

MR. DEPUTY-SPEAKER: The question is:

"That the Bill to amend the Children Act, 1960, as passed by Rajya Sabha, be taken into consideration."

The motion was adopted.

MR. DEPUTY-SPEAKER: Now, we take up clause-by-clause consideration. There are no amendments to Clauses 2 to 19. I shall put them together to the vote of the House. The question is:

"That Clauses 2 to 19 stand part of the Bill."

The motion was adopted.

Clauses 2 to 19 were added to the Bill.

Clause 1—(Short title and commencement)

Amendment Made:

Page 1, line 3,—

for "1977" substitute "1978" (2)

[Dr. Pratap Chandra Chander]

MR. DEPUTY-SPEAKER: The question is:

"That Clause 1, as amended, stand part of the Bill."

The motion was adopted.

Clause 1, as amended was added to the Bill.

Enacting Formula

Amendment made:

Page 1, line 1,—

for "Twenty-eight"

substitute "Twenty-ninth" (1)

(Dr. Pratap Chandra Chunder)

MR. DEPUTY-SPEAKER: The question is:

"That the Enacting Formula, as amended, stand part of the Bill."

The motion was adopted.

The Enacting Formula, as amended, was added to the Bill.

The title was added to the Bill.

DR. PRATAP CHANDRA CHUNDER: Sir, I beg to move:

"That the Bill, as amended, be passed."

MR. DEPUTY-SPEAKER: The question is:

"That the Bill as amended be passed."

The motion was adopted.

15.25 hrs.

MERCHANT SHIPPING (AMENDMENT) BILL

MR. DEPUTY-SPEAKER: We now take up the Merchant Shipping (Amendment) Bill. Mr. Chand Ram.

THE MINISTER OF STATE INCHARGE OF THE MINISTRY OF SHIPPING AND TRANSPORT (SHRI CHAND RAM): Sir, I beg to move:

"That the Bill further to amend the Merchant Shipping Act, 1958, be taken into consideration."

While moving this bill for consideration, I may say a few words, although the necessity for bringing in this bill before the House has been mentioned in the Statement of Objects and Reasons. But hon. Members may still like me to say a few words by way of amplification or clarification. The amendment to the parent Act relate to Sections 14 to 19 which mainly deal with the Shipping Development Fund and the Shipping Development Fund Committee. This Fund was created in 1959; and since

[Shri Chand Ram]

the creation of this Fund, much progress has been attained by shipping in India inasmuch as we have now achieved 30,000 shipping tonnage in our country since Independence. This has been so, because of advance of loans and financial assistance from this Fund.

We are now making certain amendments with a view to diversifying the activities of the Shipping Development Fund; and one amendment relates to the advancement of loan to the ship-builders as also where modifications are required. Another amendment is for making the nomination of Directors legal. Earlier, there was no statutory support in the bill or in the Act whereby we could nominate our Directors on the private companies; but we have been nominating Directors on them. It will now be made legal. But we are making these Directors free from any liability. This is one of the amendments. Another amendment is about the issue of bonds or debentures to the public. This Fund is falling short of our requirements; and, therefore, this Shipping Development Fund Committee acts like other financial institutions. And it has now been thought necessary to issue debentures and bonds to public, so that we may have more funds to meet the growing requirements of the shipping industry.

Similarly, there are also some consequential changes to enable Central Government to take over the property of the Committee and its liabilities in the event of its closure.

With these words, I move that this bill be taken into consideration.

MR. DEPUTY-SPEAKER: Motion moved:

"That the Bill further to amend the merchant Shipping Act, 1958, be taken into consideration."

There is one amendment in the name of Mr. Vinayak Prasad Yadav. Are you moving it, Mr. Yadav?

श्री विनायक प्रसाद यादव (सहरसा):
उपाध्यक्ष महोदय, मैं प्रस्ताव करता हूँ: "कि विधेयक पर 31 मई, 1978 तक राय जानने के लिये उसे परिचालित किया जाये।"

MR. DEPUTY-SPEAKER: The motion is now open for discussion. Mr. Ugra Sen is not here. Mr. Sheth. You are now required to speak, but not on the amendment.

SHRI VINOD BHAI B. SHETH (Jamnagar): I generally welcome the Bill.

MR. DEPUTY-SPEAKER: Amendments are moved when the clauses are taken up. An amendment is taken up at this stage only when it relates to reference of the Bill for circulation, or reference to Select Joint Committees.

SHRI VINOD BHAI B. SHETH: Sir, this Bill is most welcome at a time when the shipping industry is in crisis. The world tonnage is in surplus and India is not an exception to it. The SDFC has come to the rescue of the shipping industry, not only by giving soft term loans, but this time by giving rescue loans for maintenance and renovation. Now the ship-owners are asking for the diversion of foreign exchange funds for this purpose to have some cash flow. But we have to be very cautious this time in order to save Government finance. I think they should use their funds to rescue their finance rather than go to the rescue of the ship-owners.

