INTRODUCTORY OBSERVATIONS

Even a casual look at the physical features of India cannot fail to show how inextricably her national interests are interwoven with the Indian Ocean. The peninsular character of the country with a very vast coastline of 3500 miles and an interior fertile and rich in resources, makes it dependent on the ocean, over which her vast trade has found its way to the markets of the world. It is, therefore, but natural that "the early growth of her shipping and shipbuilding, coupled with the genius and energy of her merchants, the skill and daring of her seamen, the enterprise of her missionaries, secured to India the command of the sea for ages, and helped her to attain and long maintain her proud, position as the mistress of the Eastern seas. There was not lack of energy on the part of Indians of old in utilising to the full the opportunities presented by nature for the development of Indian maritime activity - the fine geographical position of India in the heart of the Orient with Africa on the West and the Eastern Archipelago and Australia on the East, her connection with the vast main land of Asia on the North her possession of a sea-board that extends over more than four thousand miles and finally the network of the rivers which opens up the interior. In fact, in India, there is to be found the conjunction or assemblage of most of those specific geographical conditions on which depends the commercial development of a country".*

"He who rules on the sea will shortly rule on the land also", declared Khairuddin Barbarosa to Sultan Sulaiman, the Magnificent. The History of India proves it, more than in ample measure. The Indian Ocean occupies the most strategic position for the defence of the country. Her central geographical situation makes her prosperity largely dependent on sea trade. Since her ports are practically equi-distant from the markets of Europe and the Far East, the commerce of India has acquired world importance. "A true appreciation of Indian historical forces will show beyond doubt that whoever controls the Indian Ocean has India at his mercy. The authority that can be exercised over her long coast line, with the minimum of force makes the subjection perpetual, while invasion from across the land frontiers has naturally to be sporadic. Such invasions (from land) and conquests have either led to transient political changes, or to the foundation of new dynasties, which in a very short time became national or Indian. In fact it may be truly be said that India never lost her independence till she lost the command of the sea in the first decade of the sixteenth century. These facts clearly demonstrate the vital importance of the Indian ocean and the need for a strong naval force to protect the life lines of our trade.

+ Quoted by K.M. Panikkar in India and the Indian Ocean, p. 7.
* K.M. Panikkar - India and the Indian Ocean, p. 83.
© The recent decision of the U.S.A. Government to extend the area of operation, of its Seventh Fleet, to Indian Ocean, further reinforces this point.
The glorious past of Indian shipping industry, as narrated by Prof. Radha Kumud Mookerji; in his "History of Indian Shipping", gives this country the historical justification, if it ever be needed, and a legitimate claim for reviving and developing this ancient industry, so that it can find its proper place in the developmental programmes of our times. As indicated by the past history, the central geographical position of India in the heart of the Orient and its strategic importance in the Indian Ocean throw certain natural obligations on the persons who govern its destiny. The exploitation of its rich natural resources depends, as it was in the past, on the development of its overseas trade which in turn depends on the growth of an adequate merchant navy. For the defence of the country's long seaboard, also, the importance of the merchant fleet which serves as an auxiliary to naval ships can not be minimised. During the times of Shivaji who encouraged the development of shipping and maritime enterprises, the maratha navy was organised on sound lines, and it is a historical fact that under the leadership of Kanoji Angray, the great Maratha admiral, and Kunjali III that this country could successfully ward off the frequent attacks made by the British, Dutch and Portuguese naval fleets. For over 40 years the Malabar navy defied the naval strength of the Portugal. It was only after the weakening of our naval strength that the country could be subjugated by the foreign powers.

Another noteworthy feature of the past history is the encouragement received by shipping and shipbuilding industry,
firstly during the times of Mauryas and Andhras and subsequently during the reigns of Akbar and Shivaji. It is indeed, remarkable that, at a time when the functions of the State were limited to defence and administration, the Monarchs like Chandragupta Maurya, Akbar and Shivaji took active interests in developing these industries which played a positive role in promoting the commercial prosperity and defence of the country. In modern times, under the democratic form of Government with enlarged functions of the State and the positive political philosophy of a welfare state, it is but natural that the State has to assume greater responsibilities with regard to these industries.

During the later part of the nineteenth and in the beginning of the present century more than hundred Indian Shipping Companies were floated, the chief ones being, the Tata Shipping Line, the Maji Agboat Co., the Bengal Steam and the Scindia Steam. Barring the Scindias, these companies were forced to go into liquidation on account of the rate wars and the cut-throat competition offered by the entrenched British Shipping interests. It is a tribute to the indefatigable spirit of enterprise and sacrifice on the part of the Indian entrepreneurs that despite the competition of more powerful rivals, the apathy and the discrimination by an alien Government, political persecution and financial difficulties, they persisted in their efforts to revive this vital industry.

