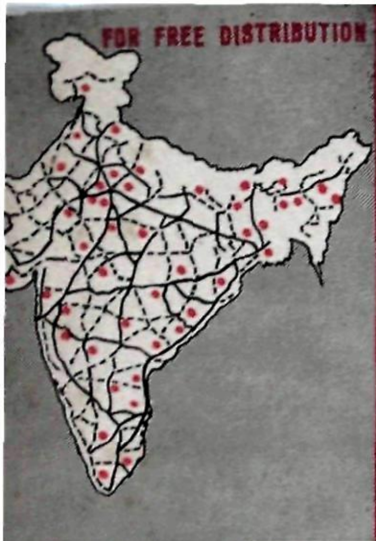

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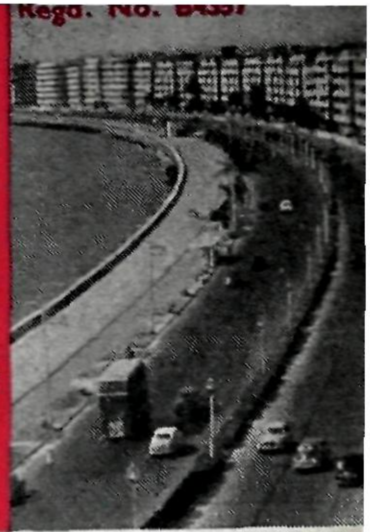


FAILURE TO TAKE STEPS TO ENABLE ROADS AND ROAD TRANSPORT TO PLAY THEIR PART IN THE COUNTRY'S ECONOMIC DEVELOPMENT

7-21

MR. M. R. MASANI'S SPEECH IN LOK SABHA

SHRI RAJ BAHADUR IN AGREEMENT ON POOR ALLOCATIONS FOR ROADS

"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 . . . The longer we delay the acceptance of this fact, the more this country is going to pay for following archaic and bullock-cart methods and mentality." So said Mr. M. R. Masani in the course of his discussion on the Demands for Grants of the Ministry of Transport in the Lok Sabha, on 23rd March 1964.

Pleading for the cause of roads and road transport, Mr. Masani referred to the present complacency regarding the transport situation in the country. In keeping with the deterioration in transport facilities during each successive Five-year Plan, he prophesied a distinct worsening of the situation by the close of the Third Plan period. Mr. Masani went on to point out the deplorable state of our roads and the failure to allot them the outlay of Rs. 590 crores as recommended in the 20-Year Road Development Plan. He appealed to the Hon'ble Minister of Transport to get this sum allocated.

Speaking of automobile production, he referred to the shortfalls in production targets, attributing the position to faulty priorities and foreign exchange denials to the industry. As regards other restrictions on road transport development, he stated that the hopes raised by the establishment of the Inter-State Transport Commission had been sadly blighted. The number of permits issued on its recommendation were a mockery in comparison to the country's needs. Belated though it was, he suggested that the Commission be empowered to issue permits in its own way.

In the context of the question of taxation, Mr. Masani remarked on the inordinately high level on road transport in India, with no relief forthcoming from the extortionate taxes levied in past years. As so steep a tax level constituted a serious deterrent to economic growth, he urged lightening the burden, in the interest of agricultural and industrial prosperity.

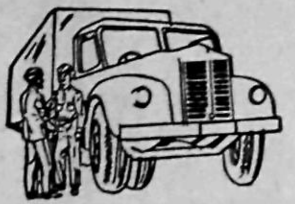
Shri Raj Bahadur, Minister of Transport, in his reply the next day, agreed that the problems of road and road transport were close to his heart, but for certain "genuine and honest reasons" he failed to agree with all the considerations raised by Mr. Masani.

Expansion of road transport, he said, depended firstly on how far and how best we were able to expand, improve and strengthen our road system; and secondly how far and best we were able to expand automobile production. Despite shortcomings in allocations for road development, the road transport industry had been able to carry on to meet the country's requirements. For that, he thanked and congratulated transport operators and all concerned in the field of road transport.

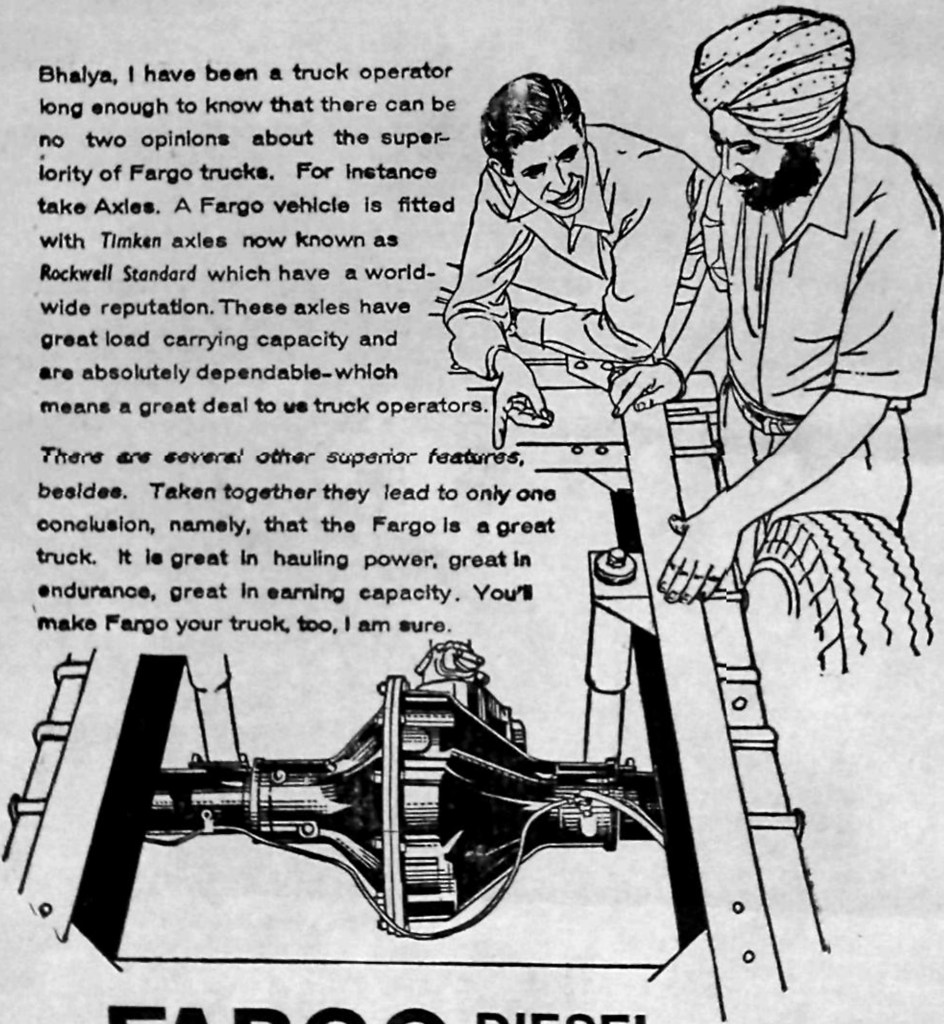
Below are the texts of Mr. Masani's speech, and Shri Raj Bahadur's reply:—

