E. C. No. 809

ESTIMATES COMMITTEE (1974-75)

(FIFTH LOK SABHA)

SEVENTY-FIFTH REPORT

Ministry of Shipping and Transport

Transport Coordination

LOK SABHA SECRETARIAT
NEW DELHI

April, 1975/Vaisakha, 1897 (Saka)

Price : Rs. 5.25

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INTRODUCTION

I, the Chairman, Estimates Committee having been authorised by the Committee to submit the Report on their behalf, present this Seventy-Fifth Report on the Ministry of Shipping and Transport—Transport Coordination.

2. The Committee took evidence of the representative of the Ministry of Shipping and Transport, Ministry of Railways (Railway Board), Ministry of Finance and the Planning Commission on the 30th and 31st January and 1st and 3rd February, 1975. The Committee wish to express their thanks to these officers for placing before them the material and information which they desired in connection with the examination of the subject and for giving evidence before the Committee.

3. The Committee also wish to express their thanks to Shri K. B. Mathur, ex-Chairman, Railway Board, Shri H. P. Nanda and Shri P. Chentsal Rao of the Federation of Indian Chambers of Commerce and Industry, New Delhi and Shri S. K. Somaiya, President, Shri N. G. Abhayankar, Executive Director and other representatives of the All India Manufacturers' Organisation, Bombay for furnishing Memoranda to the Committee and also for giving evidence and making valuable suggestions.

4. The Committee also wish to express their thanks to all the associations and individuals who furnished memoranda on the subject to the Committee.

5. The Report was considered and adopted by the Committee on the 18th April, 1975.

6. A statement giving the summary of Recommendations/Conclusions contained in the Report is appended to the Report (Appendix IV). An analysis of recommendation is also appended (Appendix V).

NEW DELHI;
April 23, 1975.
Vaisakha 3, 1897 (*Saka*).

R. K. SINHA,
Chairman,
Estimates Committee.

CHAPTER I

INTRODUCTORY

A. Role of Transport in National Economy

The transport system provides the essential infra-structure for the development of a country. While the demand for expansion of transport is generally derived from the needs of other sectors of the economy, to an extent, the transport system also acts as a leading factor in stimulating socio-economic development. The channels of transportation *viz.* Railways, roads etc., serve as veins and arteries of an economic system. The importance of transport is still greater in a big country like India where due to many geographical and economic factors, industries and other producing units tend to concentrate in a particular region while the raw materials for the same and the finished goods have to be transported to and from the various parts of the country. The recent widespread shortages experienced in the country during the last few years have been attributed to a considerable extent to the transport bottlenecks. The pressing need for an efficient distribution system in the country to make available essential commodities to all sectors of the community in all parts of the country have given a new dimension to the immediate need of a quick, efficient and well-coordinated transport system.

1.2. The importance of transport in the national economy had been realised by the Planning Commission from the commencement of the First Plan. Investments in transport and communications have accounted for about 23.6 per cent of the total outlays in the public sector during the period of the first three Five Year Plans and the three years of the Annual Plans (1966—69). In the Fourth Five Year Plan, outlays for transport and communications formed 20.4 per cent of the total Plan outlay. The draft Fifth Five Year Plan provides for a total outlay of Rs. 5,697 crores on transport comprising of Rs. 2,550 crores on Railways, Rs. 2,059 crores on roads and road transport, Rs. 353 crores on ports, Rs. 260 crores on shipping, Rs. 394 crores on civil air transport and Rs. 69 crores on inland water transport.

1.3. The expenditure incurred on transport during the four plans period and Annual Plans (1966—69) has been as follows:—

(Expenditure in crores of Rupees)

	Railways	Roads and Road Transport	Shipping and ports	Inland water Transport	Total
1 First Plan . . .	267·07	146·82	46·28	—	460·17
2 Second Plan .	860·1 ..	241·8	86·1	—	1,188·00
3 Third Plan . .	1326·00	467·00	133·00	4	1,930·00
4 Annual Plans (1966-69) .	509·00	360·00	84·00	6	959·00
5 Fourth Plan .	1419·00	810·00	336·00	6·74	2,571·74
	4381·17	2025·62	685·38	16·74	7,108·91

1.4. Railways and road transport together meet more than 95 per cent of India's inland transport requirements. The share of other modes of transport like Coastal Shipping, Inland Water Transport, pipelines etc. in the transport facilities is insignificant. The share between the rail and road transport have been as follows:—

	Passenger		Goods	
	Road	Rail	Road	Rail
1950-51 . .	24·9	75·1	10·2	89·8
1955-56 . . .	33·2	66·8	13·1	86·9
1960-61	42·3	57·7	16·2	83·8
1965-66	46·0	54·0	22·5	77·5
1968-69	47·8	52·2	24·2	75·8
1973-74	48·9	51·1	34·7	65·3

1.5. It is well-known that transport plays a very important part in the economic growth of a country. It is in fact a strategic requirement in a developing economy and is an essential mean for the expansion of both internal and international trade. A good transport system contributes to the economic development of the country in

various ways i.e. by enlarging the markets, facilitating mobility of manpower and exploitation of resources like raw materials by making them more accessible and by assisting the establishment and expansion of industries etc. It enables goods and passengers to be transported between and within consumption and production centres. Transportation also serves to increase national defence capabilities, social cohesion, national integration and political stability etc. In fact a well-knit and coordinated transportation system is considered to be the life-blood of a nation's commerce, trade and industry. The importance of an efficient and coordinated transport system is all the greater in a large country like India which is engaged earnestly in the gigantic task of economic development and social uplift and where the raw materials and finished goods are transported from one part of the country to the other to meet the demands of various sectors of economy and consumers.

1.6. The Committee note that during the four Plan periods, over Rs. 7,100 crores have been spent on the development of various modes of transport in the country, viz., railways, roads, shipping and inland-water transport. In spite of these massive investments made in the various Five Year Plans there have been strains and bottlenecks in the smooth and efficient movement of goods and passengers. The recent transport bottlenecks experienced in the country and its consequent adverse impact on national economy has given a new dimension and urgency to the development of transport in the country in an integrated and coordinated manner. The Committee consider that all modes of transport should be planned and developed in such a manner as to forge a supplementary and complementary relationship among them. The transport systems should, inter-alia, aim at opening up the countryside, stimulating the growth of under-developed and less developed areas integrating the large rural sector of the economy with the country's urban and industrial economy and providing cheap and efficient transport facilities to the users on a large scale. The Committee would further like to emphasise that a well-balanced and coordinated network of transport systems is a basic requirement of the economy of the country as any bottleneck in the transport system results in artificial shortages which not only disturbs the efficient and economic production of goods and services but also results in mal-functioning of distributing machinery by creating a climate of scarcities and causing wide-spread hardships to the population in general. The Committee, therefore, recommend that Government should take well-planned and coordinated measures for the optimum utilisation of the transport capacity already created in the country and for the further development of the various means of transport so that the

transport system in the country may be able not only to meet the current demands but also future needs of our developing economy.

1.7. The Committee note that all the world over Inland Water Transport has been recognised as the cheapest mode of transport and there is a growing tendency in developed as well as developing countries to increasingly utilise Inland Water Transport and coastal shiping wherever possible for transport purposes. Moreover, because of the facility of quick transit and delivery at the consumers door, the share of road transport vis-a-vis Railways in the total transport system is on the increase. However, in India, the share of Inland Water Transport and Coastal Shipping is continuously on the decline and at present forms an insignificant portion of the total inland transport. Moreover, in spite of massive investments made in the Five Year Plans, the share of railways in the total transport is on the decline. In freight traffic it has gone down from 89.8 per cent in 1950-51 to 65.3 per cent in 1973-74 and in passenger traffic from 75.1 per cent in 1950-51 to 51.1 per cent in 1973-74. The Committee would like Government to take note of world trends and our own experience in formulating a perspective planning for the development of transport network in the country. They would also urge the Government to ensure that the built in capacity in the various modes of transport is utilised to the maximum. Moreover, any future investments in transport sector should be planned in such a way as to remove transport bottlenecks and to create capacities in the most needed and best suited and economical means of transport.

B. Transport Policy

1.8 The need for a transport policy in the country was emphasised as early as in 1950 by the Motor Vehicles Taxation Enquiry Committee. This Committee stressed the necessity for coordinating development of all forms of transport. At a meeting held in 1951, where the recommendations of the Committee were considered, the Transport Advisory Council adopted the following principles governing inland Transport:—

(a) Fair and impartial regulation of all modes of inland transport so administered as to recognise and preserve the inherent advantages of each.

(b) Promotion of safe, adequate, economical and efficient services and the fostering of sound economic conditions in transport among the several carriers.

(c) Encouragement of the establishment and maintenance of reasonable charges for transport services without unjust discrimination, undue preferences or advantages or unfair or destructive competitive practices.

(d) Development, coordination and preservation of a nation-wide transport system by water, road and rail, as well as other means, adequate to meet the needs of India.

1.9. The Study Group (Planning) also emphasised the necessity for a national transportation policy, which will give due recognition to the part played by each of the different forms of transport. The question of framing a national transportation policy, which will give due recognition to the part played by the different modes of transport was placed before the first meeting of Road and Inland Water Transport Advisory Committee held on the 14th and 15th November, 1958. The Committee recommended that a Small Special Committee, consisting of experts both from the transport and economic fields and including a representative of the Ministry of Railways should be appointed to consider all aspects of transportation in the country and draw up the broad outlines of a national policy covering all modes of transport. In pursuance of this decision, the Committee on Transport Policy and Coordination was set up. This Committee submitted their final report in January, 1966.

1.10. The Inland Water Transport Committee which submitted its report in October, 1970, again emphasised the need for enunciating a national transport policy in these words:—

"It is high time that the Government of India enunciate a definite policy defining the role of each mode of transport *viz.*, rail road, inland water and pipeline in the principles tion system of the country and lay down clear principles and procedures for their coordination and integration where feasible or necessary. The object of National Transportation Policy would be to bring about conditions for the development of all modes of transport in such proportions and combinations as would ensure that the return to the economy from investment in the transport system as a whole is maximised and the total transport needs of the community are met at each stage, at minimum cost to the economy. Declaration of a national transport Policy will create a new impetus for development of a coordinated and integrated transportation system, which in turn, will make its contribution for the rapid development of the economy."

1.11. Asked to state the action taken on the above recommendation of the Inland Water Transport Committee, the Government have informed the Committee in a written note that:—

> "Declaration of a national transportation policy involves a detailed examination of the role played by different modes of transport in the overall transport system of the country and the special features of each of these modes of transport. The recommendation of the Bhagwati Committee has been referred to the Planning Commission who are examining the question of declaration of a national transportation policy from various aspects in consultation with the different State Governments and the authorities concerned with this proposal, keeping in view the interests of different modes of transport."

1.12. Asked about the reasons for not finalising a national transportation policy even after 27 years of Independence, the representative of the Ministry of Shipping stated in his evidence before the Committee:—

> "If you are thinking on the National Transportation Policy on the analogy of Industrial Policy Resolution there is no such Resolution issued. It would not be correct to say that there is no transport policy.....This Report of the Committee on Transport Policy and Cooordination which has been broadly accepted by the Government lays down an approach to the problem of coordination. It also clearly lays down the roles of different modes of transport. Now the attention has been drawn to this in various plan documents. I would like to invite your attention to Chapter VII of the Fifth Five Year Plan, particularly on page 174.....So I would submit that there are ingredients of transport policy. But the need for a separate resolution has not arisen in this matter."

1.13. The Committee note that although the formulation of a National Transportation Policy was emphasised as early as in 1950 by the Motor Vehicles Taxation Enquiry Committee and since then a number of Committees have also reiterated the need for the formulation of a National Transportation Policy, the same has not yet been finally formulated. The Committee are not convinced by the argument advanced by the representative of the Ministry of Shipping and Transport that the ingredients of the transport policy have already been enunciated in the Draft Fifth Five Year Plan and the

need for separate resolution has not arisen in the matter. The Committee feel that the present bottlenecks being experienced in the country and the difficulties experienced in the transportation of many essential commodities like Coal, Steel, Salt Cement and the energy crisis which has particularly hit under-developed countries like India have focussed attention on the urgency of immediate enunciation of a national transportation policy which should aim at a coordinated and intergrated development of all the modes of transport. The Committee, therefore, recommend that Government should immediately formulate a national transportation policy clearly laying down the role of the various modes of transport and short-term and long-term objectives and programmes for their development. The draft national transport policy so formulated should be laid on the Table of the House so that Members of Parliament may get a chance to discuss the same before it is finalised.

C. Importance and Agency for Transport Coordination

1.14. The transport system in India comprises a number of distinct and separate services such as railways, road transport, inland water transport, shipping, ports and air transport. However, in a developing country like India all modes of transport should be viewed, not as an isolated phenomenon, but as an integrated net work. If the transport system is viewed as an integrated network, overlooking the fact that each service may be operated by a different agency, the objective should be to develop the various modes of transport as complementory services in such proportions and combinations as will meet the total need of the community at each given stage at minimum cost to the community.

1.15. Different modes of transport in the country are at present under different authorities. While Railways are controlled by the Ministry of Railways, and Shipping by the Ministry of Shipping and Transport, road and road transport excluding national highways and inland Water Transport are controlled by the various State Governments. This gives a new dimension to the problem of coordination between the various authorities controlling the different modes of transport is a pre-requisite for getting maximum returns in the operation of the different modes of transport.

1.16 A leading organisation of manufacturers in th country, in their Memorandum submitted to the Committee have stated that:-

> "In general, the basic transport facilities provided by the Railways, coastal and overseas shipping under Indian

control and air transport are inadequate in relation to the growing demands of industry and agriculture in the country. There also considerable scope for a greater coordination in the utilisation of different forms of transportation as to meet the requirements more fully .....The main reasons for the lack of coordination for the fuller utilisation of the transport facilities are—

(i) The absence of a national transportation policy; and

(ii) The absence of a machinery at the Central level to ensure that the measures for coordination are effectively enforced."

1.17. A leading Organisation connected with the Shipping Industry have, in their Memorandum submitted to the Committee are;—

"A proper coordination in the different modes of transport is essential with a view to avoiding overwhelming dependence on any one or the other mode of transport, as such dependence is likely to give rise to undue pressures on the available transport capacity and create bottlenecks in the regular movement of goods in case of breakdown of any sector of the transport system.....A balanced transport network is imperative from the point of view, for not only securing the country's economic stability but also for strengthening the nation's defence bulwork."

1.18. The Committee on Transport Policy and Coordination in their report submitted in 1966 had made the following recommendations'—

"The problem of creating a suitable machinery for the coordination of transport and equipping it adequately with resources and personnel for studying relative costs of providing different transport services and Government's fiscal and pricing policies for the regulaton of transport and anticipating and correcting short-term imbalances should be regarded as a distinctive one.

For any coordination machinery to function effectively, the first condition is the building of an organistaion capable of undertaking independent studies and economic appraisals providing data on relative costs and follow-

ing up decisions with authorities responsible for implementation. The nucleus of such an organisation is now available in the Joint Technical Group for Transport Planning. The nucleus of such an organisation is now ped adequately for undertaking studies and collection of data required for coordinating development programmes and rating policies in respect of different modes of transport.

The existing Planning Committee on Transport which guides the work of Joint Technical Group for Transport Planning should be reconstituted and should function as the Transport Planning and the Coordination Committee. The Committee should meet at regular intervals and consider reports and studies prepared by the Joint Technical Group and research organisation in the Ministries of Railways, Transport and Civil Aviation as well as in the States.

To facilitate consideration of important questions of policy and to provide guidance from time to time, we suggest that the Prime Minister may constitute a Committee of Ministers, consisting of the Ministers incharge of Railways, Transport and Civil Aviation, Ministry of Industry, Mnister of Planning, Minister of State in the Ministry, Minister of Planning, Minister of State in the Minismission incharge of Finance. The Prime Minister may appoint a member of the Committee to serve as Chairman."

1.19. Asked about the action taken on the above recommendations of the Committee on Transport Policy and Coordination, the Government have intimated the Committee in a written note that—

"The coordination of the transport programmes and policy at the national level is secured partly through investment and other decisions and partly through inter-departmental consultations. Important matters of policy are considered by the Cabinet or a Committee of the Cabinet from time to time.

The Joint Technical Group for Transport Planning has since been wound up. However, studies on various problems bearing on transport development and coordination are

undertaken in various Ministries and in Planning Commission. For instance, problems, concerning taxation of road transport or development of inter-state road transport whereas adjustment in the price of fuel oil are conport whereas adjustment in the price of fuel oil are considered by the Ministry of Finance. Question relating to physical performance of public sector transport undertakings are examined in the Planning Commission. Ad hoc groups are also set up from time to time to consider some of the policy issues in this sector."

1.20. Asked about the machinery and the procedure for maintaining coordination between various modes of transport, the Government have intimated the Committee in a written note that:—

"The machinery or agencies for securing coordination between the various modes of transport is Transport Development Council. This is a high level body to advise the Government of India on all matters of policy relating to roads, road transport and inland water transport. The Council also advises on any problem relating to coordination between different forms of transport that may be referred to it by the Government of India. Development of coastal shipping is not within the terms of reference of the Council. The problems relating to entire field of shipping, including coastal shipping, are considered by the National Shipping Board.

The membership of the Council consists of Transport Ministers of states and Transport Ministers|Chief Commissioners|Administrators of Union Territories. From the Centre, the Ministers of Shipping and Transport, Heavy Industry, Industrial Development, Railways, Member Incharge of Transport in Planning Commission and the Deputy Minister in the Ministry of Shipping and Transport are its Members. The Union Minister of Shipping and Transport is the Chairman of the Council and the Transport Secretary to the Government of India acts as its Secretary.

1.21. Asked about the meetings of the Transport Development Council, the Government have intimated the Committee that:

"The last meeting of Transport Development Council was held

in November, 1973. Thereafter no such meeting has been held so far. However, a meeting of the Standing Committee of Transport Development Council on Road Transport was held on 5th July, 1974."

1.22. The Composition of the Standing Committee on Road Transport is as under:—

1. Union Minister of Shipping and Transport	Chairman
2. Deputy Minister in the Ministry of Shipping and Transport .	Member
3. A representative of the Planning Commission	Member
4. Ministers of Road Transport in the States of Assam, Gujarat, Haryana, Karanataka, Madhya Pradesh, Maharashtra, Manipur, Meghalaya, Nagaland, Orissa, Rajasthan and West Bengal and the Union Territories of Arnuachal Pradesh, Chandigarh and Delh. . .	Members

The terms of reference of the Committee are as under:

(a) To review the progress made in the implementation of the recommendations of the Transport Development Council relating to roads|road transport.

(b) to consider any other matters relating to development of road transport and formulate views for consideration of the Transport Development Council.

1.23. Asked about the views of Government regarding the setting up of National Transport Authority as suggested by a leading organisation of manufacturers, the representative of the Ministry of Transport stated in his evidence before the Committee:—

"I do not fully understand the scope of this authority. If it is purely meant to be a policy making or executive body, it will run into certain difficulties Road Transport is a state subject and it has not been possible even to make the Inter-State Transport Commission more active and more powerful on the lines recommended by the Transport Policy and Coordination Committee. States have not agreed to empower this Commission with powers to give| revoke licences etc. So it will be very difficulty to set up such a Central authority of this type where State autonomy is likely to be affected. But if you are thinking in terms of a National Transport Authority which will do

research and study various problems and advise on various aspects of economy and costs, benefits etc. that function is being performed by the Planning Committee."

1.24. Asked if the National Transport Authority could not be set up to take policy decisions the representative of the Ministry of Shipping and Transport stated:—

"The Transport Development Council is good enough for that. It is the highest national body on which are represented State Transport Ministers and the Central Ministries concerned."

1.25. When his attention was invited to the fact that no meeting of the Transport Development Council had been held for the last one year, he replied:

"The meeting of the Council as such has not been held. The Standing Committee on Road Transport met in July, 1974."

1.26. When asked if it was not a fact that the last two years were the worst years when transport bottlenecks were created and coordination was badly needed, the representative of the Ministry of Shipping and Transport replied:

"I do not at all under-estimate the importance of the Council meeting more frequently."

1.27. Asked about the reasons for not including coastal shipping within the terms of the Transport Development Council, he replied:

"For inland water transport, there is a separate Board."

1.28. Asked about the suggestion for including the representatives of the users *viz.*, industry, manufacturers etc. in the Transport Development Council, the representative of the Ministry of Shipping and Transport stated:

"There was separate advisory Committee for Rail, Road and Water Transport, in existence from 1958 which really consisted of transport users and others. This Committee was wound up in 1966 as an economy measure."

1.29. Asked if there should not be a mechanism for consultations with the users of transport facilities so as to know their difficulties, he replied:

"There is force in this. But here the difference is this: In

railways, they are not merely policy making authorities but there are responsible for running the transport also. In this case the executing authority lies elsewhere."

1.30. The Committee note that transport sector in the economy, comprises a number of distinct services namely, railways, road transport, shipping, inland water transport and civil air transport which are managed and controlled by different authorities. In view of the fact that transport projects require heavy capital investment and in view of the present constraints of resources it is of vital importance that optimum utilisation is made of the capacities alrady created for each mode of transport so as to provide maximum facilities to the public and Country at large at minimum costs to the community. This would become possible if there is effective coordination amongst the various transport authorities. The Committee note that the Fifth Plan envisages steep increass in the production targets of bulk commodities like coal, pig iron, iron ore, cement etc. For instance, the production of coal is expected to increase from 80 million tonnes per annum at the end of the Fourth Plan, to about 135 million tonnes by 1978-79, of steel and pig iron from 7 million tonnes to nearly 12 million tonnes, of iron ore from about 39 million tonnes to about 58 million tonnes etc.

1.31. The Committee consider that in our country where we have planned development, it should be possible to assess methodically and rationally the quantum and nature of traffic to be carried by various modes of transport. Where more than one means of transport is available, a decision has to be taken as to what is the best means in terms of financial cost and overall consideration of development. This requires advanced and detailed planning, study of relative cost of transport by different means and a high coordinating authority which can give firm policy decisions.

1.32. The Committee are impressed with the approach which had been outlined in this behalf as early as 1966 by the Committee on Transport Policy and Coordination which was presided over by Member incharge of Transport and high-powered representatives of Railways, Roads and other means of transport. It is a pity that Government while turning down the suggestion for having a Ministers' Committee for policy making on transport, did not provide a concrete alternative set up. More distressing is the fact that comparative cost studies of carrying transport by different means, which were to be made by well-equipped agency, never materialised. In fact the Joint Technical Group for Transport Planning which had done some

studies on the subject was also done away with. The net result of this has been that both in the Third and Fourth Five Year Plan, the traffic projections for Railways were over-estimated and very large investments were directed towards development of Railways in the name of meeting heavy anticipated increase in traffic, whereas the fact is that in terms of originating traffic the position has remained stagnant for last 10 years, though there has been some increase in net tonne kilometres carried by Railways. The Committee would like to emphasise that unless a coordinating authority, which can lay down firm policy and specific targets in detailed terms for carriage of traffic, particularly bulky materials and industrial goods, is set up the transport difficulties would not be resolved. They would urge the Government to set up such a high powered body, which should have representatives of rail, road, inland waterways, coastal shipping, Finance etc. To assist this body, there should be arrangement for conducting proper methodical studies of comparative cost of transport by alternative means, so as to facilitate objective and rational decisions being taken in the interest of ensuring that adequate transport capacity is developed well ahead of the requirements and that the bset and most economical means are pressed into service for achieving this objective.

1.33. The Committee further note that at present the Transport Development Council do not have any forum to hear the views of representative of the users and road transport operators and that the Advisory Committee for Rail, Road and Water transport which was set up in 1958 was wound up in 1966 as an economy measure. The Committee are surprised that Government have not considered it desirable to have any forum of consultation with the users and operators of road transport so as to remain in touch with the practical difficulties being faced by the public and the road transport operators and in the name of an economy of few thousand rupees, the only forum for the purpose was wound up. The Committee recommend that Government should appoint an Advisory Committee consisting of representatives of Ministries of the Government of India, concerned with various Transport services and State Governments and the interests of major users like organisations representing commerce, industry, manufacturers and transport operators so that problems of mutual interest could be discussed.

D. Allocation of Traffic between various modes of Transport

1.34. Asked if any specific allocation of traffic was made between

various modes of transport in the third and Fourth Plan periods, the Government have informed the Committee in a written note that:-

> "No specific allocation of traffic was made between various modes of transport in the Third and Fourth Plan periods. However, the allocation of funds for development of different modes of transport, especially Railways has been made with reference to the total volume of traffic likely to be available and the expected levels of developments in the other fields of transport."

1.35. Asked if any allocation of traffic has been made for the Fifth Five Year Plan, the representative of the Planning Commission stated in his evidence before the Committee:—

> "As for as allocation of traffic of different modes of transport is concerned we have broadly estimated the allocation. This allocation on has been made for Railways, for the coastal shipping and also for the road transport. But, these are very broad and very rough indications. Railways estimate is not very complicated because we know that about 75 per cent of the total traffic which is carried by Railways consists of bulk commodities like coal, foodgrains, iron ore etc. So, we estimate in consultation with the concerned Ministeries. The Planning Commission does estimate the total quantum of traffic expected to be carried on that basis and determines the volume and plans accordingly. On the Coastal Shipping, we carried out a study of the Coastal moevment of coal by shipping as well as by rail and came to the conclusion that from Haldia port to certain destination points the coastal route is cheaper. On that basis we plan the movement which rooghly comes to about six million tonnes for 1978-79, for road transport also we have given some rough estimates but the problem arises because for road transport documentation is very poor. We have to made some broad assumptions and work out what should be the total traffic to be carried by road. In plan period, we have broadly done it. These are merely rough indicators but not very accurate estimates as far as road transport is concerned."

1.36. Asked if any cost-benefit survey covering the various modes of transport has been undertaken the representative of the Ministry

of Shipping and Tansport stated in his evidence before the Committee:—

> "Inter modal comparative costs surveys has been made. The cost benefits surveys have been made in the Ministry by our Directorate on Transport Research and I have made a list of studies, for example on the expansion of India's National Highway System, 1968, economic appraisal of the Haldia Link Road, 1966, report on future coastal shipping in India, 1970, etc.....Like this, there are a number of studies—seventeen studies—that have been made. On inter-model comparisons in particular contexts, studies are being undertaken generally by Planning Commission.....For the first time, a study on sea-transport *versus* road transport of coal and pipeline *versus* railway transport of oil and some study of pertoleum products has also been made. There is considerable scope for such studies."

1.37. The inter-modal study of Rail Transport and Coastal Shipping made by the Planning Commission sho wthat "From the point of view of overall national economy it will generally be cheaper to move coal from the Bengal/Bihar Coalfields to coastal areas in Southern and Western India by the Coastal Shipping than by all Rail route" and that "As a heavy investment has already gone into the development of Haldia Port, the economics of the Haldia Port project demands that maximum use should be made of it for handling a potential cargo like Coal. Further, the railway capacity on the trunk routes is going to be considerably strained in the Fifth Plan, having regard to the substantial increase in coal production and movement envisaged during the Plan period. It is appropriate in the interest of optimisation of the use of the transport system to utilise coastal shipping to the extent possible for long distance haulage of goods."

1.38. The Committee are surprised to note that no specific allocation of traffic was made between the various modes of transport during the Third and Fourth Plan periods. The Committee, however, note that for the Fifth Plan period, such as an allocation of traffic has been made but these are very rough and broad indications. The Committee feel that in view of the heavy investments required for the creation of transport facilities particularly in the context of present financial constraints and the recent energy crisis, maximum possible advantage should be taken of these investments and steps should be taken to ensure that scarce resources are used most economically and efficiently to yield maximum results all investments

in transport services are made with a view to make the most optimum and economical use of the capacity so created. The Committee, therefore, feel that cost benefit study of the various modes of transport for longhaulage of goods commodities and passengers destinations-wise and should be made commoditywise and allocation of traffic for various modes of transport made accordingly so as to ensure optimum and economic utilisation of the transport facilities. The Committee also recommend that in these studies, world trend in the transport of cargo and the latest technological developments like the use of pipelines etc. should be kept in view.

1.39. The Committee note that the Ministry of Shipping and Transport and Planning Commission have conducted some inter-modal comparative cost surveys and that one of such intermodal study of Rail Transport and Coastal Shipping regarding movement of coal show that after the commissioning of Haldia Port it will generally be cheaper to move coal from the Bengal|Bihar coalfields to Coastal Areas in Southern and Western India by the Coastal Shipping than by an rail route. The Committee recommend that similar inter-modal studies covering various Commodities and various destinations by different modes of transport should be conducted and allocations of traffic made accordingly. Once a decision regarding allocation of traffic has been taken, steps should be taken contemporaneously to provide the necessary infra-struture facilities, provision of roads etc. so that no bottlenecks are experienced in the actual movement of goods through these modes of transport. Morever, continuous review should be made of transport bottlenecks and steps taken to correct imbalances in the transport sector and also ensure that these imbalances do not occur in future.

CHAPTER II

RAILWAY TRANSPORT

A. Present position of Indian Railways

Indian Railways with 60,234 route kilometrage constitute Asia's largest and the world's fourth largest railway system. They are the world's second largest railway system under one management, the U.S.S.R. Railways being the first with 1,35,200 route kilometrage. The total capital-at-charge of the Indian Railways is about Rs. 3,890 crores yielding annual gross revenues of over Rs. 1,100 crores. Their work force comprises nearly 14 lakh regular employees and 3 lakh casual workers.

2.2. The Railways provide the principal means of inland transport in India and carry about 65 per cent of the freight traffic and nearly 51 per cent of the passenger traffic in the country. However, it is noteworthy that the share of Railways in the total traffic both in respect of goods and passenger traffic is on the decline. The share of Railways in goods traffic has gone down from 89.8 per cent in 1950-51 to 65.3 per cent in 1973-74 and in passenger traffic from 75.1 per cent in 1950-51 to 51.1 per cent in 1973-74.

2.3. Most of the traffic—84 per cent of the freight traffic (in terms of tonnes—Kms.) and 75 per cent of the passenger traffic (in terms of passenger kms.) is carried on the broad gauge although the system forms only 50 per cent of the total route length. Then again as much as 80.63 per cent of the total revenue earning freight traffic consist of 9 bulk commodities out of which coal (29.18 per cent), Ores including Iron Ores (13.68 per cent), Foodgrains (9.04 per cent) and Cement (6.18 per cent) constitute the main commodities.

2.4. The rolling stock of the Railways as on 31st March, 1974 consist of 11043 locomotives, consisting of 8,842 steam locomotives, 669 electric locomotives and 1,532 Diesel locomotives, 26013 loco-hauled passenger coaches, 1898 electric multiple units, 90 Diesel Rail Cars and 3,88,026 wagons. The originating freight traffic of the Railways during 1973-74 was 184.9 million tonnes. The passengers traffic during 1973-74 was 2,654 million passengers.

2.5. Another feature of the Indian Railways is that the Railways have been showing losses almost continuously from 1966-67 except small surpluses in the years 1971-72 and 1972-73. Against a small surplus of Rs. 2.92 crores in 1972-73, the Railways suffered a loss of Rs. 115.51 crores in 1973-74 and the loss in 1974-75 is estimated to be of the order of Rs. 128.19 crores.

2.6. The Committee note that Railways occupy a predominant position in the transport system in the country and as much as 65 per cent of the freight traffic and nearly 51 per cent of the passenger traffic is being carried by the Railways have a total capital investment of about Rs. 3,890 crores, employ about 17 lakh persons and earn an annual gross revenue of over Rs. 1100 crores. The Committee note that as much as 80 per cent of the freight traffic carried out by the Railways consist of bulk commodities like coal, foodgrains, iron ore, cement etc. In view of the considerable increase expected in the production of these commodities during the Fifth Plan period which is estimated to be 55 million tonnes in respect of coal 19 million tonnes in respect of iron ore and 5 million tonnes in respect of pig iron the Railways would be required to carry substantial amount of additional traffic in the coming year. It is therefore of utmost importance that the Railways should make concerted efforts to move this additional traffic by detailed planning of movements and linkages, optimum utilisation of the existing capacity, better management, greater operational efficiency and economy.

27. The Committee have discussed in the subsequent paragraphs, how in spite of massive investments made in the Five Year Plans, not only the anticipated originating freight traffic has not materialised on the Railways but the same has shown a downward trend in recent years. The Committee would, therefore, like Railways to take corrective measures to reverse this trend and gear up its working to meet the transport requirements of the developing economy.

B. Investments in Railways during Five Year Plans and traffic carried by Railways

2.8. Considerable investments have been made on the Railways during the Five Year Plan periods. It is estimated that an investment of over Rs. 5000 crores has already been made on the Railways upto the Fourth Plan period and the draft Fifth Five Year Plan contains a provision of Rs. 2350 crores for investments on the Rail-

ways. The actual and the targetted expenditure on Railways during the different Plans is as given below:

(Crorres of Rupees)

	Targets of Expenditure.	Actual Expenditure.
First Plan	400	424
Second Plan	1125	1044
Third Plan	1582	1686
Inter-Plan period (1966—69)	..	763
Fourth Plan	1400	1420
		5337

2.9. The Railways' First Five Year Plan concentrated mainly on the replacement of the overaged assets. During the Second Plan, development was accelerated but demand still overstripped transport capacity. The objective of the Third Plan was to develop sufficient capacity so that Rail transport did not become a bottleneck in industrial development of the country. A beginning was also made with modernisation of traction, signalling etc. In the Inter-Plan (1966-69) period, planning and investments were made on annual basis to meet the immediate requirements, keeping in view the long-term objective of developing sufficient capacity to meet the anticipated demand. The emphasis in the Fourth Plan was not only to be ahead of the traffic demand but also on modernisation to improve efficiency of operation.

2.10. The total anticipated freight goods traffic during the Third Five Year Plan was 1015 million tonnes in all the five years comprising of 199 million tonnes of Railway's own traffic (including coal for their own use) and 816 million tonnes of revenue earning traffic. The actual revenue earning traffic carried by the Railways was 723 million tonnes (about 11 per cent less of the anticipated traffic), the Railway's own traffic was 204 millon tonnes (an increase of 2.5 per cent over the anticipated traffic).

2.11. The position during the three Annual Plans was as follows:—

Originating Freight Traffic

	(*In Millions of tonnes*)		
	Assumed.	*Actuals.*	*shortfall.*
1966-67	215·2	201·6 (164·0)	13·6
1967-68	210·2	196·6 (162·4)	13·6
1968-69	209·6	204·0 (170·8)	5·6

2.12. The Fourth Plan originally envisaged a freight traffic target of 265 million tonnes by the end of 1973-74. This target was subsequently revised downwards to 240.5 million tonnes at the time of Mid-Term Appraisal. The actual traffic materialisation during the Fourth Plan has been as follows:—

	Million tonnes loaded.	Average Lead in kms.	Net Tonn e Kms. moved (in billions).
1969-70	207·9	643	128·2
1970-71	196·5	648	127·4
1971-72	197·8	674	133·3
1972-73	201·3	678	136·5
1973-74	185·2	67	124·6

2.13. The Annual Plan (1974-75) had estimated the originating freight traffic in 1974-75 as 217 million tonnes. The total originating traffic during 1974-75 is anticipated to be only 192 million tonnes.

2.14. A leading Organisation of Commerce and Industry has stated in a Memorandum submitted to the Committee:

> "The investment in Railways over the past few years was not in proportion to the additional freight traffic which the Railways were able to carry. It is a moot point whether they should be blamed for over-investment. It would perhaps be correct to blame them for not being able to

put up a performance commensurate with the additional investment.....It is unfortunately true that there has been a persistent shortfall in the materialisation of traffic compared to the forecast since the Third Five Year Plan. During the Third Plan, originating freight traffic was anticipated to be 245 million tonnes. Against this, the actual traffic moved by the Railways was only 203 million tonnes.....Our submission is that Railways have not been able to attract additional traffic particularly goods traffic, which should have been the case. It is also a fact that there has been no dearth of traffic offerings as such. This is amply borne out by the continuous distress signals coming from various production centres, steel plants, coal mines and power houses who are not getting enough wagons to move the raw materials or the finished goods, as the case may be. Even if one takes into account the sluggish industrial production of the last 2 or 3 years (a significant portion of which can again be ascribed to the failure of Railways to deliver raw materials and fuel in time and in adequate quantities), it is felt that with better operational efficiency, shorter turn round time and improved public relations, the Railways could have attracted much higher volume of originating traffic than has been the case. Therefore, in our view the need of the hour is a more intensive utilisation of the existing transport capacity and at the same time judiciously building up fresh capacity to meet future demand."

