnam	652-4034 hrs.
Paradip	7091-hrs.
Calcutta	722-5508 hrs.

9.29 The Ministry has informed the Committee that comparing the capacities of dredgers available and their actual output, for the last three years, there has been a short-fall in the targetted output. The shortfall in output is generally due to under utilisation of the dredging facilities as noted below:—

- (a) Loss of considerable time for repair and Dry-docking facilities as all the ports are not provided with these facilities in adequate manner.
- (b) Acute shortage of qualified and experienced marine officers which induces curtailment of working hours.
- (c) Difficulties faced at times for availability of spare parts as most of the dredging machinery is of imported and proprietary nature.
- (d) Calcutta dredgers spend considerable time in journey to and from the dredging site which curtails productivity, to a great extent.
- (e) In Bombay, owing to excessive berth occupancy, non-availability of berths for dredging work also imposes certain constraints.
- (f) Some of the dredger have become very old resulting in recurring break-down and curtailing the utilization hours and effective output.

9.30 Secretary Ministry of Shipping and Transport admitted during evidence that in some ports the dredgers were under-utilised. It was due to poor workshop or poor maintenance while in some cases enough staff was not available, as in Kandla similarly, in Goa, the dredger was not utilised properly. It was, therefore, being transferred to DCI which organisation looked after dredgers. The Secretary stated that most of the machinery used was indigenous and by and large the spare parts were also available. Mainly it was a question of proper material management.

9.31 As regards the shortage of qualified and experienced marine officers to man dredgers, the Secretary stated that in case of Kandla the dredger could not work 3 shifts for want of staff. In other ports there have been shortages. Secretary informed the Committee that trained staff went away to other ports or other countries.

9.32. A representative of the Ministry informed the Committee during evidence that in 1976 a decision had been taken that this shortage should be made good. Dredging Corporation of India had introduced a scheme according to which every year some cadets or apprentices were taken for training after executing an agreement. So far 53 cadets had been trained and out of a first batch of 10 cadets, about 4 officers had been sent to Calcutta, 3 to DCI and one to Kandla. According to the representative of the Ministry shortage was likely to be made good in 4-5 years.

9.33. When asked why the shortage of personnel could not be anticipated and appropriate action taken well before the occurrence of shortage Secretary Shipping and Transport, stated that there were other problems such as the available personnel's reluctance to go to certain places like Kandla or Paradip. The shortage was not all over. There were certain areas where people did not want to go and they could not be forced to go there as jobs opportunities were available at other places or foreign ships. When asked whether they could not be attracted by more incentives, the witness stated that they were already getting high salaries at young age and there was a limit upto which they could be paid.

9.34 The Committee are concerned to note that the drafts at a number of major ports, namely, Bombay, Calcutta, Haldia, Kandla and Paradip are not what these should be. The siltation rate at Bombay port is 3 metre per year and the draft at Indira Dock (Bombay) is 3-5 feet less than the scheduled draft. It is a pity that even though Bombay port has adequate fleet of dredgers to meet its maintenance dredging requirements, dredging could not be done regularly because, according to the Ministry, it has not been possible for the port authorities to make berths available for dredging due to congestion. At Mormugao port too, berths have not been made available for dredging but here it appears to be due to management inadequacies rather than congestion. The Committee do not think it was prudent for the port authorities to have neglected dredging of berths or forgone it merely as a measure of expediency. The Committee feel that the Ministry should consider laying down clear guidelines for the benefit of ports so that they can take a balanced decision in the matter of making berths available for dredging even in the context of traffic congestion. (Sl. No. 67)

9.35 The Committee find that a systematic plan for release of berths at Bombay port for dredging has been evolved and put into operation since October 1981 and will be continued till all the berths

are dredged. The Committee would like that similar programmes of dredging should be drawn up for other such ports also where drafts available are less than the desired levels and dredging carried on till the desired depths are reached and repeated according to time-table. (Sl. No. 68)

9.36 Navigational channels to Haldia and Calcutta have been posing problem over a long period now. In spite of massive dredging efforts, results have not been commensurate. The Committee understand that based on extensive model studies, a comprehensive scheme for maintaining as well as improving depths in the navigational channels has now been prepared envisaging engineering measures like dredging over the bars, river training works at various locations in the channel. This scheme is under examination by the Ministry. The Committee hope that the Ministry will soon find a long term solution to the problem and succeed in maintaining requisite depths in the navigational channels. (Sl. No. 69)

9.37 The Calcutta Port Trust has been incurring substantial expenditure towards dredging and maintenance of the river of which 80 per cent is at present borne by the Central Government. The subsidy by Central Government was to continue upto the year 1981-82 but its further continuance is under consideration. A proposal has been made that Central Government should assume the full responsibility for dredging of the port and bear 100 per cent cost of dredging operation. But this proposal is not favoured by Central Government which sees no reason why, like other ports, Calcutta Port Trust should not bear at least a part of the expenditure. While on principle this approach cannot be faulted, the Committee feel that the proposal also deserves to be looked at from a more practical angle in the context of the unprecedented nature of the problem and the financial capacity of the Port to bear even a part of the burden. (Sl. No. 70)

9.38 As per recommendations of the Dredger Utilisation Committee (1972), the norms for working of dredgers have been fixed at 5,000 hours per annum on the basis of 3 shift work. But it is a matter of regret that, according to the Ministry's own norms, the dredgers have, by and large, remained under-utilised at all the ports—the utilisation in certain cases being as low as:

527 hours per annum (Bambay),

622 hours (Madras),

722 hours (Calcutta).

Such a situation is particularly painful considering the magnitude of the dredging problems at certain ports and their consequences.

(Sl. No. 71)

9.39 Poor maintenance is stated to be one of the main reasons for the under utilisation of the dredgers, Secretary (Shipping and Transport) has informed the Committee that spare parts for the machinery most of which is indigenous are by and large available and it is only a question of proper materials management. It is unfortunate this factor of poor maintenance which is well within the control of port authorities should have been allowed to come in the way of full utilisation of dredgers. The Committee should expect the Ministry to take remedial measures, including strengthening of materials management, without loss of time. (Sl. No. 72)

9.40 Shortage of qualified and experienced marine officers is another factor stated to be responsible for the under-utilisation of dredgers. The Committee find that the shortage of trained personnel is not a universal phenomenon. The shortage is only at certain ports like Kandla, which are not very popular for various reasons and where the available personnel do not want to go and they cannot be forced to go as job opportunities are available at other places in India and abroad. The Committee, however, feel that the factors which make such ports unattractive are not such as have developed suddenly or without notice and there is no reason why the authorities at such ports could not have anticipated such shortage and taken appropriate action well before the occurrences of shortage. In the Committee's opinion this reveals weakness of the personnel management at these ports for which the port authorities and the Ministry cannot escape responsibility. The Committee would urge that the Ministry should look into the matter and urge the ports to develop modern and forward-looking approach in the matter of manpower planning so as to ensure that the port operations in any field do not suffer for lack of trained personnel particularly in view of large scale unemployment problem facing everywhere. (Sl. No. 73)

9.41 The Committee take note of the training programme launched by the Dredging Corporation of India in 1976 to fill the void of trained personnel at various ports. So far 53 cadets have been trained. The Ministry expects the shortage in this respect to be made good in 4-5 years' time. This is a step in the right direction. But the Committee feel that the availability of trained personnel by itself may not end the shortage particularly at unpopular ports like Kandla. For this purpose it may be necessary for the Ministry to think of

Incentives to attract qualified staff to take up jobs at such ports and stay there for a reasonable length of time. The Committee would like the Ministry to give this matter a serious thought. (Sl. No. 74)

C. Sethusamudram Project

9.42 It has been represented to the Committee that at present India does not have a continuous navigable route around the peninsula running within her own territorial waters, due to the presence of Sand Stone Reef called Adams Bridge at Pamban between South Eastern coast of India near Rameshwaram and Talai Manar of Sri Lanka where the depth navigable is only 11 feet. As a result all ships from the West to East and from Tuticorin Port to the West have to go round Sri Lanka. Hence the question of excavating an artificial canal known as Sethusamudram similar to Suez canal and Panama Canal to enable the ships to pass through these reefs, had been under consideration for a long time. It has been urged before the Committee that this project is of national importance not only for the efficiency of Tuticorin Port but also for national shipping. It is a dredging project and can be taken up by the Dredging Corporation of India. It is felt that the project is economically viable and technically feasible and should be undertaken as soon as possible as a national project in the national interest.

9.43 Secretary, Shipping & Transport informed the Committee that this idea had been there for the last 30 years and had once even been dropped. But recently it has been taken up again. A Committee has now been set up and it is going into the technical and economic viability of the project. The report of this Committee has not yet been received.

9.44 Asked whether any senior officer of Defence Services had been associated by the Committee so that strategic consideration was also taken into consideration Secretary (Shipping & Transport) stated that recently a proposal to associate an officer from Navy had been approved.

9.45 Secretary added that the main point was that it was considered economically not viable and his personal views was that it might not be economically viable even now because it would cost Rs. 200 crores. It has to have return in terms of money. In his view not many ships would pass as there would be one-way traffic. A ship might have to pay something like Rs. 1 lakh if it wanted to cross such a channel, which is a very high charge. The main constraint was the financial aspect.

9.46 When asked if apart from the monetary consideration the construction of this canal was desirable, the Secretary stated:

"I should say that it is definitely desirable."

9.47 It was brought to the Committee's notice that in a memorandum presented to the Special Techno Economic Appraisal Committee, that following benefits of the proposed Sethusamudram canal had been enumerated:—

- (a) Since India does not have a Continuous Navigable Sea Route around its Peninsular Coast of 3554 miles in length, running within her own territorial waters, the necessity for cutting a Ship Canal across the rocky barrier called Adam's Bridge, to connect Indian Ocean with Bay of Bengal had been felt even from 1960 onwards.
- (b) Since the Tuticorin Harbour Project and Sethusamudram Projects formed "Twin Projects" and since the Tuticorin Harbour has been completed and commissioned even in 1974, the Sethusamudram Project has to be taken up and completed without further delay.
- (c) This ship Canal will give better sheltered sea route from Tuticorin to various ports on the East Coast as below:

From	To	Saving in Distance in Miles
i) Tuticorin	Madras	434 Miles
ii) Tuticorin	Vishakhapatnam	376 Miles
iii) Tuticorin	Calcutta	340 Miles

- (d) **Saving in Fuel:** Because of the saving in distance as indicated above, there will be considerable saving in fuel and consequently it would reduce our expenditure in foreign exchange by atleast Rs. 130 crores every year.
- (e) **Quicker turn-about:** Because of the saving in distance and saving in fuel the ships will have quicker turn-about leading to appreciation by 20 per cent in performance of Coast Shipping and 5 per cent in Foreign Shipping Trade.
- (f) **Earning Foreign Exchange:** Considerable foreign exchange could be earned because the foreign ships passing through Canal would be paying their canal dues in foreign currency.

- (g) **Coastal Shipping and Coastal Trade:**—Because of the saving in distance and due to availability of direct route along the coast, Coastal Shipping and Trade would develop rapidly and consequently the Minor Ports along the East Coast especially those in Tamil Nadu and Andhra Pradesh, will develop at a rapid stride. This will incidentally reduce the load and congestion on Railways and Roadways.
- (h) This will help fishermen from the South to go to the areas in Bay of Bengal for fishing in mechanised boats and launches and will thus develop the Districts of Tirunelveli and ramanathapuram and other backward areas all along the coast of Tamil Nadu and Andhra Pradesh. This will also give protection to our fishermen, who are repeatedly being attacked by Sri Lanka's naval ships and also by the naval ships of other south eastern nations.
- (i) From strategy and naval point of view, this ship canal will be a great asset for protection of the Indian Coast and Naval Officers have shown keen interest right throughout.
- (j) This project will develop the Backward Districts of Ramanathapuram and other adjoining backward coastal areas.
- (k) This will help rehabilitation of repatriates from Ceylon and Burma and there will be innumerable other benefits which could not be visualised or estimated immediately.

9.48 The desirability of taking up Sethusamudram Project providing for an artificial canal across the rocky barrier called Adam's Bridge to connect the Indian Ocean with the Bay of Bengal similar to Suez and Panama Canals has been represented before the Committee. It is claimed that the project is economically viable and technically feasible and should be undertaken as a national project in national interest.

9.49 While Secretary, Shipping and Transport, had doubts about its economic viability and felt that the main constraint was the financial aspect, he categorically stated that apart from monetary considerations the construction of Sethusamudram Project was "definitely desirable". The Government, it is stated, has set up an expert Committee to go into the technical and economic viability of the project once again. The Committee hope that besides examining techno-economic viability the Committee will

also consider the strategic importance of the channel for the country's defence, and the Government will take an early decision in the matter which will be in the larger interest of the nation. The Committee would like to be informed about the recommendation of technical Committee and action taken thereon.

D. Capital Dredging in Tuticorin

9.50 It has been represented to the Committee that Tuticorin port has a draft of 30 feet. The draft can be increased by 5 feet if capital dredging is undertaken along with maintenance dredging. It has been brought to the Committee's notice that capital dredging is very essential to make Tuticorin Port suitable for bigger ships to meet the national needs. The proposal it is stated was included in the Sixth Plan earlier but dropped later on.

9.51 The Ministry have stated that the Tamil Nadu Electricity Board was contemplating to deploy 35,000 DWT geared vessels to transport coal from Haldia to Tuticorin to meet the requirement of coal for the Thermal Power Project and accordingly pressing the port to improve the draught by deepening the channel. Similarly M/s. Southern Petro Chemical Industries Corporation were also pressing to deepen the port to facilitate them to charter deep draughted vessels for fertiliser raw materials and finished products. Accordingly the port formulated a proposal to improve the draughts up to 10.1 m (33 ft.) at a cost of Rs. 13.00 crores. The scheme was dependent on the improvement of draught to Haldia Port as coal was to be shipped from this port.

9.52 Considering the complex problem of improving the draft of shipping channel to Haldia and paucity of funds, the scheme was not included in the Sixth Plan as, within the available resource, more definitive schemes were available and had to be included.

9.53 During evidence Secretary, Shipping and Transport stated that the Tuticorin bed is all rocky and so the dredging is very difficult. If we go 5 feet down, it will cost something like Rs. 30 crores, if not more. From the economic point of view, to deepen it is not viable because it is mainly handling coal which comes from Haldia. Haldia is 30 ft. That ship which is Haldia can negotiate Tuticorin. If Haldia is deepened to 35 ft. we could have bigger ship bringing coal to Tuticorin. But Haldia is 30 ft. We feel that there is a possibility of our taking up the scheme in the Seventh Plan."

9.54 The need for capital dredging at Tuticorin Port to increase its draft by 5 feet has been represented to the Committee. It has been stated that capital dredging is very essential to make Tuticorin Port suitable for bigger ships to meet the national needs. The Ministry has stated that deepening of draft at Tuticorin Port is linked with the scheme for improvement of draft of shipping channel to Haldia Port from which bigger ships carrying coal are expected to sail to Tuticorin. But considering the complex problem of improving the draft at Haldia and paucity of funds, the Tuticorin scheme was not included in the Sixth Plan. The Committee take note of the observation made by Secretary, Shipping and Transport that there is a possibility of the Ministry taking up the capital dredging scheme for Tuticorin in the Seventh Five Year Plan.

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(S. No. 76)

E. Draft for 1,00,000 DWT ships

9.55 It was brought to the Committee's notice that the trend all over the world is to commission bigger and bigger ships of 1 lakh DWT and above requiring deeper draft.

9.56 The Committee wanted to know whether the Ministry had studied the international trend in this regard and review the drafts available in major Indian ports in this context.

9.57 Secretary, Shipping and Transport, stated during evidence that "we are aware that the ships have been getting bigger and bigger in the last 35 years. Of course, we are not sure how much bigger we will become in future. But we do admit that the ships have become bigger and certain ports of India are not tailored to take those ships. The only port which could take 100 thousand DWT ships is Vizag. We hope that some day, the country will also handle the ships of bigger size."

9.58 The Committee wanted to know the steps being taken to make Indian ports usable for bigger ships—100,000 DWT and above. Secretary, stated that "We are in the process of putting up to the Public Investment Board a proposal in respect of Madras Port. This is under active consideration". Another representative of the Ministry stated that there were a few other ports where basic infrastructural facilities were available, such as Salaya. At Bombay also a port is being constructed and this would take about 1,00,000 DWT vessels. Cochin could also take about 1,00,000 DWT vessels. This could be deepened further in course of time. The Secretary, added

that "Deepening a harbour is just nothing but money. It is a question of spending more crores of rupees. It is not a new technology. We have to introduce heavy dredging".

