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Transport and its Vital Role

M. R. Masani, *M.P.*

Mr. M. R. Masani's speech in the Lok Sabha on April 14, 1965 during the discussion on the Transport Ministry's Demands, while moving Cut Motions drawing attention to the failure of Government in developing roads, road transport and tourism.

Mr. Speaker, Sir, I wish to speak in support of my cut motions Nos. 1 to 4, the first three of which deal with failures in regard to road and road transport and the last with the neglect of tourism in this country.

Last year, on 23rd March, I had ventured to draw attention to the inescapable shortages in transport capacity that seemed to be overtaking the country. I had also challenged the unjustifiable assumption regarding excess capacity on the railways, which was then the official thesis. It is no comfort to me that that warning has, unfortunately, come true and that, far from having any excess capacity on the railways, today there is an acute wagon shortage which is hurting our coal industry and our textile industry among others.

Shortage of wagons is paralysing our coal industry. I quote from the *Financial Express,* dated 2nd April, 1965. It says :

"It is learnt that the shortage of wagons began to be felt from January last. In February it became so serious that industries of high priority including a steel plant are reported to have failed to obtain wagons to move the required coal...The shortage of wagons is felt not only in West Bengal, North Bihar and U. P. It has spread to other areas in Southern and Western India."

Only yesterday I received from a place near my own constituency, from a place called Patri in Surendranagar, a protest and a complaint from the Small-scale Salt Manufacturers, that their salt is lying stacked up there because the railways are unable to supply wagons. This shows that all this complacency which is shown before us year after year by the Railways and the Transport Ministry is not justified, and that this country is suffering from a transport bottleneck.

In spite of all this, the roads continue to be treated as the Cinderella of transport. They are made to play second fiddle to the favoured f o r m of transport—the Railways. This, Sir, is a travesty of planning. The whole world is moving on to superior forms of transportation. We in our country talk a great deal about technological change, but in practice we are reactionary. We support, and pour more money into, a wasteful and inefficient form of transportation from which the whole world is turning away, namely, the rail-road, and we are starving of funds an up and coming form of transportation like roads, not to mention aviation. In Britain, France and Germany, for instance, put together, the percentage of freight by rail has declined during the years between 1930 and 1954 from 75 to 24 percent while that by road had increased during the same period from 10 to 34 percent. On the other hand, here we find that while the Railways are given more and more foreign exchange and the starvation of roads continues.

In the Third Plan, there was a parsimonious allocation of Rs. 454 crores. In the Second Plan there was an allocation of Rs. 272 crores. The 20-year road development plan which was prepared many years ago had prescribed a figure of Rs. 590 crores. Even that is not being touched. In the current year's budget the outlay for r o a d s is only Rs. 66.44 crores against a revenue of Rs. 232 crores derived by the Centre from road transportation. In other words, we put back in roads about one-fourth of what we get out of them. Is there any other economic activity in this country which is treated in this shabby manner ?

No wonder our National Highways are in a shabby condition. Today, nearly 20 years after the works at whose completion Fiat has participated through 'Impresit', 'Italconsult' and other affiliated companies, whose achievements have heightened abroad the respect for Italian technology and human skills.

Significant data are supplied to give support to the various exhibits, to indicate the destinations and the quantities of Fiat world exports. Although auto production has a major share of exports as well, the manufacture of marine Diesel engines, planes, rail cars and aircraft account nevertheless for a quite impressive portion.

Tractors

Most significant is the combined Fiat-OM production of farm and building yard tractors. Units are displayed in the section devoted by the Fair organisers to 'Farming and building yard equipment', a quite imposing sight. Two new entries are here featured : the *track-laying Fiat AD 12* and the *Fiat FL 12 loader*.

Central Government took over our s -called National Highways, trucks in Vidarbha have to unload half their loads to cross certain substardard sections of so-called National Highways. The progress of numerous road schemes lags sadly behind. On the 25-mile bypass from Calcutta to Saptagram on National Highway No. 2, barely 15 percent progress of what was estimated has been recorded during the last year. Similarly, on the Ghodbunder-Manori section of National Highway No. 8 in Maharashtra, only 16 percent of the work has been completed compared to what was expected, and not more than 4 percent on the Bassein Creek project. What do you propose to do about it ?