Mr. M. R. Masani's Speech

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.



My choice of a truck? FARGO of course



Bhaiya, I have been a truck operator long enough to know that there can be no two opinions about the superiority of Fargo trucks. For instance take Axles. A Fargo vehicle is fitted with *Timken* axles now known as *Rockwell Standard* which have a world-wide reputation. These axles have great load carrying capacity and are absolutely dependable—which means a great deal to us truck operators.

There are several other superior features, besides. Taken together they lead to only one conclusion, namely, that the Fargo is a great truck. It is great in hauling power, great in endurance, great in earning capacity. You'll make Fargo your truck, too, I am sure.

FARGO DIESEL TRUCK

Manufactured by THE PREMIER AUTOMOBILES LIMITED, Bombay

BISTA'S-PAL-406

I am speaking on this subject after an interval of three years. At that time, my hon'ble friend's senior colleague, Dr. P. Śubbarayan, was in charge of this portfolio, and my hon'ble 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'ble 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 bottleneck 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 bottleneck 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 bottleneck 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'ble 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. 1,500 crores, that is, more than ten times the annual yield. The Railways are allocated more than ten 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. 2,200 crores. Instead of that, there is a miserable allocation of Rs. 420 crores, just one-fifth 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 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 obligation 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'ble 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'ble 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 earmarked 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 made tremendous strides. This is a severe deterrent to rapid economic growth. Traffic to and from our 5½ 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'ble 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 vested interest in this country — the Railway Board.

This is an old story. It started 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 300 miles 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 connnected 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 dictate? 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 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'ble 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 Commission 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 floor of the House, it is in the report of the Transport Reorganization Committee and the hon'ble 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 25 per cent between 1930 and 1954, while that moved by roads increased from 10 to 34 per cent.

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 tax-payer 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'ble 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 back-bone 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 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.

EXTRACT FROM THE SPEECH OF MR. RAJ BAHADUR

I would like straightaway to turn to the points that have been made, because I must economise on time. To begin with, I must take up the subject which the hon'ble Member who opened the debate took up, namely, roads and road transport. Roads and road transport are closest to his heart . . . . . .

Shri M. R. Masani : And yours also.

Shri Raj Bahadur : Yes, to mine also. He has made a considerable study and I have always held in great respect the observations that he always makes about them. Sometimes, I may not agree with him, but that is for genuine and honest reasons. He has said that some sort of complacency, which is not justified, seems to be apparent to him from the facts and figures that we have given in our report. He forecast that transport shortage might be six times worse or more serious than it was in 1961. He has said that road allocations that have been made are very meagre as against the recommendation of the Indian Road Congress, which demanded Rs. 590 crores and, for the Third Plan, we got only Rs. 416 crores. In fact, may I correct him that we got only Rs. 324 crores to begin with and then it was raised to Rs. 416 crores. He says the tempo of the work also is not good. That particular thing was also mentioned by another Member, Mrs. Renu Chakravartty, who said there have been shortfalls and we have not been able to utilise the road allocations. That surprised me. May I say how things stand ?

So far as utilisation of allocations is concerned, let it be realised that till as late as 1960-61, the annual expenditure on National Highways was only of the order of about Rs. 10 crores. In 1962-63, it rose to Rs. 17.42 crores. In 1963-64, the revised estimates showed that we spent as much as Rs. 34.38 crores over National Highways alone. This particular figure has to be viewed against the background that initially only Rs. 48 crores was allotted for National Highways and we have spent Rs. 34.38 crores in one year. It is a record in the history of National Highways. The observation made by my friend, Shri Daji, has to be judged against this particular background. So far as allocations are concerned, of course it was Rs. 324 crores to begin with and it rose to Rs. 416 crores. Apart from that, we have to take into account the huge amount of money that is being spent on border roads. I might also say that as need and opportunity arise,

we are trying to spare more funds and I will show later on how we are doing that.

The highlight of the year, however, would be the very remarkable performance by our road engineers and road workers and that is the construction of a stretch of 102 miles of road from Barauni to Phulbaria—a missing link on National Highway No. 31, which has been completed to a two-lane standard in a record time of one year, with the strengthening of bridges all through to class 70 standard.

I would like to point out now a few facts about road transport, to which my friend gave a good deal of attention. He said that the automobile production target of 60,000 has been revised to 54,000, whereas in 1960 the figure of production was 27,100 and at least 6,400 vehicles should have been added every year. He said, we have performed very badly and we are only lingering at 28,481 in 1963. May I point out the facts? We have to view the automobile production against the background of allocations and foreign exchange made for the industry. Even there, we have to see that whatever is allocated is properly utilised and the best effort that our manufacturers could put up in this direction was to increase the quantum of indigenous parts. That is where I think they have performed very well. The Leylands, for example, have gone up from 38.5 per cent in 1959-60 to 76 per cent. Bedford have gone up from 46 to 60.9 per cent; Dodge from 68 to 79.85 and Tata Mercedes-Benz from 64 to 77 per cent. It is well known that if we manufacture the parts ourselves and not merely assemble motor parts, the production of automobiles will not be that much as when we simply assemble them.