The Shipping Development Fund Committee is a statutory body where Government officers are represented. I feel there should be some public involvement there. Now the shipping industry is run by both the public and private sector. The SCI and the other lines are in the public sector,

while there are some private companies in the same industry. When huge amounts to the extent of Rs. 1,000 crores are given by way of loan at the rate of 4½ per cent to the shipping industry, when such finances are okayed by Parliament, I feel that Parliament should be represented in that Committee. So, I have suggested in my amendment that there should be two Members of Parliament in this Committee, one from Lok Sabha and another from Rajya Sabha.

The procedure for drawing money from the SDFC is very cumbersome. Of course, the SDFC has to keep a close check on the industry when it is giving loans. Now only public limited companies are entitled to get loans from the SDFC. If we take Andaman and Nicobar islands, there is no public limited company entitled to get loans. So, I would suggest that co-operative societies and registered firms should be entitled to get loans from the SDFC, of course, after taking proper sureties.

There is a provision seeking exemption from income-tax and wealth-tax for this Committee. Being a non-profit-making organisation, I do agree that it should be exempted from these taxes. At the same time, I would suggest that this concession should be extended to the sea-farers and the merchant navy officers, because they are now drifting from the Indian-flag ships to foreign-flag ships.

It is heartening to know that the SDFC is thinking of diversifying its programme and giving loans to shipyards also. Now most of our ships are built in foreign shipyards. So far as shipyards are concerned, we are far behind many countries. Shri M. A. Master has said on many an occasion that we have to pay attention to this important industry, but I do not understand why this country does not go in for more shipyards. We should build our ships in our own shipyards. Now we are getting our ship built in foreign shipyards. Small countries like

Korea, Japan, Norway, Yugoslavia and UK have been supplying us ships. We have purchased 23 ships only from one company, namely, Mitsubishi, in Japan. In that context, it is a welcome idea that the SDFC is thinking of giving loans to shipyards also.

It is good that Shri Chand Ram has mentioned that Indian bottoms will carry Indian cargo. Somehow or other, some of the Ministries are not thinking in terms of this when they are entering into bilateral agreements with foreign countries. In fact, when there should be a C&F contract, they make it a FOB contract and vice versa. Such things should be put an end to so that we can rescue our shipping industry from its present pitiable position.

I am sorry to say that in this Bill there is no reference to the small sailing vessels. There are 8,000 small sailing vessels in the country and there are more than one lakh persons employed in the small vessels. The livelihood of about 10,000 families depends on small sailing vessels. I would say that the SDFC should earmark Rs. 5 crores in the next Five Year Plan for mechanisation and purchase of small crafts, including trawlers. Most of the funds to the shipping industry are provided by the Government. I do not plead for nationalisation at present, but I hope Government will think of social control.

At present the SDFC are financing almost all the shipowners of the country. So, there should be some control over them to see that the funds earmarked for a particular purpose are spent for the same purpose. Sometimes funds are diverted to other purposes. We have received complaints from many corners about this also. So, I hope proper vigilance will be kept by the SDFC, and for this purpose I once again request that there should be two Members of Parliament included in the SDFC.

SHRI MANORANJAN BHAKTA
(Andaman and Nicobar Islands): While speaking on this Bill I am much agitated because of the sudden recent increase in freights and fares to the tune of 25 per cent in the shipping service to the mainland from the Andamans. This has caused much distress to the people of the Andaman and Nicobar Islands, and it is a fact that due to this increase the entire economic development of the territory has been jeopardised.

I definitely welcome this Bill and congratulate the hon. Minister for bringing it because it has a got a lot of good things for development of shipping in this country. At the same time, the entire Merchant Shipping Act has to be fully examined as it requires more changes to be made. There is no provision, for instance, now for helping the small shipping entrepreneurs in the country. Only the big ones are getting all the benefits and the facilities.

There are lots of problems in the country regarding dry docking and ship repairing yards. Different shipping interests have also on very many occasions raised this issue of having more ship repairing yards and dry docks. I think Government has yet to take a bold decision about it. The dry docks and ships repairing yards are under the control of the port authorities who charge the small entrepreneurs the same rates as the bigger ones. That is why it is very necessary to look into the case of the small shipping entrepreneurs and give them some incentive so that they can also start coastal lines in the country.

We are gradually becoming one of the maritime countries of the world, and our shipping tonnage is increasing considerably. Our hon. Minister rightly wants to have more shipyards in the country. Naturally I believe that it is very necessary to be self-sufficient in ship-building. At the same time, when you look at the officers manning ships, you find that their

conditions are very deplorable. They go to foreign countries because they get much more facilities and benefits there. On very many occasions—the hon. Minister might be knowing it—they have represented that income-tax should be exempted for the merchant shipping officers, so that this will be one of the attractions for them; and they may not go out of the country. I request the Minister to look into this case. We are very much feeling shortage of personnel to man our ships. It will be pertinent to mention here that recently lot of accidents have taken place. The fate of Chandragupta is unknown. Even in today's paper it is mentioned that one tug was sunk near Cochin. Another accident had happened near Bombay. What is the reason behind it? This should be looked into. If necessary, Government should provide more amenities to the officers and should not be miser about it.