2.15. A leading organisation of manufacturers has stated, in its memorandum submitted to the Committee that:—

"The Railways occupy the pride of place as the most important single carrier of goods for the internal market and the export market in the transportation economy of the country. They have doubtless done a remarkable job under many stresses and strains. At the same time, the shortages and poor turn-round of wagons, the absence of co-ordination between rail-road-coastal shipping facilities and the frequent disruption and the greatly worsening industrial relations have resulted in serious bottlenecks in the movement of goods within the country and for export purposes."

2.16. Asked about the reasons for the Railway not achieving the targets of freight traffic in spite of massive investments in the Five

Year Plans, the representative of the Ministry of Railways stated in his evidence before the Committee:—

"Firstly, I want to remove the erroneous impression that the railways have been continuously doing bad. My effort will be to show that till 1972-73, when the general law and order position and our own labour position become bad, the railways have been consistently loading more and more from year to year. The total traffic in million tonnes were as follows:—

1970-71	196·5 million
1971-72	201·3 ,,
1973-74	184·9 ,,

The average lead of traffic has also been going up. The lead for 1960-61 was 561 km. In 1970-71 it was 648 kms. In 1972-73 this is 678 kms. In 1973-74, there is a slight drop to 662."

2.17. He further stated:—

"The work done by the Railways has got to be considered in this light as against the net tonne lifted and so on. And if you take the Net-Tonne km. it was of the order of 87,680 millions in 1960-61. In 1970-71 it was 1.27 lakh millions. In 1972-73, it was 1.36 lakh millions. In 1973-74 of course it has dropped. So the position is, upto 1972-73, we have been constantly moving larger and larger quantities of traffic. This was possible only due to various capital investments made by the Railways, the benefits due to dieselisation, electrification etc.....Net Tonne K.M. is the most comprehensive index and this combines both lead and the load factors. In 1973-74, this deterioration was due to difficult labour situation in different parts of the country and, as you know, there have been bunds and agitations."

2.18. Asked if there was spare capacity with the Railways, the representative of the Ministry of Railways stated:—

"Spare, in the sense, we have targetted capacity but due to various reasons like law and order problem, agitations and things of that kind we could not move more than this. We could have moved more traffic, there is no doubt about it."

2.19. Asked if in view of that spare capacity, no investment need be made in the Railways during the Fifth Plan, the representative of the Ministry of Railways stated:—

"The targetted capacity in the Fifth Plan is much more than what was targetted for the Fourth Plan.....The draft Fifth Five Year Plan envisages that the originating freight traffic by 1978-79 will be 300 million tonnes.....So far as passenger traffic is concerned, a growth rate of 4 per cent per annum for non-suburban traffic has been assumed. In financial terms, the overall outlay of Rs. 2350 crores has been provided for during the Fifth Plan. But because of the fact that traffic has not materialised to the extent and the production in the various sectors has also not come upto the anticipation, now the thinking is that 300 million tonnes may not materialise and that we will have to provide for less than that. So, the Railways have made a provision of 280 million tonnes traffic.....The original Fourth Plan anticipated tonnage was of the order of 240 million tonnes and now it has got to be 280 or 300 million tonnes as we finally fix. For that additional facilities will be required and we cannot escape the additional facilities being provided particularly rolling stock and additional facilities in certain other sectors."

2.20. Asked if Railways are in a position to move the targetted traffic, the representative of the Ministry of Railways stated:—

"I would like to mention here that Railways are geared up to carry almost all the traffic that is offered for transport provided the law and order situation in the country is normal and we have industrial peace on the Railways itself. Actually this May strike has been a watershed as far as Railway is concerned and I would venture to suggest that as far as the whole country is concerned..... From June onwards we have been able to step up our loading very appreciably.....in April, 1974, loading on the broad gauge was 19,316 wagons. In June it was 20,296 wagons, November it was 22,314 wagons and in December it was 22,844 wagons. The loading in the months of November and December has been the highest in those months."

He further added:—

"Coming specifically to the raw material to steel plants and movement of coal, I would like to submit this. As far as

the raw material is concerned, the steel plants had built up a stock of five lakh tonnes on 1st June of various raw materials, iron ore etc. They had a stock of 11 lakh tonnes on 1-1-1975. With regard to the finished products of the steel plants, we have been able to move the same very significantly.

Their ground stock on 1-6-74 was 5.6 lakhs. It has been reduced to 3 lakh tonnes on 1-1-75.....In 1974-75, that is from June, 1974 onwards, the Railways showed very rapid recovery in coal loading, as can be seen from the following comparative figures:—

	Bangal/ Bihar coalfields	Outlying fields.	Total
1969-70	6242	1949	8191
1970-71	5542	2029	7571
1973-74	5112	2293	7405
1974-75 . . . . . (June to Dec.)	5560	2767	8327

In December, 1974, the Railways achieved a daily coal loading level of 8638 wagons. The trend of coal loading in January, 1975 is still better and is likely to be well over 8,900 wagon per day."

2.21. The Committee note that investments of more than 5000 crores of rupees have been made in the Railways during the Five Year Plans with the result that the capital-at-charge of the Railways increased from Rs. 1521 crores in the beginning of the Third Plan to Rs. 2680 crores by the end of the Plan representing an increase of 76 per cent during the Third Plan period. The capital of the Indian Railways during 1973-74 i.e. last year of the Fourth Plan was Rs. 3,890 crores representing an increase of about 45 per cent during the Fourth Plan period. However, even with this massive investment and creation of considerable capacity, the freight traffic carried by the Railways has not shown any appreciable increase and has been considerably lower than the targets. The Committee note that the Fourth Five Year Plan, originally envisaged a freight traffic target of 265 million tonnes by the end of 1973-74. This target was subsequently revised downwards to 240.5 million tonnes at the time of Mid-term appraisal. The actual traffic handled by the Railways

during 1973-74 was to the tune of 185.2 million tonnes only which was even less than carried in 1968-69, the year immediately preceding the Fourth Plan.

2.22. The Committee are unhappy that in spite of enormous investments made in the Railways over the years, there has not been any significant and expected increase in the freight traffic moved by the Railways. As has already been pointed out, the freight traffic moved by the Railways during 1973-74 in terms of both million tonnes loaded as well as net tonne kilometres moved, has been less than in 1968-69 in spite of an investment of Rs. 1420 crores during the 4th Plan period. This would indicate that there has not been proper planning and coordination in the creation of additional capacity on the Railways which has not been in conformity with the demand. No provision also appears to have been made for the shift in traffic pattern. Investments for the creation of spare capacity appears to have been made by the Railways, ahead of or at variance with the emerging pattern of traffic demand. This has created a paradoxical situation where, on the one hand, there is spare capacity without the demand therefor and on the other hand, the traffic offered is not being moved. This is a serious situation. The Committee stress that a thorough study of the capacity available with the Railways should be undertaken on a priority basis with a view to identifying areas or sections where spare capacity is available as also the sections and areas where there are bottlenecks. The areas constituting bottlenecks should be identified and concerted measures taken to resolve them in full coordination with all other means of transport so as to derive the maximum benefit from the resources spent and the capacities created.

The Committee need hardly emphasise that the country cannot afford to spend scarce resources on investments which do not produce concrete results. They therefore recommend that further investments on the Railways should be made judiciously and after most careful and thorough scrutiny.

2.23. The Committee note that all the world over, the trend is that Railways carry about 50 per cent of the total freight traffic (against 60 per cent in 1952), roads carry 30 per cent (against about 20 per cent in 1952), water transport including coastal shipping 10 per cent and pipelines 10 per cent.. In India, the Railways carry about 65 per cent of the total freight traffic. As time goes on, the share of railways in the total freight carried may well come down. Moreover, there have been remarkable technical progress in the field of transmission through pipeline of not only petroleum products but

also of coal and iron ore in the form of slurry. The Committee would like Government to keep this world trend in view while taking decisions about future investment on railways.

2.24. The Committee note that the payload carried by the Railways can be increased by introducing heavier trains. The Committee recommend that as running of heavier train loads will go a long way in obviating expenditure on doubling etc., railways should take necessary measures for introducing running of heavier train loads.

2.25. The Committee note that the representative of the Ministry of Railways (Railway Board) has in his evidence before the Committee claimed that since June, 1974 the movement of traffic on the Railways has considerably picked up and at present except some pockets, Railways have capacity to move all the traffic that is offered to them. The Committee recommend that the Railways should, in their annual Report, as well by issuing press communiques periodically publicise the sections where there is spare capacity and the Railways are able to offer wagons for any type of traffic so that the users in that area may take advantage of the facilities so offered to the maximum possible extent.

C. Need for integrated well coordinated planning and firm linkages .. for major bulk commodities.

2.26. A marked trend in the composition of the freight traffic of Railways is the progressive increase in the share of bulk commodities in the total traffic carried. Successive five year plans have put emphasis on the basic and heavy industries and this has increased the demand for raw materials for, and products of, these industries. The location of industries in different parts of the country in the interest of regional development among other considerations, has accentuated the demand. Different rates of agricultural growth and import of foodgrains in years of drought has also led to substantial long-distance rail movement of foodgrains and fertilizers. Consequently, the railways have increasingly become bulk carriers of heavy goods over long-distances.

2.27. The share of eight such commodities *viz.*, coal, foodgrains, iron and steel, ores, stones including livestock, cement, fertilizers and mineral ores in the tonnage of revenue earning traffic has in-

creased from 58.2 per cent in 1950-51 to 80.6 per cent in 1973-74. The commodity-wise details are given below:

	Per cent
1. Coal	29·18
2. Ors including Iron-ore	13·68
3. Iron and Steel	5·73
4. Foodgrains	9·04
5. Limestones and other stones	7·37
6. Cement	6·18
7. Mineral oils	6·17
8. Fertilisers	3·28

2.28. The average lead of freight traffic has increased from 470 kms. in 1950-51 to 678 km. in 1972-73. There was a fall in 1973-74 when the lead came down to 662 kms. This clearly shows that there is an increasing tendency towards long-haulage of bulk commodities by Railways.

2.29. The main bulk commodities transported by Railways is coal. Coal is mainly required for use in Power Houses, Steel Plants, Cement Factories, Railways (for loco coal), Fertilizers Factories, Brick Kilns etc. Out of the total coal loaded by Railways, about 71 per cent of coal is loaded from Bengal-Bihar coalfields and 29 per cent from outlying coalfields. Similarly bulk of cement is produced in the Southern States and then transported to other States. This emphasises the need for preparation of detailed plans for destination-wise movement of various bulk commodities on a realistic basis for each Plan period. However, the Ministry of Railways have informed that "Origin destination details are available for iron ore for export. In respect of coal, two study teams were appointed by the Board (one for Bengal and Bihar fields and the other for outlying fields) which have submitted their Reports. These studies have attempted some pattern on the basis of the data supplied by the Coal Mining Industry, Ministry of Irrigation and Power, Department of Mines etc. These would, however, need updating|confirmation by the Department of Mines to suit the changes that may be brought about in the production programmes or linkages after nationalisation, or due to limitation of resources.

As for other bulk commodities, studies in foodgrains, cement, fertilizers, POL traffic and the requirements of the Steel Plants are contemplated".

2.30. As regards the present position of these studies and the time by which these are expected to be completed, the Ministry of Railways (Railway Board) have stated that:

> "Studies in respect of transport of coal traffic only has been completed. As regards other major commodities, studies are still in progress and it is not possible to indicate the time by which these would be completed."

2.31. The Committee note that about four-fifth of the total freight traffic carried by the Railways consists of bulk commodities. The share of these commodities in the revenue earning freight carried by the Railways increased from 58.2 per cent in 1950-51 to 80.6 per cent in 1973. The Committee further note that during the Fifth Plan period, considerable increase is contemplated in the production of these commodities e.g., the production of coal is expected to increase from 80 million tonnes in 1973-74 to 140 million tonnes in 1978-79, of iron ore from 37 million tonnes in 1973-74 to 58 million tonnes in 1978-79, of cement from 16 million tonnes in 1973-74 to 25 million tonnes and of finished steel from 5.44 million tonnes in 1973-74 to 9.4 million tonnes by 1978-79. The Committee further note that a number of thermal power stations are proposed to be set up in the South during the Fifth Plan period which will get their supply of coal mostly from Bengal-Bihar coalfields. All of these will involve considerable increase in demand on railways for transport of these commodities in the years to come. The Committee would like to stress that this emphasises the need for an integrated, well-coordinated planning on the part of the railways to ensure that adequate transport capacity is available to transport these commodities to the producing centres and the products from the producing centres to the consuming centres so that the absence of transport infrastructure may not serve as a constraint to the development of the economy. The Committee feel that by increasing their operational efficiency and full utilization of their capacity by improving turn-round of wagons, reducing detention time etc., the Railways would be in a position to meet the situation.

2.32. The Committee need hardly emphasise that linkages of the major consuming centres with producing centres of raw materials like coal, iron-ore, lime-stone are imperative for an efficient transport

system so as to avoid unnecessary lead in movement of these bulk commodities. It is well-known that longer routes and increased leads result in higher costs which should be kept to the minimum.

2.33. The Committee note that the origin destination studies in respect of coal have been completed by the Ministry of Railways and that studies in respect of other bulk commodities are in progress. The Committee feel that all these studies which should have determined not only firm linkages but also share of railways in carrying them, should have been completed well before the commencement of the Fifth Plan and the results of these studies should have been fully utilised while formulating programmes for the Fifth Plan period. The Committee stress that the Working Groups should complete their studies at the earliest and that Government should take decisions on the reports of these studies expeditiously. The Committee further emphasise that the actual working of these linkages should be critically reviewed every year and corrective measures taken so that transportation does not constitute a bottlenekcs in the development of the national economy.

D. Speedy and safe transport of goods

2.34. Railways are a commercial organisation and its performance is ultimately to be judged by the extent of service it is able to provide in respect of speedy and safe transport of goods offered to it as freight.

2.35. A leading Organisation of commerce and industry, has stated in its Memorandum submitted to the Committee:—

> "The Railways, being a service industry and the most important carriers of goods and passengers in the country, should also try to come up to the expectations of the users. For instance, at present a good deal of high rated freight traffic is shying away from the Railways. The reasons are well known. There are difficulties in booking, there is pilferage *en route* and in the goods yards and there is considerable delay and sometimes misdirection of goods. These shortcomings are, more or less, absent in the case of road transport. Railways should provide a comparable service in order to attract the traffic. **Door to door** delivery, saving in transit time, quick and reasonable settlement of claims and disputes are other aspects where a great deal of leeway has to be made."

2.36. The representative of the Organisation stated in evidence before the Committee:—

"I think the major portion of the trouble arises because of the bad handling at the loading and unloading points in to and out of the railway wagons. Secondly, they take such a long time and the goods are left in the open, unprotected wagon. When they park the wagons for a night or two, there are organized gangs who know what to remove from which wagon.....If something could be done to hasten the traffic, these difficulties could be mitigated. There should also be improvement in handling.....There is very poor handling in the yards of the Railways. That is why pilferage and theft occurs. Secondly, we have some problems when the goods are transhipped from broad-gauge lines to metre-gauge lines. At such points, we do not have our men to look after the goods. There is room for improvement in the matter of making enough wagons available, so that people need not have to wait for 10 days to get them. Railways are not suffering for lack of traffic; it is the traffic which is suffering for want of railway wagons."

2.37. The representative of a leading organisation of manufacturers stated in evidence before the Committee:—

"The Railways have their own role to play and there is no doubt that the transport need cannot be met without the Railways. A lot could be said about the services that were expected from the Railways all these years and which have not been fulfilled till now. There has been good lot of investment in all the previous four Plans and a good amount has been reserved in the Fifth Plan. At the moment it is stated that the estimated traffic has not materialised and the railways earnings have fallen short of estimates, it is always found that there are stocks of piles of industrial raw materials and consumer goods that are awaiting transportations and the wagons are not available.....At least the service of the Railways could have been improved. If we are not able to have wagons or coaches, problems of the administrative type could have been removed and should have been removed."

2.38. The following figures show the trend of claims received and settled by Railways since 1965-66:—

Year	Number of claims received.	Gross amount of compensation paid (in crores of rupees)	Percentage of amount of compensation paid to gross earning	Average time taken in settlement of claims (Days)
1965-66	5,57,399	5·87	1·03	32
1970-71	6,92,662	12·23	1·66	40
1971-72	7,17,584	12·68	1·58	46
1972-73	6,76,584	12·29	1·46	49
1973-74	6,27,113	13·62	1·65	50

2.39. A case-wise analysis of the claims paid by Railways during the last five years reveal that the bulk of the claims arose from loss, theft and pilferage of consignments in transit. In 1973-74 these factors accounted for about Rs. 9.84 crores, *i.e.*, about 72 per cent of the total amount paid as compensation.

2.40. Asked about the steps taken by the Railways to bring down the incidence of pilferage and thefts and the amount of claims in the Railways, the representative of the Ministry of Railways stated in his evidence before the Committee:—

> "As far as claims are concerned, we have now built up a very big organisation to bring down the incidence of claims on Railways. So there is an organisation headed by the Additional Chief Commercial Superintendent. All efforts are being made to bring down the incidence of claims. In the last few months or so, I may say in the last one year—there was a reduction in claims—fresh claims—preferred on the railways. Here again, our main problem is law and order. A lot of thefts and pilferages are happening *en route* in yards and in sectors. We are seeking the help of State Governments' police and our own R.P.F. so as to bring down the incidence of thefts and pilferage. The amount paid year to year is still going up considerably. As you are aware the cost of commodities has become probably 200 per cent now as compared to what they were about 3 years ago.....our efforts are to continuously bring down the incidence. And no efforts would be spared."

2.41. Asked about the steps being taken by Railways to improve their services, the representative of the Ministry of Railways stated in his evidence before the Committee:—

> "We are having a Marketing and Sales Organisation in the railways to do market research and see what additional services should be provided by the Railways in order to meet consumers' demand for specialised traffic. Under this scheme, we are having container service, providing fast door to door damage free, pilferage free service introduced for the first time in 1966 which has been gradually extended and is now available on 12 important routes. Another thing which we are doing is freight forwarder scheme by which our agents go and collect small traffic from various parties, book them as wagon load from goods shed and these are despatched by Quick Transit Service. These are also comparatively claims free and pilferage free. This scheme has now been introduced between 62 pairs of stations. Then we are having collection and delivery services in important towns. This is also being gradually extended. There are out-Agencies. This is another scheme to bring the interior of the country within the ambit of the railway booking by providing transportation service from the interior which is treated for all purposes as a station and we book the consignments and bring them to the railway head. Another important development is the block loading of rakes, particularly for consignments of foodgrains, coal, iron and steel and finished products, apart from bulk movements to the steel plants themselves."

2.42. About the movement of high-rated commodities, the representative of the Ministry of Railways stated:—

> "We are also having a special watch on the high rated commodities. Here I would say that the road services are certainly having an advantage with regard to high rated commodities, because they are able to give door to door service, comparatively pilferage—free and claims free. We are also trying to give much quicker transport. But because of their social obligations and on account of their obligations under the Railways Act, Railways are at a disadvantage.....The road service has certainly an advantage because it can pick and choose its customers, which we cannot do. We have got to give facilities for

traffic for all types of traffic that come to us. Even so, we are trying to give specialised service in order to see that the high-rated traffic is not diverted from the railways to the road transport.....It has picked up during the last few months. Our earnings on the high-rated commodities have been considerably more than in the previous years."

2.43. The Committee note that Railways are a service organisation, being run on commercial lines and the performance of the Railways will ultimately be judged by their performance in the field of speedy and safe transport of goods at competitive rates. The regret to note from the memorandum submitted to them by the representative organisations of trade and industry in the country as well as their discussions with the various organisation of users of railways that there are general complaints about the working of the Railways. Bookings are not easily done, wagons are not made available in time, there is undue delay in the transport of goods, there are widespread thefts and pilferage of goods on the way, there are no proper handling facilities at the Railway stations and claims are not settled expeditiously. It has also been represented to the Committee that railways are not suffering for lack of traffic, it is the traffic which is suffering for want of railway wagons. While on the one hand, railways earnings have fallen short of estimates, there are stock-piles of industrial raw materials and consigner goods that are awaiting transportation and the wagons for the same are not available. The very fact that the high rated traffic is slowly going away from the Railways to the road transport and the deteriorating financial position of the Railways are indicative of the fact that the performance of the Railways is not satisfactory and considerable improvement is needed in the working of the Railways to give better service to the users. Moreover, the fact that the percentage of amount of compensation paid to gross earnings had increased from 1.03 in 1965-66 to 1.65 in 1973-74 and the average time taken in settlement of claims had gone up from 32 days in 1965-66 to 50 days in 1973-74 further confirms that the complaints of increase in pilferage and delay in settlement of claims are justified.

2.44. The Committee note from the evidence of the representative of the Ministry of Railways that the Railways have taken a number of steps like, introduction of Quick Transit Service, Container Service, opening of booking agencies etc., and are making efforts to attract high-rated traffic. The Committee also note that Railways have introduced a freight forwarder scheme by which agents of the Railways go and collect small traffic from parties, book them as wagon loads from goods shed and these are despatched by

Quick Transit service. The Railways have also introduced collection and delivery services in important towns which is being gradually extended. The Committee, would, however, like to emphasise that in view of the increased competition from road transport in the matter of transport of high-rated traffic, the Railways will have to make concerted efforts to improve their credibility with the users if they want to attract high-rated and other freight traffic by giving more speedy, quick and pilferage-free service to users. The Committee would further urge that the Railways should maintain close liaison and contact with the users like business and industrial interests at the Divisional and station levals to gain first hand knowledge about their difficulties and should evolve a suitable machinery to resolve them without delay. Moreover, concerted measures should be taken to eliminate pilferage and thefts of goods during transit as well as in the yards. It is also necessary that claims are settled expeditiously.

E. Container Service

2.45. In order to attract high-rated traffic to the Railways, a detailed study was conducted on Indian Railways and as a pilot project the first container service was started on a turn-key basis between Bombay and Ahmedabad in January, 1966. This service proved a great success. Soon, container services were extended to many cross-country trunk routes and now connect principal cities. Containerisation is a unified system of moving goods by consolidating these into containers which are moved as one unit from originating point to the destination, with reduction in total transport costs and transit time. Containers are closed or open boxes of varying dimensions and designs, made of steel, stainless steel, aluminium, FRP etc., suitable for mechanical handling and can be transferred rapidly from and to rail wagons to and from road trucks, ships etc. Apart from general purpose freight containers, special purpose containers, such as tank, hopper, refrigerated and insulated containers are in use in order to cater to specific traffic requirements.

2.46. Containerisation converts the slow and delay riddled movement of goods from the producer to the consumer, into an efficient inter-modal door-to-door service. It eliminates multiple intermediate handling thereby minimising damage and pilferage claims, results in reduction of packaging and labour costs at transhipment and unloading points, and improves the turn-round of rolling stock. Containeriastion has achieved universal popularity and has been found particularly useful for the transport of costly and fragile cargo over a multi-modal system. There are two types of continers in use on Indian Railways Broad Gauge containers with a pay load of 4.5 ft.

and the Broad Gauge-cum, Metre Gauge containers with a pay load of 5-t. As on 1.8.1974, the number of 4.5 t B.G. containers with the Indian Railways was 188, while the number of 5 t. B.G. M.G. containers was 1,143. During 1973-74 the total number of containers loaded was 29.205, traffic carried was 96,650 tonnes and the gross earnings were Rs. 157.6 lakhs. The following statement gives the routes on which container-services are in operation and number of containers loaded in the year 1973-74:—

Sl. No.	Route	Date of introduction of service	Distance in Kms.	No. of containers loaded
1	Bombay-Ahmedabad. . . .	15-1-66	494	2104
2	Bombay-New Delhi.	20-11-67	1386	8788
3	Madras-Bangalore	14-1-69	356	1568
4	Calcutta-New Delhi. . . .	15-3-69	1439	3049
5	Bombay-Madras	16-4-69	1286	2650
6	Bombay-Secundrabad. . . .	23-5-69	794	2447
7	Bombay-Bangalore	11-11-69	1114	2036
8	Madras-Calcutta.	3-11-70	1656	1808
9	Bombay-Calcutta.	16-4-71	1968	2781
10	Bombay-Kota	16-4-73	911	316
11	New Delhi-Madras Bangalore . .	1st Oct'73	2188 2544	1658
				29,205

2.47. The container service has found great popularity in all the countries of the world. The most significant development has been the introduction of container-liner trains. A liner train concept consists of

(a) a full train of continuously completed standardised wagons.

(b) regular high-speed operations on a point to point basis,

without marshalling, over standardised high-volume rates.

(c) Specially designed terminals with high-speed handling equipment to act as the efficient inter-face with other modes of transport.

2.48. Britain's highly developed Freight-liner system now carires over 6 lakh containers annually and has demonstrated the commercial benefits of close integration of rail and road movement. Japan's National Railways is operating more than 100 liner train services including the non-stop container service, between Tokyo and Osaka. INTER-CONTAINER, an international Association for trans-container traffic representing 19 rail system in Europe has introduced a large number of liner trains connecting principal cities and ports on the container and handled 20,000 containers per month during the year 1970. A direct 25-day door-to-door container service has been introduced between London and Yokohama, going over the Inter-container rail system, the Trans-Siberian Railways apart from covering the sea voyage from East Coast of U.S.S.R. to Yokohama.

2.49. For inter-continental traffic, 20' long ISO series-contatiners have found wide-spread acceptance. A study conducted by the Working Group on containerisation set up by the Ministry of Shipping and Transport has revealed that 80 per cent of all import/export traffic passing through Indian ports could be containerised. Recommendations have been given in the Group's report in regard to development of facilities for transport and handling of 20' long ISO containers. To provide for inland rail transport of ISO containers between maritime pol is and selected inland railheads, a Broad Gauge container flat like BFKX has been developed which is suitable for the transport of domecstic as well as ISO series—1 freight containers and has a speed potential of 100 kms per hour.

2.50. The Committee note that all the world over, there is an increasing trend towards containerisation as the container service provides an efficient door-to-door service, eliminates multiple intermediate handling, thereby minimising damage and pilferage claims, improving turn round of rolling stock and resulting in reduction of labour costs. The Committee further note that Britain's highly developed freight liner system now carries over 6 lakh containers

annually. Japan's National Raliways are operating more than 100 liner train services, including the non-stop container service between Tokyo and Osaka. INTER-CONTAINER, an international association for trans-container traffic representing 19 rail systems in Europe has introduced a large number of liner trains connecting principal cities and ports on the continent and handles 20,000 container per month. The Committee also note that the Railways in India have also introduced container services since 1966 and at present the service is in operation on 11 routes The Committee feel that as the conatiner service is particularly useful for the transport of costly and fragile cargo over long distances, this provides a good opportunity to Railways to atract high-rated cargo, by eliminating the present complaints of delay in transportation, pilferage and theft en-route and at transhipment points. The Committee, however, note that as against the total originating freight traffic of nearly 200 million tonnes carried by the Indian Railways at present, only about 96,650 tonnes are carried through containers which constitutes hardly 0.05 per cent of the total traffic carried by the Indian Railways. The Committee recommend that Railways should make concerted and determined efforts to introduce container services on more routes and should aim at introducing liner train services including non-stop container service between principal trading and industrial centres in the country so that the container service may become more popular.

2.51. The Committee note that a study conducted by the Working Group on Containerisation, set up by the Ministry of Shipping and Transpor, has revealed that 80 per cent of all import/export traffic passing through Indian ports could be containerised. The Committee would like the Government to make concerted efforts to introduce container service on an increasing scale to handle the export and import trade of the country to the maximum extent. These efforts can be successful only if effective and coordinated measures are taken by all modes of transport viz., Railways, road and port authorities to provide the necessary facilities as not only the goods would be taken by trucks to loading points in Railway yards, carried by Railways to ports but modern container berths with cranes and other handling facilities would have to be provided at Indian ports. The Committee recommend that in view of the growing need for introduction of container services for export and import of goods, it is necessary that integrated plans are formulated and effective measures taken to ensure that all requisite facilities are provided simultaneously at necessary points for efficient and maximum utilisation of containers so as to popularise the use of container services.

F. Availability of Wagons

2.52. The number of wagons with the Indian Railways since 1950-51 has been as follows:—

Year	Wagons
1950—51	2,05,596
1955—56	2,40,756
1960—61	3,07,907
1965—66	3,70,019
1970—71	3,83,990
1971—72	3,82,725
1972—73	3,84,283
1973—74	3,88,026

2.53. Out of 3,88,026 wagons, 2,89,946 wagons were on the broad gauge, 92,545 on the metre gauge and 5,535 on the narrow gauge. The draft Fifth Five Year provides for the acquisition of 1,00,000 more wagons.

2.54. A leading organisation of commerce and industry has stated in its Memorandum submitted to the Committee:—

> "On their part the Railways have not done enough. There are pockets of surplus and deficit.... The position will be all the more difficult by the end of the Fifth Plan because, the Railways have not planned their wagons requirements realistically. For example, at present we have around 4 lakh wagons on the rails and the freight tonnage moved is around 200 million tonnes. By the end of the Fifth Plan, railways are expected to carry 300 million tonnes. To carry 100 million tonnes more, railways are planning to add only one lakh wagons to the existing fleet. With the turnround of wagons not showing any improvement, it is difficult to visualise how the railways would be in a position to handle the increased freight traffic by the end of the Fifth Plan".

2.55. An organisation connected with roads transport development has stated, in its memorandum submitted to the Committee:—

> "Wagon capacity in the Railways could be enhanced through improved turn round. Wagon turn-round on the Broad Gauge has gone up from 11 days in 1950-51 to 13.5 days in 1972-73 and on the metre gauge from 6.29 days in 1950-51 to 10.8 days in 1972-73. Even a 10 per cent improvement in turn-round will amount to an addition of 40,000 wagons to our fleet. This would not be difficult as we had a much metter turn-round efficiency in 1950-51."

2.56. A leading organisation of engineering industry in the country, in its memorandum submitted to the Committee has stated:—

> "Simultaneous with augmenting facilities for transport, emphasis should be laid on maximum utilisation of the available transport facilities. For example, it has been noticed that utilisation of wagons is often only 50 per cent of potential and, in some cases even less."

2.57. The wagon turn-round in days for the period 1963-64 to December 1974 both for BG and MG is given below:—

Years	B.G.	M.G.
1963-64	11·0	8·29
1964-65	11·9	8·56
1965-66	11·8	8·41
1966-67	12·3	9·03
1967-68	12·6	9·54
1968-69	12·7	9 69
1969-70	12·6	9·41
1970-71	13·3	10·1
1971-72	13·5	10·6
1972-73	13·5	10·8
1973-74	15·0	12·5
1974-75 (till December, 1974)	15·3	12·6

2.58. Asked about the asssessment of wagon requirements for the Fifth Five Year Plan, the representative of the Ministry of Railways (Railway Board) stated in his evidence before the Committee:—

"The wagon requirements are assessed for the five-year plan period as a whole taking into account the anticipated growth of traffic during the Plan period. Taking into consideration, various streams of traffic, the lead of each stream, as well as the amount of empty haulage incidental to that stream, the number of wagons required is calculated, assuming certain normal speeds of movement, detention in the marshalling yards en-route as well as detention at terminals. After calculating the wagon requirements an allowance is provided for the traffic during the peak period viz., November to March and for repairs and maintenance.

The draft Fifth Plan document for Railways envisages that the originating freight traffic by the end of 1978-79 will be about 300 million tonnes. According to Railway's own assessment, the realistic target of traffic will be about 280 million tonnes. These traffic targets have been arrived at after taking into account the likely growth in production envisaged in tht Fifth Five Year Plan for important commodities like steel, coal, minerals, oils, foodgrains etc. Based on the 'methodology' described above, the requirements of wagons on additional as well as replacement account during the plan period has been indicated in the Draft Fifth Plan Document, i.e., 1,00,000 in terms of four-wheelers. As far as the break-up of wagons is concerned, it is as follows:—

Broad Gauge . . .	88,980
Metre Gauge . . .	8,401
Narrow Gauge . . .	2,619

In the draft Fifth Plan document, the total allocation made for the procurement of rolling stock is of the order of 900 crores. The Railways have taken up the matter with the Planning Commission for the upward revision of the outlay for the rolling stock."

2.59. Asked about the empty running of wagons, the representative of the Ministry of Railways stated:—

"On empty running, it might appear that in certain cases there is a certain amount of empty running, but this is a thing which cannot be helped in certain cases. For example, box wagons carry coal to the South. There is no matching loading of these box wagons because similar goods are not available for despatch. So the rakes have to come back empty for fresh loading of coal. The same thing applies in the case of oil containers, B.F.R. trucks flat trucks and so on. They do not get matching return traffic. So they have to go back empty. As far as possible, we are trying to make the best use of these wagons by giving loads in both directions so that we can have more earnings."

2.60. Asked to state the reasons for in increase in the turn-round time of wagons, the Ministry of Railways (Railway Board) have stated in a written note that:—

"The broad reasons for the increase in the turn-round are as under:—

(i) a progressive increase in the lead of traffic both on the Metre Gauge and Broad Gauge. By and large, barring minor variations, wagon turn round has been inreasing with the lead of traffic as the interval between successive loading increases with the increase in the average lead of traffic;

(ii) during September, 1964, nearly 20,000 Broad Gauge and 3000 metre Gauge wagons remained unutilised on the railways as a result of overall drop in demands which actually sharply increased the wagon turn round both on Broad Gauge and the metre Gauge. During 1965-66 there was some revival in traffic potential but a set-back was caused due to heavy Defence requirements as a result of Indo-Pak hostilities, both in the Western and Eastern borders;

(iii) The economic recession in the country in 1966-67 brought in its wake a depression in the level of traffic offering resulting in less loading. In the following year viz., 1967-68 coal loading was affected due to a dispute on the price of coal;

(iv) right from 1965-66 there has been a progressive increase in the number of special type of stock like bogie wagons and tank wagons. The increase in the number of wagons in units is shown in the table—

Year	Broad Gauge		Metre Gauge	
	Bogie	4-Wheeler	Bogie	4-Wheeler
1965-66 .	35,898	221,332	22,123	68,784
1970-71 .	52,858	217,852	23,548	67,069
1971-72 .	54,939	215,658	23,936	65,630
1972-73 .	57,484	216,400	24,297	64,380

These bogie wagons on the Broad Gauge are meant generally for movement of special types of traffic and cannot be used as general service wagons except the BCX and to some extent BOX wagons. The utilisation of such stock involves a certain amount of empty haulage from unloading points back to the loadings points and this empty haulage affects the overall turn-round of wagons. A similar position exists with regard to oil tank wagons. The tank wagon fleet has been steadily increasing both on the Broad Gauge and the Metre Gauge over these years. For these wagons also no return load is available and they have to be hauled empty from the unloading points to loading points, increasing the average turn round of wagons:

(v) an important factor affecting the wagon turn round is the performance of steel plants, ports etc., which handle a large number of these wagons. Over the years there has been a significant increase in the number of wagons handled at steel plants, port etc., which enjoy a higher free time and thus cause higher detention to wagons thereby increasing the interval between successive loadings.

(vi) the increase in wagon turn round from the year 1970-71 both on Metre Gauge and Broad Gauge is largely attributable to disturbed working conditions on the railways. Extensive anti-social activities affected the working of

the railways during 1970-71 resulting in numerous cases of thefts of overhead electric wires, communications cables, signalling equipment, wagons parts etc., there were a number of cases of attacks on running trains and assaults on railway staff; there were a serious of bundles and strikes crippling the movement of traffic. All these factors contributed to the demoralisation of railway staff, who had to work under unprecedented pressure. During 1971-72 large scale emergency movements were undertaken by the railways in connection with the Indo-Pak war which necessitated running of a large number of refugee specials and white hot and red hot priority moves having an adverse impact on the movement of goods traffic and inflated detentions to wagons in yards and stations en-route. Turn round of wagons continued to suffer on this account. During 1972-73 there was some improvement in the law and order situation on the Eastern sector, but this was more than offset by large scale power-shedding in that area. No improvement could be brought about as a number of agitations, most of them totally unrelated to railway working such as students agitations in Punjab, language agitation in Assam and Mulki agitations in Andhra Pradesh continued to affect the working conditions on the railways and resulted in large scale immobilisation of wagons both on the Broad Gauge and Metre Gauge.

(b) The following steps have been taken to improve the turn round of wagons:—

(1) The mode of traction is being progressively improved. Railway are going in for increasing dieselisation and electrification of traction. Diesel and Electric locomotives having higher tractice efforts are being increasingly put on line to haul heavier loads and faster thus moving more wagons per train and per route kilometre and more speedily.