Shri Iqbal Singh : What about the price?

Shri Raj Bahadur : That will be beside the point that I am trying to make out. The total population of goods and passenger vehicles—I mean commercial vehicles—in 1950-51 was 116,411. In 1962-63, it rose to 268,000, which is more than twice and by March, 1966, it is expected to go up to 360,000, which means that we would have nearly trebled that particular figure.

What is the performance so far as the various companies are concerned? I will not go into the details, but I will give only the total. In 1964 we hope to manufacture 35,000, in 1965—42,250 and in 1966—54,500. This is also to be judged against the fact that the licensing capacity has been increased considerably. The licensing capacity as it has been increased comes to 61,800 including two new ones which are : Simpson—1,200 and Beaver—heavy vehicles 2,000. So we can appreciate that with this capacity if the target as now being revised can be achieved, it should be considered to be quite an achievement.

The next point he made was that against the estimate, which he quoted, of 16 million tons to be lifted by road transport, the number of permits that has been given by Inter-State Transport Commission is piteously small. It is only 440, he said, which is too small a number and this cannot be justified on the basis of 3,000 vehicles per million tons, which requires 48,000 permits. But I would like to tell him that the Inter-State Transport Commission is not the only authority that gives inter-State permits. In fact, for the first time we have decided that so many permits should be given on certain very very long distance routes connecting Calcutta, Bombay, Delhi and other places. I will not go into those details. The total number of inter-State regular permits even today is 16,449. If we add to this the average number of temporary permits as on 1st April 1962, which was 19,092, the total comes to 35,541, against the 48,000 that he said. Let him remember that from 268,000, the target that has been fixed for the end of the Plan period for automobile production, there will be an increase of 92,000 vehicles. All these 92,000 vehicles will have to be given permits—all of them may not go for long-distance traffic; some may go for long-distance traffic and some may go for short distances, but the overall transport capacity that our road transport industry needs will be built up.

Let it be realised that this is being done in the face of great difficulty in regard to the availability of foreign exchange. Expansion of road transport, my hon'ble friend will definitely concede and the House will also appreciate, depends on two factors. The first one is, how far and how best we are able to expand, improve and strengthen our road system. The second is, how far and how best we are able to expand our automobile production. These are the two factors on which the entire thing depends. It has to be recognised that with all the shortcomings, with the short allocations about which he has been complaining—to a certain extent I also feel that the allocations have been rather poor, they have been meagre and it is not that I do not have that feeling—the road transport industry has been able to carry on and has been able to meet the country's requirements. For that, the transport operators and all concerned in the field have to be thanked and congratulated.

So far as the question of taxation is concerned—I know that Shri Masani is leaving for some of his party work and therefore I will take his points first—he knows very well that we have tried to limit it and tried to guide the State Governments in this behalf as best as we can. He asked why we were not coming forward with the piece of legislation which he recommended. We were not oblivious to that recommendation. We did take into account that recommendation. We studied it thoroughly, as thoroughly as we could, and we found that we could not fix ceilings. And, mere principles would not carry us any further. Therefore, we have to confine ourselves to persuading the State Governments concerned to agree to some sort of fixed principles about taxation. He knows very well that the fact that we have not had any taxation measures imposing taxes on motor vehicles or motor transport this year, not only by the Centre but also by the State Governments, leads us to the conclusion that this realisation has been made of the urgent need to give some sort of protection to this industry. I think that has been done.

Coming back to roads, may I just state a few facts which are of great importance ? Another remarkable thing that has beeen achieved by the engineers and workers is the construction of five big bridges on what is known as the North Trunk Road in Assam including one big bridge on Torsa. I would say that this particular work, also, has been performed and completed in a very limited time of 10 to 12 months which is almost a record.

It has been stated that the National Highways have not been fairly treated and we have not looked after them well. But let us remember that when the National Highways system was first effected we had as much as 10,000 miles out of a total of 13,800 miles which were really of a very low quality and very low standard. Also, we had a large mileage of missing links. We have practically made up all the missing links excepting 100 miles which we will take in the Fourth Plan. So far as improvement is concerned, we have improved more than 10,000 miles.

So far as bridges are concerned, if we just take into account the bridges costing more than Rs. 5 lakhs, we have already completed 100 bridges out of 215, 59 will be completed by the end of the Third Plan, those on which work will be taken up or is going to be taken up in the Third Plan is 42 and only 14 will remain for us to deal with in the Fourth Plan.

In this connection, may I just make a small announcement. Many a time the hon'ble Members have appointed out the necessity of developing the areas along and near the foot of the Himalayas for economic benefit. I am glad to report that a scheme for constructing a high class road from Bareilly in U.P. to Amingaon in Assam has recently been approved. The road will run through the State of U.P., Bihar, Bengal and Assam parallel to the Himalayan range. The existing roads will be absorbed in the new road as far as possible and new alignments will be adopted where no roads exist. The work involved is very considerable and may cost Rs. 100 crores out of which Rs. 50 crores are expected to be required for construction of bridges. Being located in terai region which is intercepted by many streams, 23 bridges across big rivers and large number of medium and minor bridges will be required. Every effort will be made to complete this road as soon as possible.

Secondly, with loan assistance from the Central Government to the Rajasthan Government, we propose to consider the construction of a 425-mile long road alongside the Rajasthan Canal. This is an important need of that area which will develop very well after the canal is commissioned. Then, for a long time a demand has been made about the east coast road in Madras State extending from Madras to Cape Comerin. We propose to consider that and we would try to have it included in the Fourth Plan. This would connect South Arcot, Tanjavur, Ramanathapuram,Tinneveli, etc.

Similarly, a very important demand has been made by the Gujarat Government and the people of Gujarat for a coastal road from Gujarat. That also we have got in view and we propose to give our best thought to it.

