

135th Anniversary of Kolkata Port Trust

KoPT Anniversary Lecture

17th October, 2005

Keynote Address by Dr Ashok Mitra

Mr. Chairman and friends, this is celebration time for the Calcutta Port Trust. As the Chairman was describing, it has done exceedingly well during the last few years. Even a congenital pessimist like me was overwhelmed by the kind of statistics, Mr. Chairman has referred to us. We are all glad that we are part of this celebration.

What exactly are we celebrating though? We are celebrating the completion of 135 years since the transformation of the Calcutta Marine Establishment into the Port Trust. Besides, the celebration is really of what was the Port of Calcutta per se. The Haldia Dock Complex which has come under the umbrella of the Calcutta Port Trust is effectively a creature, whose life span does not go back beyond, I would say, the early 1980s. Therefore, the

celebration is on account of the Calcutta Port Trust. It is sort of an innovation the port authorities have introduced since last year. They have chosen to arrange twin lectures on the occasion of the Anniversary day. Last year, two of my very good friends, Dr. Sankar Sen and Dr. Satyesh Chakraborty were here. I have read the text of what they said, full of very wise words, from which, not just those connected with Calcutta Port Trust will benefit, but also some of us, outsiders and laymen. This year, I am afraid, there is a mismatch in the choice of the two lectures. Prof. Barun De is my definition of scholar extraordinary. He has done pioneering work in India's colonial and post-colonial history. In recent years, he has extended his interest to the problems of growth and development of Central Asian countries. But his academic credentials are not the substantive virtues by which one would describe him. He is around as a walking encyclopedia; whenever we have any problems, in any area of speculation, we telephone Prof. Barun De and we have the answers. Because of the depth and immensity of his scholarship, he would, we know, never fail us. In contrast, I am only an

imposter. I eavesdrop into what scholars like Dr. Barun De discuss among themselves and try to pick nuggets of wisdom from here and there, and re-express them in my own humble language. Not that I succeed very much. I will, therefore, plead with you to kindly bear with me for the next thirty minutes or thereabout, dismiss from your mind whatever I have said, and listen with close attention to Dr.De.

Let me return to the theme of the Calcutta Port. It is, in a way, a sui-generis. It is a river port but an unusual kind of river port. It hardly handles any riverine traffic, and almost exclusively handles sea-borne traffic. This is an anomaly and this anomaly was established by the East India Company. They arrived as traders and they picked Calcutta as the point of entry into the eastern parts of India. Whether they did so because of happenstance or because of the location of the Fort William, is, something we will always speculate on. Was the Fort William set up to protect the Calcutta Port and its interests or was the Calcutta Port chosen to be sited where it was, because of the Fort William? I do not know. This is a question which I will pose to Dr.Barun De. All

I know is that it was a very unusual location, which perhaps was made possible by the state of navigability of the Hooghly river 300 years ago. The East India Company came up only up to Calcutta. The Dutch and the Danes went further up to Serampore. So the Ganges or the Hooghly or by whatever name you describe it, the river was very much more navigable than it is today. We cannot, of course also neglect the fact that the boats those days were relatively small in size and non-mechanised; so the problems that confront us today were simply not there during that period. But three centuries have meanwhile elapsed. In any case, I cannot, as an outsider, arrange to split the record of the Calcutta Port, as such, from that of the Haldia Dock over the past five years. There are problems of being an inland port which have increasingly made themselves manifest over the decades and over the three centuries.

What are those problems? One major one is that the Ganges has long ceased to be a navigable river. Maybe, till about 100 years ago, there was still some riverine traffic, say in the upper reaches of the Ganges, in Uttar Pradesh or in

Bihar. The standard routes varied from Beneras to Allahabad or from Bhagalpur to Beneras or further up, or may be downstream towards Calcutta, say, somewhere near the slope of the Rajmahal hills. But, by and large, the Ganges, as a river, did not ever attain the kind of navigational achievement comparable to the record of Yangtze or Amazon. Yangtze carries, I have been told, something like 30-32% of the total merchandise of the whole of China. Or take the case of Amazon. I remember, I had happened to be there some 30 odd years ago, went up all the way 2500 miles upstream of Amazon, almost near the border of Peru and Equador, and there was a magnificent river port Manaus. The population there was something around 500,000 with hectic commercial activity all the while. And I was very pleasantly surprised to discover, as I sauntered around the riverfront, a Sindhi textile shop, flaunting the proud flag of India! From there, all the way down to the mouth of Rio de Janeiro, we saw the vibrant riverine traffic.