In the Fourth Plan, whose outline has been placed before us, the present allocation for roads is Rs. 750 crores for the period 1966-1971. For the same period, the Chief Engineers had recommended an allotment of Rs. 1,065 crores, while only recently a working Group within my hon. friend's own Ministry of Transport had recommended an allocation of Rs. 1,150 crores. I am told that even the Sub-Committee on Transport and Industries of the National Defence Council found that this allocation in the Fourth Plan is altogether inadequate. But, judging by past performance of this Ministry, I have very little hope that anything will be done. I am not referring to their efforts ; I am referring to their capacity to deliver the goods.

Considering that road transport is plagued by excessive taxation year after year, which has no parallel in the world today—for 1965-66 the Centre and the States between them are going to get Rs. 317 crores from roads—would I be wrong in asking that this proposed allocation of Rs. 750 crores in the Fourth Plan should at least be doubled if any justice is to be done to road transport ? Nothing less than that can possibly be acceptable to any one who wants to go by the merits.

It has been rightly said that every country pays for its roads, and it pays for those which it does not possess more than what it pays for the roads it possesses ! We have not yet learnt the truth of this elementary proposition.

We shed crocodile tears about priority for Agriculture. How can agriculture thrive if the country is not opened up by a system of road transport ? The Prime Minister talks of quick-yielding projects. Are not roads and road transport quick-yielding projects ? Don't they give a quick yield on every rupee that we sink in them ? Yet, we starve them.

I would like to know from the Hon. Minister on what principles these allocations are made and who makes them. I would be very happy if he enlightens this House about the manner in which these allocations for the Fourth Plan have been made. Is it left to the bookish intellectuals in the Planning Commission to queer the pitch for this country in this manner, or does he and his Ministry have any say in this matter ? If the Ministry is really as helpless as it seems to be, let him admit it to this House and we will support him.

Although this is primarily a matter that pertains to the Ministry of Industries, may I also point out how the automobile industry is similarly crippled and hamstrung ? The automobile industry is prevented from developing in this country by two causes. One is the very high level of excise and import duties on cars, tyres and parts—it is about 50 per cent *ad valorem*—and the other is the denial of necessary foreign exchange for essential parts to be imported.

It is wrong to look upon the automobile industry as a luxury. It is part of our infra-structure ; it is part of the foundation on which the economic structure of the country today rests. Not only trucks, but even tourist cars are a necessity and not a luxury. But, leaving aside tourist cars, let us see the progress with the manufacture of trucks. As against the installed capacity of 41,000 trucks in this country, in 1964 only 33,000 trucks were produced, because the people who manufacture the trucks were not given the raw materials and the imported components which were needed to work to capacity. By the end of the Fourth Plan, it is estimated that this country will need 120,000 commercial vehicles. How does the Hon. Minister propose to see that this target may be met within the next six years ?

It is the Government alone which is responsible for the high prices of trucks and automobiles and for crippling this essential industry by denying it the high priority that it deserves. Yet we see the ironic spectacle of this Government coming before this House, Ministers coming before the House and blaming the manufacturers for not doing what they have themselves failed to do. This is an example of the old saying : *"Ulta chhor kotwal ko dante."*

The remedy is not a small car in the State sector. The remedy is that these shackles on car and truck production should be removed and that more people should be allowed to produce more cars to bring the prices down.

Then, we had hoped that the moratorium on nationalisation of road transport for goods at least would protect the industry from further damage and would help it to continue to serve the consumers. Now it is seen that the moratorium, which was to last at least till the end of the Third Plan, has already been violated or is being violated.

How is this done? In November, 1962 in the face of the Chinese aggression, a Central Road Transport organisation was created in Assam with half a dozen trucks. The purpose then mentioned was that, since it was the only possible way for transporting defence needs, these trucks would ply between the frontier and the supply bases. Now all that is forgotten. That little organisation has been converted into a limited company or corporation and this corporation now has 90 trucks. It has nothing to do with defence. Many of its trucks are entering into the transport trade. The transport industry is carrying goods between Assam on one side, Calcutta on the other and Delhi on the third. This is the danger that, after promising that the State would not enter the field of goods transport at least, even that field is now going to be invaded and a State Capitalist monopoly is sought to be asserted there. The Minister will say that there is no threat of establishing a monopoly, that this corporation is entering in a small way to supplement what private operators are doing; but the danger is always there that when the Government enters a field, competition is given a go-by and a monopoly is established. Therefore, I would like an assurance from the Hon. Minister when he replies that this transport organisation of the Government will merely function as a Private Carrier for civilian and defence needs of the Government itself and that it will not enter the general market for goods transport on hire. If this assurance is given, I would agree that there is no threat to transportation development in this country.