Only one word more about road and road transport, and that is about the need for mechanisation of road construction. We are concentrating our attention on that and we will do our best to see that so far as it lies in our power we would try to acquire this equipment and also try to encourage and promote the industry for the manufacture of this equipment.

There is one point more which I should not miss, and that is about the Inter-State Transport Commission. It was stated that merely a Joint Secretary is at the head of this department and we should make it more powerful, give it more powers to issue permits. We do not propose to do that, because we think that the present method has worked very well. Through this Inter-State Transport Commission we have achieved two big objects. *Firstly*, we have been able to persuade the State Governments at least to name the inter-State roads. A complete list in consultation with the State Governments has been formulated.

Secondly, we have also persuaded them in making them solve, or come to some sort of agreement or settlement, about the disputes that are there. We do not want to take the power of issuing directives, so far as this Commission is concerned.

A reference was made to Dr. Beeching's report by my hon'ble friend, Shri Masani, who has just gone away. He has said that they have recommended in U.K. the closing down of half of the railway stations, numbering as many as 4,293, and also cancellation of passenger service. I do not think we can do it in this country, nor would my hon'ble friend, Shri Masani, like me to recommend that to my colleague, the Railway Minister.

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of the Government. I can assure you that on our part we are anxious that we should avoid all kinds of harassment and we are trying to minimise harassments if we cannot avoid them.

You, members of the Road Transport Development Association, you are well aware of the part being played by roads and road transport in the economic development of the country. I had noticed it with great satisfaction that you have been bestowing your thoughts on them, that you have been making experiments on the various problems and that also you have been doing research work in this connection. Therefore, I need not tell you that the Government do look forward to your advice and guidance in these matters and therefore, I do value this opportunity you have given me tonight to be your chief guest at this party and to listen to the various problems that you have reported regarding road transport development. I would certainly go into these points that you have referred to and see what I can do by way of meeting at least some of the points that have been raised by you. I thank you once again for this kind invitation of yours. May I offer to you all my warmest felicitations and best wishes. Thank you.

INDIAN ROADS AND TRANSPORT DEVELOPMENT ASSOCIATION LTD.

MADRAS BRANCH

Speech by Hon'ble Sri M. Bhakthavathsalam, Chief Minister of Madras, at the Annual Dinner held at the Connemara Hotel, on 24th March 1964

MR. CHAIRMAN, MEMBERS OF THE ROAD DEVELOPMENT ASSOCIATION AND FRIENDS,

I am very grateful to you for this invitation of yours and for this hospitality that you have shown me. I do appreciate your gesture in inviting me to this Annual Dinner meeting of your Association and I do welcome this opportunity of coming into contact with you, the members of the Road Transport Development Association. You have been taking special interest in this matter of vital importance to the country. I do agree with you that road transport plays a prominent part in the economic development of the country and I can at once assure you that the Government equally realises the importance of road transport development. But, you are interested as members of the Road Transport Development Association only in road transport development. But, the planners for the economic development of the country as a whole have to divide their attention and interests on so many matters. It is not road transport alone that has to be looked into but they have to look into many other matters and the planners have also to take into account the available resources and these resources have to be distributed among very many things and the very many requirements of the development programmes. This is the difficulty of the planners. I do understand your anxiety and I do welcome and appreciate your concentrated efforts for road development. Only that you should appreciate the difficulty of the planners and the administration in meeting the full requirements of the road transport development as you would like them to be met.

There has been a tremendous development of transport in this country. People have become transport-minded not only in the cities but also in the rural areas. As you are aware, the poorest man in the remotest village does not like to walk nowadays even half a furlong and needs transport. His standard of living has been going up and he feels it difficult to walk for a short distance unless the doctor advises him to do some walking for the purpose of keeping good health. He does not mind even paying for the travel. Consequently, there has also been a tremendous development of transport. Even as early as 15 years back, I looked into the statistics and I found that we in this State had been spending on road development whatever we were getting from the motor vehicles and something more also and all these 15 years, road and road transport has expanded not only in cities but also in villages. The traffic is getting more and more intense both in the cities and in the villages. In this State, roughly 5,000 vehicles are being registered every year and that adds to the intensity of the problem and it is an immediate problem. If you restrict traffic in the interests of sound regulation, those interested protest vehemently. If you seek to widen the roads in order to accommodate the increasing traffic, those again interested do represent it as a serious and avoidable grievance. In Moscow about two years ago when I was there I saw that buildings were simply pushed back in order to widen the roads which are already wide enough and this is done even without the inhabitants of the buildings knowing it. In fact, one gentleman told me that in one particular hospital when a doctor was performing an operation on a patient, the whole hospital building had been pushed back, neither the doctor nor the patient knowing it, in such a way that the operation was not at all disturbed. They do it by mechanically pushing back the building with its entire foundation. But, here, we will have to acquire and when we seek to acquire, there are vehement protests. We have to face all these problems and still we have to solve them.

Then again, there is the other problem of fast driving on the part of the heavily-loaded lorries. I have been told by technical men that a bridge deteriorates more on account of the fastness of driving than on account of overloading. This is an immediate problem to us and we have been examining how to restrict the speeds, particularly, of the lorries that ply in the nights. If night traffic by these lorries is to be banned, then that would create more serious problems. We are constructing more and more bridges and culverts and there is the problem of the cost of maintenance of these bridges, etc. This cannot be avoided. We will have to consider some other approach, some alternative approach to this problem. Lorries do create problems and accidents are on the increase. This is so in other countries too. Even in America, I was told when I was there last, that serious and avoidable accidents do take place there also in spite of all the facilities and precautions that are there. It is indeed very much important for our country and to all of us that such serious accidents should be minimised if not avoided completely.

Turning again to road transport development, we are particularly paying attention to the needs of the industries that have been springing up rather fast. There are also the requirements of the villages and with the resources that are available to us, I assure you that we have been paying our best attention to develop and improve our roads. In this connection I would like to tell you that merely centralising a thing is not a sure remedy for the state of affairs. Some people innocently plead for putting a thing in the Centre and there are others who make it a fancy to plead for centralisation. There are the national highways and it is the Centre's financial responsibility to develop, improve and maintain these national highways which are on inter-State routes. Most States, no doubt administer such maintenance and development of these national highways running in their respective States, but this is done with 100 per cent Central financial sanction. To see that these roads are improved and developed, there is a Central Ministry which looks after the communications. They do seek to co-ordinate the activities and the programmes of the various States.