The history of Scindia Steam Navigation Co.Ltd., one of the biggest Indian shipping companies today, should make a fascinating reading. It proved to be the only successful pioneering venture almost rising from the ashes of other Indian shipping companies
that went into oblivion in teeth of the British opposition. When the ship S.S. Loyalty under the flag of Scindias ventured out, on the overseas voyage on 5th of April, 1919, it was a maiden voyage by the ship of an Indian company. It is in the fittness of things that 5th of April is now officially declared as a National Maritime day to be celebrated every year to commemorate that historical event. The Scindias successfully withstood the competition and rate wars let loose particularly by the P. & O. Co., headed by Lard Inchcape, the most powerful and wily shipping magnate of the times. How the Scindia Co., entered the coastal trade and became the member of the coastal conference, resisted the pressure of the Inchcape to buy out the company combined shipping and trading as a measure of protection, protected the small national shipping companies, and established for the first time the shipbuilding yard at Vizag, all these have been of common knowledge to the students of our shipping history. The man behind these achievements was Shri Walchand Hirachand who, by his spirit of enterprise, judgement and the foresight, almost became a legend and a phenomenon not only in shipping but also in other industrial activities of the country at that time.

However, the Indian Shipping languished on account of the apathy of an alien Government and cut-throat competition offered by the British Shipping Companies. The introduction of 'Steam' as a motive power and the advent of the era of Iron ships further hastened the destruction of Indian shipping. With the political awakening among the Indian masses and the
consequent liberation of the country from the alien rule, conditions were created under which the Indian ships started finding their proper moorings. The postwar period particularly from 1947 onwards, therefore, marked not only an independent era in the political history of India but also an era of resurgence of Indian shipping. With the launching of the Five Year Plans, the progress of this vital industry was further accelerated. Our shipping tonnage which was, 98,286 G.R.T. in 1946 has now crossed a million ton mark; and its participation in foreign trade is to the extent of about 12 to 13 per cent. The Coastal trade is now almost wholly carried by Indian ships (except for the refined petroleum products carried on the coast by the tankers of the refineries; owned by foreigners).

However, like any other industry, the Indian shipping industry has also thrown up a number of problems, in the wake of its growth and development which is not fast enough for the expanding needs of the country. A full account of the growth of shipping industry particularly in the post war period is given as also an analysis of its problems. Suggestions have also been made for the rapid solution of these problems.

Appointment of the Mercantile Marine Committee in 1923-24 may be said to mark the beginning of an official shipping policy. Thereafter a number of resolutions were moved in the Central Legislature demanding development of Indian merchant marine and native shipbuilding industry, reservation of the coastal trade, training of Indians as officers and engineers of ships etc.
The appointment of the Sub-Committee of the Reconstruction Policy Committee for the assessment of the requirement of the shipping tonnage for the country and other related matters, in 1945, constitutes another important mile-stone of the Government of India's postwar shipping policy. The recommendations of this Committee were accepted by the Government in toto and a number of measures were undertaken for realising the target of shipping tonnage of two million G.R.T. set by the Sub-Committee. These measures include -

(a) Establishment of the office of the Director-General of Shipping in 1947,
(b) Constituting of the National Harbour Board in 1950,
(c) Reservation of the coastal trade for Indian ships in 1950,
(d) Taking over by the Government, of the Scindia ship-building yard in 1952,
(e) Enactment of the Merchant Shipping Act in 1958,
(f) Appointment of the Shipping Co-ordination Committee in 1958,
(g) Instituting of a non-lapsing shipping development fund in 1959,
(h) Constituting of the National Shipping Board in 1959,
(i) Establishment of the Freight Investigation Bureau in 1959.

A full account of all these measures is given and these are thoroughly examined. Besides tracing the evolution of the Government of India's shipping policy, its comparative appraisal with the shipping policies of the important maritime countries of the world is attempted.
For the purpose of a systematic study, the subject has been divided into the following broad heads which form its important constituents:

(a) Coastal Shipping,
(b) Shipping in the Overseas Trades,
(c) Development of Ports,
(d) The Shipbuilding Industry,
(e) Rail-Sea Co-Ordination,
(f) Shipping Policy of the Government, and other related matters.

The past history of Indian shipping clearly indicates that the State can play a positive as well as a negative role in the development of this industry. When the fostering care of the erstwhile monarchs could be combined with the genius and enterprise of the merchants, the industry developed very rapidly. During the alien rule the opposite was true. In the post war period with a nationalist Government at the helm of the affairs the development of Indian shipping promised well. If the spirit of enterprise of the Indian shipowners can be matched with the encouragement and active help of the State, the Indian shipping can reach its desired goal. How far this has materialised is traced in the subsequent pages of the Thesis.