In Britain, too, the first Labour Government tried to nationlise goods transport, and what happened? Every big and middle-sized enterprise bought its own trucks and lorries and converted itself into a Private Carrier. Do we want this to happen in this country? That is exactly what will happen if you try to establish an inefficient State monopoly of goods transport. Then all the go-ahead people will buy their own buses and trucks and will do their own servicing, which is not a healthy development because a public carrier serves the general public. That should be encouraged. There is no dearth of entrepreneurship in this country. These are small people. We always talk about helping the small men. Is the truck operator a big man—a man who has one, two, five or six trucks? Yet, these are the people we are hitting, and are unnecessarily putting up a big bureaucratic apparatus and calling it socialism! So, I would like to suggest that rather than do this, it is for Government to encourage the small entrepreneur with one, two or five buses to carry on his trade in the national interest.

Many of these things were said in a report submitted to Government and Parliament in 1960 by Road Transport Re-organisation Committee. I had the privilege to be the Chairman of that Committee and I see at least one member—my hon, friend, Shri Mathur—sitting there, who was one of my colleagues.

Shri Surendranath Dwivedy: After all, it was a report of a committee.

Shri M. R. Masani: We made a unanimous report. Not only was the report unanimous, but this House unanimously in 1960 endorsed the wholehearted acceptance of its conclusions. My hon. friend there and his then chief, Shri S. K. Patil, who patted us all on the back, said what a wonderful report it was and Government would be only too happy to carry it out.

Shri Surendranath Dwivedy: What more do you expect?

Shri M. R. Masani: The House gave the Minister the green light to go ahead. I am very sorry to say that with a few exceptions most of the recommendations of that Committee still await implementation although five years have passed.

The first blow was struck by appointing the Neogy Committee. The Neogy Committee was appointed five years ago. The Chairman has resigned, the Committee somehow is still supposed to exist and the report has not been made. This is how a good piece of work done by some of us at the instance of the Hon. Minister has been wasted, and we still await the report of the Neogy Committee. I have a suspicion that one of the main purposes of appointing that committee was to see that our report was not implemented and that the inspiration for this came from the big vested interest in our country, the biggest vested interest and lobby, the Railway Board.

Shri Bade: The Neogy Committee has also gone underground.

Shri D. C. Sharma: What are you talking of lobbies?

Shri M. R. Masani: This year's Budget has given no relief to road or road transport. We hoped that the Transport Ministry, which is aware of these problems, would have pulled their weight. Unfortunately while taxation on motor cars remains where it was, taxation on tyres has gone up to the extent that the tyre industry will now have to pay an additional charge of Rs. 35 lakhs and the most efficient units which make tyres are particularly mulcted. Then there is the regulatory customs duty of 10 per cent which is going to send up and has already sent up the price of motor cars and will send up the price of trucks very shortly. One car manufacturer claims that 45 per cent of the on-the-road price of commercial vehicles represents direct or indirect taxes levied by the State or Central Government. So half a truck is pawned to Government before it is made. The man who buys the truck thinks he is paying the manufacturer's price. He is paying half to the manufacturer and half to the Government.

Our Committee recommended single-point taxation. I am sorry to state that even now no legislation has been brought here to implement that recommendation that there should be single-point taxation.

We recommended the abolition of octroi duties. Only a few days ago we read that the Bombay Municipal Corporation has been allowed to levy an octroi with the result that it is expected there will be a 30 per cent cut in the transportation by road into Bombay will take place. We talk of export promotion. Bombay is the biggest export centre. Castor seed and other seeds come into Bombay to be converted into oil and exported and here a big blow has been struck at our export industry by allowing an octroi duty to be levied by the Bombay Municipal Corporation, because this has not been prohibited, as we desired by legislation.

Licensing restrictions continue to be as harassing as before. All this goes on.

Formerly, one thought that the Hon. Minister had political difficulties and that powerful Ministers were in charge of the Railway portfolio before whom he had to give way in the bargaining that goes on between the Ministries at the Cabinet level. But the fact is that the present Railway Minister is a great champion of road transport development. His whole record is there. He has said that as Railway Minister he will do nothing to come in the way of the legitimate development of road transport and road development in this country. I would like my hon. friend to tell us what he has taken up with Mr. S. K. Patil, what have been his demands on the Railway Minister, which have been accepted and which of them have been turned down. I think a very fine opportunity is being lost when we have a fair and judicious person who has now seen both sides of the fence and who has shown by his modernity, by keeping abreast of world trends, that he understands that roads must replace railways in due course. I am quite sure that the Railway Minister, in spite of being in charge of that portfolio, will be statesmanlike and big enough to take a detached view and co-operate with my hon. friend, and that my hon. friend and his Ministry would throw their weight, would assert themselves, which I regret to say they have not been doing in the last few years.