You have made a suggestion that there should be a Central Ministry for looking after roads and road transport alone. If this could not be there, you have pleaded for a Central Board. There is now a Central Council which looks after roads. But you have suggested a Central Board on the lines of the Railway Board. Alternatively, you have suggested that there should be Zonal Road Board. There is now a Zonal Council which is meeting regularly and in these meetings they do consider problems of common interest. There should be no difficulty in discussing problems relating to roads and road transport in these meetings. But, more than that, I do not think it is necessary nor is it feasible to have a Southern Road Board as suggested by you. But, personally, I would assure you that you would get the States concerned pay sufficient attention to the matter of improving the roads in their respective States.

You referred to the railways. We do need the railways. Even yesterday the Railway Minister, while talking to me, told me if goods traffic is satisfactory, he is prepared to put enough funds and to construct new railway lines. It is not passenger traffic that feeds the railways. It is the goods traffic. If we could show satisfactory statistics about increasing goods traffic, we could justify construction of new lines. We should, therefore, appreciate the difficulties of the Railway Ministry. We do need the railways—nothing like railways—even if there is a good road side by side. But, now the complaint from the Railway Ministry is that goods and road transport affect their revenues. We do need roads and we do need railways to the extent to which both of them can be individually developed to cater to our needs. So far as our State is concerned, roads do get the highest priority and it is a matter of pride that we have good roads and a good road transport system. But it is not a question of complacency. But, comparatively, we have very good roads. But still, I do agree with you that there is room for further improvement. We are advancing rapidly and ours is a growing economy. As we go up in our standards, we do need more facilities by way of road transport. We hope to plan for that and we do hope to co-ordinate our programmes. But, we have to take into account the resources also. With the available resources, I assure you we will do our best.

You referred to the harassment caused by the check-posts. It is not a question of discriminating between railways and roads. You will agree with me that there is a greater possibility of evasion through road transport rather than through the railways. Evasion cannot be denied. It may be that the corrective measures that we adopt may not be absolutely necessary. But you will agree with the objective and you will also appreciate the difficulties

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the last eight years there has been a persistent neglect of agriculture and a diverting of resources that should have gone to agriculture to what is called "the heavy capital base".

This order of priorities has been bodily lifted from Soviet Russia and communist planning. It was lifted by our late Prime Minister who had a tremendous but misguided admiration for that wretched Dictatorship. He thought that he would take India along the same path of progress which has led Russia today to go begging for food from capitalist countries. So, following that pattern, out of all proportion money has been poured into heavy machinery and steel plants; money that could have gone into food production and given manifold returns.

Now, even in China and Russia, the chickens have come home to roost. The neglect of agriculture in those countries has produced near famine conditions. So the Soviet and Chinese governments go abroad gold in hand to buy grain from so-called capitalist countries. The fact that we are following in their footsteps should not therefore surprise us! This could have been foreseen. I at least, in all humility, can claim that for about seven years now I have been forcasting what has happened. That is to be found in my speeches in Parliament and outside. This catastrophe was inevitable. In a communist-oriented economy, agriculture is always neglected and, in the end, the entire economy collapses because of this neglect.

Much more so is it the case in India which is a peasant country and will remain for a century, in spite of our rulers, a country of peasants. Therefore it is this basic, false order of priorities, this obsession with steel and machinery, this attempt to grow overnight into an industrial giant, this laughable attempt that is at the root of our problems today. It has acted in two ways. On the one hand, it has starved agriculture of the capital that was needed for investment in the land, and therefore food production has not risen adequately. On the other hand, it has created inflation.

Why does investment in steel and machinery and not in food create inflation? This is due to the fact, which Mr. Lal Bahadur

Shastri for a moment seems to have glimpsed. When he went to visit the National Planning Commission for the first time, three or four weeks ago, he said then that we must now invest in quick yielding projects. And one thought: 'Thank God this basic truth has at last gone home'. But, as I shall show, more recent statements of his colleagues show that this perhaps intelligence is so far confined only to our Prime Minister.

Now, why is it that investment in heavy industries creates inflation? Let me put it this way. Heavy industries is the most capital-intensive industry or opening for money. It employs the least number of people, and it gives the lowest and slowest return on one's capital investment. Here some details. I am quoting from a speech of my own in Parliament on :

"Steel has the poorest ratio of output......multifold employment and multifold returns to the country".

That is the reason why inflation follows from this wrong order of planning. The amount of money in the economy increases. But the volume of goods and services does not keep pace with the amount of money in circulation. In agriculture, you sow one month and four months later you get your crop. Roads give ample return in twelve months time. But a steel plant will not give you its return for several years. Similar is the case with the heavy machinery plant in Ranchi. And it is in these wasteful projects, these White Elephants as I call them that the major part of our developmental expenditure has been sunk.

The proof of the pudding is in the eating. Hindustan Steel makes heavy losses for this country. It has not given one rupee of return on the capital - your capital and mine which has forcibly been invested in Hindustan Steel. As far as I can recall, on a total capital of Rs. crores expenditure, Hindustan Steel upto 1962 had made a loss of over Rs.40 crores. So, instead of getting manifold in land, in road building, in opening up the countryside, in producing fertilisers, we have been sinking our money in wasteful projects. This is the basic cause.

I am glad that my esteemed friend, Mr. J.R.D. Tata in his statement as Chairman of the Tata Iron and Steel Company on August makes this same point. He says:

"I venture to suggest............consumer". "Unfortunately there seems to be no recognition as yet..........deficit finance and foreign borrowing."