There is another Act. Inland Steam Vessel Act. This Act and the Merchant Shipping Act are open to the vessel owners to register their vessels. There are many places like Andaman & Nicobar Island where the ship owners use to register their vessels under the Inland Steam Vessel Act. This is done in order to deprive the workers of certain facilities because the facilities provided under the Merchant Shipping Act are much more than under the Inland Steam Vessel Act. Therefore, it is very necessary that the same Act should apply to all the ships operating in the same territorial waters so that disparity in the salaries and facilities are avoided. It is necessary that Government should look into this matter and ensure that equal work equal pay and equal facilities are provided to the crews and officers of those vessels.

I once again congratulate the Minister for bringing forward this Bill which will definitely help the shipping industry of our country. I request him to examine the whole Merchant Shipping Act and the Inland

Steam Vessel Act so that he can bring forward a more progressive bill to help the country's shipping industry.

श्री बिनायक प्रसाद यादव (सहरसा) :
उपाध्यक्ष महोदय, जो अभी संशोधन विधेयक मंत्री महोदय लाए हैं उस के लिए मैं उन्हें धन्यवाद देता हूँ। लेकिन इन्होंने सिर्फ शिपिंग डेवलपमेंट कमेटी और शिपिंग कम्पनी के संबंध में संशोधन रखा है। मालूम पड़ता है कि जैसे शिपिंग डेवलपमेंट कमेटी या शिपिंग कम्पनी को जनता से कोई ताल्लुक ही नहीं है। यह 1958 का 20 वर्ष पुराना कानून है और 20 साल बाद इस में यह अमेंडमेंट आया है। इधर जो परिस्थितियाँ बदली हैं, जैसा अभी माननीय सदस्य कह रहे थे ऐवनार्मल राइज हुआ है फ्रेट और फेयर में। शिप से जो माल ढोया जाता है, जो बाहर भेजा जाता है या शिप से जो लोग बाहर जाते हैं उन के भाड़े में काफी वृद्धि हुई है। जनता को इस से काफी परेशानी है। यह जो अमेंडमेंट बिल मंत्री जी अभी लाए हैं इन को चाहिए था कि इस 20 साल पुराने बिल में अमेंडमेंट करते समय सिर्फ शिपिंग डेवलपमेंट कमेटी या शिपिंग कम्पनी का ही ध्यान न रख कर जनता से भी चूँकि इस का ताल्लुक है, इसलिए नये सिरे से पूरा अमेंडमेंट बिल एक बना कर लाते हैं और उसे सदन के सामने प्रस्तुत करते अभी भी जो अमेंडमेंट आया है इस में मेजर चेंजेज किए गए हैं जैसे शिपिंग डेवलपमेंट कमेटी को इनकम टैक्स से बरी करने का प्रावधान किया गया है। फिर शिपिंग डेवलपमेंट कमेटी के मेम्बरों को 6 से 12 किया जा रहा है। उस को अभी तक सरकार से ही फंड मिलता था, अब एक कानून के जरिए प्रावधान कर रहे हैं शिपिंग डेवलपमेंट कमेटी जनता से भी लोन बांड बेचकर या और दूसरे जरियों से ले सके। फिर, इन का अभी जो प्रावधान है उस के अनुसार जो शिपिंग कम्पनी शिपिंग डेवलपमेंट कमेटी से लोन लेना चाहती है उस शिपिंग कम्पनी को अपने बोर्ड

• पाफ डायरेक्टर्स में इन के रेप्रेजेंटेटिव को रखना पड़ता है। यह सब बीस साल से हो रहा है। कोई कानून नहीं था। दोनों में जो सौदा पटता था उसके हिसाब से वे अपना डायरेक्टर रखते थे लेकिन आप कानून थोपने जा रहे हैं कि कोई बात-चीत नहीं होगी, सरकार की जिस तरह से इच्छा होगी बिना किसी बात-चीत के अपना डायरेक्टर बिठायेगी। यह सारी चीजें की गई हैं। हम चाहते हैं कि चूँकि यह संशोधन विधेयक अशुभ है और इसके प्रावधान जनता से तथा फेयर और फ्रेट से सम्बन्धित हैं, डेवलपमेंट से सम्बन्धित हैं इसलिए एक कांफ्रिहेंसिव बिल सदन के सामने लाया जाना चाहिए। बीस साल से अभी तक कोई अमेंडमेंट नहीं हुआ है और सारा कारोबार चल रहा है तो एक महीने के लिए इस बिल को पब्लिक ओपीनियन के लिए भेज देने में कोई हर्ज नहीं होगा। यह तीन महीने का सेशन है, एक महीने में पब्लिक ओपीनियन की रिपोर्ट आ जायेगी उसके बाद इसी सेशन में शिपिंग ऐक्ट के लिए एक कांफ्रिहेंसिव अमेंडमेंट बिल लायें। यही मेरी मंशा है। मैं आपके जरिए माननीय मंत्री जी से निवेदन करूँगा कि जो बिल वे लाये हैं वह बहुत अच्छा है, शिपिंग डेवलपमेंट के लिए प्रावधान ठीक है लेकिन वह काफी नहीं है इसको और कांफ्रिहेंसिव बनाया जाना चाहिए। मेरा अनुरोध है कि मेरे अमेंडमेंट को मान लें।

PROF. R. K. AMIN (Surendranagar): Mr. Deputy-Speaker, Sir, I would like to draw the attention of the hon. Minister to two important points, one regarding the composition of the committee and the second regarding the exemption from wealth-tax and income-tax on the funds of the committee.

