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**Mr. M. R. Masani's speech in the course of the discussion on the Demands for Grants of the Ministry of Transport in the Lok Sabha on 23rd March 1964**

Mr. M.R.Masani: I have moved cut motion No. 5, which deals with the failure to take steps to enable roads and road transport to play their part in the country's economic development.

I am speaking on this subject after an interval of three years. At that time, my hon. friend's senior colleague, Dr P Subbarayan, was in charge of this portfolio, and my hon. friend opposite was the Minister of State in charge of this particular matter.

During the three years that have passed, one had hoped for a great deal of improvement in regard to the position about the development of roads and road transport in this country. The report of the Ministry, which we have with us, gives a somewhat smug picture full of complacency about what is being done for the development of roads and road transport. I am afraid, with all respect to my hon. friend the Minister, the complacency shown in that report is not justified. The picture that I see, on the other hand, is of dangers facing this country of a bottle-neck before long.

It seems to be a fact that, during the middle of every Five Year Plan, the Railways and the Planning Commission get together to reassure us that everything is under control. But when that particular Plan ends, we face disaster. That happened in the case of the Second Five Year Plan and, although I hate to be a prophet of gloom, I am going to make this prophecy that at the end of the Third Plan we shall be facing an even worse situation.

During the middle of the Second Plan, if you see the Railway Budget speech of 18th February, 1959, you will find that the case of the Railways was that they had more than surplus capacity, and they could take care of all the growth in traffic and indeed, that in order to protect them, restrictions should be placed on road transport. Unfortunately, that view was accepted. That complacency and the acceptance of that view led to disaster in 1961. By 1960-61, the transport demands exceeded the transport capacity by about 12 million tons. This in turn led to the closure of factories, the dismissal of thousands of workers, and the stultification of our economic progress. We all remember the bottle-neck in coal, for instance, which was one example of that breakdown.

Again, in the middle of the Third Plan, the picture as held out by the Railways and the Planning Commission, without, as far as I can see, any contradiction from the Transport Ministry, that everything is again under control. If this complacency is accepted again, I shall forecast a transport shortage in 1966 which will be six times as intense and far-reaching as that which occurred in 1961. Why do I say that we shall be caught napping?

On the basis of the accepted relationship between the growth of national income and the demand for transport, it has been estimated that the total mechanised facilities will have to be geared to 375 million tons of traffic, at the end of the Third Plan in 1966-67. This is an unprecedented increase in demand. The Railways estimate their own carrying capacity at the end of the Third Plan at 245 million tons. Therefore, 130 million tons will need to be carried by other methods; obviously, of these, road transport will be by far the biggest.

How are we gearing ourselves to meet this challenge of 130 million tons of transport which today we have not the means to carry? I fear that on every front, our failure to meet this challenge, and, it would seem our lack of the awareness of the bottle-neck that will exist, comes to view.

The state of the roads is deplorable. Quite apart from the miserable quality of our roads, even the quantity is lacking. Per square mile of area, we have in India today 0.36 miles of road as against 2.3 miles in U.K., 3.6 miles in France and 4.1 miles in Japan. Even little Ceylon, backward as it is, has twice our road mileage — 0.76 mile per square mile.

The 20-year plan of road development had called for an expenditure of Rs.590 crores during the current Plan. The actual allocation, it is distressing to note, has been less than Rs.420 crores. Why this failure to get the balance? I think it is a failure of the Transport Ministry. I know the Transport Ministry has its difficulties. But that is what it is there to meet. It is there to champion the cause of road transport. The Railway Ministry exists only to champion the cause of the railways, but road transport lacks that championship on its own side. I would appeal to the hon. Minister even now. Let him try and get this balance of the unallocated resources which have been earmarked for road transport, but which the Transport Ministry fails to secure in any given current year.

On what basis does this take place? The Railways are yielding less than Rs.150 crores annually by way of interest and taxes to Government. The funds allocated to them amount to Rs.1500 crores, that is, more than 10 times the annual yield. The Railways are allocated more than 10 times their annual yield to the community. Road transport yields Rs.220 crores per year. By the same process of reasoning, by any standard of equity and fairplay, they should have been allocated Rs.2200 crores. Instead of that, there is a miserable allocation of Rs.420 crores, just 1/5th of what should have been allocated by any parity of reason. Why does this happen?