Mr. Tata is undoubtedly right. I give two examples to justify Mr. Tata's pessimistic forcast. One is the kind of hot air emitted in our own city recently by Mr. Gulzarilal Nanda, the headline to his talk being "Large Plan Outlay Vital". Even more frightening is a message from New Delhi, of which I shall only read two sentences: "A massive programme of expansion of Heavy Engineering industries is envisaged by the Planning Commission for the next Plan. The most important of these is to doublt the output of heavy machinery needed for setting up new steel plants". You can see from this, that like the Bourbons, these mad Quixotes of the Planning Commission have learnt nothing and forgotten nothing as a result of our disasters.. We must learn to walk before we can fly. A country like ours should be proud to export wheat and rice and sugar and raw materials based on our agriculture. We should import steel very cheerfully and export our agricultural produce in return. I was in Formosa last October. That country has now been declared by the Americans to be unfit to receive any more aid because they have made such good use of U.S. aid that they don't need it any more. And they have done it by importing steel, by importing machinery, and by exporting pineapples, mushrooms, sugar and every kind of agricultural produce with which they earn foreign exchange and hard currency. That is the path to prosperity.

The communist order of priorities imposed on the country by Mr. Nehru and his colleagues is ruining this country and will take this country right into the gutter in the next few years if this mischief is not stopped. I can assure you that what we have touched today is not the low-water mark. If these policies which the National Planning Commission is forcasting are adopted in the Fourth Plan we shall look back to 1964 and think what pleasant times we had then!

The inflation thus created has been aggravated by two or three other factors. One is Excise Duties on the needs of life, and the other is Deficit Finance. Deficit finance is known to be an evil, so the Third Plan document laid down a target - that under no conditions should Deficit Finance exceed Rs.550 crores during the whole of the Third Plan. Mr. Morarji Desai was very proud of this ceiling that he had set. That target has already been exceeded. In the first three years of the Third Plan - two more are still to go - deficit finance has exceeded Rs.600 crores. The safe limit has thus been crossed. Not only that, but we seem to be accelarating dificit finance right up to this very day.

The latest statement of the Reserve Bank for the six weeks ending 10th July, 1964, shows that in those six weeks our Government indulged in more deficit finance than in any other six weeks in the history of independent India. Since 1947, we have now reached the highest point of irresponsible deficit finance. The figures given by the Reserve Bank are that, during the end of that period, Treasury Bills outstanding rose by Rs.149 crores. Most of this though not all, is uncovered deficit. Now this shows that, like the Rake's Progress, we are still going down the slippery slope.

In such a situation, the men in office come forward with some suggestions. The first suggestion they make is that there should be more controls. The second is there should be nationalisation of rice mills. The third is there should be compulsory monopoly procurement from the peasant at fixed prices. And the last and most idiotic is that there should be a State Trading monopoly in foodgrains. As if they have not done enough harm with these reckless policies they want to go further in the same direction. I have no hesitation in forcasting that, if these measures are adopted in the coming weeks and months we shall go down to famine and chaos within a short time. These are the best programme for chaos and starvation that anyone can invent.

Yet another measure they suggest is that Cooperatives should be favoured and given the lion's share of trade in these commodities. A few days back I madea statement that Jowar brought at Rs.41 to Rs.43 per quintal, was being sold by the Maharashtra State Cooperative Marketing Society at Rs.61 a quintal. I saw in one of this morning's newspapers a headlihe saying "Masani's Statement Contradicted." "The Maharashtra State Cooperative Marketing Society has denied the statement made by Mr. Masani that the Society had purchased Jowar at about Rs.41 to Rs.43 per quintal and sold at Rs.61 in the open market". In an attempt to authenticate this denial, they go on to say: "The Society had purchased Jowar at Rs.41"(they have confirmed the purchase price at least. I am glad of that)"and sold it to the Government at Rs.43 per quintal in new gunny bags at Government Godowns". Well, this may be true. But I was not discussing the price at which they sold Jowar to Government. My statement was very clear, that it was being sold to the buyer in the market at Rs.61. I am not at all interested in the price at which the Cooperative Society sells to the Maharashtra Government. I therefore find nothing in the denial to stop me from repeating the charge I had made against this organisation of profiteering. Here is the original of the voucher issued by the Maharashtra State Cooperative Marketing Society Limited on June 16 in the city of Bombay. It states that it sold 808.5 kgms. or 8 quintals, 8 bags of a hundred kilograms each and an odd amount of 8.5 kilograms in addition at the rate of Rs.61.10 and the total (and you will find the arithmetic correct) the man paid was the amount of Rs.493.99. I therefore repeat my charge of profiteering against this little satellite of the Maharashtra Government. Let us be quite clear. Cooperative Societies are no longer Cooperative in that sense. They are just little stooges and satellites of the Government run by the bureaucrats and the politicians in office. I myself am a great believer in cooperation.

My little bank account is with a Cooperative Bank. I was one of the founders of the Industrial Cooperative Society in this State. But I regret to say that Cooperatives are becoming more and more the handmaids of those in power. They are losing their voluntary and non-official character and they are becoming the instruments of those who can manipulate them from office.

Since this issue has been raised and this denial has come, I shall press the charge further. I shall now mention some facts against another Cooperative, and that if the "Mumbai Kamgar Madhyavarti Grahak Sahakari Mandal Limited" (The Bombay Workers Central Consumers Cooperative Society Limited). Yesterday, someone went to this Society's shop and was given some wheat. This wheat was imported from Madhya Pradesh at a price of between Rs.43 and 48 per quintal or between 43 and 48 paise per kilogram. This man bought 2½ kilograms for which he was charged at the rate of Rs.1.34 per kilogram, and he paid as a result Rs.3.34. Grain that was bought from Madhya Pradesh at 43 to 48 paise was therefore sold in Bombay yesterday by this Cooperative Society for Rs.1.34. A profit of about 200%. If any grain dealer had done it, he would have been called a black marketeer and a hoarder and an anti-social element. What are we to call Cooperatives Societies that enjoy the patronage of Government, that are given every priority and every facility, and then explit the consumer in this manner? I want to ask the Maharashtra Government and the Society what they have to say on this. So I withdraw nothing I have said. I repeat and press the charge of profiteering against these Cooperatives patronised by the Maharashtra Government.