9.59 Asked about the position at New Mangalore, Secretary stated that "It was designed for 12.5 metres. It is taking about 60,000 DWT. We have again redredged it up to 12.5 metres and we may dredge it upto 15 metres as soon as business picks up".

9.60 At present the only port which could take 1,00,000 DWT ships is Vishakhapatnam Cochin too could take such ships. A proposal to make Madras port usable for bigger ships is also under active consideration of the Government. At Bombay also a port is being constructed to take about 1,00,000 DWT vessels. New Mangalore port with a draft of 12.5 metres can take about 60,000 DWT vessels and it can be dredged further upto 15 metres as soon as the business there picks up. The Committee feel that the Ministry should keep the international trend of commissioning bigger and bigger ships under watch and plan well in advance to make Indian ports usable for bigger ships so as to keep pace with the international trend.

(S. No. 77)

CHAPTER X

LABOUR PROBLEMS

A. Ship Days/Man Days Lost

10.1 The following table gives the ship days lost due to labour problems at Major Ports during 1978, 1979 and 1980:—

Name of Port	1978	1979	1980
Bombay	510	383	259
Calcutta	2198	1180	375
Madras	99	73	131
Visakhapatnam	1	Nil	Nil
Cochin	96	171	174
Mormugao	176	13	7
Kandla	77	38	129
Paradip	38	65	70
Tuticorin	Nil	22	61
New Mangalore	Nil	Nil	32
TOTAL	3195	1945	1238

10.2 It was brought to the Committee's notice during tour that some of the causes of work stoppages/strikes could be forestalled by timely action the part of the Management. For example, at Bombay Port recently (1981) the labour resorted to work stoppage when a worker met with an accident but there was no ambulance available as all the ambulance vans of the Bombay Port had been sent for repairs. The Management admitted that all the ambulance vans should not be sent for repairs at the same time.

10.3 The Committee wanted to know whether the Ministry had made an analysis of the causes of strikes/work-stoppages and whether they had come across instances where the strike/work-stoppages could have been forestalled by timely action on the part of the Management.

10.4 The representative of the Ministry of Shipping and Transport stated during evidence that no detailed analysis of work stoppages as such had been made. On a very rough analysis, however, it had been found that during the last 3 years the man days lost were as under:—

1979	3.65 lakh days.
1980	3.26 lakh days.
1981	1.82 lakh days

10.5 He informed the Committee that out of 1.82 lakhs man days lost in 1981, Bombay accounted for as many as 1.44 lakh man days. Most of the strikes, he said, were illegal as no notice was served.

10.6 He added further that barring the unfortunate case of non-availability of ambulance at Bombay recently where the management could have been cautious, in almost no other case, the management could have anticipated the lightening strikes.

10.7 A labour leader stated before the Committee that:—

“There is no doubt that the strike mentioned here has done some harm to the port. But one has to find out what was the reason for which the strike continued for one full month and nobody in the country, neither the Government, nor the port authorities, were concerned or were interested in finding out what was the cause for the strike. The strike in the port may be by a small section of workmen, may be about 30 to 40, but they are key workers, who can paralyse the entire working of the dock. When 22 pilots in the Bombay port were on strike, it paralysed the work of the port for 35 days. It can harm any section.

It must be remembered that these employees were on strike after giving due notice, because, though their wage revision has to follow the wage revision of the port and dock workers, it was not done. The strike continued for a long time. The Collector of Customs has nothing to do with industrial labour in the port. Only, the clearing and forwarding agents have to get their licence from the Customs. Yet, because he is a person of great influence, although it was not his job, he intervened and brought about a settlement. Neither the Labour Ministry, nor the Transport Ministry, nor the port authorities ever

bothered about it. When the clearing and forwarding agents, numbering about 400, went on strike in the Bombay port, the entire port was paralysed. So, it should have been the concern of everyone. After all, it was a legal strike. But nothing was done. In fact, we ourselves felt sorry that the strike was allowed to continue for such a long time and nobody bothered about it, or intervened in the dispute."

10.8 It was represented to the Committee that no strict division had been drawn between the Management Services of the ports and its Industrial Relations side. It was suggested that the activities and the organisational set up of the port should be split into two distinct divisions i.e. the Management services Division and the Industrial Relations Division. The management Services Divisions would exclusively look after purely operational aspects of the port while the Industrial Relations Division would concern itself only with matters concerning Industrial Relations and matters connected with labour productivity.

10.9 The representatives of the Ministry stated during evidence that "in the recent conference of the Port Chairman it has been suggested that they should have separate institutional arrangements for industrial relations." Secretary (Shipping and Transport) stated that "the problem is inter-linked. But we are asking them to have their own machinery."

B. Labour Productivity

10.10 It was brought to the Committee's notice that excepting Calcutta, wages of labour are linked to the norms of output laid down in the Dock Labour Board Schemes applicable at these ports. Labour achieving higher output than that prescribed in the scheme is paid incentive. These norms were fixed some years back and are related to the cargo mix and trade, then moving in and out through the Indian ports. The cargo mix in the Indian trade has recently undergone major changes and it has therefore been suggested that (i) the norms be reviewed and set afresh in the context of the present items of import and export commodities moving through each port and (ii) they should be related to the actual output being achieved based on the more and more use of mechanical equipment in handling operations.

10.11 It was represented to the Committee's that at a number of ports that labour productivity had deteriorated despite relative wage increases. The labour comes late for work and leaves before

the scheduled hour. At the commencement of a shift instead of reporting to vessels allotted to them (at Bombay), the labour reports at dock gate for booking and then proceeds to vessels in docks which results in a loss of 1½—2 hours of the total shift working time.

10.12 Norms of work have been fixed but these are very low. The piece-rate system where introduced is not based on results. For instance, for stuffing a single container, it is stated, one has to engage 24 labourers at Cochin Port where as in Madras this job is done by 6 labourers. There is an inbuilt idling in the system.

10.13 The representative of the Ministry stated during evidence that "Piece-rate schemes were in vogue in all the ports except in Tuticorin Port. In Tuticorin Port, very recently, there was a system of booking of labour according to shifts. This system would have to be stabilised. After that, the question of introducing piece-rate in Tuticorin Port would be considered."

10.14 The witness added that "Unfortunately, the datums which were originally fixed at the time of the framing of the original piece rate schemes, have not been changed. Several attempts have been made, not only by the port authorities but also by the Ministry, to have them changed in consultation with the Union leaders. These efforts are still continuing. I will not say that production has gone down. But unless the datums are revised, with reference to the improved equipment support available in all the ports, it will be difficult to increase productivity norms drastically. When we look into the figures of productivity in all the ports over the last four years, we can say that productivity is more or less stagnant, in all the ports."

10.15. The representative of the Ministry further stated that "in pursuance of the recent wage settlement which took place on 4th January, 1981, piece rates have also to be revised. The port Administrations are negotiating with the labour unions to have them revised. When the piece rates are revised, the suggestion is that the datums should also be revised, particularly because this is the year of Productivity, and instructions have been received from the Government that when piece rate wages are increased, they should be linked to increased productivity also."

Reporting time for workers

10.16 It has been reported that of late, at Bombay, the labour at commencement of the shift, instead of reporting to vessels allotted to them, report at Dock gates for booking and then proceed to vessels in docks which results in loss of almost 1½ to 2 hours of the total shift working and greatly affects the productivity of labour.

10.17 The Ministry informed the Committee that the system of reporting earlier than the commencement of the shift hours at the call stands to take booking is prevalent for cargo handling shore and dock workers at Madras, Visakhapatnam, Cochin, Kandla, Tuticorin and also for the dock workers at Mormugao and Calcutta. The Port workers in Calcutta are given booking 24 hours in advance and they report at the work spot direct. The shift timings of shore workers in Mormugao have been fixed in such manner that each shift closes half an hour after the commencement of the subsequent shift. The cargo-handling shore and dock workers in Bombay had also been reporting earlier than the commencement of the shift, but the practice was unilaterally stopped by the workers from 1-4-1978 in order to press their demand for payment of overtime for early report. The dispute in this regard is stated to be under conciliation.

10.18. The Chairman, Bombay Port Trust explained during evidence (Jan., 1982) that this matter had not been resolved so far. The matter was with the Ministry. The essence of the dispute was that while the labour union insisted that the labour would report at the commencement of the shift at the booking office and not at the work place, to reach which it takes about 20 minutes. There is an undeniable loss of time in this practice. The labour should report at the work site right at the commencement of the shift. The dispute was continuing.

Surplus Labour

10.19 The Committee were informed that there was surplus labour at Calcutta Port as a result of decausalisation and due to declining cargo traffic. Consequently labour charges at the port have risen to uneconomic levels. At Mormugao Port also there is surplus labour inspite of voluntary retirement scheme.

10.20. The Ministry stated that according to traffic projections for the year 1980-81, the estimates of surplus among registered Dock Workers in Mormugao was about 530. There is no surplus labour at Madras, New Mangalore, Visakhapatnam, Paradip, Kandla and

Cochin. The estimated surplus among registered dock workers at Calcutta is stated to be about 740. A study of the manning scales with reference to the present practices and procedures is under study in Bombay. According to Tuticorin Port Trust, special care has been taken to list only such number of cargo handling workers as are required to meeting the peak traffic demand so thaht no surplus labour will be available in the pool.

10.21 With regard to labour force at Calcutta Port it has been stated in a memorandum that "the dock labour Board charges are excessive with a levy as high as 280 per cent. The reason for the high cargo handling costs is the excessive labour force in the port. Following the gradual decline in the cargo traffic to the Calcutta port, the labour surplus position has deteriorated. It has been stated in this connection that in the absence of positive indication of an apreciable increase in traffic, the logical solution appears to be further reduction in labour strength rather than a constantly increasing levy which would keep the stevedoring cost at a high level and could reduce the attractiveness of the port to ship owners, particularly bulk cargo operators, leading to a continuing fall in the trade which, in turn, would predictably result in less employment and high levies again."

10.22 The Ministry of Shipping and Transport stated that "the existing rate of general levy for gang workers of Calcutta Dock Labour Board is 255 per cent of the gross wages excluding incentive earnings. The reason for this is fall in traffic, considerable increase in productivity and consequent surplus labour. It is to be pointed out here that the Calcutta Dock Labour Board has since 1970 retired about 9000 workers under both Voluntary and Compulsory Retirement Schemes. The present strength of registered workers as on 1-12-1981 is 8863. The Board has in force even today a Voluntary Retirement Scheme for its labour force. The Calcutta Dock Labour Board is also constant touch with Calcutta Port Trust so that its available worker force would be utilised by them either at Calcutta or at Haldia. Efforts are also being made to attract more traffic to Calcutta Port."

10.23. During evidence Secretary (Shipping and Transport) stated that Calcutta and Mormugao ports had definitely surplus labour. In Mormugao it was because of installation of ore handling plant three years back. In Calcutta surplus labour had resulted from traffic difficulties. According to a representative of the Ministry in

Mormugao on the dock side the surplus labour was 506. In Calcutta on the dock side the surplus was 1916 approximately and on the port side it was about 274.

10.24 The representative stated that when there was surplus labour, it had to be paid the minimum wages. Levy was consequently increasing. In Calcutta it had increased from 270 to 320 per cent for different categories of dock workers. The incidence on the consignee also increased on this account.

10.25 As regards the measures to deal with this problem, the witness stated that a voluntary scheme was prepared and special levy was also collected for the purpose of making payment.

He stated that very few workers had taken advantage of the retirement Scheme in Calcutta. In Goa also the Scheme was there but it was not so attractive. Secretary (Shipping and Transport) promised to look into the voluntary retirement schemes and see whether these could be made more attractive.

C. Training for Port Workers

10.26 In a memorandum furnished to the Committee it has been stated that "labour training and their involvement in these modern technologies must be considered by ports at planning stage, since this has turned out to be a major deficiency in many ports of India. Management labour on rational basis in port sheds and on board ships is very essential. Gang structure for handling every commodity must be as required and not common for all. It is time to consider regrouping and recategorising various labour and supervisory groups, DLB labour and port labour, since bulk carriers cannot be handled by same men handling steel; general cargo requires expertise only known to few in our ports; container technology is a computer technology of the future. Heavy lift carriers of over 500 tonnes will move on RoRo Vessels or on heavy lift carriers and will require only a few experts. Liquid cargo, such as edible oil in bulk and even slurry of coal and ore are not easy to tackle. Highly corrosive chemicals, liquified gases (ING) require different supervision. Yet we continue to employ same old labour and supervisory staff, with same gang strength to follow obsolete labour technique for modern shipping and cargo technology."

10.27 From the information furnished by the Ministry, it is seen that training arrangement for labour were there at Bombay, Madras, Vishakhapatnam, Mormugao, Paradip, but such an arrangement was lacking at Calcutta, Cochin, Kandla, Tuticorin and New Mangalore.

10.28 When asked whether Ministry did not agree that with the changing complexion of foreign trade and cargo handling techniques, there was an imperative need to make arrangements for training of port workers and regrouping and categorising port workers the representative of the Ministry of Shipping and Transport stated during evidence that "The Ministry agrees that separate institutes will have to be created for the training of port workers." He informed the Committee that the Indian Port Association had decided that training institutes would have to be started in Bombay, Calcutta, Madras, Vizag and Cochin. The ILO has been approached for deciding the size nature and set up of these institutions and the type of training to be organised there. After a report was received from ILO these institutions would be created. But in the meanwhile, all the Port Chairmen had been asked to have facilities for training of port and dock workers.

10.29. As regards the suggestion to effect regrouping and recategorisation of labour gangs Secretary (Shipping and Transport) stated "we propose to have discussion with the labour leaders very soon."

D. Integration of labour force

10.30 A view was expressed before the Committee that there should be integration of port labour and dock labour and that there should be a single agency to control all the labour. It was stated in this connection that the Dock labour Board had out lived its usefulness in view of its poor performance in recent years and should be abolished. It would have the advantage of better productivity, better coordination and cooperation and interchangeability between two sets of workers.

10.31 The Ministry informed the Committee that the Chatterjee Committee appointed in 1975 had recommended coordinated functioning in handling cargo from the transit shed to the ships hold and vice-versa as a single system or a unified operation under a single agency control which should be under the Port Trust.

10.32 The question was thereafter referred to Shri N. P. Bapat, formerly Chairman Kandla Port Trust, for an in-depth study. Shri Bapat suggested that the thinking in terms of abolition of Dock Labour Boards and unification of the cargo handling arrangements under the Port Trust at the major ports where Dock Labour Boards already existed, might be given up. He recommended that the existing Dock Labour Boards should operate as the sole labour supplying agency for all labour on ship as well as on shore. This recommendation was not found practicable by the Ministry.

10.33 The Ministry also informed the Committee that it "is attempting integration of cargo handling labour in the ports of Paradip, Tuticorin and New Mangalore where Dock Labour Boards have not yet been set up." In the case of old ports where Dock Labour Board already exists, the question as to how inter-changeability between different categories of workers of Dock Labour Board and between the workers of Port Trusts and DLB can be achieved is stated to be under examination.

10.34 Giving its view on the question of integration of two labour forces, the Ministry of Shipping and Transport further stated that "Integration of cargo handling labour of the Port Trust and Dock Labour Board is a desirable objective. But in the case of Bombay, Madras, Calcutta, Vishakhapatnam, Cochin, Mormugao and Kandla where Dock Labour Boards have been set up statutorily and the dock workers are registered or listed under the statutory schemes, complete integration would be difficult because of long established practices, awards and settlements, many of which cannot be revoked without risking serious industrial unrest. However, the question as to how far interchangeability between different categories of workers of the Dock Labour Boards and between the workers of the Port Trusts and of Dock Labour Boards can be achieved is being examined in consultation with the Chairman of Ports and Dock Labour Boards."

10.35 Secretary (Shipping and Transport) stated during evidence that "Paradip, New Mangalore and Tuticorin do not have Dock Labour Board. But in the seven old ports there are Dock Labour Boards. We do believe that with the new technology the dock labour board of the standard type is bit out of date. What new system we should have by which both shore and ship labour should be combined is a question which we are discussing continuously. Nevertheless there are problems, representations, and we do not know how the picture will emerge. In many countries of the world the dock labour board of the old type has vanished. Ultimately, cargo handling has to be dealt with by one organisation. We are not rejecting this suggestion but, we have to take the labour along."