This amendment brings about certain fundamental changes. So far, the Committee had the funds available from the loans of the Government.

[Prof R. K. Amin]

Now, besides the loans of the Government, the committee will approach the public and arise funds through bonds. Although, formerly, a committee consisting of Government officers might be an appropriate one because it was only managing the funds of the Government, now that it raises funds from the public also, it is much more necessary that the committee should have members from the public also i.e. those who keep a perpetual vigilance on the committee for the use of the funds. That aspect has not been thought out by the hon. Minister.

Secondly, as I see the objects of the Bill, the number of members has been raised from 6 to 12 due to increased work. What sort of work has been increased, has not been mentioned. Is it the total amount of loans to be disbursed? Sometimes because of the cumbersome procedures introduced in the system of granting loans, probably, the committee might be taking a longer period. It should be examined whether by curtailing the procedure, by shortening the procedure, is it possible to reduce the total amount of work which the committee has to do? Having examined it, if, after making that exercise, we still feel that the workload is higher, then one can go ahead with an increase in the number of members of the committee. We do not know how many sittings they are holding. We do not know how many cases they are disposing of. We do not know what is the number of cases which are pending since long. Unless and until this is told. I think, we should be very vigilant and we should be very careful in increasing the number of members from 6 to 12.

The Minister, in his introduction, has not given any idea about it. He should give that idea; he should take the House into confidence. If there is any justification found for increasing the number, then it should be done.

Secondly, now the activities of the committee have been expanded by raising funds from the public. There should be some representatives the public on the committee. After all, these are funds of the Government. We do not have any avenue to know whether the funds have been spent in the right manner, because the reports of the working of the committee are not submitted before the House. The House has got no opportunity to discuss the reports and say whether the fund has been used according to the principles laid down. Therefore, I suggest that there should be at least two Members of Parliament who can keep a constant watch on it and also draw attention of the House from time to time.

My second point is regarding the exemption given in the income tax and wealth tax. Now the reason given is that this is a non-profit making organisation. There are a large number of non-profit making organisations. Do we exempt them completely from the income tax and the wealth tax? There should be some solid reason behind it as to why it should be exempted. But this exemption gives them the false impression about their total contribution, total cost which we incur for the development of the shipping activities. Certainly, there should be some criterion for its evaluation. I would not mind if income tax and wealth tax assessed to the committee fund should be given to the committee fund back so that what is the total amount of expenditure involved in the development of shipping activities could be known to us as compared to the resources which are being used elsewhere. That comparative evaluation is possible. The income tax and the wealth tax should be imposed in the same manner as is being done to other organisations, although that money can be transferred as an accounting device to the same fund. Supposing this committee is spending Rs. 2 crores on which Rs. 1 crore would have been the income tax and the wealth tax. Then, in fact, the

committee is spending Rs. 3 crores. We can compare the resources of this committee with the resources of other organisations which also spend Rs. 3 crores. Therefore, I would suggest that the Minister should make an exercise of finding out in the committee that if income tax and wealth tax were paid what would be the total amount of money which the committee would have spent. It does not matter if the amount is credited to the fund simultaneously but in evaluation it is possible to find out how much resources are being spent on these activities, as compared to other developmental activities.

I hope the Minister will accept the amendment regarding the composition of the committee and he would also accept the suggestion of making a provision by which income tax and wealth tax assessed should be simultaneously credited to this fund.

SHRI JAGNNATH RAO (Berham-pur): Mr. Deputy Speaker, Sir, I welcome this Bill and the Bill has not come a day soon. Sir, the setting up of the shipping development fund in March 1959 helped the shipping industry in the country to build up 5.3 million tonnes S. R. T. But, in the last few years, because of rise in the oil prices, the recession has taken place with the result the shipping industry now is in doldrums. I am glad that the Government has thought of amending this Act to widen the scope of the shipping development fund, so that the shipping industry can have loans and financial assistance, not only for the acquisition and maintenance of ships but also for restructuring, re-modelling and renovating them. To meet the daily expense, working capital, financial assistance also can be given under the amendment. This had been the cry of the shipping industry in the National Shipping Board and we feel that their submissions are very genuine, whereas the foreign shipping industry was in a better and sound position; they are able to meet the recession.

15.55 hrs.

[**SHRI N. K. SHEJWALKAR** in the Chair]

The Indian shipping industry being still nascent, is not in a position to meet the recession. Government has come to the rescue of the industry by amending the Bill, by enlarging the scope of the Shipping Development Fund.

Section 15 speaks of the composition of the Shipping Development Fund Committee: it says that it shall consist of a Chairman and number of other members, not exceeding six. Now this number 'six' is sought to be substituted by 'twelve'. It is not that it is going to be made a Committee of 12 members; this is only an enabling provision; it would enable the Government to increase the number from six to twelve, upto twelve—not exceeding twelve. Therefore, I do not see any reason for the amendment of my learned friend here that it should be confined to nine.