(2) Tracks are being progressively doubled to meet the demands of additional traffic and improve fluidity of movement. Intermediate marshalling yards are also being remodelled with the same aim.

(3) Wagons fitted with special roller bearings are being increasingly put on line which reduces the incidence of sickness and speeds up movement.

(4) Movement in block rakes over long distances is being increasingly arranged.

(5) Movement of traffic is being progressively rationalised to cut out wasteful cross movements, reduce leads, avoid unnecessary transhipments, etc.

(6) Demurrage rates on wagons detained beyond the free time permitted for loading and unloading have been raised. Similarly wharfage rates on consignments detaining in Goods Sheds beyond free time have been enhanced.

(7) Bulk users are being persuaded to go in for mechanised loading and unloading wagons.

(8) Steel Plant operations have been gone into by a Special Committee (the Khandelwal Committee) to improve, among other things, the rolling stock operations within the Steel Plant and thereby reduce wagon detentions and their recommendations are being implemented.

(9) A close watch on wagons detained in the marshalling yards and terminals is being kept."

2.61. The Committee regret to note that there has been persistent fall in the movement of the targetted traffic by the Railways during the Third and Fourth Five Year Plans. There have been widespread complaints by the users particularly the interests representing commerce, industry and manufacturers in the country regarding the non-availability of wagons. The Committee are distressed to note that in spite of considerable investment in the rolling stock, the freight traffic carried by the Railways has not shown any increase but has on the other hand shown a decline, and has not in any year touched the target. During Fourth Five Year Plan, against a revised target of 240.5 million tonnes, the freight traffic actually carried by the Railways was 184.9 million tonnes in the last year of the Plan. This shortfall in the movement of traffic has resulted in widespread shortage of important bulk commodities, mainly due to non-availability of wagons.

2.62. The Committee further note that the draft Fifth Five Year Plan has indicated a target of 300 million tonnes of originating freight traffic to be carried by the Railways by the end of Fifth Five Year Plan period and an addition of 1,00,000 wagons in the existing fleet of wagons. The Committee also note that the Railways had fixed a target of carrying 240 million tonnes of traffic by 1973-74 i.e. the last year of the Fourth Plan and necessary capacity for the same

was created. However, there was considerable shortfall in the actual freight traffic carried by the Railways which amounted to only 184.9 million tonnes in 1973-74. The Committee feel that as the Railways have created sufficient capacity by massive investments in the four Five Year Plan periods, they should have no difficulty to achieve the target fixed for the Five Year Plan period by improving their turn-round of wagons and cutting down detention time to the minimum. The Committee recommend that the Railways should make concerted efforts in this direction and achieve the targetted traffic for the Fifth Five Year Plan by improving operational efficiency and with minimum investment.

2.63. The Committee note that turn-round of time of wagons has increased from 11.00 days in 1963-64 to 15.3 days till December, 1974 in respect of B.G. wagons and from 8.29 days in 1963-64 to 12.6 days till December 1974 in respect of M.G. wagons and that the detention of wagons particularly in steel plants, collieries etc. is on the increase. The Committee would like to point out that this has led to the unnecessary blocking of rolling stock of Railways leading to their non-utilisation and denial of transport facilities to users. The Committee would like to draw the attention of the Ministry of Railways to the fact that at many of the railways yards, goods are not being unloaded for long periods from the wagons which are virtually being used as warehouses by the businessmen. The Committee would like Railway authorities to go into the matter in depth and evolve suitable steps to ensure that such unfair and undesirable practices are put to an end to immediately.

2.64. The Committee would further like that the users and public should be kept fully informed of the position of wagon availability at particular station at a particular time so that the scope for unfair practices in he matter of allotment of wagons may be eliminated. The Committee recommend that every loading station of the Railways should display a board at a prominent place showing the latest position regarding the availability of wagons and if necessary the same should be announced on the public address system. The Railway Officers should also exercise surprise checks to ensure that the position is being correctly displayed on the notice boards. Moreover there should also be close coordination among the different sections so that in case the position regarding availability of wagons is difficult in a particular section, wagons could be procured from nearby points where spare wagons are available.

2.65. The Committee further note that there is a lot of empty running of wagons. While agreeing that empty running of wagons

cannot be fully eliminated as matching return cargo may not always be available, they feel that it can be considerably reduced by well-planned concerted measures to attract traffic. The Committee recommend that every possible effort should be made by Railways to win over the traffic by making detailed market studies, offering suitable incentives where necessary, offering empties at concessional freight rates etc., so as to reduce the empty running of wagons to the minimum.

G. Need for Rail-Road-Coastal Shipping Coordination

2.66. India is a developing country which has undertaken development programmes under the various Five Year Plans. With development in the fields of agriculture, industry and other sectors of economy, demand for transport has been and will go on increasing. A country like ours hard pressed for resources for development cannot afford available duplication of transport facilities. This underlines the need for full and proper coordination among the various modes of transport.

2.67. A leading organisation of manufacturers in the country has, in its memorandum submitted to the Committee, stated:

> "There is considerable scope for a coordination between the rail and the road transport. For example, the road transportation is ideally suited for the movement of bulk commodities over long distances. On the other hand, the road transport can effectively deal with short-haulage movement of goods. Notwithstanding this, there is an increasing tendency for long-distance haulage of commodities by road transport even between places like Bombay and Calcutta. Given the world energy crisis and the impact of steep increase in crude oil prices on the level of imports of crude and the availability of diesel oil it is necessary that long-distance and short-distance movements of commodities are more effectively coordinated as between the Railways and the road transport system. There is need for a greater coordination between Railways and Coastal Shipping so far as the movement of bulk commodities such as steel products, coal, cement, salt are concerned."

2.68. The representative of the organisation stated in his evidence before the Committee:

> "Let us look at transport as totality, a coordinated package scheme rather than view it with different ideals. Each

means of transport should be used with maximum or optimum efficiency and output and we all know that railways are good for long haulage. Bulk commodities could be moved to a longer distance by Railway..... Our submission is that when there is short haulage—it is better to use road transhipment."

2.69. Another representative of the organisation stated:

"I think it is high time for us to decide whether we would like the coastal shipping to play a vital part in the total transport system in the country. This sector of shipping has been the one most neglected and one of the reasons why it has been neglected has been that Government has allowed various other sectors of transport to compete in an unhealthy manner with Coastal Shipping. Take, for example, coal which was one of the main cargos of coastal shipping. The Government suddenly decided that the Railways should carry all the coal and, for a number of years, followed that policy — with the result that the coastal operators become convinced that there was no future for coastal shipping trade, that is why they have started pulling out and have allowed their assets to deteriorate."

2.70. A leading authority on Transport in the country has stated in his memorandum submitted to the Committee:—

"In the future development of transport good care should be taken to ensure that it is done on an integrated basis *e.g.*, with the increase in shipping tonnage, size of ships, nature of cargo etc., the corresponding port handling and storage facilities, transport in and out of the port etc., must be developed simultaneously to obviate bottlenecks and waste."

2.71. The draft Fifth Five Year Plan has emphasised the role of coordinated development of different modes of transport in these words:

"Different modes of transport have different economic and technological characteristics and it is envisaged that in the Fifth Plan, new investments will be undertaken having regard to the inherent suitability of various modes of transport for different types of traffic. The main emphasis in the Fifth Plan will be on a coordinated and 'systems'

approach to the development of the various parts of the transport system so that the system is reviewed as a whole with different parts being inter-dependent and supporting and supplementing each other as far as possible."

2.72. Asked about the steps being taken for ensuring coordination between the different modes of transport, the representaive of the Ministry of Shipping and Transport stated in his evidence before the Committee:—

"The problems of coordination are continuing things and they have to be tackled on a continuing basis. It is not merely a question of taking a decision on coordination at any particular juncture. As the economy develops and production increases in different parts of the country, if this problem is solved at one stage it does come up on a different occasion and in a different way."

2.73. Asked how the problems of coordination are being resolved at present, the representative of the Ministry of Shipping stated:—

Under the present policy, if there are problems of that nature, then the procedure is that they are referred to the Committee of the Secretaries on which all the concerned people participate. Then there is also a Cabinet Committee on Transport and Tourism. It goes into the question."

2.74. Asked if in spite of the fact that although rail traffic was more suitable for long-haulage of goods, there was increasing tendency for the long-haulage of goods by road transport, the representative of the Ministry of Shipping and Transport stated:—

"There seems to be an increasing users' preference for utilising road transport for transporting small and middle size parcels where door delivery services are available, pilferage is avoided and it is proceedurally more convenient. Then in regard to bulk goods transportation over long distance by road, this has come up in certain areas because of difficulties in obtaining railway wagons at a particular juncture. There may be special procedural and other difficulties in areas with regard to bulk commodities like cement, fertiliser, there also long distance movement by road has been preferred. The proposal made here is unexceptionable. Road transport is more suitable for short distances and Railways for long distances. The point is that if there are any difficulties in Railway movement, their

removal is the way in which we can attract traffic to railways. I am sure the Railways are trying to do their best."

2.75. The representative of the Ministry of Railways stated:—

"I can say straightway that conditions on the Railways have improved very considerably from June this year after the May strike. Loading on Railways has picked up very considerably regarding coal, cement, fertiliser etc. As a matter of fact, all categories of traffic has picked up and we are in a position, by and large, to more almost all traffic offering."

2.76 .Asked to state that steps taken by Government to economise on the use of petroleum products in the context of energy crisis, the representative of the Ministry of Shipping and Transport stated before the Committee:—

"We have considered the impact of the energy crisis on road transport, particularly in the context of the need to save as much of H.S.D. as possible. Instructions have been issued to the State Governments roughly as follows:—

(i) Passengers routes within the States and inter-State should be reviewed immediately and rationalised; particularly routes running along the existing railway lines could be curtailed and the frequency of mofussil routes running with low load factors cut down. Frequently of trips may be reduced on various routes so as to effect at least 10 per cent economy in HSD consumption. The State Transport Undertakings who are getting their supplies through their own consumer pumps, should reduce offtake by 10 per cent.

(ii) Long distance goods and passenger permits may be frozen at the agreed level. The issue of new route permits for long distance be suspended till 31st March, 1975. The issue of temporary permits for long distances should also be severely restricted.

(iii) Fuel efficiency drives should be organised by way of better maintenance, regulation of speed and avoidance of malpractices. The State Transport Undertakings should play the lead role in these efficiency drives and publicise the results achieved.

(iv) Goods and passenger vehicles with high smoke exhausts should be rigorously controlled and their certificates of road-worthiness impounded until they are presented in efficient working condition."

2.77. The Committee note that in view of the present transport bottlenecks being experienced in the country, limitation of fresh investments due to constraint of resources and need for achieving maximum economy in the use of petroleum products due to energy crisis, the problem of optimum utilisation of the existing transport facilities in the country has assured new dimensions. The Committee would like to emphasise that Government will have to ensure that complete coordination exists between the various means of transport viz., Rail, Road and Coastal Shipping so that each method of transport should carry such freight traffic for which it is most suited and is the cheapest in terms of real costs to the nation as a whole.

2.78. The Committee note that it has been widely accepted that railways are most suited for long haulage of goods particularly, bulk commodities while road transport is more suitable for haulage of goods for short distances because of its advantage of door-to-door delivery and quick transit. It is, however, a matter of concern that there is a growing tendency in the country for haulage of goods even for long distances by road. The Committee feel that in the present context of energy crisis when there is an urgent need for every possible economy in the consumption of petroleum products, it is imperative that this tendency should be discouraged. The Committee feel that this can be best done by Railways tonning up their efficiency and providing quick, efficient and pilferage free service to the users and by making available wagons easily. The Committee feel that with the heavy investments made in the Railways and a large capacity available, it should not be difficult for them to provide such a service. The main thing is for the Railways to tone up their operational efficiency and make concerted efforts to improve turn-out of wagons and reduce loading, unloading and detention time, and prevent pilferages and thefts. The Committee note the statement made by the representative of the Ministry of Railways that the working of the railways had considerably improved and the Railways are now, by and large, in a position to carry any amount of traffic offered to them. The Committee recommend that Government should evolve an effective machinery to maintain full coordination between the different modes of transport so that goods may be transported in the country at minimum cost to the community and there is no duplication and avoidable wastage of scarce resources.

2.79. The Committee would also like to emphasise the need for maintaining coordination with the coastal shipping so as to utilise this mode of transport to the utmost possible extent. The Committee feel that with the extensive coastline and a number of ports and harbours in the country, there is considerable scope for the utilisation of coastal shipping for solving the problem of transport in the country. There is thus a pressing need for long-term planning and undisturbed linkages to assure traffic. Close coordination between road, rail and coastal shipping is necessary to ensure that there is no wasteful duplication of efforts in promoting these modes of transportation.

2.80. The Committee, however, note that during Fifth Plan, it is expected that 5 to 6 million tonnes of coal per annum will be moved from Bengal/Bihar area to Southern and Western India by Coastal Shipping and necessary provision has been included in the Plan for acquisition of appropriate ships to cater to this coastal traffic. The Committee also note that Haldia Port is expected to be mainly utilised for this movement of coal and an inter-model study conducted by the Planning Commission has shown that "when Haldia Port comes into commission and when loading and unloading arrangements are installed at the ports, movement of coal by coastal shipping will tend to be more economical than by the all-rail route, especially when line capacity is likely to pose a serious problem". The Committee would, however, like to point out that it would not be sufficient to merely provide ships for this movement of coal but integrated and well-coordinated steps would have to be taken in this direction. The Railways will have to provide adequate link and capacity to move this coal from the coalfields to the Port. In addition sufficient loading, unloading and handling facilities will have to be provided at the Ports and similar facilities and railway links will have to be provided at ports on the Southern and Western Ports where the coal will be unloaded. Steps will have to be taken to provide adequate return cargo like salt etc. to make coastal shipping economically viable. The Committee would like Government to undertake advance planning and take suitable steps contemporaneously to maintain full coordination between the various transport authorities etc., so that there are no last minute bottlenecks.

CHAPTER III

ROAD TRANSPORT

A. Present Position of Road Transport

The development of road transport has been recognised as a basic and important pre-condition for economic development of the country. Roads and road transport have been recognised as a basic infrastructure necessary for the development of a region or area. Due to its adaptability, flexibility, quick and door-to-door service, there has been a continuously increasing growth and diversion of traffic from other modes of transport to road transport. The passenger traffic by road increased from 23,100 million passenger kilometres in 1950-51 to about 1,30,000 million passenger kilometre in 1973-74 resulting in a four-fold increase. As regards goods traffic by road transport, it inincreased from 410 thousand in 1973-74 to 575 thousand by the end of about 65,000 million tonne kilometres in 1973-74 showing an increase of over eleven times. The road transport's share of total passenger traffic has gone up from 22 per cent in 1950-51 to 49 per cent in 1973-74 while the goods traffic has gone up from 11 per cent to 31 per cent during the same period.

3.2. It is estimated that the total goods traffic by road transport may increase from about 65 thousand million tonne kms. in 1973-74 to about 110 thousand million tonne kms. in 1978-79. The passenger traffic is expected to increase from about 130 thousand million passenger kms. in 1973-74 to about 180 thousand million passenger kms. in 1978-79. In order to cater for the estimated increase in traffic, it is reckoned that the number of trucks on the road will need to be increased from 410 thousand in 1973-74 to 575 thousand by the end of 1978-79. The number of buses will need to be increased from about 110 thousand in 1973-74 to about 150 thousand in 1978-79. The annual production of commercial vehicles is estimated to increase from about 40,000 in 1973-74 to about 1,00,000 by the last year of the Fifth Plan.

3.3. A leading Organisation of commerce and Industry in the country has stated, in their memorandum, submitted to the Committee:—

> "As it is, in our country, railways in more sense than one, occupy the top position. But their share in the carriage of the goods and passengers has been dwindling. On the other hand, road transport is gradually taking away more and

more of the freight and passenger traffic. During the Fourth Plan period, while the originating rail traffic has remained more or less static at around 200 million tonnes, road transport has been expanding at the rate of about ten percent per annum. While formulating any policy this fact must be kept in mind and more emphasis should be placed for the expansion of road transport."

3.4. A leading organisation connected with road transport has stated in their Memorandum submitted to the Committee:—

"It can be said without any fear of contradiction that Railways are not in a position to meet the entire demand. This brings us to the next popular mode of transport, namely Road Transport. It suffers at the present moment from the inadequacy of the road system in the country in so far as it is not well maintained, a greater portion of even the present national highways being only one lane, with many missing bridges and weak culverts. There is also, in addition to this, shortage of commercial vehicles, spare parts, tyres and tubes and above everything else there is now the threatened shortage of fuel due to the world energy crisis. It is suggested that Government should give up its step-motherly approach to road transport and other modes of transport and should with an open mind allow proper development and optimum utilisation of various modes of transport including that of railways."

3.5. The investments made in the Road and Road Transport and the share in the total investments made on the transport has been as follows:—

	Total investment (in crores rupees)	Road and Road of Transport (in crores of rupees)
1. First Plan	460·17	146·82
2. Second Plan	1,188·00	241·80
3. Third Plan	1,930·00	467·00
4. Annual Plans (1966—69) . . .	959·00	360·00
5. Fourth Plan	2,571·74	810·00
	7,108·91	2,025·62

3.6. According to the Fifth Plan document, the estimates of goods and passenger traffic carried by Road Transport at the beginning of each Five Year Plan period is as under:—

Year ending 31st March	GOODS (Billion tonne Kms.)	PASSENGERS (Billion Passenger Kms.)
1951 . . .	5	22
1956	9	31
1961	17	57
1966	34	82
1969	40	98
1974 . . .	65	130
1979	110	180

3.7. The Committee note that road transport is one of the most promising and potent means for rapid industrial and agricultural advancement. Road transport provides the basic infrastructure for bringing the majority of the people who are living in far-off villages into the mainstream of life by connecting them with the rest of the country. The Committee further note that while railways occupy the predominant position in the transport network in the country, the role of road transport has steadily been increasing. The share of road transport has risen from 24.9 per cent in 1950-51 to 48.9 per cent in 1973-74 in the matter of passenger traffic and from 10.2 per cent in 1950-51 to 34.7 per cent in 1973-74 in the matter of goods traffic. The Committee further note that with the spread of green revolution in the country and industrial growth and opening up of new areas, the road transport will assume greater importance as the growing demands for supply of inputs like fertiliser, seeds etc. as well as the transport of agricultural produce to markets will have to be met largely by road transport. The Committee feel that road transport has also a vital role to play in the development and opening up of backward and interior remote areas of the country. The Committee has discussed in the subsequent portions of this Chapter the problems being faced and constraints on the road transport in the country. The Committee urge that Government should accord increasing importance to the road transport and take concerted measures to help the growth of road transport on healthy lines so that the road transport may play its desired role in the economy of the country.

3.8. The Committee note that all the world over, there is a trend for increasing utilisation of road transport for transportation of cargo. The share of road transport in the transport of goods traffic has increased from 20 per cent in 1952 to 30 per cent in 1973. In India also the share of road transport both in passenger and goods traffic is on the increase. The Committee recommend that Government should evolve an overall transportation plan for the country laying down the share of road and other modes of transport keeping in view the past achievements and the world and national trends in this field. Government should keep this world and national trend in view while taking decisions regarding investments in the various modes of transport during the successive Five Year Plans.

B. Problems of Road Transport

3.9. A number of non-official organisations representing commerce, industry, manufacturers as well as road transport have in their Memorandum submitted to the Committee as well as during their evidence before the Committee and informal discussions represented that while road transport has been playing an increasingly important role in the economy of the country, the growth of road transport in the country has been hampered by a number of problems faced by them, the most important of these being inadequacy of roads and their poor maintenance, missing links and bridges even on national Highways, restrictions in Inter-State movements and increasing taxation, multiplicity of checkposts and octroi duties with consequent delay and wastage of fuel, high cost of vehicles and shortage of spare parts and tyre and tubes, exploitations by booking agents, shortage of finances for purchase of vehicles, and waste of time at level crossings etc. The Committee will discuss these problems in subseeuqnt paragraphs.

(a) *Issue of Inter-State permits*

3.10. Road transport is a state subject and permits to ply road transport vehicles are issued by the State Transport Authorities. These permits are generally valid either within a specified region of the State or the entire State.

3.11. A leading organisation of Commerce and Industry in their Memorandum submitted to the Committee has stated:—

> "Severe restrictions on inter State movement have curtailed the role of road transport. The Inter-State Transport Commission which was expected to look into the aspect, finds itself considerably crippled. Road Transport being a State

subject, the consent of the various State Governments through which the vehicle moves is required. Inter-State permits for public carriers, as they exist at present, are severely restricted in number. They include those issued under reciprocal agreements, temporary permits and composite permits issued among five States of the Southern Zone. One or two other zones also may be organised in the near future. A vehicles in one State can be counter-signed for operation in other States but it is called upon to pay additional taxes in all other States, through which it runs except when covered by reciprocal arrangements. The number of vehicles covered by reciprocal arrangements is, however, small. Besides the reciprocity is available only in respect of vehicles tax and the goods tax is charged in any case in every State. Thus whatever little is attempted to be given in one way is nullified in other ways."

3.12. An organisation connected with road transport has submitted to the Committee that:—

"Equality of opportunity for all modes to grow and serve economy is a pre-condition to successful coordination. Equal treatment require among other that the reciprocal arrangements between State Governments for Inter-State transport should contain no limitations on the number of regular permits to be issued and the object of coordination policy should be to make All-India permits available on demand without tardy formalities."

3.13. In a written note submitted to the Committee, the Government have stated that the following steps have been taken for the promotion of Inter State traffic by road transport:—

"In the case of long distances traffic which cover more than two States the operators had been experiencing great difficulties in the free flow of traffic. The various Committees and Commissions appointed by the Government of India from time to time have pointed out that multi-point taxation is one of the greatest obstacles to the promotion of long distance inter-State traffic and that road transport is subjected to very heavy tax burden. Besides, the procedures in regard to grant of counter-signatures, payment of taxes and fees at different points are also vexations and dilatory. In order to overcome these difficulties the Inter-State Transport Commission initiated several zonal schem-

es *viz.*, Southern, Western, Northern, Eastern and Central for free movement of a limited number of public carriers ever the National and State Highways in any of the participating States/Union Territories chosen for operation on the basis of payment of tax at a single point and without obtaining counter-signatures on permits.

The first such scheme known as *South Zone Permit Scheme* was drawn up by the five States of Andhra Pradesh, Kerala, Tamil Nadu, Maharashtra, and Mysore in 1966. At the initiative of the Commission, a Special Reciprocal Agreement was concluded between the five States and brought into force from 1st January, 1967. It was further extended for a second term of five years with effect from 1st January, 1972.

In March, 1972, it was decided to expand the South Zone Permit Scheme from a five State Scheme to a seven State Scheme with the inclusion of Pondicherry and Goa. The Commission circulated a Draft Reciprocal Agreement to all the concerned States for their approval and issue of notification under section 63(3A) of the Motor Vehicles Act. All the parties to the Agreement have since approved the draft Agreement and have also issued notification under section 63(3A) of the M. V. Act. Action for getting the agreement signed by the representative of the States concerned is being taken by the Commission. The new agreement will supersede the existing agreement.

The second zonal Scheme which has been finalised and put into operation with effect from 1-1-1973 is the Western Zone Permit Scheme. The Scheme covers the following eight States/Union Territories:—

(1) Punjab

(2) Haryana

(3) Rajasthan

(4) Uttar Pradesh

(5) Madhya Pradesh

(6) Gujarat

(7) Maharashtra

(8) Delhi

The third scheme which has been finalised and put into operation with effect from 1-1-1974 is the Northern Zone Permit Scheme. The Scheme covers the ten States/Union Territories of:—

(1) Jammu and Kashmir
(2) Himachal Pradesh
(3) Punjab
(4) Haryana
(5) Chandigarh
(6) Rajasthan
(7) Delhi
(8) Uttar Pradesh
(9) Bihar
(10) West Bengal

The Eastern Zone Permit Scheme covers the following ten States/Union Territories:—

(1) Orissa
(2) Bihar
(3) West Bengal
(4) Assam
(5) Meghalaya
(6) Nagaland
(7) Manipur
(8) Tripura
(9) Mizoram
(10) Arunachal Pradesh

The Commission have received approval to the Scheme, in principle, from the Governments of West Bengal, Bihar, Orissa, Nagaland, Assam and Tripura and out of these the Governments of Bihar, Nagaland and Orissa have approved the Draft Agreement. The Administration of Arunachal Pradesh have expressed their inability to join the scheme. The Government of Mizoram have also expressed certain practical difficulties to join the Eastern Zone Scheme. However, their final decision is still awaited. The Government of Manipur while agreeing to the scheme, in principle, have suggested some modifications in the broad features of the Draft Agreement. Their proposal has been

circulated by the Commission to all State Governments, concerned for comments. The matter is being followed up by the Commission.

The Central Zone Permit Scheme covers the five States of:—

(1) Maharashtra
(2) Madhya Pradesh
(3) Orissa
(4) Bihar and
(5) West Bengal

The Central Zone Scheme broadly follows the pattern of Northern/Western Zone Permit Schemes. All the five States covering the Zone have approved the Draft Agreement circulated by the Commission in June, 1972 with certain amendments and have also published it under Section 63(3A) of the M.V. Act. As the Government of West Bengal were the last to publish the agreement, the Commission is awaiting a reply from them regarding their readiness to sign the Agreement. On receipt of their reply, action for getting the Agreement signed by the representatives of concerned State Governments will be taken up by the Commission.

At the meeting of the Transport Development Council held in February, 1973 the Council had recommended that feasibility of having a single zone for road transport operators should be considered. The Commission had accordingly taken up the matter with all the States/Union Territories and had asked for their views in the matter. The latest position is given below:—

The Governments of Gujarat, Maharashtra, Punjab, Madhya Pradesh, Bihar, Andhra Pradesh, Tripura and Pondicherry, Chandigarh, Delhi and Goa Adms. have agreed to the proposal in principle.

The Governments of Orissa and Mysore have suggested that the functioning of other Zonal Schemes may be watched for the present.

Arunachal Pradesh, Manipur and Kerala are not in a position to agree to the proposal.

The Government of Tamil Nadu have stated that in view of the present oil crisis, it is not desirable to have the scheme in addition to the existing Zonal Schemes.

The Commission is following up the matter with the other Governments/Administrations concerned."

3.14. Asked about the composition and functions of the Inter-State Transport Commission, the Government have stated in a written noted that:—

"The Inter-State Transport Commission is a statutory body set up by the Government of India in the Ministry of Transport under Section 63(A) of the Motor Vehicles Act, 1939 vide Notification No. I-T(28)/58, dated the 8th March, 1958. The present composition of the Commission is as under:—

(1)	Joint Secretary, Ministry of Shipping and Transport	*Chairman*
(2)	Director, Transport Research, Ministry of Shipping and Transport	*Member*
(3)	Joint Director, Traffic (Rates), Ministry of Railways, Railway Board	*Member*
(4)	Chief Engineer, P.W.D. (B&R), Punjab . . .	*Member*

3.15. Section 63(A) of the Act lays down that the Inter-State Transport Commission shall perform throughout an inter-State region all or such of the following functions as it may be authorised to do by the Central Government by notification in the official Gazette, namely:—

(a) to prepare schemes for the development coordination and regulation of the operation of transport vehicles and particularly of goods vehicles in an inter-State region;

(b) to settle all disputes and decide all matters on which differences of opinion arise in connection with the development, coordination or regulation of the operation of transport vehicles in an inter-State region;

(c) to issue directions to the State Transport Authorities or Regional Transport Authorities interested regarding grant, revocation and suspension of permits and of countersignatures of permits for the operation of transport vehicles in respect of any route or area common to two or more States;

(d) to grant, revoke or suspend any permit or countersign any permit for the operation of any transport vehicle in respect of such route or area common to two or more States as may be specified in this behalf by the Central Government;

(e) to perform such other functions as may be prescribed by the Central Government under Section 63C.

3.16. The Commission has so far been delegated all these powers except those relating to granting, revoking, suspending and countersigning inter-State permits as (d) above.

3.17. The Commission is not vested with wide powers. As at present constituted, the Commission is not a super body which can call the State Transport Authorities to order. It has to function essentially in an advisory capacity. At the Commission's meeting held on the 24th January, 1959, the Commission decided that in carrying out duties assigned to it under the Motor Vehicles Act, it should use "methods of discussions and persuasion" while dealing with different States. A convention was also agreed to between the Ministries of Home Affairs and Transport under which the Commission is to discharge its functions on the basis of securing the agreement of the States concerned. Where there is a dispute or a disagreement between the State and the Commission or between one State or the other which the Commission is unable to resolve, the Commission is to refer to the concerned Zonal Council for bringing about a settlement. The Commission can issue a directive if the Zonal Council is unable to settle the dispute. The Commission has, however, not referred any case so far to the zonal councils for settlement. Within the framework of the limited powers vested in it, the Commission intervened as required under section 63A(2)(b), in the cases that were referred to it and gave its decisions.

3.18. Asked about the schemes formulated by the Inter-State Transport Commission for the development, coordination and regulation of road transport vehicles, the representative of the Ministry of Shipping and Transport stated in his evidence before the Committee:—

"In the early stages, we concentrated on bringing about a reciprocal agreement between the States. Most of the States have now entered into this agreement. Then they conducted a survey and determined the extent of increase required. Last time, we had drawn up zonal schemes. Three such schemes for three zones are there. Schemes

for south-west and northern zones have been finalised and two more are in advanced stage of consideration."

3.19. Asked if there is effective implementation of functions by the Inter-State Transport Commission, the Chairman of the Commission stated:—

"The Commission has so far been vested with powers in regard to (a), (b), (c) and (e) of Section 63A of the Motor Vehicles Act but not in regard to (d) regarding the grant, revocation or suspension of permits. In regard to settlement of disputes, if any State Government or two State Governments refer the disputes, all the three parties are got together and a compromise formula is evolved, but, no directions, as such have been issued because all the disputes could be settled by mutual discussion."

3.20. Asked why the Inter-State Transport Commission has not been vested with powers regarding granting, revocation or suspension, the representative of the Ministry of Shipping and Transport stated that:—

"The reason for not giving the powers to the Inter-State Transport Commission for granting, revoking or suspension of permits is because the State Governments were not in favour of these powers being delegated to the Commission. Within the limited powers available to the Commission, it has played a fairly useful role in augmenting inter-State vehicular traffic, settling inter-State transport disputes and removing the bottlenecks in the free flow of inter-State traffic. Particular mention may be made about the zonal agreements which have already been referred to and the various inter-State Transport agreements for movement of goods and vehicles."

3.21. Asked if there was need for strengthening the Commission and giving its wider powers, the Chairman of the Inter-State Transport Commission stated:—

"If simultaneously the Commission is strengthened and wider powers are given, it should be possible for it to function more effectively."

3.22. The representative of the Ministry of Shipping and Transport added:—

"I would like to add that although it is desirable to give

wider powers we have to carry the States with us. Otherwise there may be some overlapping in the issue of permits by the States and so on. So, one has to take in fact a view at that stage."

3.33. The Committee note that one of the main problems being faced by road transport vehicles is the restrictions imposed on the movement of these vehicles from one State to another. The Committee feel that in view of the increasing demand for transport facilities in the country and increasing role of road transport for movement of goods and passengers, it is imperative that road transport vehicles should be allowed an unrestricted movement so as to transport maximum amount of goods to the various parts of the country.

3.34. The Committee note that Inter-State Transport Commission has initiated zonal schemes for the issue of permits, according to which vehicles issued these permits, will be eligible to ply within the States covered under the scheme and that three schemes, viz. South Zone Permit Scheme covering the States of Andhra Pradesh, Kerala, Tamil Nadu, Maharashtra and Mysore, Western Zone Scheme covering the States/Union Territories of Punjab, Haryana, Rajasthan, Uttar Pradesh, Madhya Pradesh, Gujarat, Maharashtra and Delhi, and the Northern Zone Scheme covering the States/ Union Territories of Jammu and Kashmir, Himachal Pradesh, Punjab, Haryana, Chandigarh, Rajasthan, Delhi, Uttar Pradesh, Bihar and West Bengal are already in operation and two more schemes viz. Eastern Zone and Central Zone Schemes are in the process of being finalised. The Committee also note that the Commission had taken up the matter for having a single permit for road transport operations throughout the country. While welcoming these schemes, the Committee would like to emphasise that those schemes which are under consideration should be pursued vigorously and finalised at an early date.

3.35. It has also been represented to the Committee that the number of permits issued under these schemes is very small and the permit fees charged are very high with the result that the cost of transportation goes up which acts as a damper on the growth of road transport in the country. The Committee recommend that Government should look into the matter and take effective steps to provide relief to the road transport industry, which is already subjected to heavy taxation, from this additional burden.

3.36. The Committee note that the Government had in 1958 set up an Inter-State Transport Commission with the objective of pre-

paring schemes for the development, coordination and regulation of the operation of transport vehicles, to settle all disputes and decide all matters on which differences of opinion arise in connection with the development, coordination or regulation of the operation of transport vehicles in an inter-State region, to issue directions to the concerned State Transport Authorities or Regional Transport Authorities regarding grant, revocation and suspension of permits and of countersignature of permits for the operation of transport vehicles in respect of any route, or area common to two or more States and to grant, revoke or suspend any permit or countersign any permit for the operation of any vehicle on such route or area. The Committee further note that the Commission has not yet been vested with the powers of granting, revocation or suspension of permits. It acts essentially in an advisory capacity. While agreeing that the Commission should adopt the policy of persuasion in the settlement of disputes between the States, the Committee would like that the Inter-State Transport Commission should be strengthened and vested with sufficient powers so as to be able to act as an effective body to regulate the operation of road transport in the country in a coordinated and healthy manner in the interest of deriving the maximum benefits out of the existing road system in the country.

(b) *Multiplicity of Check posts and Octroi duties*

3.37. Teh second problem being faced by the road transport vehicles is the multiplicity of checkposts with long detention time and consequent wastage of time and fuel and payment of Octroi duties at all these posts.

3.38. A leading organisation of commerce and Industry has submitted in their Memorandum submitted to the Committee:—

> "The biggest irritant at present seems to be the Octroi duty. The industry is not against paying this tax but the manner in which it is collected at present. Thousands of truck hours are daily wasted by waiting at octroi and other check-posts. This reduces the efficiency and turn-round of the vehicles. It also increases the fuel cost substantially, at least by 30 per cent according to our estimate. In the present context of shortage and high prices of fuel this wasteful wait must be avoided at all costs. It would be best to merge this tax with some other tax or as a surcharge on sales tax, where it can be collected at source."

3.39. A leading authority on transport in his Memorandum submitted to the Committee has stated:—

> "Hold up at Octroi Check Posts is a serious handicap and waste of time, which ultimately affects the turn-round of the vehicles. A composite charge in lieu thereof should be levied at the starting point. We may determine it on the basis of the number of check-posts to be encountered in a journey and distribute the amount collected to them *pro-rata*."

3.40. A leading organisation connected with Roads and Transport Development has submitted in their Memorandum that:—

> "The immediate tasks in transportation development must be interpreted in terms of measures, which would step up utilisation of road transport assets. As our commercial vehicles have to operate on sub-standard roads studied with Octroi and other checkposts, we can raise utilisation levels almost effortlessly by merely abolishing octroi and minimising then number of check posts at State borders. The evils of octroi and the urgent need for its abolition have been commented upon by quite a few Committees that have gone into the problem."

3.41. The Road Transport Taxation Enquiry Committee, in their Final Report submitted in November, 1967 have commented as follows in respect of Octroi and other checkposts:—

> "For the Motor transport of today speed is essential. Octroi and similar checkposts which detain vehicles frequently are impediments to the growth of the economy and the time they consume is a serious obstackle in the way of quick turnround. It adds unnecessarily to the cost of production and distribution. Development requires smooth and uninterrupted flow of transport.
>
> Octroi is a fertile source for corrupt practices. Its mode of payment is most inconvenient. The cost of collection is pretty high when compared to other taxes. The smaller the municipality the higher is the cost.
>
> Inspite of many committees having gone into the question of octroi and having recommended its abolition in no uncertain terms, the progress in the matter of its abolition or substitution has been insignificant. On the other hand,

there has been a trend towards its expansion. Even village panchayats have recently started collecting octroi from transit vehicles. If this trend is not checked, motor transport will virtually be paralysed.

The Committee feel that octroi is one of the greatest hindrances in the way of commerce and economic development of the country. Advanced countries realised this long ago and abolished octroi. While the Committee would leave it to the State Governments to choose the alternatives that suit them best, they emphasise that octroi should be abolished as quickly as possible."