10.36 The Committee are distressed to find that the Major Ports lost as many as 3.65 lakh mandays in 1979 and 3.26 lakh mandays in 1980 on account of labour unrest. The position somewhat improved in 1981 when the mandays lost came down to 1.82 lakhs. Most of the strikes or work stoppages are stated to have been illegal and unforeseeable. Surprisingly no study has been made by the Ministry to know whether, any, and if so, how many strikes/work stoppages

could have been forestalled by timely action on the part of management. The Committee feel that such a study should be made to learn lessons from past mistakes which will, no doubt stand the management in good stead in dealing with such situations in the future.

(S. No. 78)

10.37 The Committee also feel that if the port management has tactful, alert and sensitive set-up to look after industrial relations and keep a watchful eye on the health and mood of the labour community, it can sense the approaching storm before-hand and move in the matter well in time to defuse some, if not all, explosive situations before it is too late. The Ministry will do well to review the industrial relations machinery at each port with a view to making it strong and efficient.

(S. No. 79)

10.38 The Committee are concerned to note that labour-productivity has been more or less stagnant in all the ports over the last four years. Norms of productivity have remained unchanged despite the facts that wages have been rising from time to time and the equipment too has been improved and mechanised. The Committee fully endorse the thinking of the Government that when piece rate wages are increased hereafter, the norms should also be revised upward and the increased wages should be linked to increased productivity. The Committee hope that the new productivity norms will also ensure that the labour report at work sites on time and are encouraged to achieve higher outputs. This will be in the fitness of things in the year of productivity; that is 1982, if conclusive action in this direction is taken now and not delayed any longer.

(S. No. 80)

10.39 The Committee are concerned to note that the labour force at Calcutta and Marmugao ports is far in excess of requirements. The surplus is over 2000 workers at Calcutta (out of a total registered strength of 8863) and 506 at Mormugao. In order to pay minimum wages to the surplus labour at Calcutta, the consignees are required to pay a levy of 270 to 320 per cent of gross wages (excluding incentive earnings. Voluntary retirement schemes have been introduced at these ports but these have not proved attractive and have not been able to bring down the labour strength to the desired levels. Efforts are stated to be under way to utilise the surplus labour at Calcutta port either at Haldia or in other areas at Calcutta and to attract more traffic at Calcutta Port. The Committee will urge the Ministry to find satisfactory solutions to the problem of surplus labour by making voluntary retirement schemes more attractive as also by taking such other measures as may be considered feasible and effective.

(S. No. 81)

10.40 The Committee regret to note that even though cargo handling technology and trade pattern are changing fast there are no training arrangements to keep the labour abreast of the latest developments at a number of major ports in India viz Calcutta, Cochin, Kandla, Tuticorin and New Mangalore. Realising the importance of training of port workers, the Indian Ports Association has taken up the question of opening training institutes with the ILO and the training institutes, it is stated, will be set up shortly. In the meantime, the port Chairman have been asked to make arrangements for training of port and dock workers. The need to train labour in the latest techniques of cargo handling and to regroup and re-categorise labour gangs to suit the changing trade pattern cannot be over emphasized. The Committee hope that the proposals which have been initiated in this direction will be translated into action soon.

(S. No. 82)

10.41 At present there are two categories of labour working at the ports, the dock labour and the port trust labour. The Chaterjee Committee (1975) had gone into the question and recommended coordinated functioning in handling cargo from the transit sheds to the ship hold and vice versa as a single system or as a unified operation under a single agency control which should be under the Port Trust. The question was further examined by Shri N. P. Bapat, formerly Chairman, Kandla Port Trust, who was of the opinion that the thinking in terms of abolition of Dock Labour Boards and unification of all the cargo handling arrangement under the Port Trust should be given up. In his view the existing Dock Labour Boards should operate as the sole "labour supplying and labour deployment agency" for all the labour on ship as well as on shore. But, this recommendation was not found practicable by the Ministry. The Ministry has stated that integration of cargo handling labour of the Port Trust and Dock Labour Board is a desirable objective and port authorities are attempting integration of cargo handling labour in the ports of Paradip, Tuticorin and New Mangalore where Dock Labour Boards have not yet been set up.. It is the case of old ports where Dock Labour Boards already exist that they envisage difficulties in bringing about such an integration.

10.42 The Committee have gone into this question. They are of the opinion that for the optimum utilisation of labour force and for efficiency of operations at the ports, it is absolutely essential to integrate all categories of labour whether of Port Trusts or of Dock Labour Board into one labour force and place them under a unified control. They would urge the Ministry to pursue this matter vigorously with a view to bringing about such an integrations is early as possible.

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(S. No. 83)

CHAPTER XI

PORT ADMINISTRATION

A. Board of Trustees

11.1. Major Port Trusts are statutory bodies administered in accordance with the provisions of the Major Port Trust's Act, 1963. At each Major Port there is a Board of Trustees representing various interests connected with port operation and shipping industry. The Board is headed by a Chairman, who is appointed by the Central Government. The Chairman is assisted by a Deputy Chairman (wherever the post of Deputy Chairman exists) and other Heads of Departments.

11.2. It was represented to the Committee that "At present there is no proper forum where users of major ports can discuss their grievances and problems with the port authorities. Although the various port Trust Boards meet at regular intervals; the subject dealt with at such meetings do not relate to the specific complaints of the port users. It is suggested that an Advisory Committee consisting of representatives of major users of Ports and the Port authorities be established at Major Port where problems of the port users can be directly taken up with the port authorities. Meetings of each Advisory Committees may be held once a month. Besides, the Public Relations Department of the major port Trusts may be strengthened and staffed with adequate personnel to give and provide assistance to the port users."

11.3 The Ministry of Shipping and Transport stated that the present position in regard to the forums for discussing grievances of port users was as follows:—

Bombay: There are two Standing Committees of Trustees:

- (1) Remission Committee which deals with the claims for remission of Port charges and
- (2) Port Working Committee (which goes round the docks for inspection as may be necessary and makes recommendations for operational improvements). On both the Committees, there are Trustees representing port users. The Working

Committee is assisted by an advisory panel of outside experts which holds meetings independently of the Port Working Committee.

Calcutta: There is a forum of port users at Calcutta Port, viz. Joint Operations Committee which meets periodically under the chairmanship of the Traffic Manager. At this meeting, which is attended by user's representatives, their problems and difficulties are discussed and remedial actions taken wherever called for.

Haldia: General complaints of port users are considered by the functional managers and the Dy. Chairman of CPT, Haldia.

Madras: At Madras Port the meetings are held periodically, with the steamer agents, stevedores, clearing and forwarding agents, shipper's councils. These forums are meant for exchange of views on various issues connected with shipping. The Port users use these forums to express their difficulties and problems encountered in the discharge of their functions to the port authorities direct. The problems faced by the trade are discussed at these meetings and solutions arrived at. Besides, complaint cells are attached to various commercial activities at the port and trade can make use of them to have their complaints looked into.

Kandla: The trade interests at this port are represented on various forums to discuss the grievances and problems with the port authorities. Periodical meetings of these forums are held where the grievances and problems are discussed and short and long term measures are found.

Paradip: Daily traffic review meeting is held by the Traffic Manager where all the users of the port|shippers agents|stevedores and cargo handling agents attend to discuss their problems. Besides these, daily meetings, weekly review meetings are taken by the Deputy Chairman where all concerned agencies connected with the operation meet and discuss the various problems.

Cochin: The Port Operating Committee comprising representatives of major users of Port and the Port authorities has already been established at the port and meeting at the regular intervals are held. At these meetings pro-

blems concerning port operations are discussed and suggestions of the port users are given due consideration for formulating policies from time to time. This forum is also open to port users to ventilate their grievances so that discussions with open mind can be made to redress the grievances to the extent possible.

Mormugao: Since iron ore constitute about 93 per cent of the total traffic of the Mormugao, regular monthly meetings are held with the Association of the Shippers (Goa Minerals Exporters Associations and the Technical sub-Committee of the Association) in order to sort out various issues pertaining to the operation of the mechanical ore handling Plant at berth No. 9. There are also periodical meetings held with the stevedores and port users in respect of handling of general cargo. Besides the concerned Heads of the Departments are regularly consulting the trade and port users from time to time on matters of mutual interests.

Tuticorin: The Port Operating Committee's meeting is held once in 3 months with the representatives of all users interests working in the port so that wider participation of all interests engaged in port operations is achieved. The Ministry have stated that it may be ensured that in such periodical meetings of the port users, the port authorities should provide them the necessary opportunity to ventilate their grievances which in turn could help the port administration to take proper corrective measures to get over such situations.

The Ministry stated that "it would be seen from the above that at major ports there is a forum(s) for discussing the problems and grievances of the port users with port authorities. In addition to the meetings of the Port Trust Boards, Port Unions discuss their problems and ventilate their grievances. In view of this, it is not considered necessary to constitute advisory Committee consisting of representatives of major users of port and port authorities to deal with the grievances and problems of trade interests. Most of the major ports have adequate Public Relations Department and it is not considered necessary to strengthen the same on that account."

11.4 During evidence the Committee asked if the Ministry had any objection to have a regular institution for the purpose as in Calcutta, the representative of the Ministry stated that "there is no objection to this."

11.5 The Committee note that at Calcutta, Cochin and Tuticorin there are formal committees viz. Port Operations Committees consisting of port officials and users which meet at regular intervals to discuss problems and difficulties of port users. But no such regular Committees have been constituted at other ports though ad hoc arrangements are stated to have been made there to hear and redress the grievances of the Port users.

The Committee are glad to learn that the Ministry has no objection to constitute formal Committee of port officials and users at all other ports to provide a regular forum for hearing grievances and finding solutions by collective discussions. The Committee hope that this will be done soon.

(Sl. No. 84)

11.6 It was represented to the Committee that although 92 per cent of the cargo from the Bombay docks is handled by road transport, the road transport industry though well organised is not represented on the Board of Trustees. On the other hand trunk railways who carry only 8 per cent of the cargo have 2 representatives on the Board. It was suggested that this anomalous position should change and full representation should be given to road transport.

11.7 It was also represented to the Committee that the present constitution of Bombay Port Trust needed to be modified so as to give due representation to Indian National Steamships Association and Steamer Agents who are directly concerned with port operations.

11.8 Similar representations were made to the Committee in respect of other major ports where too a number of organisations directly concerned with ports, such as Bargemen's Association, Shipowners' Association, Stevedores Association etc., were reportedly not represented on the Port Trusts.

11.9 The Ministry in so far as Bombay was concerned stated that the percentage of cargo by rail, road and pipelines is 15 per cent, 35 per cent and 50 per cent respectively. In the present Port Trust Board there is one representative (not two representatives) on behalf of the Railways on the Port Trust Board.

11.10 The Ministry added that in view of the Important role of the Railways in the movement of essential commodities, the Major

Port Trusts Act itself specifies that there should be a representative of the Railways on the Board of Trustees. As regards road transport, while there is no direct representation specifically for the road industry, their interests are nevertheless taken care of by the representation provided for various Chambers of Commerce. The Ministry stated that there is a ceiling of 19 trustees (besides Chairman and Dy. Chairman) under the Major Port Trusts Act, 1963. In view of the limited seats available, it is not possible to give representation to all the interest.

11.11 Secretary Shipping and Transport explained during evidence that there were 19 Members on Port Trusts of big Ports like Bombay, Madras and Calcutta. The Ministry considered this number to be too large and enough. Secretary added that "the port Trusts are supposed to be efficient organisational Bodies. They become pressure points and their working is already disturbed. To induct every interest in the Port Trust is impossible. Our general approach is that one each from shipping, merchant chamber and from broad areas of interests, should be represented." He stated that in Bombay, ship-owners were not represented while Shipping Corporation having about 55 per cent of India's shipping was represented. Where the Shipping Corporation was not there on the Board of Trustees, a representative from Indian National Ship owners' Association was taken. Similarly, most of other interests were represented from some merchant chambers or from other commercial organisation. Secretary expressed their view that "We want to reduce the number. They should not become pressure points and politics should not enter into them."

11.12. When asked if some rationalisation within the existing ceiling of membership of Board of Trustees was possible. Secretary stated that the matter could be looked into from this angle.

11.13 A Board of Trustees has been set up at each Major Port under the Major Ports Trusts Act 1963 and representatives of various interests connected with port operations and shipping industry are appointed on the Board. In view of the fact that there is a statutory ceiling of 19 or so fixed for each Board, the Ministry has stated that "it is not possible to give representation to all the interests." But this, in the Committee's opinion, does not mean that some very important elements connected with port operations should not find a direct representation on the Board, as is reported to have been the case at Bombay and certain other ports. The Committee

feel that the constitution of Port Trust Boards should be reviewed at the earliest opportunity and representations rationalised so as to give an effective voice on the Board to a cross section of interests which have a direct stake in the efficient working of the ports.

(S. No. 85)

B. Autonomy of Port authorities

11.14 It was stated in a number of memoranda that during the last few years the authority of the Port Trust Board and the officers of the Port Trust was being eroded day by day and their freedom to act even within the ambit of Major Port Trusts Act was being controlled to a considerable extent thereby defeating the purpose for which Parliament had thought it fit to make an enactment. While citing a few examples, it was stated that nowadays individual Port Trusts cannot create posts, cannot frame recruitment rules, cannot decide the cases of employees regarding allowances etc. In short, the Port Trust cannot act in the sphere of personnel matters without the proposals being sanctioned by the Ministry of Shipping and Transport. This has resulted in centralising the authority in the Ministry which delays the settlement of disputes, cases and defeats the purpose of the Act.

11.15 According to the Ministry "There is no basis for the suggestion that the authority and freedom of the Port Trust Boards and their officers are being curtailed. Probably, the criticism arises on account of the Ministry's advice to the Chairmen of the Port Trusts to exercise great care before creating any new posts in any category and fill in a vacant post on being assured that it actually needs to be filled in. The Ports were also advised to cut down on fresh recruitment by exploring possibilities of moving the surplus staff into areas where shortages occur. These instructions have been given by the Ministry with the object of achieving economy in expenditure on establishment and to ensure maximum utilisation of the existing personnel borne on the rolls of a Port Trust. The Ministry has been overseeing the compliance with these instructions by the Port Administrations. To view this measure as leading to centralisation of authority in the Ministry is not correct".

It was stated in another memorandum that "it appears that one of the important reasons for the continuance of labour troubles at the Ports was that Port Trust Boards did not have adequate powers to deal with these problems or if they had they were unable to exercise these powers for various reasons. Port Trust Boards are supposed to be autonomous bodies but are not really free to take

decisions even on day-to-day issues. Everytime they have to refer the matter to the Central Government, either formally or informally, and obtain the latter's views/instructions before they can take a decision. Port Trusts should be given real autonomy so that they can function as independent bodies in the matter of investment decisions, industrial relations, administration and related matters."

11.16 The Ministry stated that "the Boards exercise their powers and perform under the framework of the Major Port Trusts Act, 1963. Under the provisions of law, there are specified matters which require action or orders by the Central Government and to that extent it is obvious that the Port Trust Boards are not completely autonomous".

11.17. As regards the averment that the Port authorities are not free to take decisions in day-to-day matters, the Ministry added that "we do not know the basis on which this view has been expressed. The fact is that in a majority of cases the decisions are taken by the Port administration or by the Board of Trustees. There are, however, limited number of matters in which a reference to the Central Government is required to be made by the Ports. In this category, would fall those subjects in respect of which, as explained earlier, orders/sanction by the Central Government is a pre-requisite under the law".

11.18 As regards the investment decisions, the Ministry added that "the orders issued by the Central Government indicate the monetary limits upto which new plan schemes/works can be sanctioned by different Port Trust Boards. In accordance with the orders issued in 1979, such powers were enhanced upto Rs. 1 crore in the case of Bombay and Calcutta Ports, Rs. 75 lakhs for Madras, Cochin and Visakhapatnam Ports and Rs. 50 lakhs for Kandla, Paradip, Mormugao, New Mangalore and Tuticorin Ports. In the present context, these financial powers are considered adequate".

11.19. Secretary (Shipping & Transport) stated during evidence that "the Port Trusts are exercising and have adequate financial powers. Even when we sanction a scheme of Rs. 25 crores, we don't ask them whom they will give the contract, and how they will execute the work. It is in the Plan, and so we issue the sanction for purchasing the equipment and doing other things. They have very large financial powers delegated. So, within the Plan sanction, by and large there are very large financial powers to execute works".