Also I am not in agreement with the proposed amendment that two Members of Parliament should be represented on the Board. It is a financial institution, and I do not think that Members of Parliament should be associated with financial institutions. There are other ways in which Parliament can exercise its control; being a public institution, the Public Accounts Committee is there to look into it; also by putting questions we can know about its functioning, whether the Fund that has been set up is being properly utilised or not.

I am glad that the scope of the shipping Development Fund is being sought to be enlarged, to enable loans being granted to Indian Shipyards also for the construction of new ships. I take this opportunity to know from the hon. Minister as to what has

[Shri Jagannath Rao]

happened to construction of two ship-yards in the country which was recommended by a Technical Committee—one at Paradeep and the other at Hazeera in Gujarat. We have been told in the House time and again that the Technical Committee's recommendations are under consideration by the Government. How much more time will Government take to come to a decision? I do not think there is any obstacle in the way of Government taking a decision. The recommendations of the Committee are very clear, unambiguous, and I am sure Government should be in a position to come to a decision. I will be glad if the hon. Minister could make a statement on this aspect also.

The companies which borrow money from the Shipping Development Fund have to have on their Boards the nominees of the Committee to serve as directors. I welcome the statutory recognition or right being given to the Committee now to insist that some Directors should be appointed by the Committee to serve on the Boards of those companies which borrow money from the Committee. But I cannot understand why these Directors who are appointed should be above the operation of the Company Law. It is said that they are not bound to retire, that they can continue indefinitely as permanent Directors. I can appreciate the immunity that is given to them, that they cannot be prosecuted in courts. That is all right. But to say that they shall not retire, shall hold office during the pleasure of the Committee, and so on and so forth, to say that the provisions of the Company Law would not apply, is something which I am not able to appreciate. The hon. Minister may please enlighten the House on this.

Raising of funds by issue of bonds and debentures is a good move. By this, the savings from the public can be mopped up; the funds of the Committee can be augmented by public borrowings, and this would enable

them to make funds available to more shipping companies; thus the activity of the shipping industry would be increased, and we can further build up our shipping tonnage; also the shipping industry can function more efficiently and will not be blocked for want of finances.

The other amendments sought to be made are only consequential and incidental, and I do not think they deserve any comments from us.

Therefore, Sir, I welcome this Bill; I am happy it has come; it would relieve the difficulties that are faced by the shipping industry today.

16.00 hrs.

SHRI DHIRENDRANATH BASO (Katwa): While welcoming this Bill that has been brought by the Minister, I would like to point out that the main purpose of the Bill should be to enlarge the shipping development fund for safeguarding the interests of the shipping industry.

It appears that our Hon. Minister has left it to the officers to formulate the policies. Instead of six Members on the Committee the Department has suggested twelve. I think it can be increased by three Members to make it nine instead of six, but there is no reason why there should be twelve.

Another thing is that the lines should be increased. There should be a communication line from Calcutta to Sundarbans, as there is now no communication line between them. The Shipping Corporation should come forward with steamers running from Calcutta to Sundarbans so that the Sundarbans can be developed. When we met the Prime Minister the other day, he also assured us that the matter would be considered sympathetically. But there is no proposal here for the issue of debentures for the development of the shipping industry in that area.

I am also surprised to see that there are many projects for the development of Haldia and Calcutta Ports which have been hanging in the balance for a long time, but no provision has yet been made. Our Hon. Minister should have come forward with proposals for the issue of debentures for the implementation of these projects. On previous occasions the Minister had said that due to paucity of funds the projects could not be taken up. I would therefore request the Hon. Minister to make adequate provision of funds so that the projects for the development of Haldia Port and Calcutta Port can be taken up.

While concluding, I would again request the Hon. Minister to look into these matters sympathetically.

THE MINISTER OF STATE IN CHARGE OF THE MINISTRY OF SHIPPING AND TRANSPORT

(SHRI CHAND RAM): Sir, for one thing, I am happy that all the Members who have spoken on this Bill have welcomed it. The criticism has been mainly against increasing the number of Members on the Shipping Development Committee and including only official Members and, secondly, that there has been unnecessary exemption from income-tax or wealth-tax. I think that if the Members had read the Statement of Objects and Reasons carefully, they would not have spoken so much against these things. But my task has been made easier by my friend Shri Jagannath Rao who gave various arguments in justification of the amendments we have proposed in the Bill.

So far as increasing the number of Members is concerned, the activities of the Shipping Development Committee have been diversified and expanded and it has therefore been felt that the number of Committee Members should be increased. We are now proposing to include Members from the Department of Company Affairs and the Department of Agriculture because we consider it necessary to include representatives of these Ministries also. But it may not be

necessary to nominate Members to the extent of twelve: We can have eight or nine.

SHRI JAGANNATH RAO: Not exceeding twelve.

SHRI CHAND RAM: Yes, not exceeding twelve. Moreover, Section 15 of the parent Act clearly says:

"The Central Government shall constitute a Committee to be called the Shipping Development Fund Committee consisting of a Chairman and such number of other members not exceeding six, as the Central Government may think to appoint thereto"

This Section does not bind the Government that only official members should be nominated; we can nominate non-officials also. Of course, I feel that in the Statement of Objects and Reasons, there is a line to indicate that this Committee consists wholly of Government officers. That, in fact, is a rider, but I do not think, that is a legal rider, so to say. If it is thought fit that we should nominate non-official members in our interest, we can always nominate them; there is no bar. I quite agree with Shri Rao that in such matters, which are financial matters, it is not desirable that we should nominate non-official members or associate them.

