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PART VI.

✓ Bills introduced into the Council of the Governor-General of India and Bills published before introduction in that Council.

A
BILL
TO

Control the Coastal Traffic of India.

WHEREAS it is expedient to encourage the development of an Indian Mercantile Marine;

AND WHEREAS for this purpose it is expedient to control unfair competition in the Coastal Traffic of India;

It is hereby enacted as follows:—

1. (1) This Act may be called the Control of Coastal Traffic of India Act, 1936.

(2) It extends to the whole of the coastal traffic of British India and of the continent of India.

(3) It shall come into force on such date as the Governor General in Council may, by notification in the Gazette of India, appoint.

2. When the Governor General in Council is satisfied from a complaint, report or otherwise that unfair competition exists in the coastal traffic of British India or of the continent of India, by the lowering of the usual rates of fare or freight or by the grant of rebates or other concessions in any way whatsoever, it shall, subject to the provisions of the Government of India Act, be lawful for him to prescribe, from time to time, by rules published in the Gazette of India, the minimum rates of fare or freight between any

ports in India or to prohibit by notification published in the said Gazette the grant of any rebate or concession which in his opinion amounts to unfair competition.

3. Any person who in the opinion of the Governor General in Council contravenes any such rule or prohibition shall be punished with fine which may extend to Rs. 10,000, and shall also be liable to be debarred from taking any ship into any port in India under the control of the Government of India or of any Provincial Government for such period or under such conditions as the Governor General in Council may direct.

Explanation.—A person shall include any company or association or body of individuals whether incorporated or not.

4. The Governor General in Council may, by notification, make rules for carrying out the purposes of this Act. In particular and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—

- (a) for the procedure for complaint against or report about unfair competition,
- (b) for enquiry into such complaint or report,
- (c) for the imposition of the penalty of refusal of entry of any ship into any port and for the enforcement thereof.

STATEMENT OF OBJECTS AND REASONS.

This Bill is intended to remove a possible impediment to the growth and development of Indian Mercantile Marine. There is no question of any discrimination between British and Indian shipping. Past experience, however, shows that a well established powerful Company engaged in coastal traffic can easily put a new venture out of action by unfair competition, *c.g.*, rate-cutting, grant of rebates, etc. The fear of unfair competition deters Indian capital being invested in coastal shipping. If the Governor-General in Council be given power to prevent such competition, the fear will be

largely allayed and a new line of commercial activity may be opened out to Indians. By this Bill, power is given to the Governor-General in Council, when he is satisfied that unfair competition exists, to fix minimum rates of fare and freight or to prohibit the grant of rebates or other concessions which are calculated to reduce such minimum rates. Contravention of any rule prescribed by the Governor General in Council or any direction given by him with regard to the grant of concessions is made punishable with fine or refusal of entry to an Indian port.

NEW DELHI;

P. N. SAPRU.

The 27th February, 1936.