11.20 The witness added that "leaving out the Ports of Bombay and Madras, most of the Ports are deficit hones. So, they have to get budget support from us. When they ask for money, naturally we have to go to Finance Ministry and Planning Commission. But where they have their own money, they exercise very large powers". What some people might have represented is about service matters e.g. creating a new payscale, change in job categories or creation of new ones, giving somebody a special pay etc." The Secretary further added that "under Major Port Trusts Act, these matters have to be referred to Government. Otherwise, one action of a Port not only can harm itself, but can have repercussions on others. This has been happening continuously. Once any concession has been given by one Port, immediately the demand has been built up in other Ports. They have to come to us here, we have to go to the Labour Ministry and get an overall policy decision".

11.21 Representations have been received by the Committee both from official as well as non-official sources that the autonomy of the Port authorities is being eroded day by day in administrative matters, like creation of posts recruitment rules, payment of allowances etc. Such proposals have to be referred to the Ministry of Shipping and Transport for sanction with the result that there are delays and ports are handicapped in dealing with the problems promptly. According to the Ministry instructions to refer administrative matters like creation of posts etc. have been issued with the object of ensuring economy in expenditure and uniformity in all Ports as an action at one Port can have repercussions on other Ports. While the Committee appreciate the viewpoint of the Ministry, they are unable to dismiss the strong representations made against, what has been called, the centralisation of authority in the Ministry to the detriment of Ports autonomy. The Committee would like that a critical study of the powers vested in the Ministry and Port Trusts under the Major Ports Trusts Act and the Rules made thereunder should be made to determine whether the Ports have been allowed autonomy in actual practice within the allotted spheres and whether the Ministry has over-stepped the limits of its powers under the law. To make the study objective, it would be necessary to associate the representatives of the Ports and the Ministry of Finance with it. If still the Ministry feels it necessary to have more powers for itself or limit the powers of Ports in any particular respect in national interest, there should be no objection provided the law is modified accordingly. What the Committee would like is that statutory powers granted by Parliament to Port Trusts should not be taken away or eroded by administrative fiat.

(S. No. 86)

C. Absence of Chairmen/Dy. Chairman from Ports

11.22 During the visit of the study group of the Committee it came to their notice that in the absence of the Chairman of a Port Trust, certain important cases requiring his decision were stated to have been left pending resulting in delays in Port operations.

11.23 The Committee asked whether it was not desirable that in the absence of Chairman from the Port, the next officer should exercise his powers.

11.24 The Ministry stated in a written reply that under the provisions of the Major Port Trusts Act and the rules/regulations made under the Act, the Chairman has been delegated certain statutory and non-statutory powers. Besides, powers in the administrative and other matters have been delegated to other officers of the Port Trusts. In such a situation, it is not necessary that the Officer next to the Chairman should be authorised to exercise the powers of the Chairman during the absence for a short period of the latter. In cases where a Chairman or Deputy Chairman has to be away from duty for a considerable period, arrangements are made to authorise another person to act in his place by issuing suitable orders under Section 14 of the Major Port Trusts Act.

11.25 A statement showing the absence of the Chairman from the headquarters during the last two years is given below:—

Statement showing details of absence of Chairmen of Major Ports during the year 1980 and 1981

S. No.	Name of the Port Trust	1980	1981
1.	Calcutta Port Trust	68	93
2.	Tuticorin Port Trust	131	105
3.	Bombay Port Trust	92	17
4.	Kandla Port Trust	147	NA
5.	Cochin Port Trust	89	99
6.	Paradeep Port Trust	99	45
7.	Madras Port Trust	87	83
8.	New Mangalore Port Trust	148	128
9.	Marmagao Port Trust	78	74
10.	Visakhapatnam Port Trust	54	90

1.26 Chairman, Port Trusts, have been delegated certain statutory powers. Besides, powers in the administrative and other matters have already been delegated to other officers of the Port Trusts. The Ministry does not consider it necessary that the officers next to the Chairman should be authorised to exercise the powers of the Chairman during their absence for a short period. From the data furnished by the Ministry, the Committee however, find that Chairman of certain ports have remained out of station for an aggregate of 83 to 128 days in 1981; in 1980, the aggregate period of absence was as high as 147 days at Kandla, 148 days at New Mangalore, 131 days at Tuticorin and 99 days at Paradip. The Ministry would do well to consider the effect of absence of Chairman, Port Trusts, from headquarters for such long period on the efficiency of the port operations. (S. No. 87)

11.27 The Committee are of the view that, in the absence of the Chairman of a Port Trust if an urgent issue concerning port operations or security or safety rises and if delay in taking a decision on the issue is likely to cause harm to the port or harassment or financial loss to port users, the officer next below to the Chairman should be able to exercise the powers of the Chairman subject to review by the latter on his return. The Committee would like the Ministry to give a thought to this matter. (S. No. 88)

D. Management Information System

11.28 It was stated in a memorandum that information system at the ports in modern terms is sadly lacking except at two major ports of Bombay and Calcutta where Management Accounting Systems have been introduced. There is hardly any continuous research or statistical analysis being carried out again except at Bombay. Management Accounting systems must be introduced at all major ports. It was suggested that all ports should also have a statistical analysis cell or research officer.

11.29 During evidence the representative of the Ministry informed the Committee that the Management accounting system had been introduced in all the Ports except the Ports of New Tuticorin and New Mangalore. These Ports had also been advised to introduce the accounting system. He expressed the view that the management accounting system should be linked with the electronic data processing system so that the information flow is passed and the analysis of information is also passed. In some Ports, the management accounting system has not been linked with an efficient electronic data processing system and those Ports have been advised to complete it as early as possible.

11.30 As regards management information system he stated that there was a considerable flow of information of different types from the Ports to the Ministry where this information is collated, compiled, tabulated and analysed for different purposes. He however admitted: "But I will not say that all the information which comes to the Ministry is fully utilised because we do not have an electronic data processing system at the present moment." He stated that the management information system had been evolved by the Transport Research Division in the Ministry and this management information system had been implemented and from time to time it was being defined. One of the suggestions made at the recent Ports Chairmen Conference was that the IPA should be responsible for designing and maintaining the management information system. This matter would be discussed at the Indian Ports Association meeting shortly. Asked if any time limit had been fixed for introducing the management information system. The witness stated that whole thing would be completed within a year.

Secretary, Shipping and Transport stated that "we are tremendously exercised that we should have modern management system in the Ports and we are thinking continuously to pump in younger people who are highly educated and use machines and equipments. We are concerned about the Ports being run in a more modern managerial way. We feel that the present methods and approach are obsolete while cargoes are changing and other methods are changing."

11.31. The Committee are glad to learn that Management Accounting System has already been introduced in all the ports except the ports of Tuticorin and New Mangalore which also have been advised by the Ministry to follow suit. Ports where the Accounting System is not yet linked with electronic data processing system have also been advised to do so early.

11.32 The Committee find that there is no Management Information System in the ports. The need for such a system appears to have been acknowledged by the port Chairmen but it is yet to be designed. It is awaiting further consideration by the Indian Ports Association. The Committee would urge the Ministry to help the ports arrive at a decision in the matter and introduce a Management Information System at the ports expeditiously as a step towards better control and direction of port management and operations. (S. No. 89)

11.33 The Committee note that the large volume of information which the Ministry is receiving from all the ports and which it says it is tabulating and analysing, is not all being utilised for lack of electronic data processing system. When the Ministry has gone so far as to make all arrangements for collecting and analysing information from all the ports, the information should be fully utilised in monitoring and coordinating the working of the ports and the development projects under way there; otherwise the expenditure and efforts made in collecting information would be infructuous.

(S. No. 90)

E. Shortage of Trained Personnel

11.34 The Ministry has informed the Committee that generally speaking, adequate number of trained and qualified personnel are available at the Ports to meet their specialised requirements. However there are certain categories in which shortage of adequately trained and qualified personnel is being felt at some of the Ports. For example, in Calcutta Port, there is a shortage of personnel for the Pilot Service, Dredger and Despatch Service and Marine Engineering Service. At Bombay Port, shortage of Berthing Masters, Pilots, Floatilla Engineers and Technical Supervisors for the Crane and the Dock Machinery Sections and Pipeline Sections has been felt. Kandla Port is experiencing difficulty in finding adequately number of qualified Marine personnel for pilots work and also for manning the Port's floating craft including dredgers. At Paradip Port, there is shortage of Tug Masters and of the personnel for working on the deck side of the dredgers. At Tuticorin Port, Pilots are in short supply.

11.35 Information regarding the shortage of trained and qualified technical personnel as on 1.1.1962 is given in the statement below:

Name of Port Trust	Category	Extent of Shortage
1	2	3
Calcutta Port Trust	(1) Pilots	17
	(2) Commanders	7
	(3) Marine Engineers	172
	(4) River Survey Officers	
Bombay Port Trust .	(1) Assistant Executive Engineers	20
	(2) Asstt. Executive Engineer 'Design'	7

1	2	3
	(3) Sr. Works Inspector .	2
	(4) Works Inspector	4
	(5) Sub-Overseer	1
	(6) Works Inspector (Sanitary) . . .	1
	(7) Permanent Way Inspector (Railway) . . .	1
	(8) Marine Surveyor .	1
	(9) Asstt. Marine Surveyor	3
	(10) Pilot . . .	3
	(11) Berthing Master .	1
	(12) Port Safety & Fire Officer	1
	(13) Asstt. Port Safety & Fire Officer . . .	1
	(14) Flotilla Engineer	2
	(15) Steam Engine Driver First Grade . . .	1
	(16) Driver Junior .	4
	(17) Steam Engine Driver Second Grade . . .	2
Madras Port Trust .	(1) Senior Master Grade I .	16
	(2) Serang . . .	6
	(3) Motor Driver (CIL Dock Tug/Dock Tug). . .	34
Madras Port Trust .	(1) Senior Master Gr. I	16
	(2) Serang . . .	3
	(3) Motor Driver (OIL Dock Tug/Dock Tug). . .	34
	(4) Motor Driver (EC) Gr. I	14
	(5) Motor Driver (EC) Gr. II	6
	(6) Steam Driver (EC) Gr. III	8
Visakhapatnam Port Trust	No Shortage . . .	Nil
Mormugao Port Trust	(1) Pilot . . .	2
	(2) Chief Engineer (Marine)	5
Kandla Port Trust .	(1) Pilot . . .	2
	(2) Tug Master (Home Trade)	4
Gochin Port Trust .	(1) Survey Assistant . .	4
	(2) Commander . . .	1
	(3) Serang . . .	1

Name of Port Trust	Category	Extent of Shortage
	(4) Seacunny	1
	(5) 2nd Cl. Driver . .	1
	(6) Engine Room Fitter	2
	(7) Lascar	8
	(8) Pilots	2
	(9) Engineers-in-Charge	1
Tuticorin Port Trust	(1) Pilot	2
Paradip Port Trust	(1) Pilot	2
	(2) Tug Master (Cl. I)	1
	(3) Tug Master (Cl. II) .	1
	(4) Deep Sea Tindal . .	2
	(5) Cassab	4
	(6) Serang	7
	(7) Traffic Inspector (Railway)	1
New Mangalore Port Trust	(1) Pilot	1

11.36 The Ministry has stated that all possible efforts are being made by the Port Trusts to ensure availability of adequate number of trained and qualified personnel who are at present in short supply. Calcutta Port Trust has started a marine apprenticeship scheme under which T.S. Rajendra—passed cadets are recruited and trained for two Marine Service namely, Calcutta Pilot Service and the Hooghly River Service. At present, 26 apprentices are under training.

11.37 The Dredging Corporation of India has undertaken a scheme to build-up an All India Dredging cadre for manning the posts of Dredger Officers in its own service as well as at the Major Ports. The scheme consists of theoretical training as well as on-the-job training.

11.38 The main reason for shortage of Marine personnel, is that adequate number of technical personnel possessing the Master Mariner's certificate are not available in the country, and those who are available generally go to the shipping companies where their salaries are very high as compared to what they receive under the Port Trusts. Although it is not possible for the ports to give the

same remuneration to such Marine personnel has they get in the Shipping Companies, efforts are made to attract such personnel to the Port Trust Service by giving certain incentives like accommodation and advance increments, etc.

11.30 There is a proposal under consideration to raise the training capacity of DMET Bombay from 20 Graduate Engineers per year to 200 and the training capacity of DMET Calcutta to 480 cadets in 4 years so that the annual out turn come to 120 cadets.

11.40 Similarly there is a proposal under consideration for raising the training capacity of Nautical Officers from the existing 250 to 500.

Secretary, Shipping & Transport, stated during evidence:

“Basically shortages are in marine field. It is difficult to plan in this area. We are not totally in control of the situation because people leave whenever they get foreign jobs.”

11.41 The Committee note that some ports are experiencing shortage of trained and qualified personnel for manning essential services. Shortage is prominent among Pilots, Marine Engineers and Motor Drivers (Tugs). The Committee are informed that efforts are afoot to step up training facilities in India so as to get adequate number of fully qualified personnel needed for working of the Ports. The number of trainees for various disciplines in the training Institutes is also being increased to cope with the future needs. . .

11.42 The Committee do not agree with the view expressed by Secretary, Shipping and Transport, that it is difficult to plan in this field. That the trained personnel leave whenever they get foreign jobs is not a new development and it is not a factor which cannot be taken care of by a proper system of manpower planning. The Committee would like the Ministry to draw up a long term perspective of requirements and availability of trained personnel for port services and initiate an integrated plan of action to ensure that adequate personnel become available from year to year to cope with the demand.

(S. No. 91)

F. Review of Port Administration

11.43 It was suggested to the Committee that a joint Administrative Reforms Committee should be appointed to go into all aspects of procedure, accountability, heirarchy, creation of job oriented trained cadre, on-the-job training etc., so as to bring about a more efficient and coordinated working of the ports.

11.44 Agreeing with the suggestion, Secretary (Shipping and Transport) stated: "There is definitely need for lot of work in this field. It is for the Administrative Reforms Committee."

11.45 Now that a definite need to go into all aspects of administrative procedures and organisational set up in Major Ports has been acknowledged by the Ministry the Committee would expected the Ministry to initiate action to appoint an administrative reforms committee to take up a comprehensive review of the administrative systems and procedures with the object of making ports administration more efficient and result and service oriented. (S. No. 92)

G. Central Ports Authority

11.46 The National Transport Policy Committee had recommended the setting up of a Central Port Authority which could be charged with the responsibility of overall planning of port development in the country. This authority could take a integrated view on rationalising cargo movement through appropriate ports and provision of infrastructural facilities with a view to ensuring optimum utilisation of Port capacity.

11.47 The Committee were informed that this recommendation was not accepted by the Ministry on the grounds that the ports were having different problems requiring development of a special kind and a single authority could not be entrusted with the responsibility of planning the development of all the ports and that this planning was already being supervised by the Ministry of Shipping and Transport through the Development Adviser.

11.48 It has however, been represented to the Committee that the administrative set up in the Ministry is inadequate and port matters are getting delayed. Considering the magnitude of investments in ports, it has been suggested that a specialised agency on the lines of International Airports Authority of India should be set up to bring about integrated development and coordination at national level and optimal utilisation of capacity without allowing duplication of investments. The Committee asked whether instead of directing the port operations departmentally at the apex level through civil servants it would not be better to bring all the major ports under a professionally manned and commercially oriented public sector enterprise (Central Ports Authority) on the lines of the International Air Ports Authority which may be under the administrative control of Ministry of Shipping for policy guidelines but otherwise autonomous like other public sector units to manage the ports on commercial lines, Secretary, Shipping and

Transport stated that "a kind of council had been recommended by the Major Port Trusts Act also. There is also a National Harbour Board on which all the States where major ports are located are represented". He added that "We are not sure whether the time has come to constitute an Authority. For examples, what will the Authority do? It can either deal with rates or sanctions of Plans. Tariffs in any case have to come to Government because they relate to consumers. Planning Commission has to be involved in the case of big sanctions. Small sanctions, they do themselves".

11.49 He expressed the view that "...if we have that Authority, it will reduce the autonomy of the Ports. They will have to come to it. We feel that through the Association of Ports, they can develop their own services, consultancy etc."

11.50 Secretary, however, made it known that "our mind is not closed. If some day it is required, we can have it."

11.51 Asked whether the Ministry had any strong reason against the setting up of the Authority, Secretary (Shipping and Transport) stated "There are no strong reasons against it; but somehow, we have not found any strong reasons in favour of it".

H. Indian Ports Association

11.52 It was suggested that Indian Ports Association should function as an apex body for all major ports with latitude and authority to find ways and means to develop the ports and plan even the arrivals of ships and their distribution to different ports in consultation with the Ministries of Shipping & Transport, Petroleum and Commerce.