Now, I turn to the other topic to which I referred, that is, tourism. Tourism is a matter of tremendous potentialities for this country. Quite apart from anything else, it is a great earner of foreign exchange and foreign exchange is the one thing that we need desperately today, since we are practically bankrupt in so far as our balance of payments position is concerned.

What is the position about tourism? In 1964, only 156,000 foreign tourists came into India. It is not a very big number by world standards. It is a miserable number. The interesting thing is that 71 per cent of this number came from distant and prosperous countries like United States, Canada, Western Europe, Australia, New Zealand and, in Asia, only Japan. The reason for this is that our neighbours, like us, are following a short-sighted policy of stopping their people travelling and, therefore, we are not able to have that kind of interchange of people and culture that would be so desirable in our region. So, most people come from long distances and when you come from long distance, you spend a lot in coming. All the same, these people spent an estimated Rs. 23 crores in India, and Rs. 23 crores spent in India means Rs. 23 crores of foreign exchange obtained abroad. That is a big amount. Now, that excludes the foreign exchange earned by Air India by booking passages of people coming into this country and going back. *It also excludes* a crore of rupees which the I.A.C. gets on the Indian sector of international air tickets. So, let us say that at least Rs. 25 crores are brought into this country by *foreign tourists*, if not more. Why then are only 156,000 coming and not six or seven times that number, as could happen if we were doing our job properly ?

There are *various factors* that deter the growth of tourism from abroad in our country. The first is the travel restrictions that we place on our people. These are stupid, foolish restrictions. The amount of money that is saved by stopping our people travelling freely is infinitesimal compared to the problem. By doing this, we hurt the influx of foreign tourists into the country. All life is a two-way traffic ; all human relations are reciprocal. You cannot have it all your own way. You cannot have a one-way traffic in human relations or in international relations. We think we can ; we are going to pay for it. We have a feeling that, despite the amount of money that we throw away, a much larger amount of foreign exchange would come ; but that would come in only if we allow unrestricted travel both ways. That is the first deterring factor.

The second deterrent factor is the neglect of essential steps to foster tourism through the shortage of facilities of various kinds. There is shortage of aircraft with the IAC. There is shortage of good hotel accommodation, there is shortage of good restaurants : there is *shortage* of good automobiles for long journeys and of tourist coaches. There is also the difficulty in obtaining, for foreign tourists, such things as camera films, mineral water and liquor permits.

Then, there are unsatisfactory arrangements at airports. I am not blaming the staff. I think the airport staff and the customs staff are good people. My own experience with them has been excellent. But they are hamstrung by rules. They have to make us fill up umpteen forms, give ridiculous information, and they *have to* ask impossible questions. A few days back or a few weeks back, a foreign tourist had come, whose main interest was photography ; he came with 250 flash-bulbs. They had *marked it and when he was taking* off from India he was asked to produce the 250 exploded flash-bulbs ! Imagine the absurdity of this, as if a man puts the exhausted or exploded flash-bulbs *in* his bag and comes with that bag and says: "Here are the 250 exploded flash-bulbs !" Everyone throws them away as soon as they are used. But this is the kind of churlishness with which we receive people, the suspicion being that he had sold them in the blackmarket.

So, the reception of people at the airports, customs facilities and airport arrangements leave a great deal to be desired. Then, finally, there is the squalor and the *insanitary conditions*, the horrible slums and the horrible sights that are to be seen when people drive from airports into the city, in Bombay, Calcutta and other *big cities*.

The measures that are required to put this right are the following: There must be adequate funds allocated for publicity abroad, for pro*motion* and for advertisement, both for Air India and for the Tourist Department. Both these agencies are served today in so far as allocation of foreign exchange for promotion, publicity and advertisement is concerned. There should be a concerted effort here.

I, therefore, welcome the setting *up of* the India Tourism Corporation, one of the two corporations to be set up as I find from the annual report of the Department. I think the terms of reference of that corporation *are reasonable*, *and they* will create a climate in which foreign tourism can function. But I do hope that this corporation will not enter the market as a travel agent. It should only create a climate for foreign tourists to come. Let the travel agencies do their legitimate work. I must sound this warning because, unfortunately, even when Government start by doing the right thing, they slip into *the habit of a State capitalist mono*poly ; that is their nature. Therefore, I am warning the Hon. Minister to stop short of entering the travel market and not to destroy travel agencies by getting bigger and better cars and competing with them on unequal terms.