Regarding nomination of the Government directors on the private sector companies, there has been no objection. We are interested in safeguarding the interest of the Government. That is the only purpose and in view of that we are going to nominate our Directors on the Board of the private shipping companies.

I would like to assure the Members that we are not unnecessarily loading this Committee with official members. If at any time, we think that the association of non-official members is necessary, we can always nominate them also.

SHRI MANORANJAN BHAKTA: At the present moment, there is a provision for six members. Have you got six members or is there any vacancy?

SHRI CHAND RAM: There is no vacancy.

SHRI MANORANJAN BHAKTA: You would be having twelve now.

SHRI CHAND RAM: There is also a provision that the Government can remove such members at any time. That is the pleasure of the Government.

THE MINISTER OF STEEL AND MINES (SHRI BIJU PATNAIK): And the pleasure of the Government is the pleasure of the House.

SHRI CHAND RAM: This Committee has met 176 times since its inception and it met 13 times in 1977. Usually, it holds its monthly meetings. It has sanctioned loans to the tune of Rs. 1435 crores and so far we have disbursed Rs. 635 crores.

Shri Manoranjan Bhakta, my hon. friend, has raised an objection and though it has no direct relation with this amending Bill, yet I can say a few words by way of clarification. He has also been meeting me and I have been explaining to him the reasons for the rise in freight and fare. This has been necessitated because so far we have been incurring losses to the extent of Rs. 3.5 crores on the services between the mainland and these islands and on the inter-islands services also.

SHRI MANORANJAN BHAKTA: You are quoting only from the statement of the Shipping Corporation; the Government has nothing which is authentic, whether it is five crores or two crores. I have my own doubts about these figures. I do not believe these figures about losses.

SHRI CHAND RAM: They are the audited figures and I am no authority and I have no power to challenge

them and I have no means also. But as I assured you. I can have a committee appointed to look into your aspect of the question. But this decision to increase the fares and freights was taken by the Cabinet and it was necessitated because we were incurring losses. This year itself we will be incurring a loss of about Rs. 5 crores. Therefore, it has become necessary or rather essential to increase the fares and freights....

SHRI MANORANJAN BHAKTA: On the Madras-Singapore service you are incurring a loss of Rs. 2 crores. How are you going to recoup it? There are even Shipping Corporation tankers in the Gulf area. Now it is clear that we require a shipping line and you are trying to impose. You better say that you cannot look after us. Under compulsion we are in the far-flung areas and you are our head-ache.

SHRI CHAND RAM: But the government's thinking is that we cannot continue to incur heavy losses in running these services. So, it has become necessary for us to increase the fares and freights....

SHRI MANORANJAN BHAKTA: Even if people cannot afford, you will increase?

SHRI DHIRENDRANATH BASU: But the spirit of the service should be agreed to.

SHRI MANORANJAN BHAKTA: Now, what is your service?

SHRI CHAND RAM: I assured you that I am prepared to go to the Andamans to find out the requirements of traffic over there and I am prepared to enable the Shipping Corporation of India to run more services also and to provide more facilities to the passengers. For that I am prepared, but, so far as the increase in the fares and freights is concerned, it is a must

So far as help to small sailing vessels is concerned, the Government of India....

श्री उपसेन (देवरिया) : प्राइवट कंपनियां जो सर्विसेज चलाती हैं, जसे सिधिया नैवगेशन है या और है जिनकी सर्विसेज रैगुलर हैं, उनकी मदद कर के उनको बढ़ावा देने में उसको क्या ऐतराज है?

SHRI CHAND RAM: No private company is now agreeable to run the services. Would you think they will go in for losses?

The Government has another scheme to help small crafts and the government have made a provision of Rs. 2 crores to help small vessels and a sum of Rs. 1.5 crores has already been advanced and we will continue this in the next Five Year Plan also....

SHRI MANORANJAN BHAKTA: This Rs. 2 crores is a very small amount.

SHRI CHAND RAM: If there are more demands, we will look into that and we can certainly find ways and means.

So far as the demand from hon. Members regarding achievement of self-reliance in the building of ships is concerned, this has been a question agitating my mind since I took over and my concern was that from a very small country like Yugoslavia we have purchased 54 ships. From Bulgaria also we have purchased so many ships. Even land-locked countries have their own ship-building yards but for this country with a coast line of 5600 km. it was a terrific part of the story that all these years we have not been able to build our ship-yards. It was only very recently that a committee was appointed and a preliminary project report was obtained and 11 sites are investigated and out of 6 we have selected 2 sites—Model I and Model II, one in Ajira in Gujarat and another is Paradip in Orissa.

I think I should take the House into confidence. There is opposition from certain quarters that we should not set up these ship-building yards because according to some suggestions or

some estimates we will be achieving self-sufficiency in the building of ships only from the present shipyards.

I am not yet convinced about it. I have decided that we should, of course, do it.