11.53 The Ministry stated that "at present the Ministry of Shipping & Transport, under the overall guidance of the Planning Commission is responsible for planning the development of the major ports in the country. Besides, the Ministry in consultation with the other user ministries/agencies strives to make the optimum use of the port facilities. It may be mentioned that there is a Development Wing in the Ministry which is headed by the Development Adviser and it advises regarding the development of the major ports in the country. While scrutinising the projects for development of the ports received from the major ports, the Development Wing takes into consideration the overall interest of the Ports and the need for optimum use of port facilities".

11.54. The Ministry added that "the subject of strengthening the Indian Ports Association and giving it additional functions in regard to important matters concerning the major ports is receiving attention. This subject is proposed to be discussed at the Conference of the ports' Chairmen to be held in January, 1982".

11.55. During evidence Secretary, Shipping and Transport, agreed that the Indian Ports Association should be strengthened. This subject, he informed the Committee, had been debated recently IPA had started developing information system. This organisation could be built up through Central help. As regard monitoring, the Secretary stated that while it would be difficult to monitor each ship, this could be done by IPA. This would be expedited, he added.

11.56. The National Transport Policy Committee had suggested the setting up of a Central Ports Authority for overall planning and development of ports but the Ministry of Shipping and Transport had not accepted this suggestion. The Committee have gone into this matter in the light of the Ministry's views. The objections raised by the Ministry against such an authority are too feeble to carry conviction with them. They feel that the major ports should be run like commercial and result-oriented units and not as a sort of attached offices as they appear to be running at present. The present set-up with each Port Trust being a separate entity with traditional procedure oriented approach directly controlled by the Ministry through beaurocrats, is in the committee's opinion not ideally suited to encourage business-like efficiency in the port operations and inter-port coordination.

11.57 The Committee are of the view that Port Trusts should be declared commercial enterprises and controlled and managed at the apex level, not by the Ministry direct, but by a professionally manned public sector organisation (viz. Central Ports Authority) on the lines of International Airports Authority of India. This would not only bring in commercial outlook in port administrations and business like efficiency in port operations with emphasis on results, rather than rule-biased procedures but also make for an integrated development, coordinated operation and optimal utilisation of resources of the ports. The Central Ports Authority may be under the administrative jurisdiction of Ministry of Shipping and Transport for the purpose of policy framework and accountability, but should otherwise be autonomous like other

public sector enterprises, within the allotted sphere. The Committee recommend that the Government should consider setting up the Central Ports Authority as early as possible.

(S. No. 93)

11.58 The Committee note that the question of strengthening the Indian Ports Association and giving it additional functions in important fields like Management Information System and monitoring is engaging the attention of the Ministry and the Ports Chairmen. They would like to be apprised of the decisions taken in the matter.

(S. No. 94)

I. Chairman and Deputy Chairman, Port Trust

11.59 It has been suggested to the Committee that as far as higher executive posts, such as Chairman and Deputy Chairman, are concerned there should be a service cadre on the lines of IPS/IAS and eligible officers from within the industry should be given preference for holding such posts. When appointments are made to these ports from the State or Central Services as at present such incumbents may not have any involvement in the Port Industry nor adequate expertise in the field of Port Administration which is technically a specialised job.

11.60 The Ministry stated that "the posts of Chairman and Deputy Chairman of a Major Port Trust are statutory posts under the Major Port Trusts Act, 1963. According to the rules, the incumbents of these posts are appointed by the Appointment Committee of the Cabinet. The selection of an officer is made from a panel of officers, who are suggested for the post by the Department of Personnel. Before making selection of an officer for these posts, claim and suitability of Port Trust Officers are considered and whenever a competent Port Officer is available, he is appointed to the post".

11.61 Giving its reactions to the suggestion to appoint Chairman and Deputy Chairman from Port Services Cadres, the Ministry stated:—

"A Port is a multi-disciplinary organisation comprising of disciplines like traffic, marine operations, mechanical and civil engineering, stores, personnel, industrial relations and labour, finance, etc. Keeping this aspect in view, the effort is to appoint such persons as Chairman or Deputy Chairman of Port Trusts, who possess wider and more varied experience and could take a comprehensive view on matters which come up for consideration and decision at their level. In that context, confining the selection for these posts from among the officers of the posts above would not be in the wider interest of the ports. As explained earlier, the claims of the Port Officers for appointment to these posts are duly considered."

11.62 From the information by the Ministry it is seen that as on 1-12-1981 out of 10 Chairmen of Major Port Trusts, 9 belonged to IAS Cadre and one an engineer was belonging to non-IAS Cadre.

11.63 In this connection, Secretary, Shipping & Transport stated in evidence:—

“The ports are functioning in this way that each department is manned by the head of a department, like somebody is in charge of Marines, somebody is in charge of services, etc. They are all from the Port organisation. Regarding the Chairman and the Deputy Chairman, by and large we have been preferring IAS officers of the State Cadres in which that port is located. Our general policy has been that such an officer is more effective in local coordination because a port is not a factory. It has got hundreds of problems of administrative nature. By and large the Chairmen have been chosen from the IAS Cadre of the State in which the port is located. Temporarily we may have promoted somebody from the port organisation. Even now the Deputy Chairman of Vizag, Cochin and Paradeep Ports are all from the port organisations. Wherever a man with leadership and ability is available we make him the Deputy Chairman.”

11.64 According to the Ministry, only such persons are appointed Chairmen and Deputy Chairman of Port Trusts, as possesses wider and varied experience and could take a comprehensive view on matters which come up for consideration and decision at their level. In the Ministry's view, confining the selection for these posts from among the officers of the ports would not be in the wider interest of the port. The Ministry has stated that the claims of Port officers for appointment to these posts are duly considered.

11.65 The Committee find that in actual practice by and large, IAS officers are appointed Chairmen of the major port trusts. Out of 10 Chairmen at present, 9 belonged to IAS Cadre as on 1 December, 1981.

11.66 The Committee are constrained to observe that the implementation of the policy for appointments at the highest level is biased in favour of IAS Cadre. The Committee are of the view that port administration, like Railways and Airports administration, is highly specialised affair for which professionals who are committed to, and soaked in, the port culture and are fully acquainted and

have grown with the ports problems would be better suited to head the Port Trusts. Only when such an officer is not available from amongst the port services the question of inducting an IAS or other such officer from the general cadre should arise. The Committee, therefore, recommend that the appointments policy followed so far in this regard should be re-oriented and a cadre of senior officers from among the port services should be gradually built up to man all the posts including the posts of Chairmen and Deputy Chairmen in the Port Trusts.

(Sl. No. 95)

J. Financial Position of Ports

11.67 A statement showing the financial results of the Major Ports indicating net surplus/deficit incurred during the last 5 years and the operating ratio (percentage of operating expenditure to operating income) is given below:—

Financial Results of Major Ports for the Last Five Years showing Net Deficit (—), Net Surplus(+), Net Surplus(+), Net Surplus(+), Net Surplus(+), Net Surplus(+)
Operating Ratio (Brackets)

(Rs. in Lakhs)

Name of Port	1976-77	1977-78	1978-79	1979-80	1980-81
Bombay	+2033.95 (72%)	+857.89 (78%)	+1229.69 (82%)	+3682.00 (60%)	+348.69 (65%)
Calcutta	+351.81 (82.69%)	—607.57 (111.09%)	—553.84 (95.88%)	—559.80 (71.63%)	—466.23 (98.33%)
Haldia		+35.01 (82.04%)	+215.43 (64.54%)	+420.78 (61.58%)	+792.91 (64.19%)
Cochin	+360.10 (55.23%)	+104.74 (55.83%)	+386.56 (50.24%)	+148 (69.23%)	+238.03 (72.38%)
Kandla	+145.16 (60.31%)	+83.06 (54.38%)	+494.21 (45.36%)	+584.6 (45.41%)	+1094.85 (41.07%)
Madras	+297.34 (67.5%)	+398.47 (64.2%)	+586.03 (51.1%)	+826.67 (54.9%)	+600.70 (65.8%)
Mormigao	+157.00 (52.66%)	+48.79 (57.72%)	+481.72 (97.70%)	+24.79 (39.33%)	+24.69 (57.39%)
Vizag	+503.99 (84.31%)	+104.66 (70.15%)	+1185.98 (73.86%)	+640.74 (83.64%)	+327.28 (80.23%)
Paradip	+105.86 (94.03%)	+243.63 (98.94%)	+360.04 (108.91%)	363.71 (105.72%)	+618.01 (142.90%)
Tuticorin	..	..	..	+16.60 (87.35%)	+13.23 (93.06%)
New Mangalore	..	..	..	..	+9.68 (112.24%)

11.68 The Ministry has stated that of the ten Major Ports, the overall financial position of the Ports of Bombay, Madras, Kandla and Mormugao has been generally satisfactory. Mormugao Port suffered deficits during the year 1978-79 because the rate fixed for handling Iron ore at the Mechanical Ore Handling Plant was uneconomic. This rate has since been revised.

11.69 Cochin Port suffered deficits in the year 1979-80 because of increase in cost of establishment due to frequent wage revisions and general inflation. The Port is making efforts to raise additional revenue by suitable increase in rates, charges etc.

11.70 The Tuticorin Port was directly under the control of the Ministry until March end 1979. It became a Port Trust on 1-4-1979. The Port suffered deficits in 1980-81 because of wage revision and increase in liability for payment of interest on Government loans.

11.71 The New Mangalore Port was under the administrative control of the Ministry till 31st March, 1980. It became a Port Trust on 1-4-80. During the year 1980-81, the port was self-sufficient.

11.72 It has been stated by the Ministry that the financial position of the remaining three ports, viz. Calcutta, Paradip and Visakhapatnam has been bad. The position of these ports is discussed below:—

Calcutta

11.73 The finances of the Port of Calcutta have declined from the year 1965-66 as a result of decline in traffic coupled with steady rise in expenditure. The expenditure of the port which was at the level of Rs. 18.34 crores in 1964-65 went up to Rs. 86.39 crores in 1979-80. The principal reasons for such rise in expenditure are steep increases, particularly in—

- (a) debt charges because of increase in borrowing;
- (b) establishment costs because of successive wage increases;
- (c) river dredging and maintenance cost because of sharp rise in charges and prices as well as continuous deterioration of the river regime necessitating more and more intensive dredging effort; and
- (d) cost of materials because of steep rise in prices.

11.74 The expenditure on establishment which was Rs. 12.93 crores in 1964-65 went up to Rs. 41.18 crores in 1979-80. This is mainly because of wage revision which had heavy financial impact on the

Port from time to time as well as other concessions like encashment of leave, ex-gratia in lieu of bonus, leave travel concession etc. granted to the employees and rise in the Dearness Allowance.

11.75 Steps are reported have been taken by the Port to attract more traffic by offering incentives and replacement of old equipment by better equipment. To increase the revenue, port charges have also been revised periodically. Recently estate rentals were revised by 100 per cent. Although the existing rates at this Port are the highest among all the Ports, another proposal for a general and substantial revision of port charges has been proposed by the port. Various measures have also been taken to reduce the extent of over-staying in the Port by ban on further recruitment etc.

Paradip

11.76 The main reasons for recurrent deficits suffered by this port are decline in export of iron ore, steep rise in the costs of maintenance dredging and shore nourishment of the port and steep increase in the cost of reclamation of land etc. Efforts have been made to attract general cargo traffic for which a second general cargo berth is being constructed. A third general cargo berth and a fertiliser berth have been provided for in the Sixth Five Year Plan. Besides, Iron Ore Handling System is being modified to increase rate of loading of iron ore. With the completion of above works it is expected that the financial position of the port will improve.

Visakhapatnam

11.77 The port has suffered losses during the period 1976-77 to 1979-80 mainly because of levy of uneconomic rate for handling Iron ore at the Outer Harbour. A rate of Rs. 30.15 was fixed in June, 1980 which also excluded the provision of 6 per cent return on Capital. This rate was to be recovered retrospectively from 1976-77 but MMTC has not paid the arrears amounting to Rs. 21.13 crores to the port so far. Meanwhile, the operating cost of the port has further increased and the port has approached Government for a further upward revision of the ore handling rate.

11.78 The Committee are disturbed at the persistent losses being suffered year after year by Calcutta (except in 1970-80), Paradip and Visakhapatnam Ports, Tuticorin port was also in the red in 1980-81. They are also unhappy at the high operating ratios at these ports. The operating ratio at the ports of Paradip and New Mangalore have been higher than 100 per cent. This shows higher operational expenditure than these ports can bear which is regretta-

ble. The Committee view this situation with utmost concern. Obviously the measures taken so far to tone up the financial health of these ports have not proved effective. With the losses recurring year after year, the Committee fear that the financial sickness of the ports may not come to be accepted as normal feature to live with which will be very unfortunate. They would therefore like to warn the Ministry against any such tendency overtaking the port authorities or even the Ministry itself. The Committee would urge that more effective and comprehensive measures are called for to improve the operating ratios and break the vicious circle of uneconomic working created around these ports and bale them out of this deficits syndrome. They would like to be informed of the measure to be taken in this regard.

(S. No. 96)

K. Port Charges

11.79 It has been brought to the notice of the Committee at a number of ports that the port charges in many cases are very high and are not commensurate to the services rendered by the ports.

11.80 It has also been represented to the Committee that at certain ports charges are higher than these at Bombay. The result is that even when shippers or importers want to divert their consignments to ports other than Bombay in order to ease congestion at Bombay, they are discouraged from doing so in view of high port charges at the nearby ports.

11.81 A statement showing the wharfage rate charged at Bombay, Madras, Visakhapatnam, Calcutta, Kandla and New Mangalore is given below:—

Port	Oil Cakes	Sugar	Sulphur	Food grain	Fertiliser	Cements	Iron & Steel
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Bombay	2.80	3.50	7.06	3.50	4.90	4.90	12.40
Madras	8.47	15.84	23.76	11.88	15.84	11.88	19.80
Visakhapatnam	4.90	6.60	9.20	10.80	7.80	7.80	12.40
Calcutta	11.60	Ex. 8.10 Im. 3.10	27.20	14.70	21.60	18.20	N.A.
Kandla	3.60	9.00	9.00	7.20 (in bulk) 9.90 (in bags)	9.00 (in bulk) 13.00 (in bags)	8.00	12.00
New Mangalore	13.00	11.70	11.70	13.00	11.70	11.70	20.00

11.82 The Ministry has stated that the wharfage rate for each port is based on local conditions like nature of services rendered, cost of services rendered and the capital cost of the assets, etc. In fixing rates for general services the principle 'what the traffic will bear' is also taken into account. For low value commodities low wharfage rate is fixed and the costs are cross subsidised by other high value commodities. As those factors vary from port to port, wharfage rates also differ from port to port.

11.83 The Ministry has added that wharfage charges constitute only a limited portion of the total cost to an importer. Other factors like time, freight, transport cost, storage cost, infrastructure available etc., are also taken into consideration while selecting a port. The reduction in port charges alone may not, therefore, help in diverting the traffic from Bombay to Kandla, New Mangalore and Calcutta Ports.

11.84 A representative of the Ministry of Shipping and Transport stated during evidence that "the fixation of port tariff is largely based on the guidelines given by the Major Ports Commission in 1970. The port levies certain charges on the ship and certain charges on the cargo. It provides a variety of services for the ship and for the cargo. The main principles enunciated by the Major Ports Commission were that you have to cost each service and recover that cost. But in doing so, you have to take into account the low value commodities which can bear only a low tariff and the high value commodities which can bear a higher tariff. In any transportation system where cargo has to be transported or the cargo has to be handled, on the low value commodities, low tariffs are levied and, on the high value commodities, high tariffs are levied. These are the principles which have been followed in fixing the port tariffs."

11.85 He informed the Committee that "the last comprehensive review of port tariff was in the year 1975. This comprehensive revision of port tariff in all the major ports was with reference to guidelines laid down by the Major Ports Commission. Subsequently, in 1977, as a result of escalation in costs, particularly, the wage cost, six major ports levied surcharges on certain levies ranging from 10 to 25 per cent. There was no increase in the case of Bombay, Kandla, Tuticorin and also new Mangalore port which was then directly under the Ministry."