The second thing is to encourage more charter flights to India. This is a growing phenomenon all over the world. In 1964, 12 million *tourists were carried* by charter flights, that is, non-scheduled flights, throughout the world. How many came to India ? Not even 20 came to India out of those one thousand or more flights that took place.

Thirdly, the IAC must be given money to get more planes. The IAC earns about Rs. 3 crores of foreign exchange every year. Cannot at least that money be given to them to buy planes every year, to the extent of Rs. 2 *or 3 crores* ?

Finally, there is the question of hotels. There is a shortage of good hotels. But I must oppose the establishment of the Hotels Corporation. I do not think that it is any part of Government's business to run hotels.

Shri Ranga : Let them become caterers also.

Shri M. R. Masani : Yes, because they will cater in the hotels. It is not any part of Government's *duties to run and manage hotels*; hoteliering is not part of their functions.

So, Government should see to it that those who want to build hotels are given opportunities to do so. I make bold to say that far from encouraging people to build hotels, every obstacle is put in their way today. In Chowringhee in Calcutta, in the Fort area in Bombay, and in New Delhi, it is Government which *owns the land, and when the hotel* people want to build hotels, and go to Government for land, every obstacle is put to deny them that facility. I was told only this morning by somebody who knows that one of these parties was asked to pay a ground rent of Rs. 2,600 either per sq. yard or sq. foot. I am sorry I am not sure which it is. I am told that, while this is the ground rent for other people, Government are given similar land very much cheaper. This discrimination against those who want to build hotels should be given up. Very fine foreign hoteliers like Hiltons and others are prepared to come to India and collaborate in putting up hotels. But they are kept dangling over the last year or so and many of them go away empty-handed, disappointed, that they cannot build good hotels in India, as they have built all over the world.

I do not wish to be unfair to the Hon. Minister and his Ministry. I admit that a lot of good work is being done by Air India and by the Tourist Department. I travel a fair deal abroad and I must say that the prestige of the Indian tourist offices is high and the standard of service and courtesy they give in foreign countries is also efficient.

I am very happy that our Director General of Tourism is respected abroad and has been given many marks of appreciation. I am told that only the other day he has been made Prestdent of the Pacific Area Travel Association in the Far East, one of the biggest international travel associations. We are glad about it. But no one man and no one department even can beat this problem. This is a national problem and calls for a national priority. *Tourism is the fourth or third* biggest source of foreign exchange earning for this country. It is not being treated as having even the 20th important priority. Small industries that export only a fraction of what tourism gets are given a priority which the hotel industry and the tourist industry are denied. This, again, is a failure of the Transport Ministry.

I saw a suggestion in this morning's papers that, driven to desperation by the helplessness and passivity of my hon. friend's Ministry, somebody made a suggestion that tourism should be transferred to the Ministry of International Trade. Others have suggested that there should be a separate Ministry of Tourism because this Ministry is not able to give tourism the fairplay that it requires.

I am quite sure that, if my hon. friend will bestir himself, in place of the 156,000 people, we can get four or five times that number and instead of Rs. 23 crores that are brought into this country, we can get Rs. 100 crores in foreign exchange every year. But for that, I think the whole Government must make up its mind. My hon. friend should take this up at Cabinet level. He should get a decision of the Cabinet that tourism is a matter of national priority. And, if I may make a suggestion without any offence, I would like the Prime Minister to come here and make that announcement, so that the Finance Ministry and the other Ministries take it seriously. That, I think, is something that the Transport Ministry can and should do. I hope they will bestir themselves more actively in the months to come.

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The remedy is not a small car in the State sector. The remedy is that these shackles on car and truck production should be removed and that more people should be allowed to produce more cars to bring the prices down.

Then, we had hoped that the moratorium on nationalisation of road transport for goods at least would protect the industry from further damage and would help it to continue to serve the consumers. Now it is seen that the moratorium, which was to last at least till the end of the Third Plan, has already been violated or is being violated.