Such was never the fortune of the Calcutta Port. Problems have piled up and I can list several of them. They

started already before independence, around the 2nd or 3rd decades of the 20th Century. Irrigation works were intensified in UP (which includes Uttaranchal) and Bihar. From the Ganges, water was drawn for irrigation purposes. Water was also drawn from the tributaries of the Ganges, so that the total mass of water which, in the past, used to flow along the Ganges started getting reduced over time. There was aggravation of the process with the initiation of the five year plans in the early 1950s. Much greater allocations under plan heads for irrigation in Bihar and Uttar Pradesh were announced. Water was drawn at various places and the water that finally came down all the way along the river and reached the mouth of the Bay of Bengal, was progressively reduced. The inevitable consequence has been rise in siltation. There are two separate reasons for siltation. First is the population growth all over North India in the Indo-Gangetic valley; the waste that is dumped by the households finds their way into the Ganges, all the way from Haridwar. The problem is further complicated by the natural process of urbanisation. If India were just a composition of villages, perhaps the river pollution

would have been far less. But villages turn into towns, towns turn into cities, cities turn into megapolises and then the accumulated waste finally has its outlet into the Ganges, thereby developing the problem of which the Calcutta Port is the victim.

This is not the only concern we need to worry about. Dredgers, every now and then, are being requisitioned by the Port authorities to improve the river draught. But dredgers do not help beyond a point. Some superficial removal of waste does take place, but the shallowness of the river channel goes on increasing year after year. This is the gloomy fate from which, I do not believe, some of the most optimistic estimates we have been recounting in recent years, could quite compensate for. The reality of siltage will be there with us because of the realities of geo-political developments in the country. As each State develops, there will be increasing demand for expansion of agriculture. The aroused consciousness of the people living in the countryside will lead to greater demand for irrigation water from the Ganges and its

tributaries. The victim ultimately will have to be the Port of Calcutta.

There are other problems. Take the case of Farakka. We have committed to offer 40,000 cusecs of water every year, round the year, to Bangladesh. This commitment is an international one. We cannot get away from it. There could have been a partial relief if, for example, the river Brahmaputra could have been trained and harnessed for the welfare of Assam, Bangladesh and West Bengal. This cannot, however, be done for obvious political reasons. Brahmaputra is a river which belongs to China, to Bangladesh and to India as well. There is need for reaching a kind of political rapprochement simultaneously among the three countries, like the Indus Water Treaty, entered into under the auspices of the World Bank, between India and Pakistan. That kind of experiment cannot perhaps be repeated with the Brahmaputra river. Had the Brahmaputra been harnessed so that the flooding of Assam could come to a surcease and there was at the same time accelerated water available for Bangladesh, the demand at Farrakka for supply of Ganges water to Bangladesh

would have subsided. This is yet to be. For the present, we can only pray that something will happen, the flow downstream along the Ganges will not shrink, the demand of Bangladesh for water from the Ganga will not get aggravated and, somehow or other, we would be able to come to an international agreement over Brahmaputra. These are really three separate dreams and if we can combine the fulfillment of these three dreams together, we would perhaps say that the story of Calcutta Port, separated from the story of, Haldia Docks and Diamond Harbour, would have a positive ending.

We are, however, in no position to speculate. I know Dr.Chanda will come back at me and ask me to look at the recent records of performance. There have been symptoms of industrial revival along the eastern belt of the country and the Calcutta Port is a beneficiary. There are indications that the rate of growth of Eastern, and North Eastern India will accelerate sharply within the next 10 to 15 years and, therefore, we can perhaps bury your pessimism. Whether Dr.Chanda continues as Chairman or not, I think he holds

the belief firmly that the Calcutta Port is for ever. Perhaps he is right.

I would still ask a question. Perhaps Eastern India will grow spectacularly from now on and there will be rapid increase in domestic output in these parts of the country. However, my next question immediately crops up. What kind of growth will it be and what will be its pattern? I can buy the proposition that there will be a very significant increase in the size of output in these parts, year after year after year. But what kind of output?

In order to answer this question, even to my own satisfaction, I would like to go back, say, 150 years into the past. There is lot of talk these days about outsourcing of economic activities. A very special kind of outsourcing of economic activities took place in the second half of the 19th century where Eastern India and Calcutta Port played a very significant role. The United States was set up for economic development through the opening up of Southern agriculture – wheat, corn, tobacco, sugar, cotton. This was done by importing slave labour from Africa; labour was an outside

source and was imported into America and put to work in American agriculture. A physical migration of African slave labour into the US took place. As a result, there was a boom in American agriculture, which was the basis of development in the rest of the USA.