11.86 On the question whether in view of the fact that port tariffs in Bombay are much lower than the port tariffs in other ports, the tariffs in other ports should not be reduced or the tariffs in Bombay

port should not be increased to divert traffic away from Bombay as a measure to avoid congestion at this port, the representative stated: "In that case, we will be going against the principles which have been laid down by the Major Ports Commission in fixing the cost of the service. In fixing the tariff, one has to take the cost of the services into account. Obviously, in an old port like Bombay, perhaps the cost may be a little lower than the cost in a new port where new investments have been made. But in the case of older ports like Bombay, Calcutta and Madras, they are able to generate their own resources. In the new ports, even though the charges may be more or less the same as in Bombay or slightly higher than in Bombay, they get budgetary support. The Major Ports Commission has also said that all the major ports will have to generate their own resources only by a suitable revision of tariffs from time to time and also effecting suitable economies from time to time."

11.87 The witness added: "As was explained by the Chairman of the Bombay Port Trust, in Bombay, the demurrage rates are fairly high and the demurrage rates have been recently increased. Of the total income of about Rs. 107 crores, the demurrage is to the extent of Rs. 30 crores. It will not be correct in principle to merely increase the port tariffs because then it will be a sort of punitive charge that you levy in Bombay so that Bombay does not attract the cargo. That will not be the correct thing to do."

11.88. When asked whether uniform tariffs should not prevail in all the ports, he stated "This, again, is difficult because the conditions vary from port to port; the capital investment varies; the number and the type of equipment varies; the labour manning and skills vary; the nature of the cargo which is handled varies, etc. There are a number of variations and all these variations are taken into in fixing the cost of service. But I would like to mention that there are not very wide variations in the tariffs which prevail from port to port. There may be some minor variations."

11.89 The witness informed the Committee that "As to whether we should review the principles enunciated by the Major Ports Commission, the Bureau of Industrial Costs and Prices have been asked to go into this. They are doing a study about the port tariffs and they will be shortly giving a report."

11.90. Secretary (Shipping) expressed the view that:

"My feeling is that increasing the charges will not make any diversion of cargo because this is too marginal a charge to force any diversion of cargo. For example, the ware-

housing charges in Kandla port are much lower than those in Bombay. Like other countries of the world, nearby ports always compete for cargo by giving more concessions. Kandla port is giving many concessions."

11.91. It has been represented to the Committee that charges at other ports are higher than Bombay with the result that even when shippers or importers want to divert their consignments to other ports in order to ease congestion at Bombay they are discouraged from doing so. From the data furnished by the Ministry the Committee find that the wharfage charges at the nearby ports of Kandla and New Mangalore (information about Marmugao not made available) are double, treble and even four times the wharfage charges at Bombay for certain types of cargo. The Ministry is, however of the view that raising tariffs in Bombay or reduction of tariffs in other ports will not help ease congestion at Bombay. It would also go against the principles laid down by the Major Ports Commission for fixing the costs of services. In the Ministry's view increasing the tariffs would not be a correct thing as it would amount to levying a punitive charge. The Committee do not see much force in these views. The Committee note that the criteria laid down by the major Ports Commission for fixing tariffs are currently being reviewed by the Bureau of Industrial Costs and Prices. The Committee are of the view that it would help in easing congestion at Bombay Port if the tariffs at this port are higher, or at least not lower, than those prevailing at nearby ports. Even if it does not ease congestion to the desired extent, it can boost the revenues of Bombay Port which can be used to develop additional facilities there.

11.92. The Committee would therefore suggest that the port tariffs at Bombay and other Major Ports should be reviewed with a view to discouraging unnecessary traffic at Bombay and other congested ports and diverting it to nearby ports which may be having capacity to handle more traffic.

... ..
(S. No. 97)

NEW DELHI;
April 26, 1982

Vaishakha 6, 1904 (Saka)

S. P. B. PATTABHI RAMA RAO,
Chairman,
Estimates Committee.

APPENDIX I

Port capacities vis-a-vis Traffic handled (1980-81)

(In Million Tonnes)

Sl. No.	Commodities	Calcutta	Haldia	Paradip	Vizag.	Madras	Tuticorin	Cochin	New Mangalore	Mormugao	Bombay	Kandla	Total	Percentage utilisation
1. P.O.L.														
	Capacity as on 31-3-80	0.50	3.50		2.00	4.00	1.00	3.50	1.80	1.50	10.50	11.0	38.5	94%
	Traffic : 1980-81	(0.69)	(4.46)		(2.39)	(4.58)	(0.45)	(3.94)	(0.21)	(0.59)	(8.18)	(6.32)	(32.31)	
2. Iron Ore														
	Capacity as on 31-3-80	..	4.00	3.00	8.00	8.00				14.00			37.00	61%
	Traffic : 1980-81	(—)	(0.01)	(1.82)	(5.66)	(2.75)				(12.42)			(22.66)	
3. Coal														
	Capacity as on 31-3-80	1.00	2.00					..	..	..	..	3.00	29%	
	Traffic : 1980-81	(0.22)	(0.66)									(0.88)		
4. Fertilisers														
	Capacity as on 31-3-80			..	0.30	0.60	..	0.30	..	..		0.90	2.10	103%
	Traffic : 1980-81				(0.13)	(0.76)		(0.61)				(0.56)	(2.16)	

5 GENERAL CARGO

Capacity as on 31-3-80	4.00	0.76	0.35	2.10	2.40	1.70	1.65	0.55	0.35	6.00	1.15	20.71	108%
Traffic : 1980-81	(2.93)	(0.32)	(0.47)	(2.08)	(2.31)	(2.18)	(80.72)	(0.75)	(0.75)	(8.55)	(1.34)	(22.48)	
Grand Total as on 31-3-80	5.50	9.96	3.35	12.48	15.00	2.70	5.45	1.55	15.85	16.50	13.05	101.31	79%
Capacity													
Traffic : 1980-81	(3.84)	(5.45)	(2.29)	(10.26)	(10.40)	(2.63)	(5.27)	(0.96)	(13.76)	(16.73)	(8.32)	(80.41)	

NOTES: 1— Capacities shown against items (1) to (4) are as berths where mechanised facilities are exclusively provided.

2 Capacities shown against item (5) also cover bulk cargo like coal, cement, fertilisers etc. handled at general cargo berths.

3 The capacity of 0.7 Million Tonnes of General Cargo under Tuticorin is in respect of the Minor Port where handling of cargo is done at the anchorage through lighters.

4 Capacities shown against item (5) are based on the present cargo mix at the Ports and will undergo change depending on the variations in the mix.

* Provisional

APPENDIX II

Summary of recommendations/observation (Reference Introduction)

Sl. No.	Para No.	Recommendation/Observation
1	2	3
1.14	to 1.19	The analysis of shortfalls in Plan outlays reveals, beyond any doubt, that the Ministry of Shipping and Transport has failed to achieve financial and physical targets of port development during the successive Plan periods. Instead of coming down, the shortfall has risen from 27 per cent upto the end of Fifth Plan to 41 per cent in first year of the Sixth Plan. This shows that even now the Ministry has not been able to gear itself upto the development tasks expected of it. Whatever be the reasons, capacity delayed is capacity lost for the period of delay resulting in adverse effect on development in vital transport sector. The Committee strongly urge the Ministry to analyse the reasons for its dismal performance in the past and take conclusive measures without delay to ensure that the Plan targets are achieved in full and on schedule at least hereafter. The Committee would like to be apprised of the measures taken in this regard.
2	1.23	The Committee find that Master Plans for the future development of the ports of Kandla, Madras, Paradeep, Bombay, Calcutta and Cochin have not yet been finalised. These should be finalised expeditiously.
3	1.24	The Committee welcome the Ministry's proposal to appoint a group to prepare a total plan for the development of Ports for the Seventh Plan period. Port development schemes being long gestation projects, the Ministry may consider whether, instead of having a five-year perspective

1	2	3
		planning as at present, would it not be better to have a longer perspective in planning for development of ports.
4	1.54 and 1.55	The Committee find that while at certain ports in respect of certain commodities the capacity is grossly under-utilised, at other ports and in respect of certain commodities at the same port the traffic is far in excess of the capacities. For example, POL capacities are under-utilised at Tuticorin. New Mangalore, Mormugao, Bombay and Kandla; iron ore capacities are grossly under-utilised at Haldia, Paradeep, Vizag and Madras; coal capacities are grossly under-utilised at Calcutta and Haldia and general cargo capacities are not fully utilised at Calcutta, Haldia and Cochin. Even if one takes an overall picture, excepting at Bombay, capacity at no other port is fully utilised. Capacities for various types of traffic at the ports, it is presumed, must have been decided after detailed studies of demand and development potential and provided at colossal cost. If these are not being fully utilised, it is either due to faulty planning or lop-sided development or failure of management, and for all this, the Ministry of Shipping and Transport has to bear the blame.
5	1.56	From the study of the reasons for under-utilisation of iron ore and coal handling capacities at Madras, Vizag, Paradeep, Haldia and Calcutta, the Committee have come to the conclusion that utilisation of capacities at these and other ports can be substantially improved if adequate infrastructural facilities are made available and draft deep enough for certain types of ships is provided at certain ports. This should be done without delay so that heavy capital investment does not remain infructuous. The Committee suggest that for this purpose a critical study of the available capacities and traffic at

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		each of the major ports should be made by a task force with a view to drawing up concrete schemes to provide essential and supporting facilities to make the maximum use of the existing capacities the Group should also identify capacities which can be suitably modified to handle traffic of other commodities for which there might be demand or for which the demand could be generated.
6	1.57	The Committee feel that this exercise should be completed without delay and the report made use of by the expert group which is being set up by the Ministry to draw up perspective plan for the Seventh Five Year Plan period (1985—90).
7	1.58	The Committee find that even if the Sixth Five Year Plan projections regarding capacity growth as worked out by the Working Group of the Planning Commission materialise fully, shortages in capacities will still persist in respect of POL, fertilizers, foodgrains and general cargo. The Committee feel that a second look at the Sixth Five Year Plan schemes in the context of the critical study of existing capacities, as suggested by the Committee hereinbefore, is necessary not only to ensure optimum utilisation of existing capacities but also to provide more facilities for handling general cargo traffic in respect of which the position at present is admittedly very difficult.
8	1.59	The Committee find that the Ministry has worked out future projections of demand and supply on the basis of 75 per cent berth occupancy in ports. On this basis the Ministry is hopeful of being able to meet the foreign trade requirements of the country during the Sixth Five Year Plan. But in view of the fact that this level of berth occupancy is not only stated to be higher than international norms but also considered by the Ministry's own experts to be "a little too

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		high", the Committee cannot but view the Ministry's optimism with a little doubt. The Committee would like to advise the Ministry to review its expectations of berth occupancy more realistically so that it does not find itself in an unenviable position of not being able to cope with sea traffic requirements of foreign trade, at the end of Sixth Five Year Plan period.
9	2.59	It is not merely the congestion which has afflicted certain ports, but there has also been an all round decline in efficiency at the ports as compared to 1976-77. This has caused serious concern to the Committee. According to Secretary (Shipping and Transport) 24 hours should be the maximum waiting period at Indian ports, because of tide and some such thing. He told the Committee that ports in advanced countries had no waiting period for ships. The Committee wonder when Indian ports will be able to reach the standard of advanced ports abroad or at least the level of efficiency hinted by Shipping Secretary and whether ports have set any targets for themselves in this regard. At least those ports which are not congested can be asked to achieve the aforesaid level of efficiency within a few years.
10	2.60	The Committee feel that Ministry should lay down optimum turn round time for each port after taking into account the number of berths and other facilities available there and make concrete efforts to accelerate the loading and unloading rates to bring down the turn round time to the optimum limits.
11	2.61	The Committee would like the Ministry to accelerate the investment decision for the port of Nhava Sheva and arrange for adequate funds for the development of this port within the shortest possible time.

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12	2.61	The Committee agree to the view placed before them by a number of non-officials that if rail and road links to the ports of Kandla, Marmugao and New Mangalore are developed and adequate cargo handling equipment provided there, a good bit of traffic can be diverted from Bombay to these ports, thus relieving pressure at Bombay. The Ministry has also accepted this view. The Committee recommend that Bombay should be connected by broad-gauge rail upto Kandla in the north and upto Mangalore via Marmugao in the south and in this context the Konkan Railway project, which has already been drawn up by Railways should be executed expeditiously.
13	2.63	Diversion of traffic to nearby ports is the only practical way to ease pressure on Bombay and other such ports wherever there is acute congestion there. But the Committee regret to find that the Ministry of Shipping and Transport, let alone importing agencies of the Government who may have their own reasons to stick to Bombay, is sceptical about the workability of diversion scheme even though the Chairman, Bombay Port Trust, made a plaintive admission before the Committee about large and disorderly movement of cargo to Bombay and wished that such cargo should be better controlled in future and not dumped in Bombay. The Committee would suggest the Ministry to consider vesting statutory powers in a central agency like Inter-Ministerial Committee on Rationalised Distribution of Cargo which it should exercise in larger public interest of removing bottlenecks in shipping traffic and order diversion of ships carrying cargo not only for Government and public sector but also for private sector to nearby convenient ports with

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		a view to easing congestion at any of the major ports. They would like to be apprised of the action taken in the matter.
14	2.64	The ultimate and lasting solution to the problem of congestion at major ports is, as already stated, undoubtedly the expansion of capacities and cargo handling facilities at these posts. The Committee take note of the various schemes for development of port capacities and facilities which are under execution and the new projects which have been sanctioned or which are being considered for execution during the Sixth Plan period. Such projects have a tendency to linger on and on resulting in cost over-runs. The Committee cannot over emphasize the need to execute all these projects without delay so that additional capacities become available at the earliest. But this can be done only if the Ministry plays an active role in monitoring progress and solving problems which might arise in the course of execution of these projects.
15	2.65	From the statements made by the Ministry before the Committee the general impression, that goods not destined for Bombay are brought at Bombay because of the preference of importers for this port, stands confirmed. To avoid such situations the Committee recommend that at the time of the issue of import licence it should be ensured that the port of delivery of cargo is the port nearest to the place for which goods are imported. This measure will enable Government to disperse traffic rationally among all the ports and avoid congestion at Bombay and other such popular ports. Such a practice was there in the past, but recently it is stated to have been discontinued. The Committee recommend that the old practice should be revived.

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16	2.66	The Committee would also suggest that along with the nearest port of discharge of cargo, as recommended in the preceding para, an alternative port should also be mentioned so that in the event of acute congestion at the port of first preference, the cargo can be diverted to the alternative port to avoid long detention of the ship at the former port.
17	2.67	The Government should also examine whether some sort of fiscal or tariff concession or weightage in the matter of issue of import licence or any priority in this regard cannot be given to those importers who choose ports other than congested ports for the discharge of their goods.
18	2.68	The suggestion to make Cochin as a compulsory port of call to relieve pressure at Bombay merits consideration. The Committee are aware that the Ministry has no hold over liner vessels of other countries and cannot therefore compel them to touch cochin. But persuasion combined with incentives can yield some results and should be attempted.
19	2.69	The Committee have taken note of the factors because of which moorings berths at Cochin port are not popular and are not preferred by the importers. But to strike off the port capacity at moorings berths will be total waste of investment already made. The Committee would like to suggest that the feasibility of utilising these berths at times of heavy traffic should be studied and necessary facilities provided to labour and importers as and when these are considered necessary to be pressed into service.
20	2.70	The Central Government had a scheme to grant loans to State Governments to develop

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		minor ports with a view to augmenting port capacities but the scheme has been scrapped recently. Seeing the growing traffic at major ports and the inadequacy of port capacities there which is likely to persist even after Sixth Five Year Plan periods the Committee are of the opinion that discontinuance of the scheme to grant loans to develop minor ports was not a correct step. The Committee recommend that the Government should revive the earlier scheme and start giving loans to State Governments to develop minor ports like Porbander, Karwar, Pondicherry, Cuddalore, Kakinada and similar other ports so that these ports can take more traffic and thus help relieve pressure on major ports and can also be used for diverting traffic from nearby major ports in times of congestion.
21	3.66	Non clearance of goods sold by canalising agencies on high seas due to delayed despatch of papers by these agencies to the consignees has been mentioned as contributing factor for congestion at Bombay port. Taking note of the sharp difference of opinion on the question of high sea sales and lack of consensus among the Ministries concerned about the solution to the problem, the Committee recommend that this matter should be studied in depth by an inter-ministerial and expert body to determine the extent to which high sea sales have contributed to congestion at the ports and how this problem can be tackled to the satisfaction of both the Ministry of Shipping and Transport, Ministry of Commerce and the canalising agencies.
22	3.67 and 3.68	The Committee expected that if managerial control was lax to the knowledge of the Ministry, something concrete should have been done by it to strengthen management and make it competent to handle the port affairs firmly and

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		fairly for all without fear or favour. The Committee would urge the Ministry not to delay the remedial action on this front any longer. (S. No. 22)
23	3.69	When the usefulness of the system of unloading and stacking of goods lading-wise has been admitted by the Ministry, the Committee expect that it will instruct all ports to enforce the bye-law to this effect strictly and ensure compliance with the instructions.
24	3.70	The Committee feel that non-clearance of cargo due to inability to retire documents from bank and make payment of customs duty and port dues in time is a phenomenon which should be studied jointly by the Ministry of Shipping and Transport and the Ministry of Finance with a view to finding a solution to the problem.
25	3.71 & 3.72	The Committee regret that even the Ministry of Shipping and Transport has failed to take serious notice of the alarming state of congestion at Bombay port on account of uncleared cargo and to apply correctives. The Committee would like that the Ministry and the port authorities at all ports should continually review the position of uncleared cargo at port premises and take remedial measures, including disposal of over two month old packages lying there, without delay. In this regard, if the present procedures stand in the way of quick action, these should be reviewed and streamlined so that the congestion at the port may be minimised to the extent possible within the powers of the port authorities.
26	3.73	Representations against the time consuming formalities of customs resulting in delays in

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		clearance of goods have been made to the committee by official and non-official organisations. The Committee feel that there is need to go into this matter in depth to find out the real reasons for steamer agents or consignees not availing themselves of the facilities extended by Customs and to see how far their difficulties can be sorted out in the larger interest of easing congestion at the Ports.
27	3.74	From as many as 94195 packages lying at Bombay Port (outside as well as inside the docks) for want of customs clearance in some form or the other (though Ministry of Finance accepts responsibility only in respect of 8657 packages), the conclusion cannot be resisted that customs performance in this field is not all that good as it is claimed to be. And, over and above, the controversy as to the exact number of uncleared packages at Bombay Port between the Port Trust and the customs goes to show that the coordination between the two organisations is far from satisfactory. The Committee would like that the customs organisation should shed the attitude of self righteousness which it has adopted in this regard and both the Port Trusts and the customs set-ups at all ports should critically review the state of congestion at each port on account of customs clearance in one form or the other and jointly evolve a way out of the present difficult situation.
28	3.75	In the Committee's opinion, the customs should re-orient its approach and streamline its procedures to speed up clearance of goods and give consent to dispose of goods, as the case may be, with a view to ease congestion at the port premises.