There is opposition from certain quarters but I have not yielded to these quarters and I expect some opposition.

श्री उपसेन : हमारे जो दो तीन जहाज अमरीका के समीप डूबे हैं, वे कहां के बने हुए थे ? क्या इस बारे में कोई जांच की गई है ?

SHRI CHAND RAM: How can you prevent that? Even the best ship can sink when there is storm. There is 80' high tidal wave. That is a different matter.

श्री उपसेन : मंत्री महोदय शिपिंग कारपोरेशन के अफसरों को पुल अप करें ।

SHRI CHAND RAM: I can only assure that whatever lacunae or deficiencies we thought are there in the Bill, we have taken care to fill those gaps and make up those deficiencies. The Statement of Objects and Reasons is very clear. I think this Bill should be taken into consideration.

MR. CHAIRMAN: There is Amendment No. 3 from Shri Vinayak Prasad Yadav for circulation of the Bill.

Let me put that first to the vote of the House and then I shall put Motion for consideration of the Bill to the vote of the House.

Shri Vinayak Prasad Yadav, are you pressing?

श्री विनायक प्रसाद यादव : मैं इसे वापस लेता हूं

Amendment No. 3 was, by leave, withdrawn.

MR. CHAIRMAN: The question is:

"That the Bill further to amend the Merchant Shipping Act, 1958, be taken into consideration."

The motion was adopted.

MR. CHAIRMAN: Now we shall take up clause by clause consideration. There is no amendment to Clause 2, I shall put Clause 2 to the vote of the House.

SHRI DHIRENDRANATH BASU: There is no quorum.

MR. CHAIRMAN: Let the quorum bell be rung.

Now there is quorum.

The question is:

"That Clause 2 stand part of the Bill."

The motion was adopted.

Clause 2 was added to the Bill.

MR. CHAIRMAN: The amendment to Clause 3 is not moved. So, I will put Clause 3 to the vote of the House.

The question is:

"That Clause 3 stand part of the Bill."

The motion was adopted.

Clause 3 was added to the Bill.

Clause 4 to 8 were added to the Bill.

Clause I— (Short title)

Amendment made:

Page 1, line 4,—

for "1977" substitute "1978" (2)

(Shri Chand Ram)

MR. CHAIRMAN: The question is:

"That Clause 1, as amended, stand part of the Bill."

The motion was adopted.

Clause 1, as amended, was added to the Bill.

Enacting Formula

Amendment made:

Page 1, line 1,—

for "Twenty-eight" substitute

"Twenty-ninth" (1)

(Shri Chand Ram)

MR. CHAIRMAN: question is:

"That the Enacting Formula, as amended stand part of the Bill."

The motion was adopted.

The enacting formula, as amended, was added to the Bill.

The title was added to the Bill.

SHRI CHAND RAM: I beg to move:

"That the Bill as amended, be passed."

MR. CHAIRMAN: Motion moved:

"That the Bill as amended be passed."

SHRI C. M. STEPHEN (Idukki): The amendment of the Merchant Shipping Act has been a long-pending need. This Merchant Shipping Act which is currently in force was framed on the basis of a similar Act in the United Kingdom long, long ago. After that many developments have taken place in the shipping field of this country.

There have been many developments on the international field. So much so, in England, they have appointed a high-powered Committee to examine the Shipping Act. May many amendments were brought about in the Shipping Act.

As our Shipping Act was framed on the pattern of the United Kingdom Act, certain amendments in the Shipping Act of India had also become overdue. The Board applied its mind to it. During the tenure of all the three terms of the National Shipping Board, this matter was gone into and a detailed examination took place. When I was the Chairman of the National Shipping Board, this matter

was taken up very seriously. Prolonged sittings took place. We took evidences from different quarters. And a large amount of evidences and data were collected. Very many basic amendments based on the international area had been proposed.

Now only a part of those amendments have been proposed here. This Bill concerns the interests of the ship-owners facilitating their borrowings and expansion of the loaning capacity of the Fund by giving them power to make borrowings to meet certain demands which the shipping industry has been putting up. This Merchant Shipping Act is only an element of part of the Shipping Act with few clauses. This fund matter was discovered. The rest of it discovered are concerning the safety of the ship, safety of the sea-men, conditions of service of the sea-men, their training—all those that are there are now governed by anti-diluvian rules and regulations. There is a considerable hardship among the seamen. We are being affected in the international competition also. This is an area where we can have an edge. In the international field, the seamen of India are in great demand. In fact, they are in demand all over the world. Their safety is a matter of national concern. A certain amendment in the Act is called for. For that purpose, this proposal has been there. But, nobody cares to look into all the proposals that are there. The Ministry picked up that part of the proposal which meets the demands of the shipping industry and that part of the proposal which meets the demands of the seamen, the workmen and the national interest as far as the Voyage is concerned are just ignored. Well, nothing can be done at this stage. But I do want to highlight that.

If at all the amendments to the Merchant Shipping Act are called for, it is in the area which concerns the seamen, the workmen and the safety of our ships. provision for the types of new ships that have developed and safety for a large number

of country-craft that are playing and the persons who are in slavery so to say as far as those countrycraft are concerned.