I am very glad that something happened a couple of days ago which will make the people of India realise that this is the wrong path. An attempt has been made to find scapegoats. Two scapegoats have been suggested to us by our rulers so that the attention that would legitimately be directed at them may be diverted to other quarters. The first scapegoat is the peasant. "The peasant holds on to his grain and he eats too much." These are the charges levied against the poor peasant. The man works in the field, he grows his own grain on his own land. And it is now considered a crime that he does'nt sell at your price, which is disgracefully low in terms of what he has to pay for kerosene, shoes, cloth and other manufactured goods. And then of all things you blame him for eating it and not starving himself and his children so that you can eat! I am reminded of Mahatma Gandhi's words when he said: "We of the cities will do everything for the peasant except one thing - get off his back". Today, it is the Congress Government in Delhi and the Congress Governments in Gujarat, Maharashtra and elsewhere that are trying to ride on the back of the poor peasant. The peasant has every right to hold back his grain and every right to eat it. I am sure if we were peasants we would say: "Well, we have grown this grain. If we can't get a decent price for it, let us eat it at least. Would'nt we do that? What's wrong with it? For generations the peasant has gone short, we have been living on his sweat, blood and tears, and then we say we will keep down your price, but our prices will go up as high as we like. Today the parity of prices is such that a peasant would be a fool if he sold more than he had to. Why should he sell grain cheap when he can't get cloth cheap, kerosene cheap and all his other needs?

So the first scapegoat is the peasant who grows the grain. And the second one is the trader. I am very glad that in a rather foolish attempt, a political stunt tried by Mr. Nanda the other day in Delhi, the truth has been found out about who is hoarding and who is not hoarding. Mr. Nanda thought he would be popular with his Leftist friends by raiding godowns and grain dealers offices and shops in Delhi. And, sure enough, on the first day we saw very alarming headlines. The police sold our newspapers a bill of goods. The headlines on the first day were: <u>Indian Express</u> July 30, "Huge wheat stocks seized in Delhi". <u>Times of India</u> - "200,000 maunds of wheat and rice seized". <u>Hindustan Times</u> - "2 lakh maunds of foodgrains seized in Delhi. Biggest ever swoop".

Everyone said: 'At last we know that these horrible hoarders were there. The foodgrain dealers were cheating. Now at last Government has woken up.

But it did'nt take more than twenty-four hours for the truth to come out. Truth marches on. Next day the Hindustan Times ate its words. Here is the Hindustan Times of 31st July: "The extensive raids however resulted in a lean catch. Only one case had been registered until late in the evening. The authorities admitted it was only a technical offence. The officials say the raids will continue tomorrow". We waited for the next chapter of this thriller, with Mr. Gulzarilal Nanda as the hero chasing the villain. The next day in the Hindustan Times of August 1 the story was carried a step further - "The Delhi police have decided to suspend their drive against food grain hoarders. The authorities declined to say why the drive has been called off. But the reasons are not far to seek. After three days of extensive checking, the police could find no major discrepancy in the records kept by grain merchants." Quite a record for a big city like Delhi that nobody was caught doing anything wrong! "Only in three cases were the merchants found to have committed technical breaches of the Foodgrain Dealers Licensing Order. But none of the cases are fit to be followed up by the police. But the raids, the police claim, have not been in vain. We have learnt some lessons." I am very glad they have learnt some lessons. I hope Mr. Nanda has learnt them also.

Then the next day, on August 1, the Chief Commissioner, Mr. Dharam Vira according to the Hindustan Times of August 2, called a press conference, and declared: "The drive against foodgrain hoarders is still on, 20 hours after the police had announced that it was off. The Chief Commissioner said officials of the food directorate and the police were carrying out "physical verification" of the stocks. The expression "physical verification" implied a climb down from what the police had declared three days ago. They had then claimed that they had raided several godowns and seized 2 lakh maunds of grain. That, said Mr. Dharam Vira was a mis-statement. Not a grain had been seized during the course of the raids, said Mr. Dharam Vira. He did not, however, say why it took the Administration three days to correct the police mis-statement! That the drive has ended in a fiasco has become evidentwhen he said: "No major discrepancy has been found in the records of any godown so far." A correspondent pointed out to the Chief Commissioner that on the other hand prices had started rising following the raids. I am glad the political stunt has booneranged. I am glad it has now been found out that it is not the foodgrain dealers of Delhi who are the hoarders and that we must look elsewhere to find the real hoarders in our country today.

Let us now be a little more constructive and consider what are the real solutions for the sitaation in which we find ourselves. I would say that the first long term necessity is the rehabilitation of our agriculture. In a country of peqsants, there is only one basic industry and that is farming. Everything else comes afterwards. That is the first thing that needs to be put right. That means that the larger part of our developmental expenditure must go to land, irrigation, fertilisers, seeds, roads, credit, floor prices all these must take priority over everything else. So far as heavy industry is concerned, it must be put where it belongs - at the bottom of the scale.

Here, even the Chinese Communists, the most dyed-in-the-wool Stalinists in the world, have admitted their mistake. Last year, in 1963, Chou en-lai went to the Communist Congress of China and said: "We made a mistake in putting steel first and agriculture last. Now we reverse the order". Today the official order of priorities in Communist China is, agriculture, consumer goods industries, heavy industries in that order.

I want to ask whether our Congress Government will have the same courage that Chou En-lai has shown to come forward and say 'for eight years we have blundered, now we are going to put this right'. And when are they going to do it? After how many years, and how much more suffering? As I said, Mr. Lal Bahadur Shastri made an intelligent remark. We must now wait and see when it will be put into action. So the only long term solution is to stop this lopsided planning; to change or scrap the Planning Commission; and to get sanity where for eight long years we have been led into Marxist insanity.

What are theshort term solutions. After all, by the time we put agriculture first and the results show, it will be two or three years. How is India going to tide over the next six months and the next couple of years? That is a very legitimate problem.

