Review of "Road Transport in India" for Commerce, sent on 28-10 68

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While the State in India has since Independence gone out of its way to enter various services and fields of industrial enterprise, it has overlooked its primary function of providing an infrastructure on which all industrial and economic activity can be reared. No particular aspect of the infrastructure has been quite as badly neglected as roads and road transport.

This sad story is to be found in several official reports and documents published through these years. In the last few decades, no less than eleven committees were appointed by Government to inquite into the state of the road transport industry. Since, however, the recommendations of these investigating bodies have almost invariably been ignored, it is just as well that the Economic Research Department of Hindustan Motors have brought forth a fresh study of Road Transport in India.* This concise study provides a comprehensive account both of the development of road transport in India and of the various factors which inhibit its satisfactory growth.

In order to have road transport one has to have roads. These, by and large, we lack. India is a country with an area of 1.27 million square miles and, to meet the needs of this vast area and its teeming population, the country possesses a total of 595,450 miles of roads, of which onky one-third are metalled. Along these roads move millions of pedestrians, over ten million animal drawn vehicles and lakhs of goods trucks, buses and private touring cars. Needless to say, this mileage of roads is grossly inadequate.

In so far as the number of vehicles to mileage of roads is concerned, the number of trucks on our grossly inadequate roads is around half a truck per mile of road compared to five to ten trucks per mile on other parts of the world.

Though road transport has, as the study points out, had a chequered career in our country, the impressive rate of increase in both goods and passenger traffic over the past two decades clearly indicates the vitality of mechanised road transport and its growing importance for our country. Not only has this growth not been due to any official patronage, but it has taken place in the face of every possible attempt through Governmental policy and administration to frustrate and thwart this growth in the interest of the Railway Monopoly enjoyed by the Union Government. Whatever progress has been made can be attributed to the inherent technological advantages of this modern form of transport over the ninteenth century institution of the Railways, as has been proved in recent cost studies by the Joint Technical Group of Transport Planning of the Planning Commission.

If the promises of putting agriculture first and abandoning the misguided and lop-sided priorities of the Second and Third Five

Year Plans are seriously intended to be carried out, it is obvious that the whole approach to road development in the country has to undergo a radical change. Increased agricultural surpluses, if they materialise, will generate greater demand for quicker and more efficient modes of haulage. It will, therefore, no longer be sufficient to develop 'kutcha' village roads unworthy of any kind of mechanised road transport. One of India's prime needs is a network of motorable village road arteries connected with the main trunk routes.

What is striking, this study points out, is that, while the country lacks an adequate road system, the Union Government and State Governments have been getting increased revenue surpluses from road road transport operations . The yield from roads, instead of being used for the development of roads, is being sucked away into the general revenues and diverted to unproductive expenditure. It is obvious that both economic development and social justice demand that the revenues derived from roads should, in the main, be ploughed back and not be siphoned away into the General Budget.

The manner in which road transport is being treated like a milch cow is shown by the fact that, according to the Keskar Committee, there is an annual tax element of 54.5 per cent on the basic cost of operation of a medium-sized goods vehicle. Indeed, a study of the increase in operating costs of goods and passenger vehicles from 1960 to 1966 has revealed that the increase in the cost of operation of the road transport industry has been due more to an increase in the tax element than to any other factor. According to the Keskar Committee, the total of main taxes entering into the initial sale price of a consumer vehicle today is Rs.14,069. The extent of the inequity of this burden can be appreciated if a comparison is made between this and the contribution made by the Railways to the exchequer.

It is obvious that there should be a drastic reduction in the incidence of taxation on road transport. Not only that the present multiplicity of existing taxes need to be consolidated and simplified but, asserts this study, milcellaneous taxes like octroi and wheel taxes should be abolished, as also check-posts and weigh-bridges. The study also points out to the need for removing other impediments on road transport including distance restrictions, limits on laden weight and various licensing rules and regulations which combine to act as a maze of constraints on the growth of the industry.

This little volume should prove to be a worth while contribution towards the task of arousing public opinion to the vast potentialities of road transport and their cruel neglect by those in authority.

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* Road Transport in India - A Study published by Department of Economic and Market Research, Hindustan Motors Limited, 11 R.N. Mukherjee Road, Calcutta 1. Price Rs.12/- (p.107).