Then we come to automobile manufacture — the manufacture of trucks, buses and other vehicles. There is no sign that we are going to produce the number of vehicles needed to lift the traffic anticipated at the end of the Third Plan. The production here again is far behind target. The Third Plan had set a target of 60,000 vehicles. The production at the end of 1960 was 27,100. It was, therefore, necessary to increase the production of vehicles by 6, 400 vehicles annually to catch up with the target — 6,400 more vehicles every year.

Let us see what has happened. In 1961, when the production should have been 33,500, the actual figure was 26,721. Thus, instead of producing 6,400 more, we produced 400 less! In 1962, when the production should have been 40,000, the number dropped further, to 26,820. In 1963, the latest year for which we have figures, we should have produced 46,000 vehicles, but the actual figure was 28,481! Therefore, the shortfall as against the Plan in the last three years is one of 37,000 vehicles.

Why has this happened? It is not the fault of the manufacturers. It is the fault of Government because, owing to faulty priorities, the foreign exchange that should have been given for the manufacture of these vehicles was denied to the industry. The result will be that even in 1966, we shall be far short of the target. I begin to see in newspapers official spokesmen themselves conceding that the target itself has been lowered from 60,000 to 54,000 at the end of the Third Plan. So, even the pretence of trying to catch up with the obligations laid down at the beginning of the Third Plan is being given up.

Then we come to the restrictions on road transport. The hopes raised by the establishment of the Inter-State Transport Commission have been sadly blighted. The Commission had recommended the issue of inter-State permits for trunk routes, but this has not been implemented because the State Governments straddling these routes want to tax the vehicles over and over again.

Five years ago, the Road Transport Reorganisation Committee, of which I was privileged to be Chairman, had recommended that legislation laying down not the quantum but the principles of taxation, and providing for a single-point tax on transport vehicles should be prepared and introduced in Parliament by the Union Government. My hon. friend, Shri S K Patil — then the Minister in charge - warmly welcomed this and all the other recommendations made by our Committee, and the House unanimously applauded the recommendations of the Committee. One believed that something would be done. I want to ask the hon. Minister why such a Bill has not been produced before the House although all these years have passed?

The number of permits issued on the recommendation of the Inter-State Transport Commission is a mockery when compared to the country's needs. According to the calculations made by Shri P. C. Mathew, a member of the Indian Civil Service, and Additional Secretary to the Cabinet Secretariat in the Department of Statistics, in February 1962, the additional volume of long-distance traffic ear-marked for roads during the current Plan is 16 million tons. This is the figure worked out by the Cabinet Secretariat. Each million tons may need 3,000 trucks. 48,000 permits will be needed to lift the traffic which roads will have to carry by 1966. Permits so far recommended by the Inter-State Transport Commission are not sufficient to carry even 2 per cent of that traffic!

Why is the Commission so impotent? Why is it ineffective. Is it because the composition of the Commission makes it subservient to the vested interests of the Railways? Is it because the Chairman is only a Joint Secretary of the Transport Ministry whom neither the Railway Board nor the State Governments seem to take very seriously? Would it not have been better if an eminent non-official carrying weight, with personality and drive, had been made Chairman or President of the Inter-State Transport Commission, a man whom even Chief Ministers could not brush aside so lightly? I am asking these questions. These are questions that arise because the whole purpose of establishing this Commission appears to have failed.

Then, Government, have the right under the Act to give the Commission power to issue permits. But that power is not given to the Commission. They have been given the power only to recommend or issue directives to State Governments — which is something a little different. Even now, belated as it is, I suggest that status and importance be given to the Commission by the Transport Ministry - belatedly - giving full power to issue permits in their own way. The Act permits it.

Now vehicle taxation. One can say that 1964 is the very first year in recent history when road transport has not been subjected to additional taxation. People may say that one should be grateful for small mercies. But that is not so, because relief had been expected from the extortionate taxation on road transport in the past years. Unfortunately, the Transport Minister, who, I think, knows that roads in India are inordinately taxed by any standards, said rather meekly, addressing the All India Conference of State Transport Commissioners' meeting on 6th and 7th February:

> "I am afraid the issue is clouded by considerations, the validity and relevance of which are not free from doubt."