Those provisions are there. But, they have been put in the coldstorage. I only appeal to the Minister that while we support this Bill, kindly pull out from your file those recommendations for which a lot of labour and public money had been wasted or spent. Kindly see whether any of those proposals are worth-considering and, if you think that they are worth-considering I appeal in the name of seamen or the workmen and safety of our ships and expansion of the shipping industry of the country to kindly have that consideration and bring forward a comprehensive amendment to the Merchant Shipping Act.

With these words I support this Bill. I appeal again to the Minister to have a look into this aspect of the matter.

श्री उपसेन (देवरिया) : चेयरमैन साहब, माननीय मंत्री जी ने जो विधेयक इस सदन के सामने रखा है उसका समर्थन करते हुए मैं दो बातें कहना चाहता हूँ। पहली बात तो यह है कि जो कम्पनियाँ जहाजरानी में काम करती हैं, कामशर्ल विजनेस करती हैं उनको कर्जा देने के लिए जो आप कमेटी बना रहे हैं उसमें सरकार के प्रतिनिधि होंगे लेकिन जो सीमेन काम करते हैं मेरी पहली मांग यह है कि उस कमेटी में उनका भी एक प्रतिनिधि होना चाहिए।

मैं कलकत्ता में मेरीन हाउस पर गया था जहाँ मैंने एक अफसर से मुलाकात की, उन्होंने मुझे बताया कि जो जहाज दूसरे देशों की समुद्री यात्रा करके लौट कर आते हैं उनकी दो तीन महीने की सॉर्विसिंग की जरूरत होती है जो कि नहीं की जाती है और जल्दी में उनको बुक कर दिया जाता है। स्टीफेन साहब ने जो बात कही वह सही है, मैं भी उसी राय का हूँ कि कर्मचारी और सी-मेन

[श्री उग्रसेन]

के फायदे की जो चीजें हैं उसके लिए कानून बनना चाहिए और जो यात्री यात्रा करते हैं उनके फेयर और फ़ेट में सुधार होना चाहिए। लेकिन साथ-साथ शिपिंग कारपोरेशन में जो सी-मैन काम करते हैं, वे लगातार अपनी मांगों के लिये लड़ते हैं, लेकिन उन पर कोई ध्यान नहीं दिया जाता है। बीमारी की हालत में भी उन को इम्टी पर जाना पड़ता है, उन को छुट्टी नहीं मिलती है। माननीय मंत्री जी कई बार कलकत्ता आये हैं, मैं भी उन की मांगों के सम्बन्ध में उन से मिला हूँ। हमारी जो भी सी-मैन यूनियन है, शिपिंग कारपोरेशन में उस की मेजोरिटी है, मगर जब स्टीफन साहब का कांग्रेसी राज था, उस समय लेबर-सब-कमेटी ने प्रस्ताव पास कर दिया था कि सी-मैन की यूनियन को मान्यता नहीं देंगे, इन्टक की यूनियन को मान्यता देंगे। शायद उन को मालूम नहीं है कि इन्टक खत्म हो गई है, अब तो लेबर पार्टी बन गई है। माननीय मंत्री जी तो चाहते थे, लेकिन अफसर नहीं चाहते थे, इसलिये मैं चाहता हूँ कि शिपिंग कारपोरेशन में जो नौकरशाही चल रही है, इस को तोड़ डालिये। मैं आप से यह भी अपील करना चाहता हूँ कि उस में इस आदरणीय सदन के सदस्यों को भी रखिये, बंगाल के लोगों को रखिये, दूसरे लोगों को, जो वर्कर्स यूनियन में काम करते हैं, उन को भी रखिये और जो नौकरशाही है उस को तोड़ डालिये। अगर नौकरशाही वहाँ चलती रही, तो काम नहीं चलेगा। मैं बम्बई में

था, सिन्धिया नेवीगेशन कम्पनी में काम करता था, उस की मुझे पूरी जानकारी है।

इस समय अण्डमान, निकोबार और आसपास के क्षेत्रों में जो जहाज चलते हैं उन का कोई टाइम-टेबिल नहीं है, इस से लोगों को बहुत तकलीफ होती है, इन बातों का भी ख्याल रखिये। इन शब्दों के साथ मैं इस बिल का समर्थन करता हूँ।

SHRI CHAND RAM: My hon'ble friend Mr. Stephen has made certain suggestions regarding the welfare of the seamen. Various amendments are being examined by the Government. As we could not wait till a comprehensive Bill is brought before the House so we brought some of these amendments which were needed for diversification and amplification of certain provisions regarding the development fund only. We want that our shipping industry should expand. To enable that fund to be increased we have brought about these amendments. So far as the comprehensive amending Bill is concerned, I shall be bringing it shortly before the House and I once again assure you that. In fact, the National Shipping Board Chairman has made certain suggestions regarding the seamen and workers.

Mr. Ugrasen has also been meeting me and stressing this aspect of seamen I can assure him so far as this Ministry is concerned we shall take into confidence the hon'ble Members who are interested in the subject. With these words I again move that the Bill as amended be passed.

MR. CHAIRMAN: The question is:

"That the Bill as amended, be passed".

The motion was adopted.