3.42. Regarding the checkposts, the Road Transport Taxation Enquiry Committee recommended that:—

"The system of check-posts should be completely re-organised and the number of checks reduced to the minimum. The multiplicity of check-posts should be put an end to and one consolidated check-post organisation created to serve the needs of all the departments. The checking staff of all the departments at the combined checkposts should be under a single authority of a sufficiently high rank. The combined check-posts should be equipped with weigh bridges having automatic ticketing device."

3.43. Asked about the steps being taken by Government to remove the difficulties of transport operators at octroi check-posts, the representative of the Ministry of Shipping and Transport stated in his evidence before the Committee:—

"This is an item on which there is, in fact, general consensus on the desirability of removing octroi but unfortunately no alternative way has been found. For example, it was first thought that this could be merged actually in the Motor Vehicle Tax, but there also the State Governments have taken the view that it becomes a State revenue and it cannot be passed on to the Municipalities. When it was considered to merge it with the Sales Tax, there also we find that there are certain items on which the States do not levy sales tax and additional excise duty is levied by the Central Government and so there also some way has to be found out on the basis of which the distribution of collection could be made to the municipalities. All these things are very complicated. There is also general reluctance on the part of State Governments to give up this

old source of revenue. In view of the fact that there has been great difficulty in getting a consensus on the method by which this could be implemented, of late another method is being thought of to reduce the shortcomings that are arising in this process. We will further pursue the matter."

3.44. The Chairman, of the Inter-State Transport Commission added:—

"A subsequent development is that the Government of Maharashtra are new reconsidering he whole position *de nove*. Considering the fact that opposition to octroi is mainly due to the harassment and delay caused to the transport operators at octroi nakes, the State Government are exploring the possibilities of continuing octroi but abolishing the check-posts and introducing a system of octroi collection on the basis of self-assessment somewhat on the basis of self-assessment somewhat on the lines of collection of sales tax. This system is first proposed to be tried on an experimental basis on the National Highways."

3.45. Asked about the steps being taken to reduce the number of check-posts, the representative of Shipping and Transport stated:—

"We have advised the State Governments that there should not be so many check-posts. I believe some states have done so. Orissa had actually unified commercial tax, forests and motor vehicles tax and created one organisation kept under the Finance Department."

3.46. Asked if it was a fact that in most of the States, this suggestion had not been implemented, the representative of the Ministry of Shipping and Transport replied:—

"We are pressing them for the same."

3.47. The Committee consider that in view of the inadequacy of transort facilities in the country, there is a pressing need for maximum utilisation of transport capacity by enabling rapid and unhindered movement of vehicles. The Committee regret to note that one of the main obstacles in the way of quick and rapid movement of road transport in the country is the multiplicity of checkposts and payment of octroi duties on these check-posts. The transport vehicles are required to stop and wait at these check-posts for a considerable time to pay octroi duties which not only increases the

detention time, hampers the quick and rapid transport of goods but also results in wastage of fuel which, in the context of the current energy crisis, is something which the country cannot afford to do. The Committee note that according to one estimate the capacity of road transport in the country can be increased by as much as 30 per cent by abolishing these check-posts and octroi-posts.

3.48. The Committee regret to note that although number of committees including Road Transport Taxation Enquiry Committee have emphasised the immediate necessity of abolishing these check-posts and octroi duties by substituting them by an alternative form of taxation and there is a general consensus on the desirability of removing Octroi duty, Government have not found it possible to evolve any alternative method of charging this tax with the result that not only this practice has been continuing but the checkposts are on the increase creating greater difficulties for the transport operators. Moreover, this system tends to generate nepotism and corruption and also results in a large scale leakage of this revenue. The Committee recommend that Government should take up this matter with the State Governments urgently and find out a way of collecting this tax either at source or in a consolidated form on the basis of turnover of a truck so that the present time consuming and irritating method of collection of octroi duty could be done away with.

3.49. The Committee regret that although the Central Government have already advised the State Governments to reduce the number of check-posts, most of the State Governments have not taken necessary steps in this direction. The Committee would recommend that this matter should be taken up with the State Government at the highest level and the Committee informed within a period of three months about the specific progress made in the matter. The Committee would like Central Government to take up the matter in the Transport Development Council also where the representatives of the State Governments are present and impress upon them the desirability of taking immediate steps in this direction.

(c) *High Cost of vehicles and shortage of spare parts and tyres and tubes.*

3.50. A number of non-official organisations in their Memorandum submitted to the Committee have represented about the shortage and high price of transport vehicles as well as of spare parts, tyres and tubes etc.

3.51. A leading organisation connected with the road transport development has in its memorandum submitted to the Committee, stated:—

> "As regards production of commercial vehicles, we have witnessed sizeable shortfalls in production even since the Second Plan. In view of present transport shortage and scarcity of transport vehicles, we submit that the expansion proposals of existing manufacturers, be speedily cleared and all additional facilities like land, power, sanction of additional capital and foreign exchange be expeditiously given.....In addition, a detailed estimate of components required should be made and the necessary facilities provided. The automobile ancillary producers should be allowed to expand production of critical items like tyres etc. It is estimated that the automobile ancillaris should attain an annual growth rate of 40 per cent to hit the fifth Plan target. This implies substantial additional investment, estimated at about Rs. 278 crores. The assistance extended to these industries must be reviewed from time to time so as to eliminate practical problems. Critical shortage of raw materials like steel and aluminium are reported to be the biggest headache of this priority industry. This must be examined in detail and suitable corrective measures must be initiated."

3.52. An organisation of Transport Operators in the country has submitted in their Memorandum:—

> "Following withdrawal of informal price control on sale of commercial chassis in September, 1967, there have been frequent price increase by the automobile manufacturers. For instance between April, 1971|April, 1972, the price of TATA chassis alone increased by Rs. 8140 to Rs. 15,000 depending upon the model of chassis. The prices of other commercial chassis—Dodge and Leyland also registered substantial increase during the period.....Owing to increase in Excise duty as announced in Union Budget for 1974-75, the price of commercial chassis have once again increased by Rs. 2,500 to Rs. 3,500 depending upon make and models of chassis.....The present shortage is created by large scale bookings by the middlemen in our Trade—the Goods Booking Agents and financiers who are reaping rich harvest by offering such chassis to transport operators on premium.....There is widespread resentment on the "artificial" scarcity of truck tyres in the country. The

shortage is "man made" since number of tyres are made available if the purchaser is ready to pay the demanded "premium over it". The scarcity is created by vested interests by diverting supplies of tyres to such area where there is no demand for particular type and size of tyres and such area where these are required are starved..... The essential spare parts like crankshafts, main and connecting bearings, sylinder heads, wheel bearings and score of other engine parts are not available on fair prices. The vehicle manufacturers are unable to cater to the needs of the transport operators in the matter of such spare parts."

3.53. The Study Group on Road Transport Financing in their Report submitted in February, 1968 had recommnded that:—

"The capital cost of a commercial vehicle has been increased already, mainly because of Government levies, upto a point at which further investmnt by transport operators on new vehicles and the replacement of the existing vehicles is becoming difficult. Government and the manufacturers must explore ways and means of arresting any further increases in prices and, if possible, of reducing the cost and improving the quality of the vehicles."

3.54. It has been noted that there has been considerable shortfall in the production of heavy and medium commercial vehicles during the last three years as compared to targets as can be seen from the statement below:—

Year	Target	Actual	Percentage shortage
1971-72 . .	65,000	41,850	(—)35·06
1972-73 . .	75,000	45,000(est)	(—)40·co
1973-74 . .	85,000	50,000(est)	(—)41·c2

3.55. Asked about the reasons for this shortfall and the targets of production for commercial vehicles for the remaining years of the Five Year Plan, the Government have stated in a written note submitted to the Committee:—

"(a) The Working Group on Road Transport Vehicles Industry, constituted in connection with the formulation of the

Fifth Plan relating to the automobile sector, has mentioned the following, as the reasons primarily responsible for the plan targets of production of commercial vehicles not being achieved:—

(i) Industrial licences, upto the level of Plan targets were not issued for the manufacture of vehicles nor did the existing manufacturers apply in time for expansion of their licensed capacities. Even where licencses were applied for, timely disposal of applications for import of capital goods and foreign exchange credits on acceptable terms from abroad were not forthcoming.

(ii) Inadequate allocation for development of roads and road transport.

(iii) Inadequacy of availability of spare parts and maintenance facilities for vehicles.

(iv) Shortage of funds to buy vehicles.

(b) The Working Group, mentioned in (a) above, has estimated the demand for commercial vehicles during the Fifth Plan period as under:—

Year	Over 10 tonnes	10 tonnes	7 ½ tonnes	Below 3 tonnes	Total
1974-75	1,800	12,800	41,700	14,500	70,800
1975-76	2,000	16,700	42,200	17,000	77,900
1976-77	2,200	20,900	43,000	20,000	86,100
1977-78	2,400	26,100	45,000	23,000	96,500
1978-79	2,600	29,100	48,400	27,000	107,100

3.56 Asked about the price of truck and bus in 1968 and at present and the number of times, the prices have been increased, the representative of the Ministry of Shipping and Transport have stated in a written not submitted to the Committee:—

"A statement is annexed giving details of the price increases in respect of certain representative models of motor vehicles. The prices shown are net dealers price and do not include local tax and levies.

Statutory control over the distribution and sale of commercial vehicles was introduced in May, 1963, under the Commercial Vehicles (Distribution and Sale) Control Order, 1963. Even before this Control Order came into force, Government had been exercising an informal control on the prices of commercial vehicles. In view of the easy availability of commercial vehicles, the informal price control was lifted with effect from 22-5-1967 in respect of commercial vehicles over 3 tonne capacity and jeeps. For the same reason, the aforesaid Order was also rescinded in September, 1967. At present, the manufacturers of commercial vehicles of 3-tonne, and above capacity and Matador vehicles have been given freedom to regulate the prices of their vehicles in accordance with prescribed norms under the parametric surveillance of Government. As regards light commercial vehicles, other than Matador, the manufacturers have been permitted to regulate the prices without any parametric surveillance."

3.57. Asked about the present capacity for manufacture of commercial vehicles in the country and the steps proposed to be taken to meet the demand of commercial vehicles during the Fifth Plan, the Ministry of Shipping and Transport have stated in a written note submitted to the Committee:—

"Information, as obtained from the Department of Heavy Industry is as under:—

There are at present seven units producing commercial vehicles with a total installed capacity of 50,500 nos. per annum.

According to the projections made by the Working Group on Transport Equipment, the requirements of commercial vehicles including buses during the Fifth Plan period are likely to be 1,07,000 number by 1978-79. The draft Fifth Five Year Plan has also set a production target of 1,10,000 commercial vehicles including 25,000 to 30,000 buses and double deckers. Apart from the industrial licences granted to the existing manufacturers *viz.*, M/s. TELCO and M/s. ASHOK leyland for substantial expansion from 24,000 to 36,000 numbers and 5,400 to 10,000 numbers, respectively, new letters of intent have been issued for a capacity of 82,000. There is also a proposal for setting up a unit in

the public sector for the manufacture of commercial vehicles. The existing installed capacities are considered adequate to meet the demand of commercial vehicles in the cotunry during the Fifth Plan period."

3.58. The Committee not that the transport operators in the country are experiencing difficulties regarding availability of transport vehicles in the country. There have been heavy shortfalls in the production of these vehicles. The Committee note that against the targeted production of 65,000 75,000 and 85,000 in 1971-72, 1972-73 and 1973-74, the actual production was only 41,850, 45,000 and 50,000 respectively. .The Committee would like to emphasise that as the demand for road vehicles is expected to increase to 1,07,100 by 1978-79 and the pressure on public transport is likely to increase further due to the high prices of petrol, Government should ensure that all bottlenecks in the production of these vehicles are removed and the production target of 1,10,000 commercial vehicles by 1978-79 is achieved. The Government should also maintain effective surveillance to ensure that the installed capacity for the manufacture of these vehicles is fully utilised so that the production units are enabled to achieve economics of maximum utilisation of capacity.

3.59. The Committee also note that the road transport operators in the country are facing considerable difficulties because of high prices of transport vehicles as these operators mostly belong to economically weaker sections of society or are ex-servicemen.

The Committee further note that in 1968, the Study Group on Road Transport Financing had remarked that price of road transport vehicle had increased upto a point where further investment by transport operators on-new vehicles was becoming uneconomic. The Committee regret to note that since then the prices of Commercial vehicles have more than doubled and in some cases there have been as many as 16 increases. The Committee recommend that Government should take effective measures to arrest any further increase in the price of these vehicles and attempts should rather be made to bring down the prices as far as possible. .The Committee also recommend that concerted research in the manufacture of vehicles should be made in order to reduce the capital cost of vehicles, improve their operational efficiency with reference to paying load and economy in fuel consumption.

3.60. The Committee further note that there is a considerable shortage of essential spare parts and tyres and tubes and a number

of vehicles including these being used by the Public Transport Corporations like Delhi Transport Corporation etc., are lying unused in the depots because of the non-availability of these spare parts and tyres and tubes. The Committee feel that at a time when there is every necessity of maximum utilisation of existing resources to remove the transport bottlenecks, Government should ensure that spare parts are freely available to these vehicles as and when required so that there capacity is not blocked up unnecessarily. The Committee recommended that if necessary Government should make it obligatory on the manufacturers to set apart some portion of their capacity for manufacture of spare parts only. Government should also ensure sufficient production of tyres and tubes and envolve a foolproof procedure of their equitable distribution in consultation with the representative of transport operators so that the persons really needing them may get their in and at fair prices.

3.61. The Committee further suggest that Government should initiate effective measures to standardize different parts of vehicles and arrange for their mass production to obviate shortages.

(d) *Financing of the road transport industry*

3.62. Most of the transport operators are either ex-servicemen or belong to the weaker sections of society and consequently find it difficult to arrange for the requisite finances to purchases their vehicles. Most of these operators take resort to private financiers who charge exorbitant rates of interest.

3.63. A leading organisation connected with engineering industry has stated in their memorandum submitted to the Committee:—

> "Non-availability of adequate finance at reasonable terms has been one of the major handicaps of the road transport industry. In the Fourth Plan, institutional ..finance was made available to the road transport industry by the State Finance Corporation, I.D.B.I., State Bank of India and Scheduled Commercial Banks. Although in the later part of the Fourth Five Year Plan period, there was substantial increase in the resources made available by those institutions, availability of total credit facilities still fall short of the requirements. The Fifth Five Year Plan envisages that a sum of nearly Rs. 2,000 crores woul be needed to achieve the expansion of the road transport in the public and private sectors. Suitable means of li-

beralising of procedures will have to be found so that the industries be able to make use of the available finances to the maximum extent."

3.64. An organisation connected with the Motor Transport in the country has stated in their memorandum submitted to the Committee:—

"The present arrangements for financing of road transport industry are most unsatisfactory, inadequate and undependable. Only in the recent past, the nationalised banks had started advancing money for the purchase of trucks to individual operators who for all these years had depended exclusively on private financiers who charged them very high rate of interest. In the name of the present credit squeeze, banks are now gradually withdrawing this facility. This is to say the least most unfair. The credit squeeze is welcome in the context of present inflation, but it has to be applied judiciously.....| It is high time that Reserve Bank issued clear instructions to the Banks not to starve the Road Transport Industry of needed minimum funds required for its development, in the name of credit squeeze."

3.65. The Road Transport Taxation Enquiry Committee in their Report submitted in 1967 had recommended that:—

"Most of the commercial vehicles in the private sector are bought on hire-purchase basis. The operators are finding it difficult to get loans from financiers as there has been a definite dimunation in their resources.....The transactions of the operators with the private financiers inflate the cost and reduce their earning capacity and their capacity to pay taxes. The Government should, therefore, help the common man in the road transport industry to find the necessary finance."

3.66. Asked if the banks were withdrawing financing facilities for road transport and the present arrangments for providing finances for purchases of transport vehicles, the representative of the Ministry of Finance stated in his evidence before the Committee:—

"So far as the present arrangements are concerned, one could describe them by taking the term lending financial institutions on the one hand and the commercial banks on the other. In the case of the former, we have the S.F.C.'S and the I.D.B.I. SFCs provide assistance to road transport operators. At the end of June, 1974, the total lending

by them was something like Rs. 26.09 crores involving 6417 accounts..

I.D.B.I. provides assistance to the road transport industry in three different forms. One is the bill rediscounting scheme. Indigenous producers provide deferred terms to the users, For example suppose there is a manufacturer of trucks he provides to the truck user on a deferred term basis. The bill emerging from this transaction is rediscounted with I.D.B.I. At the end of December, 1974. the total outstanding under this system came to Rs. 14.96 crores. The other way of IDBI involvement is through refinancing of loans given by banks or financial institutions, loans which are more than Rs. 20,000 but not more than Rs. 2 lakhs. These loans are rediscounted by financial institutions with the I.D.B.I. At the end of the December, 1974, the amount involved was Rs. 14.17 crores.

I.D.B.I. also provides assistance to transport equipment manufacturers. This is an indirect assistance. The figure at the end of 1974 as Rs. 13.50 crores.

Coming to commercial banks, they were not really advancing loans to road transport operators in any significant way, till the end of 1969. After nationalisation, they drew up a number of schemes to provide such assistance. As a result, lending has considerably increased. Whereas at the end of June, 1969, assistance to small road transport operators as no more than 8.2 crores involving 3091 units by the end of June, 1974 it is increased to Rs. 103.6 crores involved 69,069 units.

Specific reference has been made to regulatory measures taken by R.B.I. during the last two years. The credit restraint policy has been in operation for slightly less than two years. It started in May, 1973. According to the data that we have got, between end of June, 1973 to end June, 1974 the number of accounts involved in road transport advances increased by 19,504 and the amount increased by Rs. 24 crores. These figures do not really suggest any hardship."

3.67. Asked if credit squeeze was being applied for grant of loans to transport operators, the representative of the Ministry of Finance replied:—

"So far as the priority sector is concerned, instructions is-

sued by the R.B.I. are that the credit squeeze ought not lead to hardships to the Small Sector. The net result can be seen in the figures. Between June, 1973 and June, 1974, so far as the road transport sector is concerned, there was an increase of something like Rs. 24 crores and the number of accounts has also increased by 19,504. It is possible that here and there the small man may have been denied, but instructions to the banks are to see that the credit restraint, measures do not adversely affect the flow of credit from the banking system to the small man, and to the so-called priority sector which means agriculture, small scale industry, road transport operators etc. However, after the increase in petrol prices and price of vehicles, we feel—we have no precise data—that the number of applicants for this type of loans has decreased. Some persons who had taken loans from the banking system in the past had also represented that the petrol price hike had caused a certain amount of hardship in the matter of repayments. The Reserve Bank of India issued instructions to the banks that the repayment schedules may be recast so as to accommodate these persons. By and large, we have been trying our level best to see that this particular situation does not lead to any great hardship."

3.68. The Committee note that most of the transport operators in the country are persons belonging to lower income groups of society or ex-servicemen etc., and are owners of single vehicles only. The Committee further note that as these operators cannot provide sufficient funds from their own resources for the purchase of vehicles they have to take loans and in the absence of adequate institutional financing facilities at cheap rates of interest take recourse to borrowing from private financiers who not only charge exorbitant rates of interest but also confiscate their vehicles at the default of one or two instalments. The Committee would like to urge that provision of suitable facilities to grant loans at reasonable rates of interest is very necessary for the development of road transport facilities in the country.

3.69. The Committee are glad to note that the lending financial institutions like State Financial Corporations and the nationalised commercial banks are providing loans to the transport operators for the purchase of vehicles. While the representatives of the Ministry of Finance has claimed in his evidence before the Committee that the amount of loans granted to these operators is on the increase, the

organisations of operators and others have represented that the recent credit squeeze has hit them hard and the operators are experiencing considerable difficulties in getting loans from the nationalised and other lending institutions. The Committee feel that in view of the considerable rise in the price of transport vehicles and increased demand for these vehicles, Government should ensure that the impact of credit squeeze does not affect the individual vehicle operators who belong to the weaker sections of society.

3.70. The Committee recommend that there should be periodical meetings at District/State/Regional and national levels between the representatives of the financial|banking institutions and representatives of transport operators to sort out any procedural or other difficulties in the matter of obtaining loans for purchase of transport vehicles. The Ministry of Transport and State Directorate of Transport should be associated with these meetings at the State and national level. The Committee would like Government to ensure that the benefits of these lending facilities should go to actual operators of transport vehicles or their genuine cooperatives and not to transport companies who may exploit the actual transport operators.

(e) *Role of Booking Agents*

3.71. The composition of road transport industry in India is such that a great majority of operators are single truck or bus owners. In the case of goods transport, this fact has been responsible for the creation and growth of middlemen called "Booking Agencies" or "Transport Companies".

2.72. A number of organisations of transport operators as well as Committee appointed by the Government have referred to the working of these Booking Agents and to the fact that these booking agents take away a large chunk of the earnings of the transport operators and also resort to a number of malpractices.

3.73. The Road Transport Taxation Enquiry Committee in their report submitted in November, 1967 devoted a full chapter about these booking agencies and recommended as follows:—

> "A great majority of operators being single vehicle operators, a class of middlemen (booking agencies, brokers or transport operators) has sprung up. It is alleged that the margin of profit realised by these middlemen is very high. The Committee consider it very desirable that they should

get a fixed percentage by way of Commission and ought not to be free to keep back any amount they like as Commission.

It is essential that the business of booking agencies is regulated and brought under control of licensing system. They should accept goods for transport at fairly reasonable rates. They should also be required to maintain proper records and adopt a standard procedure for carrying on their business.

A point made by the truck operators during their evidence before the Committee was that the booking agencies in certain States come into direct contact with the consigners and consignees of goods and the freight charges taken from them by the agencies include the goods tax payable but the agencies in some States do not separately pass it on to the truck operators or to the Government. On the other hand, the Government holds the truck operators responsible for the payment of goods tax. The Committee recommend that the State Governments might examine the contention and take appropriate measures in the matter."

3.74. The Committee on Transport Policy and Coordination in their Report submitted in 1966 stated about the role of booking agents:

"A recent development in the road transport is the growth of booking agencies which act as intermediaries and accept consignments for transport. These are made over to operators on a commission basis. Booking agents are not licensed and there are no set conventions defining how they will function in relation to operators and to users of transport. It is believed that the commission charged by booking agents is frequently out of proportion to the rates actually paid to the operators for haulage of goods."

3.75. Asked about the role and working of booking agents in the road transport industry, the Ministry of Shipping and Transport have stated in a written note submitted to the Committee in November, 1974 that:—

"The goods transport industry has been predominantly in the hands of small operators owning one or two vehicles

each. The bulk of the trucks are engaged in inter-city transport carrying commodities which are comparatively valuable and in "smalls". There was, therefore, no proper organisation in this sector and the operators started depending increasingly on booking agencies who act only as freight collecting and forwarding agents, sending the collected freight through hired trucks. There were no regulatory provisions for controlling the activities of the booking agents. As a result, some malpractices crept into the trade. It was complained that the booking agencies often accepted goods from public on competitive rates but offered only uneconomic rates to the operators after deducting their margin of profit which was reported to be as high as 50 per cent in certain cases. It was represented that booking agencies should get only a fixed percentage of the freight collection by way of commission and ought not to be free to keep back any amount they liked as commission. In other words, the booking agencies should be so regulated that they accept goods for transport at reasonable rates.

There has been a mush-room growth of the booking agencies which do not maintain any proper records not adopt any standard procedures for carrying on their business. It was felt necessary that the working of the booking agencies should be properly regulated by introducing a system of licensing. Accordingly, necessary provisions were included in the Motor Vehicles Act *vide* clause (ww) of subsection (2) of section 68. This provision gave rule-making powers to the State Governments to regulate the working of booking agencies. In exercise of these powers, several States framed rules.

Subsequently the rule-making powers in Section 68(2) (ww) of the M. V. Act were found to be inadequate in the absence of a substantive provision and the rules made by certain State Governments under that section were declared rull and void by certain High Courts. It was, therefore, decided to make substantive provision in the Act for the licensing of persons engaged in the business of collecting, forwarding or distributing goods carried by public carriers. Necessary provisions were accordingly incorporated in a new section 66A *vide* the Motor Vehicles (Amendment) Act, 1969. These provisions were brought

into force from September, 1970. Detailed provisions for the licensing system are to be laid down in the rules to be framed by the State Governments. The matter to be provided in the rules may include the making of security deposits and the insurance of goods in transit.

In order to facilitate the implementation of the new section, model rules were circulated by the Central Government to the State Governments. In pursuance of this, several States have already amended their Motor Vehicles Rules providing for licensing of booking agencies. These States are Maharashtra, Madhya Pradesh Goa, Mizoram, Assam, Karnataka, Himachal Pradesh, Orissa, Nagaland and Chandigarh. There are some other States which have published the rules in draft form for objections. These are Tamil Nadu, Uttar Pradesh, Bihar, Kerala, West Bengal, Andhra Pradesh and Pondicherry. The Administrations of Arunachal Pradesh and Andaman and Nicobar Islands do not consider it necessary to frame rules on this subject. The matter is being pursued with the other States.

The provisions have not been implemented in any State so far. This is because the rules framed by the Delhi Administration have been challenged in the Supreme Court through a writ petition. (The Rules framed by Kerala and one or two other States have also been challenged). The Supreme Court allowed a stay, pending disposal of the petition. In view of this development, the other States are waiting for the judgement of the Supreme Court before they take further action in the matter."

3.76. Asked when the writ petition was filed in the Supreme Court, since when the petition has been pending and the present position in the matter, the Ministry of Shipping and Transport has intimated that:—

"The rules framed by the Delhi Administration were challenged in the Supreme Court through a writ petition filed on 29th June, 1973. A stay order was granted by the Supreme Court on 6th July, 1973. The petition has been pending for the last 16½ months and the Court has not yet fixed a date for the hearing."

3.77. Asked if the Government are aware of the malpractices being practised by these booking agents, the representative of the Ministry

of Shipping and Transport stated in his evidence before the Committee:—

> "The role of the booking agencies, has been recognised by Parliament. It is evident from the amendment made to Section 66-A of the Motor Vehicles Act which lays down the condition under which licence can be given to booking agencies and rules can be framed thereunder. We framed the model rules and circulated them to the States in January, 1970. Unfortunately, these rules have not come into force in most States because the rules framed in Delhi have been questioned in a writ petition which is pending in the Supreme Court. The States are waiting for this case to be disposed of before finalising the rules.....It is true that some of the booking agents are in an entrenched position and are indulging in malpractices. We have to control them through licences and regulations."

3.78. Asked if Government have analysed the malpractices being resorted to by the booking agencies, the representative of the Ministry of Shipping and Transport stated:—

> "It has been reported to us that they have been demanding between 40 and 50 per cent of the freight as commission and the feeling of the State Governments is that they should not charge more than 10 per cent as their commission.....At the present moment, there is nothing that can be done till the rules are brought into force. The booking agent has to take the licence and then only you can put some conditions on the licence on the basis of which he can operate."

3.79. The Committee note that as most of the transport operators are owners of single vehicles only, a class of middlemen have come into existence who charge considerable margin of profit amounting even to 50 per cent of total freight charged and resort to other malpractices also with the result that the actual operator of the transport vehicle is deprived of a major share of his earnings. The Committee further note that there has been mushroom growth of booking agencies which do not maintain any proper records nor adopt any standard procedures for carrying on their working. The Committee regret to note that although the malpractices being resorted to by these operators have been pointed out by the organisations of Transport Operators and a number of Government Committees like the Committee on Transport Policy and Coordination,

1966 and Road Transport Taxation Enquiry Committee, 1967, it was only in September, 1970 that necessary provisions were included in the Motor Vehicles Act by incorporating for licensing of persons engaged in the business of collecting, forwarding or distributing goods carried by public carriers. However, the Committee note that these rules have not been implemented in any of the States so far as the rules framed by the Delhi Administration have been challenged in the Supreme Court through a Writ Petition and the Writ Petition has been pending since July, 1973. While the Committee would not like to comment on the merits of the case in view of the case being sub-judice, **the Committee would like Government to take all possible measures to get the case disposed of expeditiously in the Supreme Court and take necessary action for the regulation of these booking agencies so as to put an end to the exploitation of genuine transport operators.**

(f) *Investments in Road Development Plans*

3.80. Provision of good and wide roads is an essential infrastructure for the economic development of any area.

3.81. Roads in India have been divided into the following categories *viz.*:—

(1) National Highways
(2) State Highways
(3) Major District Roads
(4) Other District Roads
(5) Village Roads

The length of roads in India as on 31-3-1951, 31-3-1956, 31-3-1961, 31-3-1966 and 31-3-1972 are given in a statement (Appendix I).

3.82. Under the Constitution, National Highways are a Central subject and their development and maintenance is therefore wholly the responsibility of the Government of India in the Ministry of Shipping and Transport. The Roads wing is responsible for all matters pertaining to national highways, covering financing, planning, programme formulation, approval to detailed plans and estimates, designs, alignments, siting of bridges etc., overseeing of execution and progress evaluation.

All roads other than the National Highways in States are essentially a State subject and fall within the spheres of State activities.

3.83. A leading Organisation of Commerce and Industry has, in its Memorandum submitted to the Committee stated:—

> "Ploughing back of road user revenues into road development programmes is steadily diminishing. In the Fourth Plan, allotment to road was only Rs. 876 crores against an estimated yield of Rs. 3,200 crores of revenue by way of taxes and levies from this source."

3.84. An organisation connected with the motor transport in the country has stated in their memorandum submitted to the Ccmmittee:—

> "Investment of our national resources during the successive plans have been disproportionately higher in the Railways. ....The fact, however, remains that our present road system is not only inadequate but is also in a poor condition. Adequate funds must be made available to well-maintain the existing roads, to widen them, to privide the missing bridges and to strengthen the culverts etc. It can be easily proved to the entire satisfaction of those responsible for such investment decision that any amount spent on improvement of roads will result in savings in cost operation etc. which will more than justify such an investment."

3.85. An organisation connected with Roads and Transport Development has stated in their Memorandum:—

> "Our road system is marked by mostly single lane lengths with poor surfacing and geometrics, weak shoulders, missing links, weak bridges and culverts and restricted sight distances. Our maintenance is non-scheduled and post-damage. There unsystematic ways in dealing with a communication network over which we have already spent hundred of crores of rupees do not help in prolonging the lives of costly infrastructure assets, scheduled traffic need-based maintenance and marginal additions to our road development expenditure will yield substantial cost savings to the economy. Currently, because of poor road surfaces, the economy is losing by way of avoidable excesses in operational costs, a substantial sum exceeding Rs. 200 crores. Any programme that can save Rs. 200 crores or alternatively yield a return of Rs. 200 crores per annum (or Rs. 1000 crores in a 5 year period) justifies an investment of over Rs. 10,000 crores. Yet if we allot

a fraction of this sum we can eliminate most of our road deficiencies and save all these excesses in our operational costs. These savings will be reflected in reduced freight-rates and enhanced traffic outputs more so, in view of considerable transport shortages and the scope for stepping up the utilisation level of road transport."

3.86. The Road Transport Taxation Enquiry Committee in their report submitted in 1967 had recommended that:—

"The condition of roads is an important factor affecting economics of transport. It is estamited that on a good road the aggregate "cost of operation" can be reduced to half of that on a bad road. There are also indirect advantages of operating on better roads. The severity of the accident rate and the casuality figures would steeply decline with an improvement in the road surface conditions.

Considering the importance of road and road transport in inducing economic development and considering that the condition of the roads has a significant impact on the cost of road transport, the funds being made available for road maintenance and improvement are far from adequate. If India is to benefit from the contribution which road and road transport can make to economic and social development then there is no escape from earmarking considerably more funds for the development and maintenance of roads, than is being done at present. The expenditure on road maintenance and improvement need not be restricted to the revenues collected from the road transport industry."

3.87. The first attempt to unify the road system on an all-India basis was initiated in 1943 when the first Road Development Plan, popularly known as the "Nagpur Plan" was prepared. That Plan was intended to serve the needs of the country for a period of 20 years. The Nagpur Plan envisaged a balanced development of all types of roads in such a manner as to increase the road mileage of main roads from 88,000 to 1,23,000 miles and of other roads from 1,32,000 to 2,08,000 miles. Soon after the formulation of Nagpur Plan, the country attained independence and the changes in all walks of life began to take place at a rapid rate. Roads also received their share of attention with the result that the targets

of road mileage were exceeded and by 1961 the lengths of metalled and unmetalled roads were approximately 1,44,000 and 2,35,000 miles respectively.

3.88 A fresh appraisal of the requirements of the country in respect of roads to cater for the needs of the expanding economy of the country was made at the Chief Engineers' Conference held at Shillong in 1957. The Chief Engineers ultimately approved a Road Development Plan for the period 1961—81. The Report recommended that "keeping in view the limitation of funds it is proposed to increase by the end of 1980-81, the total road length from 3,31,000 to 6,57,000 miles out of which about 40 per cent of the mileage will be surfaced. This will give a spread over of 52 miles for 100 sq. miles of area. The objective is to bring every village:—

(i) In a developed and agricultural area within 4 miles of a metalled road, and 1.5 miles of any orad.

(ii) In a semi-developed area within 8 miles of a metalled road and 3 miles of any road.

(iii) In an undeveloped and uncultivable area within 12 miles of a metalled road and 5 miles of any road.

3.89. The implementation of the Plan would involve an expenditure of about Rs. 5,200 crores as indicated below:—

	Mileage		Cost in Rs. crores
	As expected on 1-4-1961	Targets proposed in the Plan	(Improvement and new construction)
National Highways	13,700	32,000	580
State Highways	35,000	70,000	1,580
Major District Roads	95,200	1,50,000	1,360
Other District Roads	78,300	1,80,000	650
Village Roads (Classified)	1,56,700	2,25,000	630
Total:—	3,79,000	6,57,000	5,200

3.90. The road length per 100 sq. kilometres in some of the countries of the world is as follows:—

	K. M.
Belgium	300
Japan	275
Germany	167
Great Britain	145
France	142
U. S. A.	64
India	30

3.91. Asked if any assessment has been made of the requirements of roads in the country and how far the targets laid down in the Report of the Chief Engineers' has been achieved, the representative of the Ministry of Shipping and Transport stated in his evidence before the Committee:—

"I would like to refer to the Committee of Highway Chief Engineers of the country as a while which was set up in the year 1957 or so. This Committee had produced a report which embodied the perspective plan formulated for the period from 1961 to 1981—for 20 years... They have drawn out a formula which can take us to even close to the likely requirements in the next 20 years. According to them, the requirement by 1981 of these five categories of roads had been indicated. So, these had all been done. The question is how far the country has really been able to get along with that I have got the figures of the targets envisaged. Whereas the targets at the end of 20 years period, that is, upto 1981 was supposed to be 6,57,000 miles of roads of all categories including classified village roads, the present picture stands at a mileage of 3,94,270 only. In financial terms, the programme had envisaged an outlay of Rs, 5,200 crores phased over Four Five year Plan periods. As against this, taking the picture of till the end of the Fourth Five Year Plan period, there was a shortfall which comes to Rs. 1000 crores. We have not been able to feed the plan of that envisaged order. Correspondingly there have been shortfall on the physical achievements also....An outlay of Rs. 5,200 crores is as per price

level of 1958. This will go up as per escalation of costs.... It will be interesting to know that although national highway kilometrage is only 7 per cent of total network, 35 per cent to 40 per cent of the total road traffic is being catered for by the National Highways."

3.92. Asked if there should be some linkage between the revenues earned from road transport and investments made on roads, the representative of the Ministry of Shipping and Transport (Roads Wing) stated that:—

"In 1969, the revenue from road transport was of the order of Rs. 554.34 crores and the expenditure on road maintenance and development both in the Central and State sectors was Rs. 196.37. The corresponding figures are Rs. 606.47 crores and Rs. 203.35 crores in 1970, Rs. 683.17 crores and Rs. 257.60 crores in 1971 and Rs. 803.12 and Rs. 305 crores in 1972. This shows that out of the road taxation revenues, we were virtually spending 30 to 40 per cent in road maintenance and development....As to the issue that there should be some definite relationship between the revenues from road transport and the expenditure on development and maintenance on roads, we have to say that there is no such relationship at the present moment. Although the Ministry has been anxious that there should be some kind of relationship established, this has not been acceptable to Government, the Planning Commission and the Ministry of Finance for obvious reasons, because they feel the source of revenue of any particular sector cannot be left for deployment to that particular sector alone....Even a percentage is not accepted."

3.93. The representative of the Ministry of Shipping and Transport stated that:—

"The point that has been made is that, at the moment, the amount of money spent on roads is very much low, it is a very low percentage of the total income that the Government derives from motor transport, therefore, there is a clear case for stepping it up.