If this is so, if Government really want to know whether this is so or not, why not ask the National Council of Applied Economic Research to examine this question and to give the answer whether it is so or not?

The taxation on motor vehicles in this country has now been the highest in the world for many years. Its present incidence is approximately Rs.3,000 per year per motor vehicle, which is more than twice the levels obtaining in advanced countries of the West, where road transport and motor transport have ~~xx~~ made tremendous strides. This is a severe deterrent to rapid economic growth. Traffic to and from our 5-½ lakh villages, which can be the springboard for agricultural and even industrial expansion, simply cannot stand the burden of these taxes which constitute a serious disincentive to both economic production and agricultural development, about which we talk so much - shed crocodile tears. What needs to be done/ is to lift the burden on road transport so that the country is opened up to let agriculture and industry thrive. That is not done.

The question arises: why does all this happen? I need hardly tell the House that I do not for a moment believe that there is any particular perversity in my hon. friend, the Minister, whom I respect very much, who, I know, is a good student of this subject and about whose understanding and feeling for the cause of road transport there can be no question.

Then how does this happen? I regret to have to say that this is due to the weakness, over the last decade, of the Transport Ministry in the face of what I have described as the biggest lobby and the biggest~~xx~~ vested interest in this country — the Railway Board.

This is an old story. It started with a circular issued with a circular issued by the Ministry of Transport to the State Governments on 9th September, 1958, asking them not to license road traffic for distances of over 300miles or a radius of 150 miles without the prior approval of the Railways -- one competitor being asked to get the permission of the other competitor to enter into competition! The circular went on to recommend that the grant of representation to the Railways on the State Transport Authorities should be ensured. This circular made the Transport Authority the laughing stock of the State Governments in India, because, as it happens, the Motor Vehicles Act forbids the representation of the railways on State Transport Authorities! So, this paragraph was hastily withdrawn, but the rest of the circular which lays down this vicious principle that you cannot carry things by road beyond a certain distance without the approval of Their Majesties the Railway Board still remains. This defiance, this continued defiance, of the verdict of Parliament has been going on for five years now.

When the Motor Vehicles (Amendment) Bill, 1956, was before Parliament, it was referred to a Joint Committee, and there Clause 50 which laid down that there should be such a distance limit was struck down by the Joint Committee of both Houses of Parliament. Shri Lal Bahadur Shastri, the then Minister, said in the Lok Sabha on 28th November, 1956: "The Committee also decided to remove the mileage restrictions for grant of public carrier permits." And Shri O.V.Alagesan said in the Upper House on 12th December, 1956: "The Committee also amended Clause 50 and decided to remove the mileage restriction for grant of public carrier permits between places connected by railways." If that was so in 1956, how was it that in 1958, behind the back of Parliament, the Transport Ministry restored this mileage restriction by its own dictat? If it was not in subservience to the Railway Board, how can one justify this?

In May, 1963, to bring the story a little nearer, Shri Jagjivan Ram, the then Minister, assured the Maharashtra Board of Communications, at a meeting in Nasik, that the circular of the Ministry could be treated as a dead letter. But while he made this ~~xtxgx~~ statement in a speech, have the State Governments been informed that this circular has been withdrawn? I would be very glad to know from the hon. Minister that this has now been formally done.

On the contrary, I fear that this weak-kneed policy of appeasing the Railways is still continuing. Answering a question in this House on 25th February this year, the Transport Minister said that the Transport Commissioners/Secretaries Conference held in Calcutta on the 6th and 7th February recommended, inter alia, as follows:

> "That copies of all applications received by the different Transport Authorities for grant of permits for transport vehicles, which were published under Section 57 of the Motor Vehicles Act, 1939, might also be sent to the local Railway Administration concerned to ensure that the Administration received sufficient opportunity to make its representation on the adequacy of the services provided by it, if it so desired."

In other words, once again this mischievous principle is brought back that the Railways have a Great Power/of veto over the development of road transport in this country. The veto that holds up the Security Council many times, given to certain Great Powers, is given to the Railways of this country, which also, as I said, is a Great Power in this country.