How is this done ? In November, 1962 in the face of the Chinese aggression, a Central Road Transport organisation was created in Assam with half a dozen trucks. The purpose then mentioned was that, since it was the only possible way for transporting defence needs, these trucks would ply between the frontier and the supply bases. Now all that is forgotten. That little organisation has been converted into a limited company or corporation and this corporation now has 90 trucks. It has nothing to do with defence. Many of its trucks are entering into the transport trade. The transport industry is carrying goods between Assam on one side, Calcutta on the other and Delhi on the third. This is the danger that, after promising that the State would not enter the field of goods transport at least, even that field is now going to be invaded and a State Capitalist monopoly is sought to be asserted there. The Minister will say that there is no threat of establishing a monopoly, that this corporation is entering in a small way to supplement what private operators are doing ; but the danger is always there that when the Government enters a field, competition is given a go-by and a monopoly is established. Therefore, I would like an assurance from the Hon. Minister when he replies that this transport organisation of the Government will merely function as a Private Carrier for civilian and defence needs of the *Government itself* and that it will not enter the general market for goods transport on hire. If this assurance is given, I would agree that there is no threat to transportation development in this country.

In Britain, too, the first Labour Government tried to nationlise goods transport, and *what happened ?* Every big and middle-sized enterprise bought its own trucks and lorries and converted itself into a Private Carrier. Do we want this to happen in this country ? That is exactly what will happen if you try to establish an inefficient State monopoly of goods transport. Then all the go-ahead people will buy their own buses and trucks and will do their own servicing, which is not a healthy development because a public carrier serves the general public. That should be encouraged. There is no dearth of entrepreneurship in this country. These are small people. We always talk about helping the small men. Is the truck operator a big man—a man who has one, two, five or six trucks ? Yet, these are the people we are hitting, and are unnecessarily putting up a big bureaucratic apparatus and calling it socialism ! So, I would like to suggest that rather than do this, it is for Government to encourage the small entrepreneur with one, two or five buses to carry on his trade in the national interest.

Many of these things were said in a report submitted to Government and Parliament in 1960 by Road Transport Re-organisation *Committee.* I had the privilege to be the Chairman of that Committee and I see at least one member—my hon, friend, Shri Mathur—sitting there, who was one of my colleagues.

Shri Surendranath Dwivedy : After all, it was a report of a committee.

Shri M. R. Masani : We made a unanimous report. Not only was the report unanimous, but this House unanimously in 1960 endorsed the wholehearted acceptance of its conclusions. My hon. friend there and his then chief, Shri S. K. Patil, who patted us all on the back, said what a wonderful report it was and Government would be only too happy to carry it out.

Shri Surendranath Dwivedy : What more do you expect ?

Shri M. R. Masani : The House gave the Minister the green light to go ahead. I am very sorry to say that with a few exceptions most of the recommendations of that Committee still await implementation although five years have passed.

The first blow was struck by appointing the Neogy Committee. The Neogy Committee was appointed five years ago. The Chairman has resigned, the Committee somehow is still supposed to exist and the report has not been made. This is how a good piece of work done by some of us at the instance of the Hon. Minister has been wasted, and we still await the report of the Neogy Committee. I have a suspicion that one of the main purposes of appointing that committee was to see that our report was not implemented and that the inspiration for this came from the big vested interest in our country, the biggest vested

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interest and lobby, the Railway Board.

Shri Bade : The Neogy Committee has also gone underground.

Shri D. C. Sharma : What are you talking of lobbies ?

Shri M. R. Masani : This year's Budget has given no relief to road or road transport. We hoped that the Transport Ministry, which is aware of these problems, would have pulled their weight. Unfortunately while taxation on motor cars remains where it was, taxation on tyres has gone up to the extent that the tyre industry will now have to pay an additional charge of Rs. 35 lakhs and the most efficient units which make tyres are particularly mulcted. Then there is the regulatory customs duty of 10 per cent which is going to send up and has already sent up the price of motor cars and will send up the price of trucks very shortly. One car manufacturer claims that 45 per cent of the on-the-road price of commercial vehicles represents direct or indirect taxes levied by the State or Central Government. So half a truck is pawned to Government before it is made. The man who buys the truck thinks he is paying the manufacturer's price. He is paying half to the manufacturer and half to the Government.

Our Committee recommended single-point taxation. I am sorry to state that even now no legislation has been brought here to implement that recommendation that there should be single-point taxation.

We recommended the abolition of octroi duties. Only a few days ago we read that the Bombay Municipal Corporation has been allowed to levy an octroi with the result that it is expected there will be a 30 per cent cut in the transportation by road into Bombay will take place. We talk of export promotion. Bombay is the biggest export centre. Castor seed and other seeds come into Bombay to be converted into oil and exported and here a big blow has been struck at our export industry by allowing an octroi duty to be levied by the Bombay Municipal Corporation, because this has not been prohibited, as we desired by legislation.