The second point is that, although in the Plan, allotments are made, year by year we have not been able to get our legitimate share."

3.94. The representative of the Roads Wing stated that:—

"On this point I may be permitted to state that the national body of Highway Engineers in the country, the Indian Roads Congress, which functions in close association with the Ministry itself, have been recommending for the last 15 years that there should be this linkage established between revenue and expenditure on road development and maintenance. They have been claiming that the whole revenue should be left over for ploughing back in developement."

3.95. Asked if one of the reasons for the shortfall in Fourth Plan period had been organisational inadequacies in States and in the Roads Wing the representative of the Roads Wing stated in his evidence that:—

"The outlay was set at 2½ times of the outlay of the Third Plan period or the plan period for 1968-69. The Fourth Five Year Plan programme was programmed at the start of 1969-70. We had taken stock of the requirement of the organisation and all other inputs. Now, because this programme had to be achieved through the agency system with the State Governments, we very much wish to tell the States to augment this. But, before we could do that we have to see that the allocations that are provided for the accomplishment of the Plan are commensurate with the outlay stated. There was very low allocation for the year 1970-71. We could not have told the States to build up their organisation till we were prepared to provide them with requisite finances. We give money to the States and they build up outlay targets. Unless we have funds which we give them practically at the start of the financial year, the states will not be able to organise.

In the middle of the Fourth Plan period we started seeing the signs of step up in allocation. Chief Engineers of P.W.D. were required to set up an exclusive organisation for Central Highway works so that there is no mix up and we can have control.

In the year 1972-73 we reached an expenditure of Rs. 87 crores. In the year 1973-74 the States were set to spend Rs. 140

crores. They had built up their organisation to that extent but suddenly financial situation overtook us. We were brought to the level of 72 and this year to a level of 57.

The States at the moment are in a very bad predicament with reduction by almost 1½ times, allocation has been brought down to half. They are facing serious retrenchment.

In the Central Ministries also which are to have technical check, here we have inadequacies. So we have been in the exercise of augmenting these organisations. That matter is under consideration. The main thing is allocation. There has to be a well thoughtout spread of funds."

3.96. Asked to give the figures showing the original provision, amount actually provided, amount actually spent and the amount of shortfalls for the National Highways for the last 7 years, the Government have furnished the following statement to the Committee:—

"Statement indicating Budget Final Allotment and Expenditure on National Highway (Original) Works during 1967-68 to 1973-74

Year	Budget	Allotment	Expenditure
	(Rupees In lakhs)		
1967-68	1068·00	1560·07	1506·20
1968-69	1176·00	1311·74	1218·16
1969-70	1717·00	1248·11	1170·16
1970-71	2727·98	2200·66	2181·11
1971-72	3978·00	3954·19	4020·31
1972-73	5910·00	7621·42	7781·50
1973-74	6388·70	6062·95	6541·25
Total Fourth Plan Period 1969—74	20721·68	21087·33	21694·23

3.97. The Committee note that roads provide the vital links between the various parts of the country and serve as veins and arteries for the economic development of the country. The Committee, however, regret that the total length of the roads in the country is very small

compared to the needs. Large parts of the country are still not linked with roads. Even the national highways which carry as much as 35 per cent to 40 per cent of total traffic are marked by missing links, missing bridges, weak culverts, one lane roads and other deficiencies and inspite of four Five Year Plans, it has not been possible to remove these deficiencies. The Committee feel that in view of the increasing role of road transport in the economy of the country and increase in the number of vehicles as also the increasing pressure on road transport anticipated in the years to come, there is an imperative need for a substantial improvement of the road system in the country.

3.98. The Committee note that main reason for the present unsatisfactory state of affairs is that adequate allocations are not being made for roads in the Five Year Plans. While the Government has been earning annual revenues amounting to more than Rs. 800 crores from road transport, only a sum of Rs. 305 crores approximately, is being invested in the construction and maintenance of roads which amount to about 38 per cent of the revenue earned. The Committee feel that as roads provide vital links and a good road can bring in considerable economy in operation and fuel cost, there is an imperative need for stepping up investments in road sector considerably. The Committee feel that there should be a definite linkage between the revenues earned from the road sector and investments in the roads. Even if Government may not find it possible to invest the entire revenues, at least a large portion of the revenues earned from the road sector should be invested in the road sector.

3.99. The Committee note that the Chief Engineers had in their Plan (1959) for the period 1961—81 had recommended that the road length in the country should be increased to 6,57,000 miles by 1981 but the present road length is only 3,94,270 miles and at the present rate, there is likely to be considerable shortfall in achieving the target. The Committee feel that every possible endeavour should be made to achieve the targets laid down in the Plan of the Chief Engineers by 1981.

3.100. The Committee would like the Government to undertake a fresh study of the requirements of roads in the country as the projection made by the Chief Engineer in 1959 would require review in the light of the latest industrial and agricultural developments achieved in the country. The Committee recommend that after the study is made, Government should prepare a perspective development plan for roads clearly specifying the areas where road construction work should be undertaken first in the light of the potential of the area for industrial and agricultural development. . .

3.101. The Committee further note that in addition to the low allocations, another difficulty being experienced in the road construction programme is that there are wide variations in the annual allocations which make it difficult for the State Governments who are the executing agencies for National Highway programme, to carry on the work in a phased manner. For instance, it has been noticed that after stepping up the allocations in the last two years of the Fourth Plan, the allocations during the years 1974-75 and 1975-76 have again been drastically cut with the result that the State Governments which have built up the necessary organisations are now faced with serious retrenchment problem and it has become difficult even to carry on with the continuing works brought forward from the previous years. The Committee feel that this situation need to be corrected and the annual allocations should be made in a phased manner so as to ensure continuity in the road construction programmes.

(g) *Use of Truck-Trailer Combination*

3.102. A leading organisation of Commerce and Industry in the country has stated in its memorandum submitted to the Committee:

> 'With mounting fuel costs, all possible efforts should be made to save fuel. This can be done by allowing the issue of permits for heavier vehicles and also by encouraging trailerisation. By allowing truck-trailer combination, more goods can be carried with more or less the same fuel consumption. In all other countries, truck-trailer combination is operating at full swing. It is only in our country that Government do not seem to be enthusiastic about it."

3.103. A number of other non-official organisations and individuals have also advocated the use of truck-trailer and tractor-trailer combinations particularly in the context of present energy crisis.

3.104. Asked about the steps taken for promoting the use of truck-trailer combination, the extent of economy likely to be achieved by use of truck-trailer combinations and if any survey has been conducted regarding the suitability of National Highways for plying of these combinations, the Ministry of Shipping and Transport have stated in a written note submitted to the Committee:

> "Encouragement to the use of truck-trailer combinations has to be given by the State Governments who administer the Motor Vehicles Act, as the executive responsibility

in respect of road transport vests in them under the Constitution. Exemption of these combinations from road tax or a substantial reduction in the rates of taxation applicable to these combinations will go a long way in encouraging the use of these combinations. The States have been requested to consider this suggestion. But the response from them has not been adequate because the States fear—and rightly too—that they would lose revenue if the proposal is accepted. Further, the strength of the road pavements and bridge structure is also important, in connection with the deployment of these combinations. Most of our National Highways, and bridges on them—not to speak of the State and other roads—are not designed to carry the load of truck-trailer combinations. The States have, therefore, been requested to take steps to improve the condition of the roads etc. to ensure the use of these combinations on them. But the progress has not been as satisfactory as it should be. This is because the improvement of the roads will call for substantial investments and it is not possible to find the required resources as allocations for the road sector have been drastically cut down, in view of the present economic difficulties facing the country.

The Motor Vehicles Rules of the States lay down the Maximum dimensions of motor vehicles. In some of the States, the existing provisions would not permit the operation of these combinations It has, therefore, been suggested to the States that the existing dimensions of vehicles may be reviewed and steps taken to modify them suitably.

No study has been made by the Ministry of Shipping and Transport regarding the economies in the use of truck-trailer (and tractor-trailer) combinations. However, the view is that there is likely to be about 30|35 per cent reduction in the cost of operation, by the use of these combinations. From the point of view of fuel consumption, the use of the combinations is expected to result in a saving (of fuel) by 15 per cent to 25 per cent This is borne out by the statistics collected by Ministry of Heavy Industry from a reputable operator in the South, who is using these combinations.

The National Highway Surveys carried out in 1968 provides a useful indication of the suitability or otherwise of these

roads for use of truck-trailer combination It was observed that the existing National Highways were not adequate to bear the 8 tonne axle loads at the begining of the 4th Plan. Bridges and culverts were also not capable of carrying I.R.C. Class 18R loading which is the minimum requirement corresponding to the present day vehicles In order, however, to remove these deficiencies, the 4th Plan programme envisaged widening of the National Highways to two-lanes, strengthening of very weak pavements and reconstruction of bridges and culverts not capable of carrying the present day vehicles. The programme now spilling over from the 4th Plan is being continued as part of the Fifth Plan carry-over schemes. The programme of completion of these schemes will depend on the availability of funds from year to year during the 5th Five Year Plan. Once these routes were completed in all respects, truck-trailers could freely ply on them."

3.105. Asked about the steps taken for use of truck-trailer combinations, the representative of the Ministry of Shipping and Transport (Roads Wing) stated in his evidence before the Committee:

"In this connection, we have been in the last six months or so, receiving a request from the Industrial Development Ministry that we should do all that is necessary to popularise the use of truck-trailers. We were told that the initial intention is at least to have these trailers plied between various important ports and the main centres of commercial activities. The important ports are Delhi, Bombay, Calcutta and Madras. These are to be looked up for capability for plying on them of truck trailers in the first phase. If we have a look at our national highway system we will find that there are some deficiencies. Our 4th Plan programme was drawn up to take care of these deficiencies to the extent possible within that Plan outlay which existed in the structure, bridges, culvert, highway pavement and so on. The Fourth Plan programme for original development works which we intended to take up for the National Highways as existing on 1st April, 1969 envisaged undertaking of works worth Rs. 455 crores. As per the allocations received during the Plan period from year to year the actual outlay on these works was only about Rs. 194 crores, from out of

work actually technically and financial sanctioned to the end of the Fourth Plan period amounting to about Rs. 320 crores against the above programme, which is just about 60 per cent or so Even if that total programme which was envisaged in the Fourth Plan had been accomplished we would still have been left with some deficiencies in the National Highway system. As per the above position, however, there is heavy spill-over of these works from the Fourth into Fifth Five Year Plan and at the present rate of annual allocations this may require quite some time to carry out those works. In view of the above extent of deficiency, it is hardly possible to say that the truck-trailers can be used on the national highways. I have some further figures regarding the national highway routes. Even if we take into consideration inter-connecting routes between four major cities of Bombay, Calcutta, Madras and Delhi, we would need an investment of Rs. 198 crores to make them absolutely perfect for plying these truck-trailers. Another Rs. 68 crores would be needed to increase their pavement structural strength to the required limit in a phased manner. It may be of interest that currently we are getting Rs. 45 crores for development of all the National Highways in the country."

3.106. The Committee note that all the world over truck-trailer combinations are operating but in India the truck-trailer combinations are not in use. The Committee further note that by allowing the plying of truck-trailer combinations, not olny more goods can be transported increasing the much-needed transport capacity, but there can be considerable saving in fuel, amonuting to about 25 per cent in the fuel consumption. The Committee feel that in view of the considerable transport bottlenecks being experienced in the country and need for economy in fuel consumption in the context of energy crisis, Government should make concerted efforts to introduce the plying of truck-trailer|tractor trailer combination in the country.

3.107. The Committee note that the main difficulty in the way of introducing truck-trailer combinations is that the existing Highways are not suitable for their plying because of weak culverts, weak bridges and inadequate road width. The Committee further note that an investment of Rs. 266 crores would be required to make the four connecting Highways between Bombay, Calcutta, Madras and Delhi suitable for plying of these combinations. In view of the fact that currently the annual allocations for all the national highways

is of the order of Rs. 45 crores only, it will take a long time for these highways to be suitably strengthened for the plying of truck-trailer combinations. The Committee have already emphasised in an earlier section the urgent need for stepping up the allocation for national highways. The Committee recommend that in view of the urgent need for plying of truck-trailer combinations and in view of the considerable economy likely to be achieved from their plying, a time-bound programme for removing these deficiencies in the national highways should be prepared and implemented. The programme should be prepared in such a way that the limited resources are utilised to complete at least four connecting highway at a time rather than spending the resources on all the highways without completing any within a year so that truck trailer combinations could be plied on that highway.

The Committee further recommend that truck-trailer combination should be tried on a pilot basis on some selected routes for transporting industrial raw materials. The results of the plying of truck-trailer combinations should then be evaluated and on the basis of such evaluation the use of truck-trailer combination extended to other routes, wherever the road conditions permit.

(h) *Road Research*

3.108. A leading organisation of Commerce and Industry in the country have stated in their memorandum submitted to the Committee:—

> "The oil crisis had directly affected programmes of road development and road construction. With the restricted supply of crude oil and because of its high prices, all countries, including India have been faced with shortage of petrol, diesel and lubricants essential for the running of motor vehicles. Bitumen, the main raw-material for road construction work, in our country as elsewhere, is also in short supply, and its prices have gone up. Therefore, we have no choice except to reorient our construction practices so as to restrict the use of bitumen. We have recently entered the export field by sending out our first consignment of bitumen, because our needs for foreign exchange are apparently more important than domestic consumption. Therefore, a situation has arisen where we have to live with severe shortages of bitumen. One of the methods of reducing bitumen consumption would be to deliberately go in for specification where the quantity of bitumen required

for road construction is proportionately less. For instance, greater use could be made of specifications based on lean cement concrete or crusher run wet meadam for base course construction in preference to bitumenous meadam. Similarly, in the matter of suffacing, we should devise ways and means to save on the consumption of bitumen. The use of concrete road surfaces can be encouraged, and although cement is in short supply, its production can be increased without entailing foreign exchange expenses. Our road maintenance practices would also need modernisation so that the average life of wearing surface, which is very low at present as compared to other countries, increases."

3.109. An organisation connected with the motor transport in the country has stated in its memorandum submitted to the Committee:—

"There are practically no research facilities worth the name in so far as Road Transport is concerned. Even the basic statistics are not made available. Those which are collected by the Director of Transport Research in the Ministry of Transport and Shipping are published too late to be of any use"

3.110. Asked about the details of standards and specifications for roads and codes of bridges evolved and the research in the field of highways done by the Roards Wing during the last five years, the Ministry of Shipping and Transport have stated in a written note submitted to the Committee:—

(i) "The lists of standards and specifications on roads subjects finalised in the Roads Wing in collaborations with the Indian Roads Congress during the last five years is enclosed.

(ii) Roads Wing is operating a test track at Pailon, Calcutta. This test track is intended for testing new specifications evolved through research and for solving problems that may arise in the field of highways. Recently 16 different test sections for the 12th series on tests have been laid. Actual testing is expected to commence soon.

(iii) Roads Wing has also been promoting new techniques through the Central Assessment Committee functioning

under it. The Committee had earlier approved 12 specifications for road sub-base/Base surfacing. Six of these had been tried and found to be successful. Recently it has approved 4 new specifications for Road Sub-bases/bases utilising fly ash, a waste material.

(iv) Apart from the above, as a part of national highways construction, some trial specifications have been laid for evaluation of their relative merits. In a recent trial, 12 alternative specifications have been laid on Delhi—Mathura road near Faridabad for evolving suitable specification for base courses."

3.111. Asked about the details of proposals for initiating Highway design study, the Ministry of Shipping and Transport have stated in a written notes submitted to the Committee:—

"The World Bank proposes to initiate a Highway Design Study in India with the collaboration of Canadian International Development Association, and the Central Road Research Institute. In October, 1972 Roads Wing was brought into the picture by the Ministry of Finance (EAD). Since then several rounds of discussions between Government of India and the aid giving agencies have taken place. According to the latest estimate furnished by the Canadian High Commission, the study would cost Rs. 206 lakhs which is proposed to be financed as under:—

	Rs.
CIDA	13,850,000
World Bank	1,600,000
Government of India M/o Shipping and Transport (Roads Wing) and C. R. R. I.	5,150,000
	20,600,000

Apart from this, the study would involve construction of about 30 lane kms. of test sections. This is estimated to cost about Rs. 60 lakhs which C.I.D.A. require GOI to bear. Roads Wing is currently having discussions with Planning commission and Ministry of Finance for finding the local cost."

3.112. Asked about the steps taken in the Central Sector for road research and planning studies, provision made by the State Governments in this regard and the coordination between Central and State Governments in the matter, the representative of the Ministry of Shipping and Transport stated in his evidence before the Committee:—

"We had recommended to the State Governments also through the Planning Commission that they should consider providing at least one percent of their State Plan outlay for Research and Development. We took it up with all the States and the picture that we have received from 17 States is that at least half of them have not been able to work up-to-date that requirement because of low allocation of the Plan outlay and there are other heavier commitments of Fourth Plan targets. Some States had made provisions, but there again the problem of practically no allocation for the first year of the Fifth Plan is there. In the Central Sector also, although we had included Rs. 5·0 crores, we had no provision at all for this year and for the next year provision, at the moment, the position is uncertain although we had asked for something but we have no indication whether they will provide. We have identified certain priority items for Research and Development and we are trying to work out the detailed scheme. And the real work can only start if we have any known allocation. In the matter of coordination between the States and the Centre so that whatever amount is available in the Central Sector Plan and the State Sector Plan, the two dovetailed together could produce good results, we have already decided to set up an Advisory Panel in the Ministry Where we have some separate CE Directors of State Research Laboratories, Director of the Central Road Research Laboratory and other Central Government Officers. Similarly in the States also they have been advised to have Research and Development Advisory Panels in the P.W.D. and one member each from the Ministry is represented on the State Panel, so that there will be a common link. The Indian Highway Research Board which was established last year will be the body to send research programmes and identify priorities and make reommendations to the Centre and the State Governments. It will be doing a bit of bulk of the initial work. Then the Ministry in the Centre and the States will take over this and administer the funds."

3.113. The representative of the Ministry of Shipping and Transport stated that:—

> "I should like to add that the propsects of getting adequate allocations for these various schemes are not very bright."

3.114. Asked about the research made regarding the specifications and materials used in the construction and maintenance of various types of roads with a view to standardisation and reduction of costs, the Government have stated in a written note submitted to the Committee:—

> "Since Independence, studies have been in progress in the country on materials used in the construction of various types of roads so as to standardise the specifications and reduce the overall costs. To reap maximum economy from the limited resources, stage construction policies have also been consiously practised. These measures could, therefore, be considered under the following four broad headings:—
>
> (i) Stabilisation of local soil for the use in pavement construction;
>
> (ii) Use of locally available aggregates and other artificial materials;
>
> (iii) Popularisation of newly evolved, cheaper techniques; and
>
> (iv) Stage construction.

(i) *Stabilisation of local soil*

Research in various regions during the last two decades or so has shown that local soils which are otherwise unsuitable for use in road pavements could be profitably used, at least in the lower layers, after stabilisation with lime, cement, etc. For wider application of these techniques, the Indian Roads Congress has standardised the design criteria based on accumulated experience in the country. Stabilisation technique hold considerable promise particularly in areas where conventional road making aggregates have to be hauled over long distances.

(ii) *Use of locally available aggregates and other artificial materials.*

One of the important measures which automatically suggests to achieve more economy is the correct and more efficient use of all

construction materials available locally. This is especially true to those parts of the country which are deficient in good quality stone and other hard materials. Therefore, during the last 2½ decades, considerable energy has been put in by research workers and field engineers to explore the use of locally available materials, which in most of the cases may be inferior to the conventional hard aggregates but available nearby. Several surveys have already been carried out to identify new deposits of low cost materials such as laterite, kankar, moorum etc. This is especially of significance for the low cost road programme to serve the rural areas.

The surveys so far conducted have been both by C.R.R.I. and a few State P.W.Ds. C.R.R.I. has covered the States of Maharashtra, Gujarat, Rajasthan and Madhya Pradesh. Among the State P.W.Ds., Tamil Nadu, U.P., Maharashtra and Punjab/Haryana have been pursuing this subject actively. Basically the approach in these investigations has been to concentrate on known quarry sources. After taking samples from the quarries, these have been eavaluated in the laboratory for their existing characteristics and possible use in highway construction with or without any further treatment, for instance stabilisation.

As there is considerable room for doing further work in this field, a project for comprehensive survey and evaluation of locally available materials for optimum exploitation in road construction was recommended for the Fifth Plan period by the concerned Sub-Group of the National Committee of Science and Technology. Following this, Roads wing have prepared proposals for an All-India study on this subject to be started during 1975-76. This project is estimated to cost Rs. 50/- lakhs spread over three years, expenditure in the first year being approximately Rs. 10 lakhs. This scheme is part of a package of R & D proposals for which the Ministry has asked for an outlay of Rs. 75 lakhs during 1975-76. Progress on the study will depend on funds for R & D made available to the Ministry for which though prospects do not seem to be very bright.

To reduce costs, stress has also been placed in recent years for greater utilisation of artificial aggregates like 'blast furnace slag' available from the steel plants. Yet another material of the same class is 'fly ash' from the thermal power stations. Currently efforts are being made to popularise the same in areas surrounding the power stations within economic limits so as to construct roads at a smaller overall cost.

(iii) *Use of newly evolved, cheaper techniques*

The Government has also set up a Central Assessment Committee

under the Transport Ministry for promoting and popularising the use of newly evolved techniques for economical road construction on field scale basis so as to effect long-range economy. Till now the Committee has recommended 14 new techniques."

3.115. The Committee note that in view of considerable increase in the construction and maintenance cost of roads and scarcity of petroleum based material like bitumen, and present constraint of resources, there is an urgent need for conducting research in the field of roads so as to bring down construction and maintenance cost by utilising locally available material which is abundant and easily available. The Committee, however, note that although the necessity of such research has been felt and acknowledged for a long time, not much progress has been made in the matter and whatever little research has been done has not yet been applied in actual road construction on any considerable scale.

3.116. The Committee further note that the Ministry of Shipping and Transport had proposed that at least one percent of State Plan Outlay for Research and Development should be earmarked for roads and although a provision of Rs. 5 crores has been included for the Fifth Plan in the Central Sector, no provision was made for the year 1974-75. The position in most of the States is in no way different. The Committee regret that the importance of road research and resultant economy likely to accrue thereby has not been recognised with the result that the country has not been able to make any headway in the matter. The Committee recommend that suitable steps should be taken for stepping up road research so as to enable the use of locally available material in road building. The result of the research should be tested on a pilot basis in some selected portions of roads and if found suitable should be applied extensively in the field.

3.117. The Committee note that the Central Road Research Institute, New Delhi has undertaken a number of studies in the field of road construction e.g., **(i) with a view to facilitating the channelisation of efforts for village road development, data was generated on alternative specifications which may find use in the construction of village roads in different regions of the country, selection of pavement compositions in specific cases for their conditions of subgrade, availability of materials, traffic intensity, costing of various specifications, (ii) laboratory investigations were conducted to find the possible use of low-temperature tar, produced in large quantities from low temperature carbonisation of sands in desert areas (iii) Experiments were conducted with the addition of lime (2 per cent)**

and gypsum (2 per cent) separately with a view to impoving the cementing property of the binder and resistance to high temperature. The Committee recommend that results of these experiments conducted by the Central Road Research Institute should be properly evaluated and in case these are found suitable and economical, maximum use of these alternative techniques of road construction should be made in the road construction programmes in the country.

(i) *Linkage of villages with markets for agricultural products*

3.118. India is essentially a country of villages as more than three-fourth of the population live in villages. More than two-third of the population depend upon agriculture. However, most of the people in the villages are totally cut off from the mainstream of life in the country as there are no roads connecting them with the rest of the country. Most of the people in the villages have not been able to get the benefits of 'Green Revolution' as in the absence of roads they are not able to bring their products to the markes and generally dispose of their goods in the villages itself at uneconomic prices. This is particularly true of the people in the backward and Hilly areas.

3.119. A leading Organisation of Commerce and Industry in the country has stated in their Memorandum submitted to the Committee:—

> "Out of the total outlay in the Fifth Plan, about Rs. 500 crores has been set apart for rural roads under the Minimum Needs Programme. In the draft Fifth Five Year Plan 1974—79, the planners have observed that "The objective in the Fifth Plan is the linking up villages with a population of 1500 or in the hilly or coastal areas where the population is relatively more dispersed, with a cluster of villages having a population of 1500 or more, with a village road". The objective is no doubt commendable. It has, however, to be borne in mind that according to an estimate nearly 50 per cent of our population lives in villages having a population of less than 1,500 and, therefore, even at the end of the Fifth Plan, nearly half of the country's population may still be denied access to road."

3.120. The draft Fifth Five Year Plan has stated about the Rural Roads Programme as follows:—

> "The programme for rural roads will be given even greater emphasis in the Fifth Plan that it received in the Fourth

Plan. A specific provision of Rs. 500 crores has been made for the development of rural roads under the Minimum Needs Programme. The objective of the programme is to link by the end of Fifth Plan all villages in the country with a population of 1500 and above with all weather roads. In coastal or hilly areas where the population is sparse, the objective is to provide all-weather roads to closer of villages with a population of a certain minimum size. Apart from the Minimum Needs Programme, some additional provision have also been made in the State Plans for rural roads to connect villages with a smaller population. It is proposed to suitably dovetail the rural roads with the rest of the road network and to frame their alignments in such a manner as to secure optimum benefits. It will be necessary to develop suitable machinery for the implementation and monitoring of this programme."

3.121. Asked about the progress made in the matter of rural roads under the Minimum Needs Programme, the representative of the Planning Commission stated in his evidence before the Committee:—

"It has been stressed to the State Governments that Minimum Needs Programme should receive very high priority. There should be no reduction in the outlays earmarked. But at the same time, because of the very severe budgetary resources constraints which are operating at present there has been inescapably certain reductions in all programmes. But minimum needs programme is effected to the minimum..... The States are supposed to look after this programme. It is in the State Sector and the State Governments are responsible for the planning and execution of these programmes. Planning Commission come to the picture in the sense that they impress on them the relative priority and the need to adhere to the allocation, at time of annual plan discussions and review what they have been able to achieve and what they plan to achieve during the year."

3.122. In a subsequent note furnished to the Committee, the Planning Commission has stated that:—

"Keeping in view the administrative technical, material and financial constraints, the programme has been formulated on the basis of the following principles and priorities:—

(i) The alignment of roads would be determined in a man-

ner which would link up largest number of villages with the minimum of road length;

(ii) the specifications for rural roads would conform to the recommendations of the Committee of Chief Engineers and the cost would be kept within the parameters laid down by this Committee;

(iii) the cost of land and earth-work would be contributed by the communities likely to benefit from the construction of rural roads;

(iv) except in special circumstances, where the outlay for Minimum Needs may be utilised for the upgradation of existing kutcha tracks, all improvements and upgrading of existing roads will be provided for through the integration of the Minimum Needs Programme with the general programme of rural development in the State Plan;

(v) only the expenditure on culverts, drainage works would be charged on the Minimum Needs Programme; cost of construction of minor and major bridges will be debited to general programme for rural development under the State Plan; and

(vi) priority will be given in the allocation of resource out of the overall outlay for Minimum Needs Programme for covering hilly, coastal and tribal areas.

In 1974-75, the first year of the Fifth Plan, an outlay of Rs. 32.62 crores was provided specifically for rural roads under the Minimum Needs Programme. The outlay provided in the first year was rather low in relation to the total outlay envisaged in the Draft Fifth Plan. This was on account of severe overall financial constraints; the overall outlays in 1974-75 were generally kept at the same level as in 1973-74. It has, however, been envisaged that the outlay provided for rural roads under the Minimum Needs Programme will not be diverted to any other head, nor even to roads of other categories. Apart from the Minimum Needs Programme, some additional provisions have also been made in the State Plans for rural roads to connect villages with a smaller population. It is envisaged that in tribal areas, special emphasis will be laid on connecting markets centres or growth points. It is proposed

to suitably dovetail the rural roads with the rest of the road network so as to derive optimum benefits. A statement is given showing Statewise break-up of outlay for M.N.P. in the Draft Fifth Plan, approximate length of roads to be constructed and the Annual Plan (1974-75) outlay (Appendix II)."

3.123. The Committee note that more than three-fourth of the population in the country live in villages and most of our population in villages is dependent upon agriculture. However, most of our villages are cut off from the mainstream of economic life in the country and have been denied the fruits of economic development as there are no roads linking these villages with the markets with the result that they are not able to get economic returns for their produce. The Committee feel that linking of villages with the major cities and towns and markets for agricultural produce is a matter of highest priority to accelerate the pace of developmen of these areas and bring economic prosperity to them. The Committee would like to stress that one of the basic reasons for large parts of the country remaining backward is the absence of all weather connecting roads. It is therefore, very necessary to construct such roads in these areas as roads provide the basic infra-structure for the development of any region.

3.124. The Committee note that during Fifth Plan, a provision of Rs. 500 crores has been made for Rural Roads under the Minimum Needs Programme and the objective will be to link up all villages with a population of 1500 or more with a road. While the Committee feel that the objective is commendable, they have grave apprehensions about the achievements of this programme in view of the progress made in the implementation of the programme. The Committee note that during 1974-75, i.e. the first year of the Plan, only an outlay of Rs. 32.62 crores was provided for rural roads under the programme. The Committee would like to stress that as rural roads occupy an important place in the economy of the country, Government should ensure that under no circumstances, the programme of rural roads should be allowed to suffer.

3.125. The Committee recommend that Government should prepare a perspective detailed plan for construction of roads with special emphasis on the construction of roads in backward and hilly areas. Government should also ensure that roads in rural areas are planned properly with proper alignment and that these roads do not affect adversely drainage of the area concerned.

3.126. The Committee would also like to stress that in addition to the construction of rural roads, maintenance of these roads should also be given due consideration so that the people may get the maximum benefit from these roads. In this connection, the Committee would like to draw attention to the recommendation made in paras 2.24 and 2.25 of the 69th Report on the 'Development of Backward Areas' that "It has come to the notice of the Committee that roads were not properly constructed in rural areas with the result that instead of facilitating road communications, these have become a source of great discomfiture to the local population. The Committee stress that proper standards for construction of roads connecting the backward areas to the main towns or centres should be laid down and strictly adhered to. The Committee reiterate that not only the construction of the roads in the backward areas but its proper maintenance and improvement should also receive the concerted attention of Government so that maximum benefits from the roads may flow to the persons living in these areas."

3.127. The Committee would like to stress that suitable machinery should be evolved for the monitoring of construction and maintenance of rural roads so as to ensure that the progress of the programme is satisfactory.

(j) *Overbridges/Underbridges in place of level crossings on main routes used by road carriers*

3.128. There are a number of places in the country where the railway lines crosses the roads and the traffic at these roads has to be suspended for long hours when any train passes on the track, leading to considerable wastages of time and fuel. A number of these crossings are unmanned, leading to accidents and consequent loss of life and property.

3.129. The draft Fifth Plan has drawn attention to the need of providing over|under bridges to replace railway level crossings in these words:—

> "Adequate provision has not been made in the past, for the provision of over|under bridges to replace railway level crossings. The programme has acquired special significance with increasing urbanisation, growth in the size of towns and an increase in the intensities of traffic on a number of roads running across railway lines. A specific provision of Rs. 25 crores has been made for this programme in the Fifth Plan. This outlay is over and above

the provision included for over|under bridges in the Railways and National Highway sectors."

3.130 The Committee note that there are a number of Railway level crossings in the country where the transport vehicles have to wait for long hours whenever a train has to pass, leading to considerable loss of time and fuel. The Committee feel that at a time when the number of vehicles as well as the traffic on the roads is on the increase and there is need for ensuing uninterrupted flow of traffic on all the roads, there is an urgent necessity to replace these railway level crossings by over|under bridges.

3.131 The Committee note in the Fifth Plan, a provision of Rs. 25 crores has been made specifically for the provision of over|under-bridges to replace railway level crossings. The Committee recommend that a survey should be made of all the points, where the intensity of traffic justifies the replacement of these level crossings by over|under bridges and a timebound programme for such replacement should be prepared and implemented as early as possible.

3.132 In this connection the Committee would invite attention to the recommendations made in paras 3.51 to 3.55 of the First Report of the Railway Convention Committee, 1971 where they have stressed the need for the construction of over|under bridges from Railway Safety Works Fund. They hope that full use would be made of this fund for the construction of over and under bridges.

CHAPTER IV

COASTAL SHIPPING

A. *Present position of Coastal Shipping*

India has a vast coastline with a number of ports and harbours providing considerable scope for movement of goods and passengers by coastal route. Trade and Commerce on Indian ports has been continuing from time immemorial providing the main link with the rest of the world.

4.2. A leading organisation of commerce and industry in the country has stated in its Memorandum submitted to the Committee:—

> "Coastal Shipping is the second line of defence. Unfortunately, its development has been neglected all these years. The present strength of the coastal tonnage is just 1.9 lakh GRT. The target during the Fifth Plan has been placed at 6 lakh G.R.T.....If coastal shipping has to make a serious effort in the direction of reaching targets set for it under the Plan, it will have to be nursed very assiduously to do so through a series of policy measures designed to foster its development..... A Maritime Freight Commission should be set up to review on a continuous basis the rates charged by the coastal shipping with full powers to sanction necessary adjustments therein from time to time. A flexible freight rates policy, which would enable the coastal shipping industry to cover costs and find resources for expansion should be adopted."

4.3. A leading authority on Transport has, in his memorandum submitted to the Committee stated:—

> "With an extensive coastline in our country, the development of a sizeable coastal shipping is a strategic necessity. Unfortunately due to a vacilliating policy, it is simply lingering. We should have firm policy for its survival and allocate as a policy certain traffic to be carried by coastal shipping. Coal traffic to the South namely Madras, Tuticorin, Cochin and Gujarat area and in return

salt and any other cargo, West to East should be specifically allocated.

Freight charges paid to the shipping company should be a paying proposition to it. This, however, due to an imbalance in the traffic and excessive time taken in loading and unloading cannot be competitive with the Railways and to avoid the shipper being at a disadvantage should be suitably subsidised by the Government. At the same time continuous examination should be made to bring down the cost factor particularly the port delays, irregularity in the availability of the cargo due to the deficiency of the Railways or otherwise and the imbalance of traffic.'

4.4. A leading organisation of manufacturers in the country has submitted in its memorandum submitted to the Committee:—

"There is need for greater coordination between Railways and coastal shipping so far as the movement of bulk commodities such as steel products, coal, cement, salt are concerned. Two specific questions need to be considered in this context. First, coastal shipping has been greatly neglected over the years since Independence. Secondly, the freight rates on bulk commodities such as coal or salt is necessarily lower than on commodities having higher unit values and this puts a premium on coastal shipping being unwilling to undertake transportation of such bulk, though essential commodities. Coal and steel, for example move from the North East area of India to all the regions in the country. On the other hand, salt moves from areas such as Saurashtra and Kutch to Eastern region. The International Development Agency is reported to be willing to finance the purchase of propelled covered barges to facilitate the movement of commodities bulk such as coal, cement, steel materials by coastal shipping with a view to reducing the pressure on the Indian Railways. Immediate action should be taken to avail of such financial assistance from the World Bank and the I.D.A."

4.5. A leading organisation connected with shipping have stated in their memorandum submitted to the Committee:—

"Coastal Shipping has benn the training ground and complementary base for our overseas shipping. It is an essential

reserves of transport from and to overseas destinations in emergencies. With our vast coastline compressing a range of 5,000 kms of the country's borders from West to East, regular coastal shipping services can provide an alert watch-keeping need, apart from its economic functioning as an integral part of domestic transport system ideally suited to carry bulk cargos like coal, salt, fertilisers, foodgrains etc., as well as general cargos from port to port.

Coastal Shipping in its extended operations in our trades with neighbouring ports like those of Bangladesh, Ceylon, Burma, Malayasia, Singapore, West Asia (Gulf), Aden, East Africa and Red Sea, is also a potential earner of valuable foreign exchange and trade promotion agent."