An analogous development occurred in Mauritius and West Indies, including the Caribbean islands in the late 19th century. Labour was imported from Eastern India, mostly from Bihar and Uttar Pradesh. This was indentured agricultural labour, shifted from Calcutta to Mauritius and the West Indies, for work in the sugar plantations and for the exploration of bauxite mines. It was again a case of outsourcing. Labour was the outside source that migrated to the Mauritius and the West Indies and such outsourced labour was the key to the transformation of the economies of Mauritius and the West Indies.

A different kind of outsourcing is taking place now. The historical role of Calcutta Port in outsourcing is over. Outsourcing is now from the US, and from a number of countries in Europe to India, to Bangladesh, to Pakistan, a

bit to China and a little bit to some of the Eastern European countries: Information technology and software related economic activities constitute the base of such outsourcing.

It costs, say, maybe, 200 dollars an hour to engage a sophisticated labour unit in the USA. That kind of labour hour can be performed in India if you spend only 10 dollars i.e. 5% of what it costs in the USA. So a major transformation in the world economic system is taking place.

I was looking at the statistics of foreign trade of our own country. In 2004-05, the last fiscal year for which data are available, our merchandise imports were of the order of 79 billion dollars. But our earnings from tourism, banking and insurance, software exports and business outsourcing were as much as 51 billion dollars. In the previous year, such earnings were only of the order of 24 billion dollars. The earnings have doubled within a single year. For all I know, in the year 2005-06, this might grow even further, and reach the region of 100 billion dollars. This means that henceforth earnings from transactions, other than from normal merchandise trade, will exceed the earnings from merchandise

exports through Indian ports including the port of Calcutta. A transformation in the character of our foreign trade is on. Merchandise trade will no longer have the same importance it had in the past, should this trend of outsourcing and software exports expansion continue.

Let us be realistic. Almost 99.5% of our total earnings from tourism are on account of air traffic. The big passenger liners have stopped criss-crossing the oceans. There are some luxury cruise liners, but they rarely touch Indian shores. Therefore, whatever increase takes place in our tourist earnings, would be on account of aerial traffic. The ports will have no part in it. Software, electronic commerce, Business Process Outsourcing, banking, insurance, and other electronics –based activities will grow bypassing the ports. What could happen is that even the government might lose interest in the ports. Ports will not have the same kind of importance in India's life and living as they had in the past.

This will be so also for another reason. Airplanes are getting bigger and bigger while machinery and equipment are getting lighter and lighter. So a time might soon come when

relatively heavy capital goods too would get air lifted and not come through the port. There is another worrisome development within the arena of shipping itself .Even the ships are getting bigger with heavier tonnage. Big passenger liners stopped coming to Calcutta long ago. Fifty-five years ago, Dr.Sen, who lectured to you last year, and myself, travelled to Europe on the same boat Atlanta, belonging to Orient Lines. We took the boat from Colombo. Even in those times, no passenger boats would come up to Calcutta. Even Rabindranath Tagore when he first travelled to Europe in the late 1870s, had to go down to Madras. So far as passenger traffic is concerned, Calcutta Port's record has always been bleak. In the years to come, perhaps, Mumbai and Cochin, Vizag and Colombo, would join the rank of Calcutta. I am told that huge ships would anchor only at Singapore and will disperse and load their merchandise from there; feeder boats would travel from Bombay, Cochin, Chennai, Vizag, Calcutta and Colombo and from the rest of the Indian sub-continent to Singapore and do the loading and unloading . I do not know how the economics of merchandise will work out with this

kind of arrangement. But these are the things, I think, we should worry about and I wish, from now on, the Calcutta Port authorities would maintain separate records of achievement from Haldia, and from the Calcutta Port per se. Perhaps they will have soon under the same umbrella, the budding new port at Diamond Harbour. But the story of Diamond Harbour and Haldia is bound to be somewhat be different from that of Calcutta as such.

Shall I conclude on such a negative note? I thought long and hard; there must be some redeeming positive quality associated with the port of Calcutta. A thought has just occurred to me: we should pray for a more rapid and accelerated global warming during the course of which, may be Singapore, Chennai, Vizag and even Haldia would go down but Calcutta, the inland port, would be safe, healthy and prospering.

Thank you.