Licensing restrictions continue to be as harassing as before. All this goes on.

Formerly, one thought that the Hon. Minister had political difficulties and that powerful Ministers were in charge of the Railway portfolio before whom he had to give way in the bargaining that goes on between the Ministries at the Cabinet level. But the fact is that the present Railway Minister is a great champion of road transport development. His whole record is there. He has said that as Railway Minister he will do nothing to come in the way of the legitimate development of road transport and road development in this country. I would like my hon. friend to tell us what he has taken up with Mr. S. K. Patil, what have been his demands on the Railway Minister, which have been accepted and which of them have been turned down. I think a very fine opportunity is being lost when we have a fair and judicious person who has now seen both sides of the fence and who has shown by his modernity, by keeping abreast of world trends, that he understands that roads must replace railways in due course. I am quite sure that the Railway Minister, in spite of being in charge of that portfolio, will be statesmanlike and big enough to take a detached view and co-operate with my hon. friend, and that my hon. friend and his Ministry would throw their weight, would assert themselves, which I regret to say they have not been doing in the last few years.

Now, I turn to the other topic to which I referred, that is, tourism. Tourism is a matter of tremendous potentialities for this country. Quite apart from anything else, it is a great earner of foreign exchange and foreign exchange is the one thing that we need desperately today, since we are practically bankrupt in so far as our balance of payments position is concerned.

What is the position about tourism ? In 1964, only 156,000 foreign tourists came into India. It is not a very big number by world standards. It is a miserable number. The interesting thing is that 71 per cent of this number came from distant and prosperous countries like United States, Canada, Western Europe, Australia, New Zealand and, in Asia, only Japan. The reason for this is that our neighbours, like us, are following a short-sighted policy of stopping their people travelling and, therefore, we are not able to have that kind of interchange of people and culture that would be so desirable in our region. So, most people come from long distances and when you come from long distance, you spend a lot in coming. All the same, these people spent an estimated Rs. 23 crores in India, and Rs. 23 crores spent in India means Rs. 23 crores of foreign exchange obtained abroad. That is a big amount. Now, that excludes the foreign exchange earned by Air India by booking passages of people coming into this country and going back. It also excludes a crore of rupees which the I.A.C. gets on the Indian sector of international air tickets. So, let us say that at least Rs. 25 crores are brought into this country by foreign tourists, if not more. Why then are only 156,000 coming and not six or seven times that number, as could happen if we were doing our job properly?

There are various factors that deter the growth of tourism from abroad in our country. The first is the travel restrictions that we place on our people. These are stupid, foolish restrictions. The amount of money that is saved by stopping our people travelling freely is infinitesimal compared to the problem. By doing this, we hurt the influx of foreign tourists into the country. All life is a two-way traffic; all human relations are reciprocal. You cannot have it all your own way. You cannot have a one-way traffic in human relations or in international relations. We think we can; we are going to pay for it. We have a feeling that, despite the amount of money that we throw away, a much larger amount of foreign exchange would come; but that would come in only if we allow unrestricted travel both ways. That is the first deterring factor.

The second deterrent factor is the neglect of essential steps to foster tourism through the shortage of facilities of various kinds. There is shortage of aircraft with the IAC. There is shortage of good hotel accommodation, there is shortage of good restaurants: there is shortage of good automobiles for long journeys and of tourist coaches. There is also the difficulty in obtaining, for foreign tourists, such things as camera films, mineral water and liquor permits.

Then, there are unsatisfactory arrangements at airports. I am not blaming the staff. I think the airport staff and the customs staff are good people. My own experience with them has been excellent. But they are hamstrung by rules. They have to make us fill up umpteen forms, give ridiculous information, and they have to ask impossible questions. A few days back or a few weeks back, a foreign tourist had come, whose main interest was photography; he came with 250 flash-bulbs. They had marked it and when he was taking off from India he was asked to produce the 250 exploded flash-bulbs! Imagine the absurdity of this, as if a man puts the exhausted or exploded flash-bulbs in his bag and comes with that bag and says: "Here are the 250 exploded flash-bulbs!" Everyone throws them away as soon as they are used. But this is the kind of churlishness with which we receive people, the suspicion being that he had sold them in the blackmarket.

So, the reception of people at the airports, customs facilities and airport arrangements leave a great deal to be desired. Then, finally, there is the squalor and the insanitary conditions, the horrible slums and the horrible sights that are to be seen when people drive from airports into the city, in Bombay, Calcutta and other big cities.