4.6. Asked about the amount of traffic handled by Coastal Shipping since 1961, the Ministry of Shipping and Transport have stated in a written note submitted to the Committee:—

"Information regarding amount of traffic handled by coastal shipping as readily available is in respect of coal, salt and general cargo. Break-up of general cargo with different important commodities such as cement, foodgrains, gunnies etc., is not readily available. Traffic handled since 1961 was as follows:—

(In lakh tonnes)

Year	Coal	Salt	General Cargo	Total
1961	13·73	4·73	15·03	33·49
1962	19·80	4·58	16·39	40·77
1963	18·95	4·76	16·58	40·29
1964	15·65	4·53	15·96	36·14
1965	12·22	4·03	16·22	32·47
1966	7·02	3·25	14·99	25·24
1967	6·77	2·90	13·50	23·70
1968	3·74	3·50	13·50	20·74
1969	6·96	2·46	9·32	18·74
1970	2·51	3·03	6·81	12·35
1971	5·08	5·18	6·14	16·40
1972	5·85	3·88	7·43	17·16
1973	6·52	4·98	5·05	16·95
1974	4·92	4·81	4·99	14·27

4.7. About the allocation for cargo for Coastal Shipping, the Ministry of Shipping and Transport have stated in a written note that:—

"In regard to provision of bulk commodities like coal for coastal shipping on a long term basis, no concrete steps could be taken till 1971, mainly because the Railways could not commit themselves to any firm policy in regard to the movement of loco coal by sea. They utilised coastal shipping for the movement of coal only to the extent rail capacity was not available. In 1971, however, Railways gave a firm indication of the availability of loco coal to the extent of about 5 lakh tonnes per annum for movement by coastal ships from Calcutta to coastal ports on a long-term basis. It was also decided that salt cargo to the extent of at least 3 lakh tonnes per annum should be transported from Saurashtra Ports and Tuticorin to Calcutta on a long-term basis.

During the current plan period, the coastal movement of coal is expected to rise to the level of about 5 to 6 million tonnes per annum, mostly on account of the thermal power stations proposed to be set up in the Southern and Western regions. This is expected to give a fillip to the coastal shipping industry."

4.8.Asked about the amount of loco coal actually moved by the Coastal Shipping since 1971, the Ministry of Shipping and Transport have furnished the following statement:—

Year	Quantity if coal moved by coastal Shipping Account Railways.
1971	4,13,740
1972	4,16,184
1973	3,99,364
1974 (upto December'74)	3,32,145

4.9. Asked about the reasons for the fall in the cargo and passenger traffic earned by coastal shipping, the representative of the

Ministry of Shipping and Transport stated in his evidence before the Committee:—

> "It is true, as far as coastal movement is concerned, over these years it has fallen down. As the figures themselves show, this has considerably dwindled down. Actually before 1961, we used to transport by the ships considerable tonnage. Previously we used to move coal by sea coast but the railway capacity was built up and they started moving the coal themselves. That is the main reason why coal did not move by ships to the various ports and various consignees. It was actually in 1972 subsequently that we got a firm demand of roughly about 6.5 million tonnes of coal to be moved by sea by the end of the Fifth Plan and on that basis we planned for actual number of ships during the nxt plan and proper plans has been laid down..... The second point would be regarding the passenger traffic. The passenger traffic is only confined for the coast to the Konkan Shipping Services which was taken over in 1973 by Moghul Lines, public sector undertaking to run on no-profit-no-loss basis. Unfortunately due to various reasons, particularly sharp rise in fuel prices, it has not been possible to run it economically. There have been three increases in passenger rates. We have not been able to run the service economically. Operational expenses have increased considerably. Then, the other reason is that in Maharashtra State, Road Transport fares have proved to be cheaper.

4.10. Asked about the fall in the volume of general cargo carried by Coastal Shipping, the Ministry of Shipping and Transport have stated in a written note that:—

> "Since the main cargo moved in the West-bound direction is only coal and general cargo and salt moves in east-bound direction, reduction in the coal movement led to withdrawal of tonnage which in turn meant reduction in the general cargo movement."

4.11. The Committee note that India has a vast coastline with a number of ports and harbours. There is considerable scope for the utilisation of coastal shipping for the transportation of goods and passengers. The Committee, however, regret to note that the coastal shipping in the country is on the decline and the amount of cargo traffic has fallen, from 40.77 lakh tonnes in 1962 to 14.72 lakh

tonnes in 1974 and passenger traffic has fallen from 6.14 lakh passengers in 1969 to 5.17 lakh passengers in 1973. The Committee regret that at a time when the country has been experiencing considerable transport bottlenecks, with adverse effect on the national economy and there is a pressing need for maximum utilisation of all modes of transport, there has been considerable decline in the traffic carried by coastal shipping. The Committee cannot overemphasise the importance of a strong coastal shipping fleet for the country as a second line of defence, in the light of past experience. They therefore recommend that coastal shipping should be regarded as an important sector of national activity as apart its strategic value, it can serve to economically transport cargo and passengers around the coastline and relieve the pressure on other system of transport and thereby result in maximum utilisation of available resources in the country.

4.12. The Committee note the main reason for this decline in the traffic handled by the coastal shipping has been that although it is ideally suited for the transport of bulk commodities like coal, salt, cement etc., there has been no specific allocation of traffic to be carried by Coastal Shipping and as the Railways decided to move their own coal there was no firm traffic for the coastal shipping. Now that it has been decided to allocate movement of about 6.5 million tonnes of coal traffic by coastal shipping, the Committee hope that Government would take concerted measures for the development of Coastal Shipping and removing the bottlenecks that are hampering the growth of coastal shipping in the country.

4.13. The Committee consider that he esimates of movement of about 6.5 million tonnes of coal by coastal shipping by the end of the Fifth Plan which were made before the energy crisis, would require to be reviewed. The requirements of coal by the various industries are likely to go up due to high cost of oil as also due to conservation of existing production units from oil to coal. The Committee therefore recommend that a fresh study of the requirements of coal and other commodities which are to be moved by coastal shipping during the Fifth Plan period may be made in the light of the latest developments.

4.14. The Committee would like to point out that all the world over the coastal shipping is playing an important role in the transport of goods traffic and its share alongwith inland waterways in the total goods traffic is as much as 10 per cent. However, in India, which has a vast coastline, the share of coastal shipping in the

transport of goods is negligible. The Committee would like Government to take note of the world trend and the manner in which coastal shipping is being developed particularly in Baltic countries and take concerted steps for the development of coastal shipping by providing proper type of ships, proper linkages with consuming and producing centres and providing handling facilities at the concerned ports.

4.15. The Committee would like to point out that there are a number of areas in the country like the Andaman and Nicobar Islands etc. where coastal shipping provide the only connecting link of these Islands with the Mainland. Moreover, there are a number of a coastal areas like Konkan, where railway lines have not been laid and coastal shipping can provide a pivotal role in meeting the transport needs of the areas. The Committee recommend that Government should pay special attention to the development of these areas and provide efficient shipping services connecting these areas with the rest of the country. The desirability of subsidising these services in the interest of the development of these Island and their integration with the Mainland may also be considered. As regards the coastal areas which are served by roads also, the Coastal Shipping services should be provided after taking into consideration the relative costs of the different modes of transport and the need for developing coastal shipping as a second line of defence.

4.16. The Committee further recommend that suitable landing facilities for the passengers and cargo should be provided at Andaman and Nicobar and Lakshdweep to serve the people of these areas.

4.17. The Committee further consider that in the wake of the oil crisis the movement of coal to Southern and Western India by coastal ships has assumed special significance. It is therefore necessary to undertake a study to find out the most economic methods of moving coal from Eastern India to Southern and Western India and to bring back salt etc., from that area. The various methods of movement of coal such as large self-unloading vessels, tug barge system etc., should be studied and the most appropriate and economical system of movement should be selected for the purpose. The Committee further suggest that integrated advance action should be taken (i) to identify the mines from where the coal would be moved so as to provide the necessary facilities there, (ii) to establish firm linkages with the Railways for the movement of the requisite quantity of coal from the mines so identified and (iii) to develop the facilities at the ports from which the coal will be loaded

so as to synchronise and coordinate the smooth movement of coal etc. to the destinations. The Committee would also like Government to study the requirements of facilities which would be needed at each port where coal would have to be unloaded and from where salt would have to be loaded so as to ensure that there is no unnecssary detention of ships for this movement.

B. Problems of Coastal Shipping

4.18. There are a number of factors which are responsible for the decline of coastal shipping in the country. In addition to the absence of assured traffic, there has been a decrease in the number of ships and most of the ships are out-dated and obsolete, the freight structure is uneconomic, there is congestion and long detention time at ports and there is absence of proper handling and loading and unloading facilities at the Ports. These problems are discussed in the following paragraphs:

(i) *Ships used for Coastal Shipping*

4.19. A well-developed coastal fleet is an essential necessity for the development of coastal shipping in the country. The number of vessels in the coastal fleet in India as on 31st December each year since 1961 was as under:—

Year	No. of Vessels.	Total G. R. T.
1961	104	3,61,705
1962	107	3,94,939
1963	107	3,88,420
1964	114	4,11,961
1965	101	3,37,895
1966	95	3,29,888
1967	90	3,28,684
1968	86	3,30,197
1969	80	3,04,532
1970	69	2,50,218
1971	62	2,17,603
1972	59	2,01,182
1973	56	2,20,217

Out of the 56 vessels available as on 31-12-1973, as many as 23 vessels were more than 20 years old, 10 vessels were 15 to 19 years old another 10 vessels were 10 to 14 years old, 9 vessels were 5 to 9 years old and only 4 vessels were less than 5 years old.

4.20. The Minor Ports Committee, 1973 in their report had commented as follows about the coastal fleet:—

"An age-wise analysis of the Indian Coastal Tonnage as on Ist June, 1973 shows that 22 out of the 59 vessels are 20 years and over and that 37 vessels are 15 years and above. Thus nearly 40 per cent of the vessels are already due for replacement and this will increase further in the next five years. Except for eight tankers which are under construction, no additions to cargo vessels have been contemplated as on 1st January, 1973. The draftwise distribution of the coastal vessels shows that except for a few small passenger-cum-cargo vessels, their draft are over 15 feet and consequently can work only at the anchorages of the minor ports.

'The sizes and drafts of the vessels in operation in the coastal fleet have no manoeuvrability in respect of its employment at most of our minor ports on the coast. This reduces the efficiency of the fleet, which is already limited, in lifting cargo due to the slower turn-round at the ports. Yet another consequence of this is the bunching of vessels at terminals. All these contribute to the high cost of cargo handling.

'The Committee are of the view that special purpose built vessels of low draught should be introduced on our coastal trade. Small vessels of 1000|1500 DWT have been operating very successfully in the Baltic Coast where coastal shipping is a thriving proposition. The Committee were informed that standard designs for mini bulk carriers and tankers of about 3000 DWT drawing about 16 feet of

water have been evolved by one of the indigenous shipyards. Even if it were not available it would certainly be worthwhile to buy these designs and build these vessels in the Indian yards."

4.21. Asked about the steps proposed to be taken to increase the tonnage for coastal shipping, the representative of the Ministry of Shipping and Transport stated in his evidence before the Committee:—

"Now, by the end of the Fifth Plan, the target for the coastal shipping is roughly six lakh g.r.t. The operative tonnage as on 1.1.75 is 2.79 g.r.t. and we have ordered to the extent of 3.27 lakh g.r.t. This includes the 10 ships which we have ordered from Rumania. We are also placing orders for certain pioneer type vessels on indigenous shippers. Thus the total tonnage comes to about 6.06 lakh g.r.t. and then we have to scrap certain tonnage also. The total net tonnage thus comes to about 5.08 lakh g.r.t. So we have to keep in mind that we have to order one lakh g.r.t. more. This, of course, we are planning and subject to the financial constraints and the availability of ships we will be in a position to acquire the remaining one lakh g.r.t. also."

4.22. Asked when this additional tonnage would be available, the representative of the Ministry of Shipping and Transport stated:

"It is in the process of being made available. As far as 10 ships from Rumania are concerned, they have to supply them to us in phases, latest by 1976. Apart from this, we are ordering for the supply of some pioneer type vessels by Hindustan Shipyard. Thus we will be in a position to get the additional tonnage during the Plan period. It is progressively increasing and as and when they give them we deploy them for movement of coal."

4.23. The Committee note that a well-developed coastal fleet is essential for the development of coastal shipping in the country. The Committee, however, regret to note that the number of ships and total tonnage has shown a continuous decline since 1964. The number of ships has gone down from 114 in 1964 to 56 in 1973 and the tonnage has gone down from 4,11,961 g.r.t. in 1964 to 2,20,217 g.r.t. Moreover as many as 23 out of 56 coastal vessels as on 31-12-1973 were more than 20 years old and only 4 vessels are less

than 4 years old. Moreover, as has been pointed out by the Minor Ports Committee, 1973 the sizes and drafts of the vessels in operation in the coastal fleet have no manoeuvrability in respect of its employment at most of our minor ports which results in reduction in the efficiency of the fleet, slower turn round at the ports and bunching of vessels at terminals and results in high cost of cargo handling. The Committee regret to note that the acquisition of coastal fleet has been neglected by Government all these years with the result that coastal shipping in the country is continuously on the decline.

4.24. The Committee note that the Draft Fifth Plan provides for considerable expansion of coastal fleet and the target for coastal vessels by the end of Fifth Plan i.e., 1978-79 has been fixed at 6 lakh g.r.t. The Committee note that orders for 10 ships with Rumania have been placed and these are expected to be received in phases latest by 1976. Moreover, orders are being placed for some pioneer type vessels with Hindustan Shipyard also. The Committee recommend that in view of the imperative need for coastal vessels in the country and the role which coastal shipping is to play in the transport of coal, salt, etc., after the commissioning of the Haldia Dock, Government should ensure that the target of 6 lakh g.r.t. by 1978-79 is achieved and financial constraints are not allowed to stand in the way of achieving this target.

4.25. The Committee would like the Government to ensure that the new vessels acquired for Coastal Shipping are most economical, suitable and versatile to handle the types of cargo that would be required to be moved by Coastal Shipping. They should have manoeuvrability for being employed in the minor ports also where they will be required to load and unload cargo.

(ii) *Economic freight structure*

4.26. A leading organisation of commerce and industry in the country has stated in its Memorandum submitted to the Committee:

> "A Maritime Freight Commission should be set up to review on a continuous basis the rates charged by the Coastal Shipping with full powers to sanction necessary adjustments therein from time to time. A flexible freight rates policy, which would enable the coastal shipping industry to cover costs and find resources for expansion should be adopted. In an era of inflation, a policy of curbing freight rates will only lead to depletion of tonnage, and drop in fresh capital investment, as has been the experience of our

coastal fleet. Measures of this type will go a long way in helping coastal shipping to make its contribution as an integral part of the transport economy of the country..... At present the procedure to be followed for freight increase is both cumbersome and time-consuming....Hence there is need for quick decisions."

4.27. A leading organisation of shipowners in the country has, in a memorandum submitted to the Committee stated:—

"Even at the basis of the lower amount of capital employed, it has been shown that at the existing rates of freight sanctioned and under the prevailing conditions of loading|unloading delays, the shipping companies were incurring heavy losses and were not in a position to cover even their normal operating expenses. The Government have in sanctioning freight rates on the coast based their costing calculations allowing a return of 8 per cent on the capital employed. It has been pointed out that there has been a shortfall of about 12.37 per cent in the freight carried during 1972-73 and it was necessary to adjust freight rate to that extent if they were to cover their expenses and earn 8 per cent return even on the basis of the existing formula adopted for the purpose.....In this connection, it is considered necessary for the Shipping Companies to earn a minimum of 12 per cent return on capital employed computed on the basis of a more realistic formula than at present so that they can lay by adequate reserves to enable them to meet the requirements of huge replacement cost."

4.28. Asked if any study has been made of the investments made in the coastal shipping and the return on investments, the Government have intimated the Committee in a written note that:—

"No detailed study has been carried out in the recent past regarding investments in the coastal shipping industry and the return on the investments. It may, however, be pointed out that for the periodical review of coastal freight rates conducted by the Directorate General of Shipping since 1966, an assessment has been made of the return on capital employed in the coastal shipping industry on the basis of the financial results of coastal operation submitted by the coastal shipping companies. Our assessment has

shown that it has not been possible for the coastal shipping industry to realise a minimum return of 8 per cent on capital employed. As Government have agreed in principle that coastal shipping should be allowed a minimum return of 8 per cent, they have been allowing suitable increases in the coastal freight rates on the basis of such periodic reviews."

4.29. Asked about the reactions of the Government to the suggestion that a Maritime Freight Commission should be set up to review the rates charged by the Coastal Shipping, the representative of the Ministry of Shipping and Transport stated in his evidence before the Committee:—

"There was a Commission some time ago. Our experience. I think, has not been very happy. Instead of having this Commission for bringing about adjustments, we are trying to devise a new method particularly for the commercial rate so that it automatically gets adjusted. We would like to try it for some time. As you know, Commission's enquiries may go on and these things get delayed."

4.30. The Committee note that one of the reasons for the decline of coastal shipping is that the freight structure for traffic is not economic and does not ensure sufficient return to he shipowners with the result that the shipping companies are not taking interest in replacement or expansion of their vessels. The Committee recommend that Government should look into the matter urgently and revise the freight structure suitably so as to ensure economic return to the shipowners engaged in coastal shipping.

4.31. A suggestion has been made to the Committee that Government should set up a Maritime Freight Commission to review on a continuous basis the freight rates charged by Coastal Shipping. However, the representative of the Ministry of Shipping and Transport has stated before the Committee that their experience of a Commission was not happy and that they were devising a new method to revise the freight rates. The Committee recommend that a decision in the matter should be taken early and it should be ensured that there are no delays in the revision of freight rates, when the circumstances so warrant.

C. Present position of Major Ports and Programmes for Development

4.32. There are ten major ports in India *viz.* Calcutta, Bombay, Madras, Cochin, Vizag, Kandla, Mormugao, Paradeep, Mangalore

and Tuticorin. The major ports handled a traffic of 55 million tonnes in 1968-69 and the Fourth Pian provided that the traffic will increase to 77 million tonnes by 1973-74. A number of new major ports projects were taken up during the Fourth Plan period. However, the actual traffic was about 65 million tonnes in 1973-74. There have been delays in the execution of different projects which resulted *inter alia* in increase in costs.

4.33. On the basis of targets of exports and imports of major commodities envisaged for the Fifth Plan period, it is estimated that the traffic at the major ports might increase from about 65 million tonnes in 1973-74 to about 110 to 115 million tonnes in 1978-79, i.e. by about 45 to 50 million tonnes. A major part of the increase in traffic will be on account of bulk commodities such as crude oil and petroleum products, iron-ore, fertilisers (including raw materials) and coal. These four commodities taken together may account for about 80 per cent of the total increase in traffic expected at major ports during the Fifth Plan period. The increase in coal traffic at major ports will be on account of a significant step-up expected in the movement of coal by coastal shipping. The item-wise break-up of the traffic expected to be handled by the end of the Fifth Five Year Plan at major ports may be as under:

	M. T.
Iron ore	40·50
Pol	27·08
Fertiiser	10·82
Coal Loading	6·50
Coal unloading	5·60
Foodgrains	0·28
Salt loading	0·80
Salt unloading	0·80
Other General Gargo	21·76
	114·14

4.34. The Working Group on Ports in their Report on the Fifth Five Year Plan made the following tentative traffic projections for

1978-79 based on information given by user Ministries and Port Trusts:

		Million Tonnes.
1.	Calcutta (including Haldia).	22·95
2.	Bombay	22·16
3.	Madras	15·68
4.	Cochin	6·54
5.	Vizag	17·04
6.	Kandla	3·18
7.	Mormugao	14·2
8.	Paradeep	9·19
9.	Mangalore	2·29
10.	Tuticorin	4·35
	TOTAL :—	117·65

4.35. A leading authority on Transport in the country has, in his memorandum submitted to the Committee, made the following suggestions for improvement of shipping:—

"(1) Frequent congestion at the ports has been in evidence. The problem is well-known and presumably the causes have been studied but its solution is not in sight.

(2) Handling facilities, e.g., cranes, fork-lifts etc. are inadequate. Labour is allergic to mechanisation. Delays in loading and discharging of ships are proverbial for which the country pays in the form of demurrage or increased freight.

(3) Draft restrictions inhibit larger vessels being berthed. Provision should be made for the development of at least one port in the Western Coast and one on the Eastern which should be capable of handling deep draft vessels in modern use.

(4) Since growth is a continuous process, port facilities should be developed on a long term basis and should in any case provide for the anticipated peak traffic with some margin for uneven surges."

4.36. A leading organisation of shipowners in the country has stated in its memorandum submitted to the Committee:

"The development of adequate port and handling facilities and inland transportation facilities, is of equal relevance for

the efficient operation of the coastal services as also of overseas shipping services. It takes time to build up port capacities and requires huge investments. It must be ensured that requisite port and cargo handling facilities are available on the basis of anticipated traffic growth so that pressures do not grow on the existing capacities to disrupt sailing schedules and operating economy of the shipping services. We have been experiencing quite often in Indian ports congestions and delays in berthing as well as loading and unloading for various reasons and such delays have attracted surcharges from conferences. Lack of proper port facilities also hinders the development the country's shipping in accordance with the new technological revolution in the type and size of ships used for transportation of general cargo as well as bulk cargoes provision of bulk facilities to cater for container traffic and large size bulk carriers is of utmost importance to reduce tarnsportation costs.

In the matter of bulk cargo trades necessary deep draft berths to receive and handle modern largesie bulk carriers and tankers have to be developed and mechanical handling equipment for fast loading/discharge of the cargoes installed at these ports."

Development of Major Ports during Five Year Plans

4.37. Considerable investments have been made in the different Five Year Plans on major ports as can be seen from the following figures:—

	Approved investment.	Actual excpenditure.	Percentag of actual expenditure. to investment
	(Rs. in crores).		
First Five year Plan.	64·27	26·32	41
Second Five year Plan	98·05	45·50	46·4
Third Five year Plan	110·30	92·95	84·3
Annual Plan (1966-67)	37·38	23·66	63·3
Annual Plan (1967-68)	43·48	25·49	58·6
Annual Plan (1968-69)	42·72	39·67	92·8
Fourth Plan	280·00	289·09	103·0
Fifth Plan	308·00	..	..
	984·20	542·68 (up to Fourth Plan)	70·0

4.38. The principal objective of the development programmes in the First Five Year Plan was to rehabilitate and modernise facilities at the existing major ports, especially those which had suffered heavy wear and tear during the war; and to provide a Major Port at Kandla to handle the traffic which was previously catered to by Karachi and also a modern Marine Oil Terminal with three berths at Butcher Island in Bombay to cater to the needs to two oil refineries at Trombay. Due, however to the delays in finalising the development programmes of the various ports, the progress during the First Plan was rather slow. The major works completed during the First Plan were the commissioning of two berths of the Marine Oil Terminal at Bombay in February and July, 1955 respectively. The third berth was commissioned in the first year of the Second Plan.

4.39. In the Second Five Year Plan, the projects which had remained unfinished in the First Plan were taken up. In addition, new investments were provided for modernising, equipping and providing additional berthing facilities at the docks of Calcutta, Madras, Cochin and Visakhapatnam. In the first two years of the Plan, there was severe congestion at the ports on account of large scale imports of heavy cargo. Several measures were taken up to increase the capacity at the Major Ports and to enable them to handle the increased traffic. Due to deteriorating draft conditions in the River Hooghly, special programmes were taken up at the Calcutta Port providing for extensive river training works and dredging of the difficult bars. Besides these the major works undertaken during the Second Plan period were the construction of the Jawahar (Wet) Docks consisting of six berths at Madras and the construction of four additional general cargo berths in the Ernakulam channel at Cochin. The progress in the Second Five Year Plan, however, was far from satisfactory. As against the approved investment of Rs. 64.3 crores and Rs. 98.00 crores during the First and Second Plans, the actual expenditure was only Rs. 26.3 crores and Rs. 45.5 crores respectively.

4.40. Apart from the completion of the projects which were carried forward from the earlier two Plans, the programmes for the Third Plan included the modenisation and expansion of the docks at Bombay and a start on the construction of the Haldia Dock system at Calcutta. Development of Paradeep, Mangalore and Tuticorin was also projected during the Plan period.

4.41. The important projects undertaken during the three Annual Plans related to Haldia Dock Scheme, Dock Expansion and Ballard Pier extension and dredging of main harbour channel of

the Bombay Port, oil-*cum*-ore dock at Madras, improvement and modification to the iron ore handling plant at Visakhapatnam, construction of an open berth and execution of additional dredging to tackle siltation problem at Cochin Port, intensive dredging work at Paradip Port and the development of two new Major Ports of Mangalore and Tuticorin. As will be observed the actual expenditure incurred during the years 1966-67, 1967-68 and 1968-69 was Rs. 23.66, Rs. 25.49 and Rs. 39.67 crores as against a Plan provision of Rs. 37·38, Rs. 43·48, and Rs. 42·72 crores respectively. The main reasons for the shortfall in expenditure in 1966-67 and 1967-68 were the slow progress in respect of important projects, such as the Haldia Dock Scheme at Calcutta, the dock expansion and the Ballard Pier Extension Scheme at Bombay and the Outer Harbour Project at Madras; the delay in the ordering of new dredgers for the Cochin Port; and the erection of the ore handling plant at Visakhapatnam Port, as also the change in the construction plan of Railway lines in the reception-*cum*-despatch yard at that Port.

4.42. The Ministry of Shipping and Transport has assessed the capacity of the Major Ports to handle traffic at the commencement and the end of the Third Five Year Plan (1961-62 and 1965-66) and at the commencement of the Fourth Plan (1969-70) as indicated in the following table:—

Traffic Handling Capacity of Major Ports

(In million tonnes)

Port	Beginning of Third Plan (1961-62)	End of Third Plan (1965-66)	Beginning of fourth Plan (1969-70)
1	2	3	4
1. Calcutta.	12·16	12·20	12·50
2. Bombay . .	14·50	15·00	15·60
3. Madras. . .	3·20	5·00	7·00
4. Cochin .	3·25	4·20	5·70
5. Visakhapatnam	3·60	8·00	10·30
6. Kandla	1·06	1·80	2·10
7. Mormugao	..	8·00	8.60
8. Paradip.	..	..	2·00

The capacity of the ports during 1965-66 was placed at 34.2 million tonnes against which 50.2 million tonnes of traffic was handled by the Major Ports.

4.43. The more important schemes which were in progress and were scheduled to be completed in Fourth Plan were the Haldia Dock system and the Mangalore and Tuticorin Ports. Provision was made for completion of the dock expansion scheme at Bombay and the oil dock in Madras Outer Harbour which was started in the Third Plan. Among the new major schemes in Fourth Plan, mention may be made of the installation of modern ore handling facilities at Mormugao and Madras harbours, construction of an outer harbour at Visakhapatnam for handling deep drft ore carriers initilly upto 1,00,000 dwt. (dead weight tonnage) and ultimately upto 2,00,000 dwt, construction of a satellite port for Bombay at Nheve Sheva and on oil terminal at Cochin.

4.44. The Major Ports Committee which submitted their report in June, 1970 made a number of recommenadtions/observations regarding the major ports in the country. Some of the important recommendations of the Committee are as follows:—

In Indian ports berth occupancy in some cases is as high as 95 per cent to 97 per cent which creates numerous problems. The high rate of occupancy has resulted in considerable waiting for ships in the stream, neglect of maintenance dredging at the berths and the delays in the sheds. Noting that the standing charges for the vessels range from Rs. 10,000 to Rs. 18,800 per day, it will be realised how expensive it is for a ship to be detained at our ports and how much the detention charges go towards increasing the freights of our foreign trades.

2. The gradual introduction of the bigger and more modern ships for carriage of general cargo might reduce the number of available berths and also affect the quay space. The consequent reduction in berthing capacity needs to be off-set by improvements in the cargo handling methods.

3. Although there has been a significant rise in traffic in bulk cargo which constituted 78 per cent of the total traffic in 1968-69, adequate facilities were not created for the loading and unloading of increasing quantities of bulk cargo, commensurate with the size of ships. The ports

used the general cargo berths for handling imported bulk cargo like foodgrains and fertilisers which resulted in reduced availability of berths for other cargo and led to an abnormal detention of the ships at the ports. To avoid such detentions in future, there is an urgent need to put in specialised bulk cargo handling facilities at all the ports where traffic forecasts indicate the need for them. It must be ensured that the speed of loading/unloading cargo through mechanical equipment is adequate and comparable to those in use in the more advanced countries. Specialised deep water berths are under construction in various ports and they should be completed as early as possible so that the cargo handling capacity is substantially improved.

4. The average rate of general cargo loading/unloading at Indian Ports compares unfavourably with their counterparts in the western countries. For improving the average rate of handling, it is essential that suitable incentive piece-rate schemes should be introduced for cargo handling workers at all the ports wherever they do not exist at present. Further, the ports should be equipped with suitable mechanical equipment to aid the workers as indicated below:—

(i) the large use of forklift trucks in conjunction with suitable pallets for cased and bagged cargo;

(ii) to use high capacity shore cranes and portable or mobile cranes for slinging and unitising items like steel in order to increase the per hook load;

(iii) to bring into use suitable machines like pneumatic equipment fronted loader (pay loader) with a bucket forhandling parcel loads and bulk cargoes.

5. In view of the high cost of installing and operating quay cranes, we recommend that our ports should also get away from the practice of using cranes and go over to using more mobile equipment. However, for high loads per hook and for handling unitized loads of bigger weights which cannot be lifted by derricks or carried by forklifts, shore cranes would still be useful, but their number should be strictly limited. In many ports, particularly where heavy engineering goods are handled in large

quantities, it would be advisable to equip a selected number of berths with a few cranes of capacities between 15 and 20 tonnes.

6. Bulk cargoes comprising P.O.L. iron ore, coal, foodgrains and fertilisers (including raw materials) constitute more than three-fourth of the trade handled at the Major Ports in India. The bigger tankers and bulk carriers, due to economies of scale, have both lesser capital and reduced operating costs per tonne. There has, therefore, been a trend to acquire large-sied tankers and bulk carriers.

7. As traffic in P.O.L. is expected to increase from 17.95 million tonnes in 1968-69 to 23.67 million tonnes in 1973-74 and th import of crude oil may be of the order of 37.5 million tonnes by 1980-81, right type of port facilities for handling mineral oil traffic should be provided at various Major Ports taking into consideration their cost and also the investments required in other infra-structure such as storage facilities, internal transportation etc.

8. Palletization which is an "intermediate technology", improves the storage rates in the ship's hold by permitting block stowage; it also permits dunnage work being done while stowing is in progress. Since the investment required in palletization and also the displacement of the labour are far smaller than in other forms of mechanization, the commodities which are eminently suited for palletiation should be palletized. However, for making palletiation an economic proposition, the railways must provide wagons with sufficient wide boards to cater to originating|destination traffic. The additional forklifts required by the Port Authorities to introduce palletization should be acquired by them as early as possible."

4.45. The Draft Fifth Five Year Plan have stated regarding ports as follows:—

"A numer of new major projects were taken up during the Fourth Five Year Plan. However,, many of the project reports concerning important port programmes were not worked out in sufficient detail. A large number of projects consequently dragged far beyond their scheduled date of completion resulting not only in costescalation but also in some bottlenecks regarding smooth operation

in country's overseas trade. There is great need to lay proper stress on preparation of proper detailed project reports for port development programmes which would include among other things, technical feasibility, cost benefit analysis and a proper time schedule for implementation."

4.46. Asked if Government have made any arrangements to improve handling and loading facilities at Indian ports, the Ministry of Shipping and Transport have stated in a written note submitted to the Committee:—

"Yes, the portwise position is as follows:—

(1) *Calcutta*

Mechanical handling facilities for iron ore, coal and fertiliser are being provided at Haldia under construction with a view to accommodate large and deep draughted ships. The proposed loading rates at these berths are indicated below:—

Coal Berth . .	3,000 tonnes per honr
Ore Berth	6,000 tonnes per hour with provision for increasing to 8,000 tonnes per hour.
Fertiliser Berth	6,000 8,000 tonnes per day.

General cargo berths will have adequate cranage, the latest in cargo handling machinery. One berth will have a 30-Ton Payload port-rainer crane for handling containers. Finger jetty is proposed to be equipped with grab-bridge cranes capable of transferring salt, rock phosphate and other bulk cargo from ship to barge or vice-versa, at an average rate of 5,000 tonnes per day.

(2) *Bombay*

The port has adequate number of cargo handling equipment mainly consisting of cranes and forklifts; for handling deeper draughted ships, Nheve-Sheva port is necessary and this is under active consideration.

(3) *Madras*

Madras port has sufficient number of shore-electric cranes and forklift trucks for handling bulk foodgrains vessels. Full-fledged mechanical facilities for handling iron ore at a rated capacity of 8,000 tonnes per hour, are being provided in the Outer Dock. The port has sufficient number of cranes to meet other requirements.

(4) *Cochin*

The port has a variety of handling equipment Electric cranes, Forklift trucks, Tractors and Trailers. It is tentatively proposed to acquire six wharf cranes and six forklift trucks during the Fifth Plan period. A super oil Tanker berth with a capacity to cater to 115,000 DWT vessels loaded to 40 ft. draught is also proposed to be developed.

(5) *Visakhapatnam*

The equipment available and programmed for Fifth Plan period will be sufficient to handle loading and unloading of ships of normal size visiting this port. An Outer Harbour providing a mechanical ore loading plant of 10-12 million tonnes capacity with a loading rate of 8,000 tonnes per hour is expected to be commissioned shortly.

(6) *Kandla*

The port is equipped with different types of equipment—electric shore cranes, electric wharf cranes, vacuator machines, mobile diesel operated cranes, for handling loading and unloading of vessels. The port has plans to

acquire electric level luffing cranes, mobile cranes, fork-lift trucks towing tractor during the Fifth Plan period. A proposal to develop on offshore terminal at Salaya for handling crude oil is under active consideration. A detailed project report has already been prepared by Engineers India Ltd.

(7) *Mormugao*

The port has handling equipment for loading and unloading of ships consisting of electric quay cranes, heavy lift steam quay crane, mechanical ore loading plant owned by M|s Chowgule and Co. A new mechanical plant with a rated capacity of 8,000 tonnes per hour is being installed for handling vessels of 60,000 DWT initially. Replacement of 5 electric quay cranes, one heavy lift steam quay crane, acquisition of two electric quay crane is proposed during Fifth Five Year Plan period.

(8) *Paradip*

This is essentialy a mono-commodity port for the export of iron ore. Some quantities of chrome ore are also exported. Mechanical handling facilities for iron ore are already available to take care of about 3 million tonnes annually. These facilities are being improved further to handle upto 4 million tonnes of iron ore annually. Normally imports are not handled at this port. A general cargo berth is under construction and it is contemplated to provide four shore cranes."

4.47. Asked what was the original estimated cost of the Haldia Dock and the targetted date of completion and the present position of the Project, the Ministry of Shipping and Transport have stated in a memorandum submitted to the Committee:—

"Work on the main civil contracts for the impounded dock commenced in January, 1968 with a completion period of 45 months. The cost of the Project as per lumpsum *ad hoc* estimate made in 1965 was Rs. 40 crores.

The original time schedule for completing and commissioning the Haldia Dock System was on the assumption that a

period of four years would be required to construct and commission the Dock system, basesd on the preliminary tender drawings. Final working drawings evolved after detailed calculations and designs showed that the work particularly the construction of dock was far more complicated and time-consuming. The Haldia Dock System is the first one of its type in the country and has been wholly planned, designed and is being executed by Indian engineers and experts. They have been dealing with various technical and other problems natural to a project of the magnitude and dimensions such as those of Haldia with all the complexities involved. Some of these were (i) change in the dimensions of the dock on the basis of anticipated availability of deeper draught as assessed after detailed hydraulic studies, (ii) difficulties in lowering the water table at the lock entrance of the dock system to enable deep excavation being carried out prior to undertaking construction, (iii) general shortage of steel and cement, (iv) inadequate supply of wagons for movement of construction materials, (v) low productivity of labour and unanticipated difficulties in working conditions during the monsoon periods reducing considerably the availability of working time per year and (vi) delay in supply of plant and equipment by indigenous manufacturers. Efforts have been made to solve these problems. According to the latest indications, the Haldia Dock Project is expected to be commissioned in 1975.

The Project is now estimated to cost Rs. 126.94 crores. The original plan for the Project was reviewed and certain additional works were included which were considered necessary in view of changed circumstances. The rise in cost has been principally due to sharp rise in prices of materials and labour during recent years and due to revised prices of various equipment being manufactured by the indigenous manufacturers."

4.48. Asked if there was considerable detention of ships in Indian ports, the representative of the Ministry of Shipping and Transport stated in his evidence before the Committee:—

"The main reason for detention arises when bulk commodities are handled in places where adequate arrangements

do not exist therefor. Another reason is the bunching of ships."

4.49. Asked if it was not a fact that Bombay Port was congested, the representative of the Ministry of Shipping and Transport replied:—

"I have visited the Port. It is a congested port."