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29	3.76 to 3.78	The following suggestions made to the Committee to ease congestion at Bombay Port premises have been welcomed by the Ministry:— (i) The landed cargo should be removed to the rear shed and kept in a portion earmarked only for import. (ii) Customs examination should start immediately after the cargo is stored in the transit shed. (iii) Cargo not cleared within 5 days should be removed to the warehouses at the consignees cost. The Committee would expect that these suggestions would be translated into action at the earliest.
30	3.79	The Committee feel that mere increase in the number of clearing agents would not be enough unless the new entrants are selected after a careful screening with reference to their capacity and competence.
31	3.79	In order to enable clearing Agents to function effectively, it is also essential that they should be given adequate facilities and their problems regarding suitable office accommodation are also considered sympathetically.
32	3.80	Traffic management at Bombay Port is stated to be very poor. The Committee hope that the port authorities will take all the necessary measures to enforce proper traffic control in the port area so as to ensure smooth flow of traffic of all kinds.
33	3.95	That a major port like Calcutta should have reached such a sorry pass as not to have funds to carry out necessary repairs to sheds,

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		roads and lighting system not only reflects on the management's efficiency but also betrays the indifference of the Ministry. The Committee urge the Ministry to look into this matter urgently and ensure that adequate funds are made available to the Calcutta port so that special and heavy repairs required at the port are not neglected any longer.
34	3.96	The Committee hope that the study of the traffic problems near the sheds of Calcutta port proposed to be commissioned through National Traffic Planning and Automation Centre will be undertaken soon and follow-up action taken to set things right without delay.
35	3.97 & 3.98	It has been brought to the notice of the Committee that large amounts of imported steel remain accumulated at the docks at Calcutta port causing congestion of sheds and yards and retarding vessels' output at the congested sheds.
		The port authorities have stated that the congestion results from lack of proper equipment with the port and due to lack of its own dumping arrangements for non-SAIL imported steel cargo. Given proper equipment and a dump under the port's authority this problem can be brought under control. The Committee would expect the Ministry to look into the matter with a view to finding a practical remedy to the problem.
36	3.99	It is stated that a similar situation of congestion is faced at the fertilizer berths of the Calcutta port due to delay in commencement of delivery by the handling agencies—mainly public sector agencies like Hindustan Fertilizers and the F.C.I.—for want of adequate arrangements for movement of fertilizers. When every agency concerned is ready to cooperate, all that is need-

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ed is a joint effort to evolve a suitable arrangement to handle the fertilizers imports and to ensure their expeditious movement. The Committee should like the Ministry of Shipping and Transport to take the necessary initiative in this regard.

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4.69

From the data furnished by the Ministry, the Committee find that the utilisation of cargo handling equipments at major ports is much below the optimum. The Ministry is currently taking a review of various cargo handling equipment *vis-a-vis* requirements commensurate with utilisation. The Committee hope that the study will be completed expeditiously and the follow-up action taken to ensure that the cargo handling equipment purchased at heavy cost is utilised upto the optimum level. The Committee would like to be apprised of the outcome of the Study and the follow-up action taken in the light thereof.

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4.70

The Committee feel that if the hire charges for equipments continue to be worked out on the basis of capital cost, then the new equipment which might be procured hereafter at huge capital cost might become almost prohibitive for use by the port users. In their opinion the Ministry should devise a more rational and more fair system of working out hire charges for port equipment. This would not only step up the utilisation rate of port equipment but would also result in higher revenue through more extensive use of the equipment. The Committee hope that after the study by the Bureau of Industrial Costs and Prices is completed, the hire rates of port equipment will not only be made reasonable and attractive but also, as far as possible uniform for all the ports.

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39	4.71 & 4.72	The Committee find that cargo handling equipment at the ports has outlived its service life and is outmoded with capacities unsuited to latest requirements and trade patterns. While the Committee appreciate the financial and other difficulties faced by the Ministry and the ports in regard to replacement of old equipment, they feel that the Ministry's approach to continue to use the equipment till its maintenance becomes uneconomic and not to take the efficiency and productivity of the equipment in the context of changing pattern of trade is not a very happy approach. In the Committee's opinion, the port users are entitled to expect modern and efficient equipment of international standards to handle cargo at all the major ports in India. The Committee would therefore like the Ministry to review the position from this angle.
40	4.73	Shortage of spare parts needed to repair the cargo handling equipments at Bombay has been brought to the Committee's notice. The Committee would like the Ministry to direct the Bombay Port Trust to evolve a scientific system of anticipating demand of spare parts and building up a proper inventory so that, as far as possible, the spare parts required for repair of equipment are available without delay and the equipment does not lie idle unnecessarily for want of spare parts.
41	4.74	The Committee would like that the inventory systems in other ports should also be reviewed with a view to making them modern and scientific.
42	4.75	It has been conceded by the Ministry that workshop facilities at Calcutta, Paradip and Haldia are not satisfactory and need improvement. The Committee would like the Ministry to monitor the implementation of the measures

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being taken by various ports to tone up the efficiency of their workshops and ensure results within a time frame.

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4.76

There are different practices in vogue for fixing hire charges for cranes at different ports. Some ports fix charges on shift basis, some on half shift basis and others on hourly basis. At some ports the trade has to pay a minimum charge whether the equipment is hired on shift basis or on hourly basis. The Committee are glad to note that the Ministry would be looking into this matter with a view to bringing in some uniformity in the matter of fixing hire charges for equipment at all the ports.

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4.77

The Committee note that liability of users to pay hire charges for cargo handling equipment in the event of labour strike varies from port to port. The Ministry has admitted that this is not a satisfactory situation. The Committee would like the Ministry to review the matter and introduce a rational and fair system of charges payable by hirers of port equipment in the event of labour strike. (S. No. 44).

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4.78

Equipment at Cochin Port is reported to be much costlier than the private equipment which is available but not allowed to be used there. It was also brought to the Committee's notice that despite the Cochin Port Trusts' equipment being inadequate and unserviceable, the port did not allow the use of private equipment there even when such equipments was allowed to be used elsewhere.

The Committee consider that it is unreasonable and irrational, to compel port users to hire only port trust equipment for handling cargo and then force them to pay higher charges than those prevailing for private equipment. In evidence before the Committee, how-

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ever, the Ministry of Shipping and Transport appreciated the genuineness of the port users' grievances, and agreed that the hire charges should be competitive and where hire charges were not competitive, private equipment should be allowed to be used. The Committee hope that follow-up action will be taken in this regard without hesitation.

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4.89

Mechanisation of cargo handling in Indian ports has been slow and in majority of the ports it hardly exists. The Committee are aware that in Indian ports, however, the process of mechanisation has essentially to move forward in a phased manner. So long as the existing manpower employed to handle cargo in ports is not directly affected and their jobs are secured, it should not be difficult to persuade labour to move along on way to mechanisation. The Committee hope that the Ministry will patiently pursue the matter and gradually succeed in introducing mechanisation in cargo handling equipment in more and more ports and fields.

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Containerised traffic in Indian ports has been growing significantly since 1975-76. But the Committee are concerned to note that the progress of equipping ports to handle containers or gearless ships is far from satisfactory. The ports which have been chosen as container terminals lack properly equipped container berths and the necessary equipment to handle the container traffic. Infrastructural back-up to handle containers at the ports and inland is also lacking. What has pained the Committee is that even in the matter of deciding as to whether the equipment be manufactured indigenously or imported, there have been delays. The Committee are afraid that if decision making in such matters is delayed, the

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		ports chosen for handling container traffic may not be fully operational by the target dates. The Committee would, therefore, urge that selection and procurement of equipment for container traffic should be accelerated so that the Indian ports become fully equipped at the earliest to handle the gearless ships, general container vessels and container oriented vessels efficiently and without difficulty.
48	5.34	If development of infrastructure for handling containers inland does not synchronise with the provision of container handling facilities at the ports, the huge expenditure being incurred on the ports for this purpose will remain infructuous and the country will not be able to reap full advantage of containerisation. This contingency must be avoided.
49	5.35	The Committee therefore recommend that an inter-Ministerial task force should be set up to draw up and implement a comprehensive plan of action to develop infrastructure to handle the inland movement of containers and to find solutions to problems of labour cooperations and customs clearance.
50	5.36	The Committee find that the container traffic at Haldia has not picked up because of lack of outside infrastructure facilities. The Committee would urge that now when the reasons for the Haldia container traffic not picking up have been identified, the Ministry should organise accelerated action to ensure that the right type of wagons are provided by the Railways to move containers and the draft is depend to the requisite level to facilitate movement of container vessels.
57	5.37 &	The Committee desire that efforts should be intensified to persuade the labour to agree to the

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most scientific and efficient methods of handling containers and to dispel any unfounded fears of retrenchment or loss of wages.

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6.7

The storage and warehousing space at a number of major ports, namely, Bombay, Kandla, Mormugao, Paradip, Tuticorin and Vishakhapatnam is inadequate according to the Ministry's own assessment. The position at other ports is also not very satisfactory according to users. Additional storage/warehousing space at Kandla, Bombay, Mormugao, New Mangalore, Cochin, Tuticorin, Madras, Vishakhapatnam and Paradip is being constructed during the Sixth Plan period. Surprisingly, the Ministry has made no detailed study to assess the requirements of storage space for the projected traffic at the end of Sixth Five Year Plan. It would be a serious lapse if now when only three years more are left of the Sixth Five Year Plan such a study is delayed further. The Committee would advise the Ministry that it should undertake a study of the problem now so that it can initiate measures to meet the storage requirements at the ports before it is too late.

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Needless to say, such a study should also take into consideration the new trends in our exports and imports so that new storage capacities can be so planned as to match the type of cargo that each port may be called upon to handle.

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7.34

The Committee are concerned to find that Security arrangements in almost all the ports are deteriorating and the situation at some of the major ports such as Bombay, Calcutta, Madras, Haldia, is particularly distressing. Curiously while the number and value of theft cases have been rising from year to year, the number of

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cases in which convictions have been secured has been coming down in Bombay, Calcutta and Madras.

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7.35

Reports of thefts at Bombay Port reaching the Committee and published in the press are very alarming. The Committee are informed that the Ministry has now taken a number of measures to prevent the thefts and tighten security measures at Bombay Port, and is considering some more measures in this regard. But why the Ministry or the port authorities tolerated the utterly unsatisfactory security arrangements at the port so far and did not take remedial measures as it now claims to have taken, remains unexplained. This reveals a deplorable state of affairs at Bombay port for which, the management cannot escape responsibility.

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7.36

The security at Bombay Port is looked after by the Port's own security organisation and the State Police. The Committee find that a decision has now been taken to induct CISF at Bombay Port in replacement of the State police and the Port's own organisation and to make CISM to be solely incharge of the security arrangements there. This is a welcome, though belated, measure. The Committee take note of the assurance given by the Minister of Shipping and Transport in Rajya Sabha on 26th March, 1982 that within a period of six months it would be possible for the Port authorities to build residential barracks for CISF near the Bombay Port area and put CISF in position to handle the security arrangements at the Bombay Port. The Committee hope that this welcome measure would not get delayed any further.

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The Committee would like to refer in this context to the experiences at Calcutta, Haldia and Madras where thefts/pilferages have been

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on the increase inspite of the fact that the security arrangements there are manned by CISF. The Committee would like to caution the Ministry against any sense of complacency on this account after the posting of CSIF at Bombay, they would like the Ministry to keep the new arrangements at Bombay Port, when enforced, under watch and whatever else is required to be done to make the new experiment there a success.

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7.38

The Ministry has made an in-depth study of the security arrangements at Bombay Port and initiated certain measures to control the incidence of thefts there. The Committee would like that similar studies should be made in respect of Calcutta, Madras and other such ports where the incidence of thefts is high with a view to lightening security measures there also.

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7.39

The Committee would recommend that at Calcutta and any other port where there may be dual or multiple control over security, the duality or multiplicity of control should be eliminated and one single organisation should be made solely responsible for security arrangements.

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and
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The Port users are not satisfied with the existing tally system at Ports. The Committee of the opinion that there is no justification to continue a system like the present tally system in which the port users may have little confidence. In their opinion there is ample justification in the demand made by port users that an independent tally unit, which should not be under the port trust but may be under the Director General Shipping or any other such Government or Government approved organisation should be set up at each port to undertake the tally work and its report should be binding on both the carriers and the port authorities. In the alternative the Government may appoint a panel of reputed

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cargo surveyors to undertake the tally work at the ports and their tally should be binding on the carriers and the port authorities. The Committee would like the Government to introduce a proper system of independent tally at the ports at the earliest.

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7.42

The Ministry has stated that the difficulty in making a proper tally of the unloaded cargo arises because of the jumbled way in which the cargo is unloaded and stacked at the shore. This problem can be taken care of by the port authorities if the labour can be trained in the matter of handling and unloading the cargo in a systematic manner and their working can be properly supervised. The Committee would advise the Ministry to evolve a suitable scheme for training of the labour in loading/unloading cargo and tighten supervision.

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7.43

At present the cargo unloaded at a port is marked with the name of the ship from which it has been unloaded and not with the name or insignia of the port; nor is the cargo given any numbering for easy reference later on. It could improve the matters considerably if the Ministry could devise a suitable system of numbering every piece of cargo unloaded at the ports and marking them with the insignia or the name of the port. The Committee would like the Ministry to examine this matter.

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7.44

While the Committee would like all measures to be taken to ensure clearance of cargo as early as possible including authorisation to port authorities to dispose of the un-cleared cargo after a certain period, they do not approve of the present system under which the port is allowed to disown responsibility for the security of the cargo left at the port after seven days of unloading. If the port can claim demurrage for goods left at the

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port premises after a certain period, it should also be held responsible for any theft of goods while they are in its custody. The Committee recommend that the relevant regulations may be amended so as to make the ports accountable for the custody of the imported cargo till it is delivered to the consignee or its ultimate disposal by way of auction or otherwise as may be provided in the law.