The measures that are required to put this right are the following: There must be adequate funds allocated for publicity abroad, for promotion and for advertisement, both for Air India and for the Tourist Department. Both these agencies are served today in so far as allocation of foreign exchange for promotion, publicity and advertisement is concerned. There should be a concerted effort here.

I, therefore, welcome the setting up of the India Tourism Corporation, one of the two corporations to be set up as I find from the annual report of the Department. I think the terms of reference of that corporation are reasonable, and they will create a climate in which foreign tourism can function. But I do hope that this corporation will not enter the market as a travel agent. It should only create a climate for foreign tourists to come. Let the travel agencies do their legitimate work. I must sound this warning because, unfortunately, even when Government start by doing the right thing, they slip into the habit of a State capitalist monopoly; that is their nature. Therefore, I am warning the Hon. Minister to stop short of entering the travel market and not to destroy travel agencies by getting bigger and better cars and competing with them on unequal terms.

The second thing is to encourage more charter flights to India. This is a growing phenomenon all over the world. In 1964, 12 million tourists were carried by charter flights, that is, non-scheduled flights, throughout the world. How many came to India? Not even 20 came to India out of those one thousand or more flights that took place.

Thirdly, the IAC must be given money to get more planes. The IAC earns about Rs. 3 crores of foreign exchange every year. Cannot at least that money be given to them to buy planes every year, to the extent of Rs. 2 or 3 crores?

Finally, there is the question of hotels. There is a shortage of good hotels. But I must oppose the establishment of the Hotels Corporation. I do not think that it is any part of Government's business to run hotels.

Shri Ranga : Let them become caterers also.

Shri M. R. Masani : Yes, because they will cater in the hotels. It is not any part of Government's duties to run and manage hotels; hoteliering is not part of their functions.

So, Government should see to it that those who want to build hotels are given opportunities to do so. I make bold to say that far from encouraging people to build hotels, every obstacle is put in their way today. In Chowringhee in Calcutta, in the Fort area in Bombay, and in New Delhi, it is Government which owns the land, and when the hotel people want to build hotels, and go to Government for land, every obstacle is put to deny them that facility. I was told only this morning by somebody who knows that one of these parties was asked to pay a ground rent of Rs. 2,600 either per sq. yard or sq. foot. I am sorry I am not sure which it is. I am told that, while this is the ground rent for other people, Government are given similar land very much cheaper. This discrimination against those who want to build hotels should be given up. Very fine foreign hoteliers like Hiltons and others are prepared to come to India and collaborate in putting up hotels. But they are kept dangling over the last year or so and many of them go away empty-handed, disappointed, that they cannot build good hotels in India, as they have built all over the world.

I do not wish to be unfair to the Hon. Minister and his Ministry. I admit that a lot of good work is being done by Air India and by the Tourist Department. I travel a fair deal abroad and I must say that the prestige of the Indian tourist offices is high and the standard of service and courtesy they give in foreign countries is also efficient.

I am very happy that our Director General of Tourism is respected abroad and has been given many marks of appreciation. I am told that only the other day he has been made President of the Pacific Area Travel Association in the Far East, one of the biggest international travel associations. We are glad about it. But no one man and no one department even can beat this problem. This is a national problem and calls for a national priority. Tourism is the fourth or third biggest source of foreign exchange earning for this country. It is not being treated as having even the 20th important priority. Small industries that export only a fraction of what tourism gets are given a priority which the hotel industry and the tourist industry are denied. This, again, is a failure of the Transport Ministry.

I saw a suggestion in this morning's papers that, driven to desperation by the helplessness and passivity of my hon. friend's Ministry, somebody made a suggestion that tourism should be transferred to the Ministry of International Trade. Others have suggested that there should be a separate Ministry of Tourism because this Ministry is not able to give tourism the fairplay that it requires.

I am quite sure that, if my hon. friend will bestir himself, in place of the 156,000 people, we can get four or five times that number and instead of Rs. 23 crores that are brought into this country, we can get Rs. 100 crores in foreign exchange every year. But for that, I think the whole Government must make up its mind. My hon. friend should take this up at Cabinet level. He should get a decision of the Cabinet that tourism is a matter of national priority. And, if I may make a suggestion without any offence, I would like the Prime Minister to come here and make that announcement, so that the Finance Ministry and the other Ministries take it seriously. That, I think, is something that the Transport Ministry can and should do. I hope they will bestir themselves more actively in the months to come.

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