4.50. The Committee note that there are ten major Ports in India viz., Calcutta, Bombay, Madras, Cochin, Vizag, Kandla, Mormugao, Paradeep, Mangalore and Tuticorin and these ports handle an annual traffic of about 65 million tonnes. The Committee further note that considerable investments have been made in these ports. Since the First Five Year Plan, a sum of Rs. 522 crores has already been invested in these Ports and the Fifth Plan also provides for an investment of Rs. 308 crores in these major ports. The Committee, however, regret to note that inspite of the considerable investments made in the major ports and reaction of additional capacity, the condition of these ports is far from satisfactory and there is great congestion of cargo, long detention of ships, slow loading and unloading of cargo, long turn-round time of ships and unsatisfactory draft depth with the result that the shippers have been experiencing considerable difficulties which adversely effect the foreign trade of the country.

4.51. The Committee further note that as stated by Government in the draft Fifth Five Year document, "many of the important port programmes were not worked out in sufficient detail and a large number of projects were consequently dragged far beyond their scheduled dates of completion, resulting not only in cost escalation but also in some bottlenecks regarding smooth operation in country's overseas trade." The Committee have already commented about these delays in the execution of projects in their First report (Fifth Lok Sabha) on Visakhapatnam Port and Second Report on Tuticorin and Mangalore Ports. In the case of Haldia Project also, the Committee note that although the Project was expected to be completed in 1972 with an estimated cost of Rs. 40 crores it is now expected to be completed in 1975 only and the estimated cost has already escalated to Rs. 126.94 crores. The result of these delays has been that while in 1973-74 i.e., the last year of the Fourth Plan, the major ports were expected to handle 77 million tonnes of traffic, the ports actually handled a traffic of only 65 million tonnes. The Committee are unhappy at this tendency on the part of Government to start port development programmes without prepara-

tion of proper project reports and consequent delays in the execution of projects which not only results in considerable escalation of costs but also hampers the smooth operation of these ports. The Committee recommend that the projects should be taken up for execution only after preparation of detailed project reports with realistic estimates and targets dates for completion which should be adhered to. Moreover, it shall be ensured that the capacity created in these ports after investment of scarce financial resources, should be fully utilised by increasing the operational efficiency so that the maximum returns from these investments could be obtained. The Committee further recommend that while making fresh investments in major ports, the needs of coastal shipping should be specifically kept in view to meet the increasing role of coastal shipping in the transportation network.

4.52. The Committee further note that traffic in the major ports in the country is expected to increase to about 115 million tonnes by 1978-79 from the present traffic of 65 million tonnes which means an increase of about 77 per cent. The Committee further note that about 80 per cent of the increased traffic will be in bulk commodities such as crude oil and petroleum products, iron, fertilisers and coal. The Committee would like to point out that until and unless concerted efforts are made to increase the capacity of major ports and maximum utilisation of existing capacity by improvement in operational efficiency, better scheduling of ships etc., the position in the ports is not likely to improve, creating great implements in the way of country's overseas trade. The Committee stress that necessary advance planning for the purpose should be done and programmes for port expansion should be completed expeditiously to meet the expected increase in traffic.

4.53. The Committee need hardly point out that with the phenominal increase in the sizes of ships which visit our ports, it has become imparative to reduce the time spent by these vessels at the ports as the detention of the ships results in wasteful expenditure on account of payment of detention charges. It is therefore essential that fast loading and unloading techniques are employed for quicker and cheaper movement of cargoes and reducing transportation charges.

4.54. The Committee further note that the Major Ports Commission in their report submitted in 1970 had made a number of recommendations for improving the working of the major ports e.g., need for improvement in cargo handling methods, need for creation of necessary capacity for the loading and unloading of bulk cargo, commensurate with the larger size of ships, increased use of mach-

anised devices like high capacity shore cranes and mobile cranes, pellatization etc. The Committee recommended that immediate action should be taken for the implementation of the recommend- made by the Major Ports Commission.

D. Development of Intermediate and Minor Ports

4.55. Ports other than those declared as Major Ports under the Indian Ports Act of 1908, are known as Minor Ports. In accordance with the Constitution that came into force with effect from 26th January, 1950 major ports were placed in the Union List whereas minor ports were placed in the concurrent List. The minor ports are administered by the respective State Governments and the executive responsibility for development of these ports rests with them. Those minor ports which handle or have handled in the past one lakh tonnes or more of cargo per year or are otherwise considered to have special importance, are also sometimes referred to as intermediate ports.

4.56. Spread along a coastline of 5,700 km. there are 226 minor ports, out of which 157 are working ports. The Statewise distribution of these working ports is as under:—

State	Length of Coastline in miles	No. of Ports. Inter-mediate	Minor	Total
West Coast				
Guiarat	1,000	10	40	50
Maharashtra	320	2	48	50
Karnataka	175	29	19	21
Kerala	360	2	11	13
		16	118	134
East Coast.				
Tamil Nadu	620	3	7	10
Andhra Pradesh	600	2	7	9
Orisa	270		3	3
Pondicherry	..	1	..	1
		6	17	23
Grand Total:—		22	135	157

The above does not include the minor ports in the Union Territories of Goa, Andaman and Nicobar and Laccadive Group of Islands.

4.57. Out of the 157 intermediate and minor ports, there are only 118 ports with any traffic. More than 70 per cent of these ports deal only in coastal trade. Of the 118 ports, only 17 handle an annual traffic of between one lakh and 10 lakh tonnes. 70 of these ports handled an annual traffic of less than 10,000 tonnes in 1971-72. Out of these 70 ports, the annual traffic was less than 1,000 tonnes in 32 ports.

Outlays on development of Minor Ports and Central Assistance since Independence.

During the Second World War, the maintenance of minor ports was largely neglected and restrictions placed on their use. Development works proposed under the First Five Year Plan were, therefore, designed to revive the ports to their pre-war level. The development of minor ports was included in the State Plans but for certain selected schemes which were taken up as Centrally Sponsored Schemes the Centre gave loan assistance to the State Governments. The Government of India approved certain essential works costing Rs. 252.61 lakhs to be carried out at the various locations and an expenditure of Rs. 153.70 lakhs was incurred during the Plan period. Central assistance in the shape of loans or outright grant totalling Rs. 67.24 lakhs were given in respect of these approved works. The details of the loans advanced by the Centre to State Governments in the First Plan were as under:—

	Rs.
Bombay	14,04,500
Saurashtra	29,46,000
Kuch	10,10,000
Madras	3,34,612
Andhra Pradesh	2,00,000
Travancore-Cochin (Kerala)	99,000
Orissa	7,30,000
Total	67,24,112

4.58. During the Second Five Year Plan, the works were designed to modernise the ports to enable quicker turn-round of the ships and to provide additional amenities. The total cost of these works was estimated at Rs. 279.53 lakhs and the expenditure on both Central and State schemes was Rs. 450·46 lakhs. The Central assistance in the form of loan was as under:—

	(Rs. in lakhs)
Orissa	28·15
Andhra Pradesh	5·13
Madras	17·52
Kerala	7·65
Mysore	7·52
Maharashtra/Gujarat	68·89
Total	134·86

In the Third Five Year Plan, the significant development was the establishment of the Minor Ports Dredging and Survey Organisation and setting up of a technical organisation in the Ministry of Transport for giving technical assistance to the Maritime States in the development of minor ports. The expenditure on minor ports in the Third Five Year Plan was as under:—

(a) *Schemes executed by the Government of India.*

Scheme	Provision in the Third Plan	Expenditure incurred
1	2	3
	(Rs. in lakhs)	
1. Minor Ports Dredging and Survey Organisation	301·00	182·00
2. Pondicherry Pier Project	11·25	10·69
3. Ports in Andaman and Nicobar Islands and Minicoy Islands	48·58	15·00
Total	360·83	207·69

(b) *Schemes executed by the State Governments*

1	2	3
	(Rs. in lakhs)	
Orissa	5·80	8·34
Andhra Pradesh	45·00	39·70
Madras	123·71	83·88
Pondicherry	10·00	3·31
Kerala	180·65	101·39
Mysore	252·50	135·84
Maharashtra	148·05	62·78
Gujarat	444·15	440·00
Total:—	1209·86	875·24
Grand Total:—	1570·69	1082·93

The loans made available to the State Governments in the Third Plan were as under:—

	(Rs. in lakhs)
Orissa	3·54
Andhra Pradesh	32·15
Madras	49·14
Kerala	70·44
Mysore	47·02
Gujarat	121·31
Maharashtra	34·35
Pondicherry	1·00
Total:—	358·95

The loan assistance was continued to the State Governments for the Centrally sponsored schemes during the annual plans in the intervening period between the end of the Third Five Year Plan and the commencement of the Fourth Five Year Plan. Amounts released during the 3

years 1966—69 are Rs. 96745 lakhs, Rs. 82·09 lakhs and Rs. 82.10 lakhs respectively.

Until the end of Third Plan period the loan assistance for development of minor ports was given for development or various ports in the States in general. The National Development Council in its meeting held on 13-9-68, decided that for the Fourth Plan only certain specific and well-defined schemes for minor ports development should be included in the Centrally sponsored schemes. In view of the large spill over programme from the Third Five Year Plan and the continuing strain on resources, it was felt that in order to obtain maximum benefit it would be preferable to concentrate on certain well defined schemes related to the traffic potentialities of the ports so that at least one port in each maritime State is brought to a specific stage of development. The concurrence of State Governments was obtained for the development of one port from each maritime State during the Fourth Plan period. A provision of Rs. 20 crores was made for the Centrally executed schemes (Rs. 7 crores) and loans to State Governments (Rs. 13 crores) in the Fourth Five Year Plan period. Provision was made in the above to cover the carry-over of the approved schemes of the Third Five Year Plan to the extent commitments were already made and for loan assistance to the State Governments for the intensive development of one-selected minor port in each State.

The Minor Ports selected in each State for intensive development and for which loan assistance was proposed were Gopalpur, Kakinada, Cuddalore, Karwar, Beypore, Ratnagiri and Porbandar. Works on Porbander, Ratnagiri, Beypore, Cuddalore and Kakinada are already in progress while the schemes for Gopalpur and Karwar are under finalisation in consultation with the Planning Commission. As regards the progress on the Centrally sponsored schemes cleared during the Fourth Plan, the position is as follows:—

KAKINADA (Andhra Pradesh)

The approved scheme includes acquisition of 4 mechanised barges, one water barge, a grab dredger, navigational aids, the dredging of the approach channel, realignment of railway track, extension of groynes, provision of slipway for repairing port craft etc. Against the Plan allocation of Rs. 100 lakhs, Central loan assistance of Rs. 91

lakhs has been released so far. The dredging of the approach channel, realignment of railway track, acquisition and installation of navigation aids and workshop equipment have all been completed. The work on rest of the items is in good progress.

CUDDALORE (Tamil Nadu)

The approved scheme includes works relating to river-training schemes, construction of a breakwater and one jetty and provision of sand pumps etc. The entire Plan allocation of Rs. 89 lakhs has been released by the end of 1971-72. All the works have been reported to be physically completed except dredging which is being done by the Port Department with its dredger.

BEYPORE (Kerala)

The scheme for Beypore approved on 28-12-72, includes work relating to dredging, formation of reclamation bund, acquisition of harbour craft, provision of navigational aids, stream mooring buoys etc. Against the Plan allocation of Rs. 100 lakhs reduced to Rs. 50 lakhs during the mid-term appraisal of the Plan in 1972, an amount of Rs. 32.50 lakhs was sanctioned upto the end of 1974-75 because of the belated finalisation of the scheme. The work is in progress.

MIRYA BAY (Ratnagiri) (Maharashtra)

The entire Plan allocation of Rs. 107 lakhs, has already been released. The approved scheme includes provision of sheltered anchorage for vessels upto 20′ draught, works relating to the construction of breakwater of 1500 ft. length, construction of a jetty and reclamation. The approved scheme has been practically completed and port opened to traffic.

PORBANDAR (Gujarat)

Against the Plan allocation of Rs. 692 lakhs, Central loan assistance of Rs. 260.00 lakhs has so far been released The approved scheme envisages the development of an all-weather port at Porbandar intended to cater to the needs of 30' draught vessels. The major construction work relates to the formation of a break-water which

is in progress. Other works included in the scheme relate to provision of one alongside berth and ancillary facilities such as road and railway link, transit and storage facilities, water supply, electrification etc.

It has been reported by Gujarat Government that the construction of main breakwater, 9600 ft. in length is in progress. Uptil now 5400 ft. long breakwater upto 30 ft. depth has been completed. Tenders for the remaining portion of breakwaters from 30' to 40' depth has been accepted in July, 1974. The whole scheme is expected to be completed by about end of 1977.

4.59. The Minor Ports Committee which submitted its report in 1974 made *inter-alia* the following recommendations:—

(1) For improvement of traffic at minor ports, there is a necessity to reserve suitable coastal cargo, provide adequate port facilities and deploy suitable types and sizes of coastal ships.

(2) Integrated development of the necessary communication system, planned intensive industrialisation of the immediate hinterland and development of the necessary communications network are essential to generate traffic and to move the generated traffic.

(3) Port facilities should be available at suitably spaced intervals along the coast and these ports should have interlocked rather than overlapping hinterlands.

(4) The primary function of the minor ports is to serve the coastal traffic. Where the traffic so demands the ports can act as feeder/satellite to major ports. Their third role is to serve as export import ports for cargo generated/consumed in their intermediate hinterland which finds an economic outlet through these ports. Selected ports should be equipped to meet these functional requirements.

(5) Port facilities at the selected locations should be provided to enable alongside handling of the recommended type of vessel round the year. Investment should be kept to the minimum consistent with the needs to make the ports economically viable ports. Investments at the sites recommended should be preceded by techno-economic feasibility studies.

(6) Separate facilities at the selected ports should be made for handling of sailing vessels traffic. Adequate space for repairs of these crafts should also be earmarked.

(7) Carriage of cargo by different agencies of transport at uneconomic rates and unhealthy competition thereby should be discharged.

(8) The need for reservation of cargo for the Coastal Trade cannot be over-emphasised and this is a primary requisite for survival of coastal shipping at the selected minor ports.

4.60. It has been stated in the draft Fifth Five Year Plan that:—

"In the Fourth Plan, a provision of Rs. 35 crores was made for minor ports including Rs. 20 crores in the Central Plan and Rs. 15 crores in the Plans of States and Union Territories. The provision in the Central Plan included Rs. 7 crores for Centrally executed schemes and Rs. 13 crores for loan assistance to State Governments for certain specified port schemes. Progress in regard to State Plan schemes and the Centrally executed schemes has been satisfactory. However, the progress on the Centrally sponsored schemes had been quite-slow which was due mainly to delays in the finalisation of schemes.

The Fifth Plan provides Rs. 45 crores for minor ports including Rs. 23 crores in the Plans of States and Union Territories, Rs. 12 crores for centrally executed schemes and Rs. 10 crores for centrally sponsored schemes. Provision for the Central schemes is on account of a minor ports survey and dredging organisation and the development of Nicobar Islands and in Lakshdweep. As regards Centrally sponsored scheme, the provision made is mainly for spill-over works from the Fourth Plan because the more important new schemes relating to the development of minor ports are included in the State Plans."

4.61. Asked if the economic viability of the minor ports included for development in Fourth Plan were examined, the Ministry of Shipping and Transport have stated in a written note submitted to the Committee:—

"These schemes were covered in the centrally sponsored programmes on the basis of the recommendations of several

Technical Committees whose terms of references included the traffic potential, economic viability, engineering aspects, locational advantages on the basis of national and regional considerations and several other parameters. After the recommendations of the Experts Committee were received and the economics of the scheme were looked into, the proposals were cleared through Ministry of Transport and Planning Commission before the Schemes were finally included in the Five Year Plans."

4.62. The Committee note that in addition to 10 major ports in the country, there are 226 intermediate and minor ports, out of which 157 are working ports. Of these, only 118 ports have any traffic. 17 ports handle an annual traffic of between one lakh and 10 lakh tonnes, 70 handle an annual traffic of less than 10,000 tonnes. In 32 ports, the annual traffic was even less than 1,000 tonnes. The Committee regret to note that the intermediate/minor ports in the country are generally in a poor condition and are not being fully utilised for the transport network of the country. These ports have neither the necessary drafts nor the requisite handling facilities for the cargo with the result that transportation costs through these ports are greatly inflated and coastal traffic is continuously going down.

4.63. The Committee note that the Fourth Five Year Plan provided for an intensive development of one minor port in each maritime State but the sanction of the schemes were considerably delayed with the result that much headway could not be made in the development of these ports. It is thus evident that the development of intermediate/minor ports in the country has been dealt with in a casual manner and did not receive the earnest attention that it deserved, which is regrettable.

4.64. The Committee consider that as the major ports in the country are congested and overburdened with overseas trade, the intermediate/minor ports can play a vital role in the transport network of the country and in the development of their adjoining regions. These ports can prove very useful in the development of coastal traffic which has considerable scope for expansion in the country and can serve as feeders to major ports and relieve congestion at these ports. The Committee consider that for the development of coastal shipping, a selective development of minor ports with requisite facilities for loading and unloading of cargo, is necessary by reserving adequate amount of cargo for coastal movement and evolving suitable types and sizes of vessels to meet the requirements of coastal

traffic. The Committee urge that the selective development of these ports, at suitable locations, should be undertaken after a detailed study of their economic viability so that they can serve as feeder ports for moving the cargo from their hinterland to the adjoining major ports and vice versa. It is also necessary that State Governments concerned also take steps for the development of hinterland of these ports as well as for providing adequate communication facilities, particularly in view of the fact that Fifth Plan provides for a considerable increase in the coastal traffic in the country. It should however be ensured that there is no overlapping and duplication of facilities. A coordinated review of all modes of transport in the State should be undertaken to ensure an integrated and economic development of transport facilities both for goods and passenger traffic.

4.65. The Committee further note that the Minor Ports Committee in their report submitted in 1973, has made a number of recommendations for the development of these ports like reservation of suitable coastal cargo, provision of adequate port facilities, integrated development of communication system and hinterland of these ports, provision of handling facilities etc. The Committee recommend that Government should take immediate action for the implementation of the recommendations of the Minor Ports Committee.

4.66. During their visit to some of the Ports in Gujarat like Bhavnagar Port, the Committee were informed that there is continuous siltation and inadequate dredging capacity with the result that the working of these ports was adversely affected. The Committee would like Government to take corrective measures in the matter early so as to improve the working of these Ports.

CHAPTER V

INLAND WATER TRANSPORT

A. Special features of Inland Water Transport

In India, Water transport developed much earlier than other modes of transport. Country boats of varying sizes and shapes have been plying on our waterways from times immemorial. Propulsion used to be by oars, sails or towing line. Mechanical propulsion was introduced in the country in the early part of the 19th century. The first steam propelled vessel sailed with passengers from Kulpi Road to Calcutta, a disance of 80 km., on the Hooghly in 1823. In 1842, a regular fortnightly service was introduced between Calcutta and Agra on the Yamuna. Regular steamer services on the Brahmputra between Calcutta and Assam also commenced in 1863.

5.2. With the diversion of waters from rivers for meeting the ever increasing needs of irrigation, deforestration of the hilly ranges leading to erosion and accumulation of silt in the rivers and the lack of proper maintenance, the navigability of waterways gradually declined. Nevertheless, inland water transport continued to play an important role on routes and in the regions in which its natural advantages outweighed other disadvantages like Calcutta-Assam river route till its closure in September, 1965 and the waterways of Goa.

Asked if a cost benefit study regarding all modes of transport have been undertaken by Government, the Ministry of Shipping and Transport have stated in a note submitted to the Committee:—

> "No cost benefit study covering the various modes of transport has been undertaken by the Ministry of Shipping and Transport ...However, the Bhagavati Committee on I.W.T. in its report submitted in October, 1970, mentioned the results of the studies undertaken/statistics collected by them and necessary extracts from its report are given below:—
>
> The modern concept is that all modes of transport viz. rail, road and water have equal importance and each of these is to be considered as part of an integrated transport system. One of the main advantages in favour of inland

water transport is that most of the waterways are gifts of nature and can be used for navigation with a minimum investments, whereas railways lines and roads have to be laid at considerable cost. The following table indicates the investments required for provision of 1 km. of road or railways track vis-a-vis waterway:—

Mode of transport	Initial investment required on provision of one Km. of track (Rs. in lakhs).	Maintenance cost for Km. of track (Rs. per year).
Water	1·25 to 2·00	1,000
Road	1·50 to 4·50	4,500
Rail (Plan Section B. G.)	8·00 to 10·00	96,00"

5.3. It is recognised all over the world that Inland Water Transport is the cheapest mode of transport, particularly for certain kinds of traffic both over long and short distances. It is also an established fact that it requires less power to move an equivalent tonnage on waterways and a barge has the lowest relative dead weight and a minimum of friction loss. One horse power is known to move 1.50 kgs. on road, 500 kg. on rail and 4,000 kgs. on water. This is why the cost per tonne km. is the lowest in the case of I.W.T. The relative cost per tonne km. of rail, road and water transport relating to Eastern India is illustrated by the following figures:—

Mode of transport	Region	Cost per tonne km. (in paise)
Rail	Eastern Railway (Broad Gauge)	4·40
	North Eastern Railway (Metre Gauge)	5·74
	North East Frontier Railway (Metre Gauge)	11·70
Road		10·00
I.W.T.	(i) For short leads of 600 kms. and above	2.50
	(ii) For short leads up to 200 kms.	5·00
	(iii) Allahabad/Haldia	2·44
	(iv) Patna/Calcutta	2·60
	(v) For movement of iron ore in Goa waters	4·00

5.4. It has been worked out that in the U.S.A., the cost of transport per ton/mile is nearly 3/10th of a cent (1.4 paise per ton km.) by barge, 1/1-2 cents by rail and 6/1-2 cents by road. Dr. William Mooz of the RAND Corporation has given the following figures to indicate the energy required to move a ton-mile of cargo by water, rail, pipeline, truck and air.

	Energy required to move tonne-mile of cargo (expressed in British Thermal Units)
Water	500
Rail	750
Pipeline	1850
Road	2400
Air	6300

5.5. Mr. Braxton Carr, former President of the American Waterways Operations, Washington has expressed the same thought by a different yardstick as follows:—

	Fuel required per 1000 ton—miles (In gallons)	Approximate fuel consumption per 1000 tons—kms—(Millions litres)
Water	3·15	9
Rail	4·21	12
Road	8·33	23

5.6. The Committee note that inland water transport is one of the oldest mode of transport in the country and due to the existence of a number of perennial and navigable rivers in the country, there is considerable scope for its development as a mode of transport to carry cargo and passengers. Moreover, it has been proved that inland water transport is the cheapest mode of transport in as much as while the initial investment of provision of one km. of track is Rs. 8 to 10

in the case of road, it is as little as Rs. 1.25 to 2.00 in the case of inland water transport. Similarly while the maintenance cost per km. of track per year is Rs. 9,600 in the case of rail, and Rs. 4,500 in the case of road, it is as low as Rs. 1000 in the case of inland water transport. The operation cost per tonne km. is also the cheapest in the case of inland water transport as while the same is 10 paise in the case of road and 4.40 to 11.70 in the case of railways in the eastern region, it is 2.44 to 5.00 paise in the case of inland water transport. The Committee note that advanced countries in the world have already realised the inherent advantages of the inland water transport; and many countries like U.S.A., Germany, France and U.S.S.R. are using it increasingly in spite of the fact that other modes of transport such as rail and road, are far more developed in these countries as compared to India. The Waterways in the U.S.A. carry nearly 16 per cent of the nation's total transportation, but the total cost is less than 1 per cent of the total amount expended annually on transportation.

5.7. The Committee, regret to note that although India has been experiencing considerable transport bottlenecks, one of the oldest mode of transport viz., inland water transport has been consistently on the decline. The Committee consider that inland waterways can play a significant part in the transport network of the country by economically distributing goods to the ports from their connected hinterland and vice-versa. In view of the low cost of this system of transport, it is necessary that comprehensive data of the possible traffic, along all the navigable waterways of the country is compiled to enable a realistic future planning of this system of transport. Considering the extent to which the inland water transport has declined, it would call for a massive effort to bring it to an efficient and fruitful level of functioning. However, in view of the constraints of resources it would be necessary to phase the development of inland waterways over an extended period. The Committee suggest that after the comprehensive data has been compiled, priorities for the development of inland transport in the various sectors should be laid down, afetr considering the availability of traffic and the existing facilities etc. The Committee need hardly emphasise that a well-thought out phased programme should be formulated for the development of inland waterways which in addition to making the waterways navigable, should include the provision of necessary terminal facilities which are very necessary for ensuring quick, efficient and fast turn round of traffic for making this system of transport a success in the modern transportation network.

B. Development of Inland Water Transport of India

5.8. Since independence, interest in inland water transport has been aroused because of the need to utilise all the available transport for meeting the growing transport requirements of the country. A number of Committees have been appointed to examine the problems of inland water transport and suggest steps for improvement. The important Committees appointed and the main recommendations made by them are as follows:—

1. Inland Water Transport Committee, 1959. The main recommendations made by the Committee were as follows:—

   (1) Inland Water Transport has an important role to play in India and is particularly suited for commodities in bulk.

   (2) A provision of Rs. 50 crores should be made in the 3rd Five Year Plan for development of various waterways in the country.

   (3) The Central Technical Organisation at the Centre should be strengthened and such organisation should be set up|strengthened in the States.

   (4) No waterways in India should be declared as a National Waterway at the present stage but the Committee strongly urged that Government of India should assume responsibility for improving and maintaining all important waterways of the country.

2. Study Group on Assam River Services, 1967.

With the closure of Calcutta—Assam route *via* the erstwhile East Pakistan (now Bangladesh) and stoppage of the river services on this route, the Study Group was to examine the economics and operational feasibility of setting up a separate organisation based in Assam to provide river services in Assam and the viability of such an assessment.

The important recommendations of the Study Group were as follows:—

(i) The internal river services sought to be provided by CIWTC will not be able to compete with the Railways or road transport in the short run.

(ii) It will be shortsighted and prejudicial to national interest to allow the river services to be extinguished merely because Railways and Road transport can cope with the transport currently offered or that is anticipated during the next few years.

(iii) There is scope for development of all modes of transport in Assam and water transport constitutes a service essential for the state. It will be putting the clock back if CIWTC were to close down their operations in Assam.

3. Inland Water Transport Committee, 1970.

The Committee was set up to suggest a phased programme of development and assess the possibilities of drawing up specific schemes in selected regions. The important recommendations of the Committee were:—

(1) Important waterways (named in the Report) should be declared as National Waterways. The criteria should be its importance to the nation as a means of communication and its contribution to the economic development of the area and the country at large.

(2) Organisation at the Headquarter should be strengthened and State Governments should also establish suitable technical organisations with the exclusive responsibility for this purpose.

(3) The Central Government should assume full responsibility for maintaining navigability of all important waterways by taking necessary measures.

(4) Promulgation of a single Central Act to regulate the running of ferries throughout the country should be considerd.

(5) Farakka, which is likely to become an important rail and road-cum-river transhipment point should be developed into a modern inland port with proper facilities for transhipment of cargo and berthing of inland craft.

(6) The Committee recommended 32 shemes at a cost of Rs. 1242·19 lakhs for development of inland water transport in various states during the Fourth Plan. For the Fifth Plan, the Committee suggested 14 schemes at a cost of Rs. 1488.91 lakhs for development of inland water transport in the various States.

4. River Services Committee (1972).

The Committee was asked to assess traffic prospects on the Calcutta Assam route *via* Bangladesh and to make recommendations about strengthening of the fleet strength for operation of this route. The important recommendations of the Committee were as follows:—

(1) The total traffic was assessed at 8·5 lakh tonnes per annum to be carried by river services between Calcutta and Assam *via* Bangladesh as also between India and Bangladesh, the existing fleet capacity of Central Inland Water Transport Corporation and the other operations being able to carry only 3 lakh tonnes per annum.

(2) To bridge the gap as also to replace the old craft, the Committee recommended acquisition of 15 pusher tugs and 60 dumb barges etc.

(3) The Government of India should give necessary funds to Central Inland Water Transport Corporation for strengthening its fleet.

(4) Rajabagan dockyard should be developed.

5. Committee on National Waterways (1974) The Committee was asked to recommend proposition within which a statute for National Waterways could be contemplated and also to undertake a study of the Ganga-Bhagirathi-Hooghly river system and to recommend whether it should be declared a National Waterway. The important recommendations of the Committee were as follows:—

(i) The Committee prepared a draft National Waterways Bill for being adopted;

(ii) The criteria of the waterways for being declared as National Waterways were outlined.

(iii) After the Completion of Farakka Barrage, the Ganga-Bhagirathi-Hooghly will be Waterway, connecting the major port of Calcutta and this river system should be selected for eventual declaration as a National waterway after the completion of the Farakka Barrage.

6. Study Group on the Development of Buckingham Canal (1974)

The Group was asked to carry out detailed examination both of the technical and economic feasibility of the project of Buckingham Canal with a view to have an assessment of existing traffic and the likely traffic for transport by the canal and the economic viability

of the same. The Study Group was asked to suggest an integrated phased programme for the development and improvement of the entire Buckingham Canal lying in the two States of Andhra Pradesh and Tamil Nadu. The Group made the following important recommendations:—

(i) The Group estimated the traffic by mechanised boats as 6.50 lakh tonnes per annum in the North Buckingham Canal and 0.30 to 0.40 lakh tonnes per annum in the South Buckingham Canal, after the works recommended by the Group have been completed.

(ii) The Gorup recommended suitable channel dimensions on considerations of navigability.

(iii) The Group recommended development of Buskingham Canal (North and South) at a cost of Rs. 800 lakhs and Commamur Canal at a cost of Rs. 4 lakhs.

A note giving the composition, functions, and important recommendations made by these Committees and action taken by Government is given at Appendix (Appendix III).

Progress of Inland Water Transport during Five Year Plans.

5.9. The financial provision made and the actual outlay on Inland Water Transport during the various plan periods in Central Sector has been as follows:

	(Rs. in lakhs)	
	Provision	Actual Expenditure
First Plan	Nil	Nil
Second Plan	143·32	72·34
Third Plan Central Schemes and Centrally sponsored schemes	548·co	307·40
Fourth Central Schemes and Centrally sponsored schemes .	9cc·co	674·oo

5.10. The progress made in the Five Year Plans has been as follows:—

First Five Year Plan

In the first Five Year Plan a Provision of Rs. 10.00 lakhs was made for payment of contribution to the Ganga Brahmputra Water

Transport Board set, up for coordinating the activities of the Governments of Uttar Pradesh, Bihar, West Bengal and Assam in the field of inland water transport and to tackle some of the urgent problems relating to navigation on the Ganga and Brahmputra system of rivers. A provision of Rs. 8.00 lakhs was utilised in the First Plan for this purpose. Besides, a special grant of Rs. 25.08 was given to Board for purchase of craft for testing the feasibility of plying shallow draft tugs and pusher type barges for upper Ganga and the Ghaghara. The total expenditure on the development of inland water transport in the first plan amounted to Rs. 33·08 lakhs. The Board established the technical feasibility of operating shallow draft tugs both pull tow and push tow type and barges on the Ganga and Ghaghara rivers.

Second Five Year Plan

In the Second Five Year Plan, a provision of Rs. 143.32 lakhs was made for inland water transport. The schemes mainly related to construction of an inland port on the Brahmputra at Pandu near Gauhati, purchase of craft, setting up of a technical organisation at the Centre and development of inland water transport in Kerala, Orissa, Tamil Nadu and Andhra Pradesh. These were all in the Central Sector. No schemes were included in the State sector. The progress made during the Plan period has, however, been slow and a sum of Rs. 72.34 lakhs only was spent.

Third Five Year Plan

An allocation of Rs. 400.00 lakhs was made in the Third Five Year Plan for the development of Inland water transport in the Central sector and a further sum of Rs. 148.00 lakhs was provised under the State Plan for the States of Assam, Bihar, Kerala, Maharashtra and West Bengal. The total expenditure during the Third Five Year Plan period, however, amounted only to Rs. 253.33 lakhs in the Central sector and Rs. 55.07 lakhs in the State sector.

Out of the total allocation of Rs. 548 lakhs in the Third Plan, a sum of Rs. 307.04 lakhs was spent. The poor performance in the Third Five Year Plan was primarily due to absence of strong technical organisation both at the Centre and in the States.

Fourth Five Year Plan

Against a provision of Rs. 9.00 crores (Rs. 5.00 crores for the Central schemes and Rs. 4.00 crores for the Centrally Sponsored Schemes) an expenditure of Rs.. 6.74 crores, Rs. 3.70 crores for

Central Schemes and Rs. 3.04 crores for Centrally Sponsored Schemes was incurred in the Fourth Five Year Plan. The Central Schemes cover development of Rajabag a Dockyard (Rs. 202 lakhs), Kulpi Workshop (Rs. 12 lakhs) of the Central Inland Water Transport Corporation, provision of ancillary facilities at Pandu and Jogighopa Ports, running of an experimental-cum-promotional service on the Ganga, higher training scheme at Calcutta, etc. Under the Centrally Sponsored Category, (100 per cent loan assistance by the Central Government), based on the recommendations of the Bhagavati Committee, 24 schemes have been sanctioned in different States at an estimated cost of Rs. 773 lakhs. These schemes are at various stages of implementation and loan assistance amounting to Rs. 304 lakhs has already been released to the State Governments.

Fifth Five Year Plan-Annual Plan 1974-75.

A tentative provision of Rs. 40 crores (Rs. 26.00 crores for Central schemes and 14.00 crores for Centrally Sponsored Schemes) have been agreed to by the Planning Commission for development of inland Water transport in the Fifth Five Year Plan. The provisions include additions of the fleet of Central Inland Water Transport Corporation, modernisation of the Rajabagan Dockyard, provision of a dry-dock, navigational aids, river services on the Ganga, etc. Besides, a provision has been made to create an Inland Vessels Development Fund for giving loan assistance to the State Governments on easy terms to enable them to provide such assistance to private entrepreneurs for acquisition and modernisation of vessels. Under the Centrally Sponsored Category, only selected schemes particularly those which are of an experimental nature and are of inter-State character and of national importance have been included. In addition to the spill-over schemes from the Fourth Five Year Plan, the State Governments have been requested to draw up detailed project reports for these schemes and forward the same to the Ministry in order of priority.

Inland Water Transport Directorate

5.11. The Committee has been informed that at the Centre, there is an Inland Water Transport in the Ministry of Shipping and Transport which was set up by a Resolution in 1965 to deal with the various aspects of development of Inland Water Transport in an efficient and coordinated manner. The immediate task of the Directorate is to study the existing waterways in the country and draw up a list of waterways where navigational facilities are either to be provided for improved and proper specific scheme for the purpose in consultation with the State Governments.

5.12. Asked if any improvement in the Directorate on the technical side is necessary, the Director in the Inland Water Transport Directorate stated in his evidence before the Committee:

> "Recently, I have come here, some expansion is now required. We are considering to put the organisation on a proper footing."

5.13. The Committee note that Government have appointed a number of Committees to examine the various aspects of the problems connected with the development of inland water transport in the country viz. the Inland Water Transport Committee, 1959, Study Group on Assam Services, 1967: Inland Water Transport Committee, 1970; River Services Committee, 1972; Committee on National Waterways, 1974; and Study Group on Development of Buckingham Canal (1974). These Committees have made a number of useful recommendations e.g. the Inland Water Transport Committee, 1970 had recommended that important waterways should be declared National Waterways; the Central Government should assume full responsibility for maintaining navigability of all important waterways by taking necessary action; promulgation of a single Act to regulate the running of ferries throughout the country; development of Farakka into a modern inland port etc. Similarly the River Services Committee (1972) recommended the acquisition of 15 pusher tugs and 60 dumb barges etc. The Study Group on Development of Buckingham Canal, 1974 recommended development of Buckingham Canal (North and South) at a cost of Rs. 800 lakhs. The Committee however, note from the statement of action taken on the recommendations of these Committees that most of these recommendations are still under consideration and followup action thereon has not yet been taken. The Committee regret that even after a lapse of more than 4 years, final decision on the recommendations made by the Inland Water Transport Committee, 1970 has not yet been taken. The Committee recommend that action to implement the recommendations of these Committees should be taken at an early date.