I would suggest that here we want three or four definite measures which need to be taken immediately. The first is that the buffer stocks must be brought on the market. According to Mr. Subramaniam, the buffer stocks today in Government's hands exceed five million tons of foodgrains. Where are they? What is happening to them? Are they meant to be eaten or are they meant to rot in the godowns of the Government? For what purpose have the American people given these foodgrains to us without charging foreign exchange? For them to be stocked in godowns or to be put in themarket and put in the mouths of our people?

Mr. Lal Bahadur Shastri is an honest man. He admitted this fact also. In the opening speech he made at the Chief Ministers' Conference, he said: (Indian Express of June 25) "We had the stocks but we did'nt want to bring them out because we wanted to make sure that replacements would come." Now at least Mr. Chester Bowles has promised ample replacements. Why then are these stocks not being brought on the market? I am told that if even 7 lakh tons of these 5 million tons are put on the market every month for the next four months, prices will come down. Because, once fair price shops traders have the stocks to sell at moderate prices, no profiteer will be able to profiteer. Nobody will buy expensive grain when cheap grain is available in the market. But, for some mysterious reason, the Central and State Governments choose to be thebiggest hoarders in this country today. They are sitting on the stocks when they should be in the market and in the hands of the people. They must disgorge these hoards.

There are doubts cast on whether these buffer stocks are being properly maintained, whether all the food that is coming into this country is finding its way into themouths of the consumers. Knowledgeable quarters suspect a free amount of hanky-panky and leakage of the American grain. If I were in charge of AID, I would certainly institute a system of inspection to see that the very fine purpose, the generous purpose, for which the American public is making this sacrifice is carried out, that every grain of this food gets to the mouth of the Indian people and does not get diverted and find itself converted on the way into money in the pockets of corrupt politicians and officials. We cannot count on this food coming forever. The Wall Street Journal has something interesting to say in its current issue. It says:

> "The current food crisis in India...........fundamental problem which is agriculture."

Now this is God's Truth, and it has percolated to Wall Street. How long will it take to get to Washington? The time may not be very distant. Therefore, while the American people and government are in this generous mood certainly let us import as much as we can, but let it come on the market and let not 5 million tons lie in the godowns of Government while people are going short and prices go up like a rocket.

The second thing is to abolish the zonal restrictions. I don't want to labour this point. Everyone is agreed on it. The Bombay Provincial Congress Committee has passed a resolution saying so; the Gujarat Provincial Congress Committee has passed a resolution saying that these zonal restrictions are uncalled for and harmful. Then why do they survive? Why did the Government backtrack on the second day of the Chief Ministers' Conference, after announcing on the first day that these restrictions were being lifted? The answer is that they were bullied by certain Chief Ministers, particularly by my old colleague in the Congress, Mr. Dwarka Prasad Mishra, Chief Minister of Madhya Pradesh. But the question that arises is: what were our own Chief Ministers doing? Mr. Naik was in Delhi, Mr. Balwantrai Mehta was in Delhi. What were these two gentlemen doing? Could they not have raised their voices a little also? Could they not have remembered their obligations to their own people? Why were they silent? There was a guilty silence on their part. Was that silence due to thefact that they also have their little pickings from the same table? There is State to State trade between Madhya Pradesh and Maharashtra. The Madhya Pradesh Government makes its profit at its own end, and then, as we saw from those receipts, the Maharashtra Government and its friends make a little profit at this end. I am sorry to have to say this, but I think the Maharashtra and Gujarat Governments failed in their obligations to their people in succumbing in this supine way. Today it is said there are sixty Maharashtra officials camping in the districts of Madhya Pradesh looking for food, and they can't find it. As I said, it is not necessary to labour this point. Even Mr. S. K. Patil, a member of the Government, is on record on 8th July as saying that these zonal restrictions must go. So long as Mr. Patil was at the helm of affairs, none of these things were allowed to happen, because he understood the need for taking American assistance. He understood the need to maintain free trade and for stopping these mad men of the Planning Commission from going astray. You will remember that Mr. Patil was removed. I am not referring to the Kamaraj Plan. I am referring to an unsuccessful effort to shift him from the Food portfolio before the Kamaraj Plan. At that point of time, the move failed, but unfortunately later it succeeded with the Kamaraj Plan. I am quite sure that, if Mr. Patil had been in office as Food Minister throughout, the present situation would not have arisen.

The third thing that needs to be done immediately is to stop the export of all things that can be eaten. I am not talking of only rice or groundnut oil. I say that, in the present conditions of food shortage, when our people are going short, nothing that can be eaten should be allowed to leave this country. I think this is obvious. I am astounded that people in Delhi don't think this is a reasonable proposition. Humanity demands it. Self respect demands it. What is an American to feel? He sends grain to India under the P.L. loan . He does'nt get a Dollar back for it. And what do we do? While he is giving us his rice, we ship our rice and earn foreign exchange and consider it very clever. I am proud enough of my country to be ashamed of what my government is doing. When others are giving food free to us, we sell our food to earn a little money. And this is considered socialism - getting foreign exchange when your people starve. And this is "Socialism". This is exactly the kind of socialism that is practised in Russia and China. Don't we know that Communist China, two or three or four years ago, when there was a rice shortage, was still exporting rice, starving its own people in order to carry on its diplomacy abroad. The Soviet and Chinese dictators have traditionally starved their people for the benefit of their diplomacy and their foreign policy. This is what we are starting to do by following in their footsteps.

These three things - bring the buffer stocks in the market, removing zonal restrictions, decontrolling, as Mr. Rafi Ahmed Kidwai decontrolled, and finally stopping exports for the time being. These are the things that the people of India must demand. I have not very much hope that this particular Government will do the right thing by the country. I think they are too greatly committed to treading in footsteps already in the sand to have the courage to depart from those footsteps. It is like a little child trying to step into his parents' footsteps too frightened to leave them in case he gets lost. This, as I see it, is the psychology of the Congress Government in Delhi today. They dare not strike out for themselves. They are trying to carry on with wrong policies, with the dead hand of the past lying heavily on their shoulders. We have to endure them at least for another two and a half years. Therefore, public opinion has to assert itself if the country is to be saved from economic collapse.

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