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8.11

Where Port Railways and Trunk Railways have not been integrated and placed under single unified control as is the case at Bombay, Calcutta, Vishakhapatnam, Madras, Paradip and Marmugao, the problems of duplication and coordination are bound to arise, affecting the efficiency of cargo movement. The ideal arrangement in the interest of efficiency of operations would be to merge Port Railways into Trunk Railways. While the Ministry of Shipping and Transport agrees with this view, the Ministry of Railways, it is stated, has reservations on taking over the port railways, because of over-staffing of port railways. The port railways staff unions are also reported to be showing resistance to the idea of take-over by Trunk Railways. The problem appears to have now narrowed down to the mechanics of merger so far as the Ministry of Shipping & Transport and the Ministry of Railways are concerned. The Committee hope that, with tact patience and persuasion, the authorities would succeed in bringing round the port railway staff to the idea of integration of the two railway systems and persuade the trunk railways to take over the port railways in due course.

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8.22

Shortages in supply of wagons for movement of cargo have been reported at the ports of Kandla, Vishakhapatnam, Calcutta, New Mangalore, Paradip and Cochin. The problems at all

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the ports are not alike. Railways too have some operational problems. But the Committee need hardly stress that adequate supply of wagons for movement of goods to and from ports is absolutely essential. The Committee have also no doubt, that with the increasing efficiency in freight movement lately brought about by Railways, it should not be beyond the ingenuity and capacity of the Railways to evolve suitable solutions to the problems and meet the wagon demands at the ports in full. The Committee would recommend that the Ministry of Railway and Ministry of Shipping & Transport should jointly discuss the wagon position in respect of each port and draw up agreed programmes to clear imported cargo with utmost expedition.

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8.23

The Ports of Tuticorin and Mormugao are connected only with the metre-gauge with the result that the railways-carrying capacity is limited, and transshipment adds to the transportation costs and causes delays. The Committee learn that broad gauge link to Tuticorin has already been sanctioned. A survey is in progress to ascertain the feasibility of converting the Hospet-Mormugao and linked sections from metre-gauge to broad-gauge and final decision on linking Mormugao on broad-gauge will be taken after consideration of the Surveyor's report. Needless to say, the broad-gauge linking of Mormugao and Tuticorin with the hinter-land as also the broad-gauge link of Mangalore with hinter land to its north would go a long way in improving the operational efficiency of these ports and also provide better and economic transport system for the benefit of Indian importers and exporters. The Committee would urge that broad-gauge links to these ports should be provided on a priority basis.

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67	9.34	The Committee do not think it was prudent for the port authorities to have neglected dredging of berths or forgone it merely as a measure of expediency. The Committee feel that the Ministry should consider laying down clear guidelines for the benefit of ports so that they can take a balanced decision in the matter of making berths available for dredging even in the context of traffic congestion.
68	9.35	The Committee find that a systematic plan for release of berths at Bombay port for dredging has been evolved and put into operation since October 1981 and will be continued till all the berths are dredged. The Committee would like that similar programmes of dredging should be drawn up for other such ports also where drafts available are less than the desired levels and dredging carried on till the desired depths are reached and repeated according to time-table.
69	9.36	Navigational channels to Haldia and Calcutta have been posing problem over a long period now. In spite of massive dredging efforts, results have not been commensurate. The Committee understand that based on extensive model studies a comprehensive scheme for maintaining as well as improving depths in the navigational channels has now been prepared envisaging engineering measures like dredging over the bars, river training works at various locations in the channel. This scheme is under examination by the Ministry. The Committee hope that the Ministry will soon find a long term solution to the problem and succeed in maintaining requisite depths in the navigational channels.
70	9.37	The Calcutta Port Trust has been incurring substantial expenditure towards dredging and maintenance of the river of which 80 per cent is at present borne by the Central Government.

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The subsidy by Central Government was to continue upto the year 1981-82 but its further continuance is under consideration. A proposal has been made that Central Government should assume the full responsibility for dredging of the port and bear 100 per cent cost of dredging operation. But this proposal is not favoured by Central Government which sees no reason why, like other ports, Calcutta Port Trust should not bear at least a part of the expenditure. While on principle this approach cannot be faulted, the Committee feel that the proposal also deserves to be looked at from a more practical angle in the context of the unprecedented nature of the problem and the financial capacity of the Port to bear even a part of the burden.

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As per recommendations of the Dredger Utilisation Committee (1972), the norms for working of dredgers have been fixed at 5,000 hours per annum on the basis of 3 shift work. But it is a matter of regret that, according to the Ministry's own norms, the dredgers have, by and large, remained under-utilised at all the ports—the utilisation in certain cases being as low as:

527 hours per annum (Bombay),
622 hours (Madras),
722 hours (Calcutta).

Such a situation is particularly painful considering the magnitude of the dredging problems at certain ports and their consequences.

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Poor maintenance is stated to be one of the main reasons for the under-utilisation of the dredgers. Secretary (Shipping and Transport) has informed the Committee that spare parts for the machinery most of which is indigenous are by and large available and it is only a question of proper materials management. It is unfortunate this factor of poor maintenance which is well

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within the control of port authorities should have been allowed to come in the way of full utilisation of dredgers. The Committee should expect the Ministry to take remedial measures, including strengthening of materials management, without loss of time.

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Shortage of qualified and experienced marine officers is another factor stated to be responsible for the under-utilisation of dredgers. The Committee find that the shortage of trained personnel is not a universal phenomenon. The shortage is only at certain ports like Kandla, which are not very popular for various reasons and where the available personnel do not want to go and they cannot be forced to go as job opportunities are available at other places in India and abroad. The Committee, however, feel that the factors which make such ports unattractive are not such as have developed suddenly or without notice and there is no reason why the authorities at such ports could not have anticipated such shortage and taken appropriate action well before the occurrences of shortage. In the Committee's opinion this reveals weakness of the personnel management at these ports for which the port authorities and the Ministry cannot escape responsibility. The Committee would urge that the Ministry should look into the matter and urge the ports to develop modern and forward-looking approach in the matter of manpower planning so as to ensure that the port operations in any field do not suffer for lack of trained personnel, particularly in view of large scale unemployment problem facing everywhere.

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The Committee take note of the training programme launched by the Dredging Corporation of India in 1976 to fill the void of trained personnel at various ports. So far 53 cadets have been trained. The Ministry expects the shortage in

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this respect to be made good in 4-5 years' time. This is a step in the right direction. But the Committee feel that the availability of trained personnel by itself may not end the shortage particularly at unpopular ports like Kandla. For this purpose it may be necessary for the Ministry to think of incentives to attract qualified staff to take up jobs at such ports and stay there for a reasonable length of time. The Committee would like the Ministry to give this matter a serious thought.

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The desirability of taking up Sethusamudram Project providing for an artificial canal across the rocky barrier called Adam's Bridge to connect the Indian Ocean with the Bay of Bengal similar to Suez and Panama Canals has been represented before the Committee. It is claimed that the project is economically viable and technically feasible and should be undertaken as a national project in national interest.

The Government it is stated, has set up an expert Committee to go into the technical and economic viability of the project once again. The Committee hope that besides examining technoeconomic viability the Committee will also consider the strategic importance of the channel for the country's defence, and the Government will take an early decision in the matter which will be in the larger interest of the nation.

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The need for capital dredging at Tuticorin Port to increase its draft by 5 feet has been represented to the Committee. But considering the complex problem of improving the draft at Haldia and paucity of funds, the Tuticorin scheme was not included in the Sixth Plan. The Committee take note of the observation made by Secretary, Shipping and Transport that there is a possibili-

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		ty of the Ministry taking up the capital dredging scheme for Tuticorin in the Seventh Five Year Plan.
77	9.60	The Committee feel that the Ministry should keep the international trend of commissioning bigger and bigger ships under watch and plan well in advance to make India ports usable for bigger ships so as to keep pace with the international trend.
78	10.36	Surprisingly no study has been made by the Ministry to know whether, any, and if so, how many strikes/work stoppages could have been forestalled by timely action on the part of management. The Committee feel that such a study should be made to learn lessons from past mistakes which will no doubt stand the management in good stead in dealing with such situations in the future.
79	10.37	The Committee also feel that if the port management has tactful, alert and sensitive set-up to look after industrial relations and keep a watchful eye on the health and mood of the labour community, it can sense the approaching storm before-hand and move in the matter well in time to defuse some, if not all, explosive situations before it is too late. The Ministry will do well to review the industrial relations machinery at each port with a view to making it strong and efficient.
80	10.38	The Committee are concerned to note that labour-productivity has been more or less stagnant in all the ports over the last four years. Norms of productivity have remained unchanged despite the facts that wages have been rising from time to time and the equipment too has been improved and mechanised. The Committee fully endorse the thinking of the Government

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that when piece rate wages are increased hereafter, the norms should also be revised upward and the increased wages should be linked to increased productivity. The Committee hope that the new productivity norms will also ensure that the labour report at work sites on time and are encouraged to achieve higher outputs. This will be in the fitness of things in the year of productivity; that is 1982, if conclusive action in this direction is taken now and not delayed any longer.

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The Committee are concerned to note that the labour force at Calcutta and Marmugao Ports is far in excess of requirements. The Committee will urge the Ministry to find satisfactory solutions to the problem of surplus labour by making voluntary retirement schemes more attractive as also by taking such other measures as may be considered feasible and effective.

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The Committee regret to note that even though cargo handling technology and trade pattern are changing fast there are no training arrangements to keep them labour abreast of the latest developments at a number of major ports in India viz. Calcutta, Cochin, Kandla, Tuticorin and New Mangalore. The need to train labour in the latest techniques of cargo handling and to re-group and re-categorise labour gangs to suit the changing trade pattern cannot be over-emphasized. The Committee hope that the proposals which have been initiated in this direction will be translated into action soon.

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At present there are two categories of labour working at the ports, the dock labour and the port trust labour. The Committee have gone into this question. They are of the opinion that for the optimum utilisation of labour force and for

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		efficiency of operations at the ports, it is absolutely essential to integrate all categories of labour whether of Port Trusts or of Dock Labour Board into one labour force and place them under a unified control. They would urge the Ministry to pursue this matter vigorously with a view to bringing about such an integration as early as possible.
84	11.5	The Committee note that at Calcutta, Cochin and Tuticorin there are formal committees viz. Port Operations Committees consisting of port officials and users which meet at regular intervals to discuss problems and difficulties of port users. But no such regular Committees have been constituted at other ports though ad hoc arrangements are stated to have been made there to hear and redress the grievances of the Port users. The Committee are glad to learn that the Ministry has no objection to constitute formed Committee of port officials and users at all other ports to provide a regular forum for hearing grievances and finding solutions by collective discussions. The Committee hope that this will be done soon.
85	11.13	The Committee feel that the constitution of Port Trust Boards should be reviewed at the earliest opportunity and representations rationalised so as to give an effective voice on the Board to a cross section of interests which have a direct stake in the efficient working of the ports.
86	11.21	The Committee would like that a critical study of the powers vested in the Ministry and Port Trusts under the Major Ports Trusts Act the Rules made thereunder should be made to determine whether the ports have been allowed autonomy in actual practice within the allotted

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sphere and whether the Ministry has over-stepped the limits of its powers under the law. To make the study objective, it would be necessary to associate the representatives of the ports and the Ministry of Finance with it. If still the Ministry feels it necessary to have more powers for itself or limit the powers of ports in any particular respect in national interest, there should be no objection provided the law is modified accordingly. What the Committee would like is that statutory powers granted by Parliament to Port Trusts should not be taken away or eroded by administrative fiats.

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From the data furnished by the Ministry, the Committee, however, find that Chairmen of certain ports have remained out of station for an aggregate of 83 to 128 days in 1981; in 1980, the aggregate period of absence was as high as 147 days at Kandla, 148 days at New Mangalore, 131 days at Tuticorin and 99 days at Paradip. The Ministry would do well to consider the effect of absence of Chairmen, Port Trusts, from headquarters for such long period on the efficiency of the port operations.

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The Committee are of the view that, in the absence of the Chairman of a Port Trust if an urgent issue concerning port operations or security or safety arises and if delay in taking a decision on the issue is likely to cause harm to the port or harassment or financial loss to port users, the officer next below to the Chairman should be able to exercise the powers of the Chairman subject to review by the latter on his return. The Committee would like the Ministry to give a thought to this matter.

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The Committee are glad to learn that Management Accounting System has already been introduced in all the ports except the ports of Tuticorin and New Mangalore which also have

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been advised by the Ministry to follow suit. Ports where the Accounting System is not yet linked with electronic data processing system have also been advised to do so early.

The Committee find that there is no Management Information System in the ports. The need for such a system appears to have been acknowledged by the port Chairmen but it is yet to be designed. It is awaiting further consideration by the Indian Ports Association. The Committee would urge the Ministry to help the ports arrive at a decision in the matter and introduce a Management Information System at the ports expeditiously as a step towards better control and direction of port management and operations.

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The Committee note that the large volume of information which the Ministry is receiving from all the ports and which it says it is tabulating and analysing, is not all being utilised for lack of electronic data processing system. When the Ministry has gone so far as to make all arrangements for collecting and analysing information from all the ports, the information should be fully utilised in monitoring and coordinating the working of the ports and the development projects under way there; otherwise the expenditure and effects made in collecting information would be infructuous.

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The Committee note that some ports are experiencing shortage of trained and qualified personnel for manning essential services. Shortage is prominent among Pilots, Marine Engineers and Motor Drivers (Tugs). That the trained personnel leave whenever they get foreign jobs is not a new development and it is not a factor which cannot be taken care of by a proper system

of manpower planning. The Committee would like the Ministry to draw up a long term perspective of requirements and availability of trained personnel for port services and initiate an integrated plan of action to ensure that adequate personnel become available from year to year to cope with the demand.

- 92 11.45 Now that definite need to go into all aspects of administrative procedures and organisational set up in Major Ports has been acknowledged by the Ministry the Committee would expect the Ministry to initiate action to appoint an administrative reforms committee to take up a comprehensive review of the administrative systems and procedures with the object of making ports administration more efficient and result and service oriented.
- 93 11.56 The Committee are of the view that Port
 & Trusts should be declared commercial enterprises
 11.57 and controlled and managed at the apex level, not by the Ministry direct, but by a professionally manned public sector organisation (*viz.* Central Ports Authority) on the lines of International airports Authority of India. This would not only bring in commercial outlook in port administrations and business like efficiency in port operations with emphasis on results rather than rule-biased procedures but also make for an integrated development, coordinated operation and optimal utilisation of resources of the ports. The Central Ports Authority may be under the administrative jurisdiction of Ministry of Shipping and Transport for the purpose of policy framework and accountability, but should otherwise be autonomous like other public sector enterprises, within the allotted sphere. The Committee recommend that the Government should consider setting up the Central Ports Authority as early as possible.
- 94 11.58 The Committee note that the question of strengthening the Indian Ports Association and giving it additional functions in important fields

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like Management Information System and monitoring is engaging the attention of the Ministry and the Ports Chairmen. They would like to be apprised of the decisions taken in the matter.

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The Committee are constrained to observe that the implementation of the policy for appointments at the highest level is biased in favour of IAS Cadre. The Committee are of the view that port administration, like Railways and Airports administrations, is highly specialised affair for which professionals who are committed to, and soaked in, the port culture and are fully acquainted and have grown with the ports' problems would be better suited to head the Port Trusts. Only when such an officer is not available from amongst the port services the question of inducing an IAS or other such officer from the general cadre should arise. The Committee, therefore, recommend that the appointments policy followed so far in this regard should be re-oriented and a cadre of senior officers from among the port services should be gradually built up to men all the posts including the posts of Chairmen and Deputy Chairmen in the Port Trusts.

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The Committee are disturbed at the persistent losses being suffered year after year by Calcutta (except in 1979-80), Paradip and Visakhapatnam Ports, Tuticorin port was also in the red in 1980-81. They are also unhappy at the high operating ratios at these ports. The operating ratio at the ports of Paradip and New Mangalore have been higher than 100 per cent. The Committee would urge that more effective and comprehensive measures are called for to improve the operating ratios and break the vicious circle of uneconomic working created around these ports and bale them out of this deficits syndrome.

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		They would like to be informed of the measure to be taken in this regard.
97	11.91 & 11.92	The Committee note that the criteria laid down by the major Ports Commission for fixing tariffs are currently being reviewed by the Bureau of Industrial Costs and Prices. The Committee are of the view that it would help in easing congestion at Bombay Port if the tariffs at this port are higher, or at least not lower, than those prevailing at nearby ports. Even if it does not ease congestion to the desired extent, it can boost the revenues of Bombay Port which can be used to develop additional facilities there. The Committee would therefore suggest that the port tariffs at Bombay and other Major Ports should be reviewed with a view to discouraging unnecessary traffic at Bombay and other congested ports and diverting it to nearby ports which may be having capacity to handle more traffic.