In the Ministry's Report on Page 2 you will find that even the Inter-State Transport Commssion has been browbeaten now into accepting this position in regard to lorries carrying petrol.

The Finance Minister has said more than once in this House that the objective of planning is to maximise output and the rate of growth. This in turn involves that all national investment is directed to those channels where the pay-off in terms of growth is the greatest. It has been proved more than once on the fllor of the House, it is in the report of the Transport Reorganisation Committee and the hon. Minister does not quarrel with it, that every rupee spent in laying down roads and bridges and producing vehicles brings many times the return that the same rupee would bring in laying down railway track or making a railway wagon.

Other countries are more intelligent and have applied this test, with the result that today most countries in the world which have the gumption are diverting their investment from railways to roads, waterways and airways which are more modern and more advanced from a technological point of view. Not only that. They are physically uprooting railway lines in a large measure, because they are wasteful.

Britain, the country which invented the steam engine and which pioneered the first railway in 1830 in the whole world, now accepts the internal combustion machine of the motor vehicle as a more modern form of transport. Dr. Beeching's report not only admits that railway traffic is now outmoded, but it recommends very drastic surgery. Dr. Beeching's report recommended the closure of over half of the existing 4,293 passenger stations in the United Kingdom, withdrawal of passenger services over 5,000 route miles, and the retiring of 375,000 wagons.

In Britain, France and Germany together, the percentage of freight traffic carried by railways declined from 75 to 52 percent between 1930 and 1954, while that moved by roads increased from 10 to 34 percent.

That is how progressive countries move ahead with the Industrial Revolution, from the age of fossil power, of coal, to the age of petroleum, electricity and atomic energy. Our Prime Minister often talks about not living in a bullock cart age, but, unfortunately, his Government, on this point, thinks in no other terms than the bullock cart mentality.

A very detached and respected correspondent, Shri B.G.Verghese, said in the Times of India on 11th April last year:

> "The Railways are fully stretched, but the road haulage industry continues to be hamstrung by restrictions and heavy taxation.... Railways have a new role to play in a different and changing situation... The entire narrow gauge and most of the metre gauge lines are unremunerative."

And he goes on to say:

> "Keeping these lines going means a hidden subsidy. Though the subsidy might be concealed, somebody is paying for it, and the country might be better off...by relieving the hidden taxpayer of his burden and employing other means of transport for opening up backward areas."

Therefore, if we really mean what we profess, to move with the times, to be technological in spirit, to be in keeping with the spirit of the times, it is time that we make up our minds that from now on the railways have to recede and airways and roads and waterways have to take over more and more of the burden of carrying goods in this country. Otherwise, we shall be like Mrs. Parkington, who tried to sweep the ocean back with a broom, and, of course, failed.

We talk a great deal about 'take off,' but how can this country take off if the surface of the roads is not there? The surface of the roads is one of the grounds from which the take off must take place, along with the air strips of this country. The longer we delay the acceptance of this fact, the more this country is going to pay for following archaic, bullock cart methods and mentality.

Three years ago, I had the misfortune to accuse the then Minister of allowing the Railway Minister to sit on his back, just as the railways were riding on the back of the roads, and I then made an appeal to him. I was placing the facts before the hon. Minister, and I was trying to encourage him to show a little more guts on behalf of the transport services. It was not his job to go on apologising for the Railways. After three years, I must again repeat the same appeal to the present Minister. I know his heart is in the right place, but I think that what is required is a little more guts and backbone to stand up to the Railway Board. Till last year the Minister had an excuse that there were giants of the Congress Party sitting in charge of the Railway portfolio, and junior Ministers might perhaps be forgiven for not being able to assert themselves altogether! But since there has been a happy change, and today those in ~~the~~ charge of the railway portfolio are relatively junior, I hope he will, in the light of this changed situation, show a fresh approach, be a little more assertive.

This House has never grudged the Transport Ministry any support during the last six or seven years. It is for the Ministry to mobilise the support that public opinion and Parliament have given them, and to stand up for more modern and advanced methods of transport against the archaic ones which are still dominating the scene.

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