5.14. The Committee regret to note that inland water transport has received a very meagre allocation in the Five Year Plans. It is noted that no allocation was made for inland water transport in the First Five Year Plan while the allocation in the Second, Third and Fourth Five Year Plan was only Rs. 16 crores approximately out of a total provision of more than Rs. 7000 crores on the transport sector. In the draft Fifth Plan also, the provision for inland water transport is Rs. 69 crores only including Rs. 22 crores for Farakka Barrage Project, out of a total provision of Rs. 5697 crores on the transport

sector which is less than 1.5 per cent of total provision. It is thus evident that the potentialities of inland water transport in the transport system of the country have not been realised and although a number of Committees appointed by Government, have emphasised the inherent advantage of this mode of transport for the national economy, their recommendations have remained largely unimplemented due to organisational deficiencies and lack of resources. The result has been that this system of transport has not been put on sound lines. The Committee would like Government to take necessary corrective measures in this regard at an early date.

5.15. The Committee are, however, surprised to note that even the meagre allocations made in the various Five Year Plans for inland water transport, have not been utilised and there have been considerable shortfalls in expenditure as compared to the allocations made in the various Five Year Plans for inland water transport. In the Second Plan, against a provision of Rs. 143.32 lakhs, only a sum of Rs. 72.34 i.e. about 50 per cent was utilised, in the Third Plan against a provision of Rs. 548 lakhs, only a sum of Rs. 307.04 lakhs i.e. about 63 per cent was utilised i.e. and in the Fourth Plan against a provision of Rs. 900 lakhs, a sum of Rs. 674 lakhs i.e., about 75 per cent was utilised. The Committee fail to understand the reasons for the non-utilisation of these allocations. The Committee recommend that the reasons for the non-utilisation of these provisions in full should be analysed in detail and corrective measures taken. Moreover, Government should take steps to ensure that the amount allocated for inland water transport in Fifth Plan are fully utilised.

5.16. The Committee further note that there is an Inland Water Transport Directorate in the Ministry of Shipping and Transport to deal with the various aspects of Inland Water Transport in an efficient and coordinated manner. The Committee regret to note that the Director in this Directorate, who is a technical hand, has taken over only recently and the Directorate is not equipped with adequate technical personnel. In the opinion of the Committee this is one of the reasons for the poor progress in the development of Inland Water Transport in the country. The Committee recommend that urgent steps should be taken for strengthening the Directorate with adequate technical personnel to enable it to perform its function effectively.

C. Scheme for development of Inland Water Transport

5.17. A number of schemes have been undertaken for the deve-

lopment of Inland Water Transport in the country. Some of these schemes are given below:—

(1) Commercial River Services on the Ganga.

From times immemorial, the Ganga has been the main trade route to Upper India. Steamer services on the river and its tributaries were started in 1944. In early days, steamers used to ply from Calcutta to Garhmukteshwar about 2000 kms. above Allahabad and cargo moved further upstream by country boats. With the development of railways and roads along its banks, conservancy of the river was neglected resulting in loss of navigable depths. Inspite of lack of maintenance, the Ganga provides a magnificent waterway for transport between Farakka and Varanasi/Allahabad. It is a national asset which must be harnessed fully for commercial navigation to supplement the railways and road transport. The commissioning of the Farakka Feeder Canal will bring into existence an inland water route all the way from the port of Calcutta/Haldia upto places like Patna, Varanasi and Allahabad. This is bound to provide infinite scope for development of waterborne traffic.

5.18. An examination of the origin/destination of traffic of the Port of Calcutta and the expected origin|destination of traffic after the Haldia Dock system is commissioned show that a large port of the cargo originates from and terminates at points on this route. All the jute mills are located along the Hooghly and so are the jute growing areas along the Ganga. The traffic in salt, cement, iron and steel goods, sugar, stone, timber, and general cargo originates from/terminates at points along this river route. The Ministry of Shipping and Transport have entrusted the National Council of Applied Economic Research with the work of carrying out a detailed and realistic assessment of future services on the Ganga taking into account the total transport costs by rail, road and river for various commodities between their origin and destinations.

5.19. A number of studies have been undertaken in the past to assess the feasibility of navigation in the Ganga. At the invitation of the Government of India, Mr. Otto Popper, a navigation Expert from the ECAFE, examined the navigability of the Ganga in 1950 and felt sure that India's waterways if systematically organised, could become "equal partners to her railways, in addition to their use for

irrigation purpose". Two years later another U.N. Expert, Mr. J. J. Surie, after conducting experiments with shallow draft vessels, reported, that even during the dry season, both the Ganga and Ghagra were navigable. Recently, the Government have been running as experimental-cum-promotional service on the Ganga between Patna and Chunar (40 kms. upstream of Varanasi) using pusher tugs and barges. The experiment is reported to have been successful.

5.20. The Inland Water Transport Committee, 1970 had recommended Ganga-Bhagirathi-Hooghly, among other waterways, for being considered for declaration as National Waterways. The Committee had also recommended that "the completion of the Farakka Barrage will open up a perennial all-India river route between Calcutta, Farakka and upstream in Bihar and U.P. and will help development of inland water transport in that region. The concept of containerisation and floating containers (LASH or lighters aboard ships) is likely to come up steadly and the Calcutta/Haldia complex will through such a long navigable waterway, would thus provide economies in the overall transportation which no other part in the country will be able to do for the cargo of its hinterland. Facilities for berthing of inland craft, construction of modern jetty with necessary cargo handling equipment like floating and mobile cranes well-lighted parking space for trucks, transit warehouses etc. should, therefore, be provided at Farakka to facilitate smooth handling and necessary transhipment."

5.21. Asked about the action taken on the above recommendation of the Inland Water Transport Committee, 1970, the Government have intimated the Committee in a note that "The matter is under consideration of the Government of West Bengal. In their telex dated 2-3-75, the State Government have intimated that techno-economic survey has been carried out but the report is awaited."

5.22. Asked about the details of the scheme for effecting navigational improvement on the Ganga from Farakka to Allahabad, the Ministry of Shipping and Transport have stated in a note to the Committee:—

> "The Ministry of Energy has offered two million tonnes of coal for being carried by I.W.T. vessels on the Ganga from Rajmahal Collieries to various stations upstream to Allahabad and even to Kanpur if possible. A scheme has been prepared in this regard giving the required details."

5.23. Asked about the present position of the scheme, the representative of the Ministry of Shipping and Transport stated in his evidence before the Committee:—

> "The Energy Ministry had written to us that they would be in a position to offer 8,000 tonnes of coal per month from Rajmahal area for movement in the river Ganga and a proposal was prepared for acquisition of vessels to move this coal, but during discussions in the Planning Commission it was learnt that the amount required to develop coal fields in Rajmahal area was not assured and this was not an approved scheme. We could not, therefore, go ahead with our proposal for the acquisition of vessels."

5.24. The Committee note that Ganga provides a magnificent waterway in the north India and with the commissioning of the Farakka Feeder Canal, it will be possible to provide a direct link for transportation of cargo and passengers all the way from the Port of Calcutta/ Haldia upto places like Patna, Varanasi and Allahabad. The Committee further note that Ganga can provide enormous scope for transportation of important bulk cargo like jute, salt, cement, sugar, iron and steel products, timber and general cargo. Even coal can be transported by inland water transport to a considerable extent. The Committee feel that Ganga is a national asset which must be harnessed fully for commercial navigation to supplement the already congested railway and road transport in this area.

5.25. The Committee need hardly emphasise that water transport on the Ganga river will go a long way in opening up opportunities for the development of the far flung areas in its hunterland and bringing the advantages of a port outlet to these areas through this cheap system of transport. It will generate considerable employment opportunities at the various river stations in this region and would help in the Development of ancillary industries which are required in connection with the expansion of river services. The Committee recommend that necessary steps for improving the navigability of the river by handling and other measures should be taken so that this potential source of inland water transport may be utilised to the maximum possible extent.

5.26. The Committee note that the Inland Water Transport Committee, 1970 had recommended Ganga-Bhagirathi-Hooghly for being considered as a national waterway and had also expressed the view that facilities for berthing inland craft, construction of modern jetty with necessary cargo handling facilities, transit warehouses etc.

should be provided at Farakka to facilitate smooth handling and transhipment. The Committee regret to note that the matter is still under consideration of the Government of West Bengal. They recommend that a decision in the matter should be taken expeditiously.

5.27. The Committee further note that the Ministry of Energy have offered two million tonnes of coal for being carried by Inland water transport vessels on the Ganga from Rajmahal collieries to various stations and a scheme in this regard has been prepared by the Ministry of Shipping and Transport. The Committee recommend that this matter should be followed up urgently.

(2) Buckingham Canal

5.28. The Buckingham Canal is a coastal canal which connects the end of Kommamur canal of Krishna Western delta with the Mercanum backwater in South Arcot of Tamil Nadu State. It runs parallel to the coromandel coast at a distance of 1 to 2 kilometres from the sea. The canal is fed by tidal waters from the sea through rivers and crecks. Of the total length of 416 kms., 258 kms. of this canal lie in Andhra Pradesh and the remaining part of the canal lies in Tamil Nadu.

529. The canal north of the river Cooum in Madras city is known as North Buckingham canal. It is 316 kms. long of which 58 kms. are in Tamil Nadu and the rest in Andhra Pradesh. South of the Cooum River in Madras, the canal is known as South Buckingham canal. It is 102 kms. in length.

5.30. Inland water transport plays an important role in the districts of East Godavari, West Godavari, Krishna and the Bhadrachalam divisions of Khammam district. There is great scope for bulk movement of ores and agriculture produce along the Godavari. The intermediate ports of Kakinada and Machlipatnam are connected to important commercial centres of Rajahmundry, Eluru and Vijayawada by canals. The Buckingham canal provides a water link from Kakinada port in the North to the South Arcot district in Tamil Nadu.

5.31. The banks of the canals have not been lined to permit operation of mechanised boats. The State Government feel that this is an obvious hindrance in the way of greater utilisation of water transport. After termination of the second world war emergency, the canal was not maintained properly. The Canal has thus silted up and at present is navigable for about 88 kms. only out of its total length of 258 kms. in Andhra Pradesh.

5.32. A traffic survey of the Buckingham Canal in Andhra Pradesh shows that traffic increased from 48,251 tonnes in 1962-63 to 68,807 tonnes in 1964-65. It has been estimated by the State Government that after the canal is improved and rendered suitable for operation of mechanised vessels, the traffic would increase tremendously.

5.33. The Inland Water Transport Committee had recommended the widening and deepening of the Buckingham Canal at an estimated cost of Rs. 249·05 lakhs and lining of the Buckingham canal at an estimated cost of Rs. 321 lakhs.

5.34. Asked about the latest position regarding the development and improvement of Buckingham canal, the Government have informed the Committee in a note that:—

> "The following schemes pertaining to Buckingham Canal have been sanctioned so far.

Third Plan and Three Annual Plans

(i) Andhra Pradesh	Funds released
Purchase of a dredger for Buckingham Canal. . . .	Rs. 3·82 lakhs (against santioned of Rs. 4·20 lakhs)
(ii) *TAMIL NADU*	
Pruchase of a dredger for Buckingham Canal	Rs. 10·00 lakhs (against sanctioned cost of Rs. 10·00 lakhs).
FOURTH PLAN	
(i) Andhra Pradeoh	
Improvement to the Buckingham Canal.	Rs. 49·60 lakhs (amount released in full)
(ii) Tamil Nadu	
Dredging of Buckigham canal and other improvement works— Sanctioned cost.	Rs. 20·00 lakhs (Rs. 13·00 lakhs released upto 31-3-74)

5.35. In the draft Fifth Plan the following schemes have tentatively been included:—

(i) *Andhra Pradesh*	
Widening and deepening of Buckingham Canal Lining of the Buckingham Canal	Rs. 249·05 lakhs. Rs. 321 00 lakhs.
(ii) *Tamil Nadu*	
Improvement of North and South Buckingham Canals. . .	Rs. 100 lakhs

For the present only the following schemes have been sanctioned under the 5th Plan and the remaining schemes will be sanctioned when resources permit:—

(a) Prototype studies on the lining of the Buckingham Canal in Tamil Nadu at an estimated cost of Rs. 5·00 lakhs.

(b) Investigations of the lining of Buckingham canal in Andhra Pradesh at an estimated cost of Rs. 98,000.

A Study Group was set up to make recommendations for development of Buckingham Canal. The Group in its report submitted in June, 1974 recommended development of Buckingham Canal (North and South) at a cost of Rs. 800 lakhs. The recommendations of the Study Group are under consideration in consultation with the State Governments concerned."

5.36. The Committee note that Buckingham Canal in the South plays an important role in providing transport facilities in the States of Andhra Pradesh and Tamil Nadu. The Canal with a total length of 416 kms. links important commercial centres with the ports of Kakinada and Machlipatnam and there is scope for bulk movement of ores and agricultural produce through the Canals.

5.37. The Committee, however, regret to note that although the Buckingham Canal provides considerable scope for inland water transport, the traffic in the canal is declining and large parts of the canal has silted up with the result that only 88 kms. out of its total lengh of 258 kms. in Andhra Pradesh is navigable. Moreover, in the absence of lining of the canal, it is not possible to permit operations of mechanical boats. The Committee recommend that necessary steps to improve the navigability of the canal and its lining should be taken immediately.

5.38. The Committee note that in the draft Fifth Plan, schemes for widening and lining of the Canal and its improvement at an estimated cost of Rs. 670 lakhs have been included but for the present only

schemes for prototype studies and the lining etc., at an estimated cost of Rs. 5.98 lakhs have been sanctioned and the remaining schemes will be taken up only when resources position permit. The Committee recommend that in view of the vast potentialities of the canal for inland water transport, work on the deepening and lining of the canal should be taken up at an early date.

(3) *Boats and Crafts used in Inland Water Transport*

4.39. Bulk of our Inland Water Transport today consists of country boats of assorted types-canoes, catemorans, Bhurs, Vallons, Katchus etc. Boats have tended to get standardised within a region depending upon operating conditions and needs. Bulk of these are nonpowered and some of them w.th capacities upto 200 tons also ply on the open sea.

5.40. The Inland Water Transport Committee, 1970 in their report had recommended that:—

> "In the interest of economic operation of inland water transport, replacement of old crafts is necessary. It is also necessary to evolve standard designs of hull and propelling machinery. While standardising the craft best suited to the Indian conditions, it is necessary to ensure that special features of old construction which are advantageous to local conditions are not lost sight of."

5.41. Asked to state the action taken on the above recommendation of the Inland Water Transport Committee, the Government have intimated the Committee in a written note that:—

> "For standardising inland craft and equipment the Government of India had constituted a Joint Technical Group. The Group was also asked to suggest standard designs for construction of simple mechanised craft for inland waterways. The Group has recently completed its work and is expected formally to submit its report shortly."

5.42. Asked when the Group was constituted and what was the composition of the Group, the representative of the Ministry of Shipping and Transport stated in his evidence before the Committee:—

> "A Joint Technical Group was appointed in March, 1969. It has not submitted its report. It has representatives of the following:—
>
> (i) Ministry of Defence

(ii) Calcutta Port Commissioners

(iii) Government of Assam

(iv) Government of Goa, Daman and Diu

(v) Government of Kerala

(vi) M|s Garden Reach Workshops

(vii) C.I.W.T.C.

The report of the Group has been drafted but has not been signed by all the members."

5.43. In a subsequent note submitted to the Committee, the Government have intimated to the Committee that:—

"The Group held meetings on the following dates—

25-2-1970

30-6-1970

27-7-1970

29-10-1971

The draft report was prepared by the Group and circulated by the Convener on 14th September, 1973 for making any alterations and additions that they may consider necessary. The report is yet to be signed by two Members."

5.44. Asked if any study been made of the best type of mechanical boats for inland water transport which are in use in the world and how these can be adopted for use in India, the Ministry of Shipping and Transport have stated in a note submitted to the Committee:—

"The Government of India obtained the services of a United Nations Expert in September, 1952 for setting up a Demonstration Pilot Project in Inland Water Transport Directorate. The Expert inspected Upper Ganga River from Patna to Allahabad, Lower Ganga River from Patna to Manihari Ghat, Ghaghara river from Patna to Barhaj and Brahmputra River from Dibrugarh to Gauhati. He utilised his experience to design a modern cargo craft which was suited for operation in River Ganga from Patna to Allahabad.

All over the world the role of Inland Water Transport is recognised for carrying of cargo of some specified types e.g. raw materials, moving in large quantities from one stage

of production and processing to the next stage of finishing, petroleum products, chemicals, grains, coal etc. In most of the developed countries freightmoving on Inland waterways is carried in unmanned, non-self-propelled barges. The barges are moved in groups or strings by towing vessels which are designed either to push the barges ahead or to pull them. The pusher tugs which push the barges from behind have been found to be more efficient than the tugs which pull the barges. The sizes of the tugs and barges have to be designed keeping in view the depth of channel in which they have to ply. The bigger the unit the more economical it is to operate. In U.S.A. the draft available is from 1.8. metres to 3.6 metres and the standard depth for inland navigation channels is 2.7 metres. In Rhine, the depth available in Upper Rhine is 1.7 metres, middle Rhine 2.1 metres and lower Rhine 2.5 metres. In France, the depth of channels is maintained at 2.6 metres permitting vessels with 2.2 metres draft to navigate safely As compared to this the depth of water available in Ganga during the floods is considerable but from October to December, the draft is reduced from 1.68 metres to 1.1 metres. With intensive bandalling this draft can be maintained at 0.90 to 1.10 metre with the rains start. The problem is similar for Ghagra and a large number of other rivers. From economic point of view the tug and four dumb barges have been designed on the latest principles for operating in these conditions. The main dimensions of the pusher tugs and barges operating on the Ganga are:—

Pusher Tug (Twin Screw)	
Length Overall	31·03 M (69'—0")
Beam moulded	6·98 M (22'—0")
Depth moulded	1·60 M (5'—3")
Draft	1·1 M (3'—5")
Engine Power	2 Nos. 150 B.H.P. engine each.

Both the propellers are housed in kort nozzles and the craft is provided with two main and four flanking rudders for efficient maneuvring.

Steel Dumb Bergs	
Length overall	23·00 M (75' ½")
Beammoulded	5·82 M(19—'1/1—8")
Depth moulded	1 85 M (6'—7/8")
Draft while carrying 125 m. tonnes	1·5 M (4'—11")

A unit of one tug and 4 barges is capable of carrying 500 toones at 1.5 M (4'—11") draft. Since the tugs are of less draft, they can operate for a major port of the year. The dumb barges can carry 125 tonnes when 1.5 M (4'—11") depth is available but when the river depth is reduced they can still operate with less load. These vessels were constructed in India for Ganga-Brahmputra Board in 1956 by India General Navigation and Railway company at its Calcutta Workshop. This workshop is now under the charge of Central Inland Water Transport Corporation as Rajabagan Dockyard and is still in a position to construct such vessels. Engines of this hourse power are also being manufactured in India. For other channel conditions vessels can be similarly designed and manufactured in India.

As regards passenger carriers, they range from small boats to big liners. For them speed and comfort are considered as important criteria. On consideration of high speed and comfort. Hover craft, Hovermarine craft, hydrefoil etc. are extensively of the world. These high speed crafts work on different prinicples. The Howercraft is fitted with air propulsion machinery and moves above the water surface over an air cushion. Hovermarine craft is fitted with marine propellers and moves in partially submerged condition. The hydrofoil is lifted up by foils and also moves in partially submerged. The City and Industrial Development Corporation of Maharashtra (CIDCO) has acquired a secondhand Hovermatine craft involving a foreign exchange of Rs. 19 lakhs. This carrier 65 passengers and moves at a speed of 35 knots (65 kilometres per hour) between Apollo Bunder and Elephanta. Its bull is of fibre glass. The cost of operation of this boat is about Rs. 8 per kilometre. The fare in the initial stage from Bombay to Elephanta was Rs. 30 for return trip. CIDCO have now realised that using the craft for local ferry services for general public would not be an economically viable proposition and they are concentrating on foregin tourist traffic. In this background it will be seen that the utility of such expensive and sophisticated boats for our country is very limited and their manufacture in India is out of question because manufacture would be possible only when requirements are large."

5.45. The Committee note that most of the boats/crafts used in the inland water transport in the country are outdated and obsolete

and are country boats without mechanical power. The further note that great developments have taken place all over the world in the field of standardising boats and crafts for inland water transport. The Committee is of the view that if inland water transport is to make a headway in the country and compete with other modes of transport in carrying passengers and cargo economically, it is necessary to standardize the designs of the crafts to a few numbers which would meet the requirements of the whole country. The Committee recommend that necessary steps in the direction of standardising crafts and prime movers suitable for Indian conditions by studying the recent technological advances made in other countries, should be taken.

5.46. The Committee note that for standardising inland craft and equipment, Government had constituted a Joint Technical Group in March, 1969. The Group held 4 meetings only i.e. in February, 1970, June 1970 July 1970 and October 1971. The draft report was prepared and circulated on 14-9-1973 but it has not been finalised so far as the report is yet to be signed by two Members. The Committee deplore the casual manner in which the technical group on this important subject has been working. It is a matter of concern that the group has taken over 6 years in finalising their report on this important matter. The Committee are unable to appreciate why target dates for the submission of the report by the technical Group were not laid by the Government. They would like the whole matter regarding the abnormal delay in the submission of the report by technical group to be examined by Government and responsibility fixed therefor. The Committee would also like Government to ensure that the report of this group is finalised immediately and decisions taken by Government thereon within a period of three months and the Committee informed.

(4) Potential Traffic survey of Inland Water Transport

5.47. It has been noted that no study of the transport requirements of the country as a whole has been undertaken but the following committees examined the needs of inland water transport in coordination with other modes of transport in various areas of the country:—

(i) Report of the Directorate of Transport Research of Traffic Potential of Inland Water Transport on the Ganga Bhagirathi after Farakka.

(ii) River services Committee, 1972 for needs of inland water transport in North-Eastern region (Bhagirathi), Assam, West Bengal etc.

(iii) The Study Group on development of Buckingham Canal.

(iv) A techno-economic survey and other investigations on the Ganga/Bhagirathi-Hooghly has been taken up by the CIWTC at the instance of Government of West Bengal.

(v) A detailed assessment of traffic potential of inland water transport on the Ganga between Allahabad and Calcutta is being done by the National Council of Applied Economic Research.

(vi) Survey of Thana-Creek-Ulhas-river-Bassin-Creek and Dharampur-Creek waterways.

5.48. The Committee note that some studies about the traffic potential of inland water transport has been conducted in some parts of the country and some more studies are at present being conducted. The Committee however, not that these studies are in a piecemeal for relating to some areas only and do not cover all navigable areas of the country. The Committee, therefore, recommend that for a realistic long-term planning for inland water transport, a comprehensive study of traffic potential of all the navigable waterways in the country should be undertaken. The Committee further recommend that the scope of coordination of inland water transport in the country with other modes of transport and their relative cost-benefit study should also be included in this study so as to avoid any duplication in investible resources.

CHAPTER VI

CONCLUSION

Transport provides the essential basic infra-structure for the development of a country. The channels of transportation *viz.*, Railways, roads, coastal shipping, inland waterways serve as veins and arteries of an economic system. The importance of an efficient transportation system is all the more felt in a large country like India where producing units and industries tend to concentrate in a particular region and raw materials and finished products have to be transported from one part of the country to the other. The recent transport bottlenecks experienced in the country and their adverse impact on the economy have given new dimensions and urgency to the need of maximum utilisation of transportation facilities and their coordination.

6.2. Although a number of Committees have emphasised the need for the evolution of a National Transport Policy, the same has not yet been formulated. Government should immediately formulate a National Transport Policy, clearly laying down the role of the various modes of transport and short and long-term objectives and programmes for their development. The draft National Policy so formulated should be laid on the Table of Parliament so that members of Parliament may get an opportunity to discuss the same before it is finalised.

6.3. The transport sector in the country comprises a number of distinct services like railways, road transport, coastal shipping, inland water transport, civil air transport which are controlled by different authorities. In view of the constraints of resources it is imperative that maximum utilisation is made of these modes of transport so as to avoid duplication of investments. This can be possible only if there is effective coordination among the various modes of transport. There is at present no effective agency to maintain proper coordination among the various modes of transport. The Transport Development Council which was expected to perform the function of maintaining coordination and laying down policies for proper development of various modes of transport, has failed to

achieve its objectives and has not even met since November, 1973 although during the last 2 years, the country has experienced servious transport bottlenecks.

6.4. The Committee on Transport Policy and Coordination which submitted its report in 1966 had outlined their approach for maintaining coordination among various modes of transport. It is a pity that Government while turning down the suggestion for having a Ministers' Committee for policy making on transport did not provide a concrete alternative set up. More distressing is the fact that comparative cost studies of carrying transport by different means, which were to be made by well-equipped agency never materialised. The Joint Technical Group for Transport Planning which had conducted some studies on the subject was also done away with. Unless a coordinating agency, which can lay down firm policy and specific targets in detailed terms for carriage of traffic, particularly bulky materials and industrial goods are set up, the transport difficulties would not be resolved. Government should set up such a high powered body, which would have representatives of rail, road, inland waterways coastal shipping, Finance etc. To assist this body, there should be arrangements for conducting proper methodical studies of comparative cost of transport by alternative means, so as to facilitate objective and rational decisions being taken in the interest of ensuring that adequate transport capacity is developed well agreed of the requirements and that the best and most economical means are pressed into service for achieving this objective.

Rail Transport

6.5. Railways occupy a predominent position in the transport system in the country and as much as 65 per cent of the total freight traffic and 51 per cent of the passenger traffic is being carried by the Railways. An investment of more than 5,000 crores of rupees has been made in the railways till the Fourth Five Year Plan period. However, even with this massive investment and creation of considerable additional capacity, the freight traffic carried by Railway have not shown any appreciable increase and has been much below the targets fixed for the Five Year Plans. The Fourth Five Year Plan originally envisaged an originating freight traffic of 265 million tonnes to be carried by Railways which was subsequently reduced to 240.5 million tonnes at the time of Mid-term appraisal. However, the actual traffic handled by the Railways during 1973-74 was only 185.2 million tonnes which was even less than the freight traffic carried in

1968-69, the year immediately preceding the Fourth Plan. While so much spare capacity has been created in the Railways with an investment of Rs. 5,000 crores, there have been widespread complaints that wagons for movement were not available, goods were not dispatched in time, there were wide-spread thefts and pilferages on the way and the result has been that high-rated traffic is slowly going away from the Railways to the Road Transport.

6.6. The Fifth Five Year Plan envisages considerable increase in the production of bulk commodities like coal, Iron ore, steel, cement etc., and Railways would have to bear the additional burden in moving this traffic. The Fifth Plan envisages a target of 300 million tonnes to be moved by Railways. There is an imperative need that Railways should tone up their working and improve their operational efficiency by providing a quick, effcient and pilferage-free service to be able to achieve the target fixed for the Fifth Five Year Plan.

6.7. Linkages of the major consuming centres with producing centres of raw materials like coal, iron-ore, limestone are imperative for an efficient system so as to avoid unnecessary lead in movement of these bulk commodities. Origin destination studies in respect of coal have been completed by the Ministry of Railways and studies in respect of other bulk commodities are in progress. All these studies should have been completed well before the commencement of the Fifth Plan and results of these studies should have been fully utilised while formulating programmes for the Fifth Plan period. The Working Groups should complete their studies at the earliest and Government should take decisions on the reports of these studies, expeditiously.

Road Transport

6.8. Road transport is one of the most prominent and petent means for rapid industrial and agricultural advancement and provides the basic infra-structure for bringing the majority of the people who are living in far-off villages into the main-stream of life by connecting them with the rest of the country. The role of the road transport in the country has been steadily increasing and its share has risen from 24.9 per cent in 1950-51 to 48.9 per cent in 1973-74 in the matter of passenger traffic and from 10.2 per cent to 34.7 per cent in the matter of goods traffic during the same period. However, road transport in the country has been suffering from a number of draw-backs. There is restriction on the Inter-State movement of vechicles and although some Zonal schemes have been

introduced to facilitate Inter-State movement, the permits issued under these schemes are very few and the permit fees charged are exhorbitant. The Inter-State Transport Commission which was appointed to regulate the growth of road transport has not been vested with sufficient powers and mostly acts in an advisory capacity. There is immediate need to strengthen and vest the Commission with sufficient powers so that the Commission may be able to act as an effective body to regulate the operation of road transport in a coordinated and healthy manner.

6.9. Road transport is suffering in the country because of the multiplicity of check-posts and octori duties which not only increases the detention time and hampers the quick and rapid transport of goods but also results in the wastage of fuel. It is estimated that the capacity of road transport in the country can be increased by as much as 30 per cent by abolishing the check-posts and octori duties by substituting them by an alternative form of taxation and although there is general consensus in the matter, Government have not found it possible to evolve any alternative method of charging this tax. It is necessary that Government should immediately take up this matter with the State Government and find out a way of collecting this tax either at source or in a consolidated form on the basis of turn-over of a vehicle.

6.10. There is a great shortage of transport vehicles in the country and there have been heavy shortfalls in the production of these vehicles. The demand for the vehicles is expected to increase by about 100 per cent by the end of the Fifth Plan period. Considerable difficulties are also being experienced in obtaining spare parts and tyres and tubes. Government should take immediate measures to remove these shortages and step-up production of transport vehicles and spare parts in the country to meet the requirements in full.

6.11. There is exploitation of the transport operators by a body of intermediators known as booking agents, who are reported to take away as much as 50 per cent of the total earnings. In spite of a number of Committees pointing out the mal-practices resorted to by these booking agents, it has not been possible for the Government to take effective measures in the matter as the rules framed by the Delhi Administration for the regulation of booking agents have been challenged in the Supreme Court. Government should take all possible measures to get the case disposed off expeditiously

in the Supreme Court and for the regulation of these booking agencies so as to put an end to the exploitation of geniune transport operators.

6.12. There is great shortage of roads in the country and even the existing roads are marked by missing links, weak bridges and culverts and inadequate road width. The result is that there is a lot of wastage of fuel and it has not been found possible to introduce the plying of truck-traller combination on the roads. Sufficient allocations are not being made for roads and the annual allocations are about 35 per cent of the revenues earned by Government from the road transport. It is imperative that there should be definite linkage between the revenues earned from the road sector and investments made on the roads. Moreover, Government should prepare a perspective development plan for roads and take measures for its implementation expeditiously. The rural roads programme being executed under the Minimum Needs Programmes, should be executed expeditiously for linking the villages with the major cities and towns and markets for agricultural produce. Special emphasise should be laid on the construction of roads in the backward and hilly areas. Government should also conduct research on road vehicles to improve paying load capacity and reduce operational cost.

Coastal Shipping

6.13. India has a long coast line, with a number of ports and harbours and there is considerable scope for the utilization of coastal shipping for the transportation of goods and passengers. It is, however, a matter regret that coastal shipping in the country is on the decline and the cargo traffic has fallen from 40.77 lakh tonnes in 1962 to 14.72 lakh tonnes in 1974. The number of ships used for coastal shipping has also gone down from 114 in 1964 to 56 in 1973. There are many areas in the country like Andaman, Nicobar and Lakshadweep Islands where coastal shipping provides the only link of these islands with the rest of the country. Moreover, there are a number of coastal areas which are not yet served by railways and roads. Government should take immediate measures for providing coastal shipping services to these areas. As regards the areas which are well-served by railway and roads, coastal shipping services should be provided after taking into consideration the relative cost of the different methods of transport and the need for developing coastal shipping as a second of defence.

6.14. The Fifth Five Year Plan provides for a movement of 5 to 6 million tonnes of coal by coastal shipping. It would be necessary that action is taken to maintain coordination with the railways for the movement of requisite quantity of coal, for purchasing suitable types of cargo ships and for providing loading and unloading facilities at the Indian ports.

6.15. Although, investments of more than 500 crores has been made on the major ports in the country, it is noted that the conditions in these ports are far from satisfactory and here is great congestion of cargo, long detention of ships, slow loading and unloading of cargo, long turn-round time of ships and unsatisfactory draft depth with the result that the shippers have been experiencing considerable difficulties which adversely affect the foreign trade of the country.

6.16. Plans for the development of these ports have been taken in hand without preparing detailed project reports with the result that there have been considerable delays in the completion of these projects with consequent escalation of cost. Haldia Port which was expected to be completed in 1972 with an estimated cost of Rs 40 crores is now expected to be completed in 1975 only, and the cost has also gone up to 120 crores. Government should ensure that the target date fixed for the completion of this project are strictly adhered too. Steps should be taken for improving the handling and loading and unloading facilities at the ports, so that the congestion at these ports may be reduced.

Inland Water Transport

6.17. Inland water transport has been recognised as the cheapest mode of transport. All the world over, there is an increasing trend for the utilisation of inland water transport for movement of goods and passengers. India has a number of perennial and navigable rivers and there is ample scope for the development of inland water transport in the country. It is, however, a matter of regret that development of inland water transport has not received adequate attention in India and although a number of Committees appointed by Government, have emphasised the vast potential in the country for the development of inland water transport. Concrete measures in this direction have not been taken. Moreover, the allocations of funds for inland water transport in the Five Year Plans have been very meagre and even the allocations made in the Five Year Plans for the development of inland water transport have remained largely unutilised due to absence of adequate technical

organisations both at the Centre and the States Concrete measures for designing and standardisation of boats and crafts for inland water transport have also not been taken. A joint Technical Group, appointed for the purpose, has not submitted its report even after a lapse of 5 years. Even a comprehensive study of traffic potentialities of inland water transport has not been conducted. This leads to the conclusion that the potentialities of inland water transport in India have not been recognised by the Government and its development has been treated in a casual manner. It is high time that Governmnt fully recognise the importance of inland water transport in the country and take measures to conduct comprehensive study of the traffic potentialities of inland water transport and then prepare a perspective plan for intensive development of inland water transport in the country at an early date for implementation.

NEW DELHI;
April 23, 1975.
Vaisakha 3, 1897 (*Saka*).

R. K. SINHA,
Chairman,
Estimates Committee.

APPENDIX I

(Vide Para 381 of the Report)

STATEMENT SHOWING LENGTH OF ROADS IN INDIA AS ON 31st MARCH, 1951, 1956, 1961, 1966 and 1972

Agency	Length of Roads as on 31st March (In Kms):				
	1951	1956	1961	1966	1972
ation al Highways	22255	22255	23769	23948	28819
State Highway and other P. W. D. roads.	173723	190612	257125	281099	349261
Urban Roads	N. A.	39834	46361	83974	98723
Other Roads	206408*	227303@	197194@	381042@	650119%
Grand Total	402386	480004	524449	770063	1130832**

*Includes the total of Urban Roads which is not available separately.
@Relates to Local Body Roads only.

*Local Body and Departmental (i.e.) Forest Roads, State Irrigation Deptt. roads, Electricity Deptt. roads. Railways and Military Engineering Service roads.

%Excluding Electricity Deptt. roads.

N. A. Not available.

**of this 471982 Kms. are surfaced and 6,58,840 Kms. are unsurfaced.

APPENDIX II

(*vide* para 3.122 of the Report)

Statement showing the outlay on rural routes, the estimated length to be constructed/improved in the Fifth Plan and the approved outlay in 1974-75 *under the Minimum Needs Programme.*

State/Territory	Fifth Plan		Annual Plan 1974-75 outlay (Rs. in lakhs)
	Outlay @ (Rs. in lakhs)	Approximate length of roads to be constructed/ improved under MNP (kilometres)	
1	2	3	4
Andhra Pradesh	3000·00	6940	75·00
Assam	2000·00	2580	150·00
Bihar	6000·00	11000	400·00
Gujarat	2500·00	5600	75·00
Haryana	300·00	520	50·00
Himachal Pradesh	1000·00	1000	90·00
Jammu & Kashmir	800·00	1330	100·00
Karnataka	1000·00	2830	75·00
Kerala	1800·00	3000	125·00
Maharashtra	5000·00	10000	100·00
Madhya Pradesh	4500·00	7500	450·00
Manipur	400·00	500	50·00
Meghalaya	200·00	220	30·00
Nagaland	300·00	440	50·00
Orissa	3500·00	8400	320·00
Punjab	300·00	725	200·00
Rajasthan	400·00	8000	275·00
Tamil Nadu	1000·00	1705	75·00

1	2	3	4
Tripura	400·00	950	40·00
Uttar Pradesh	850·000	15500	300·00
West Bengal	3300·00	4715	200·00
Total—States	49800·00	93,455	3250·00
A & N Islands	33·50	N. A.	10·00
Dadra & Nagar Haveli	..	..	..
Pondicherry	22·00	50	3·00
Goa, Daman & Diu	8·50	20	1·50
Chandigarh	..	..	..
Arunachal Pradesh	..	..	..
Delhi	40·00	80	8·00
Lakshadweep	..	..	..
Mizoram	100·00	30	10·00
Total—Union Territories . . .	204·00	180	32·50
Grand Total (States & Union Territories)	50,004·00	93,635	3262·50

@Tentative.

*In most cases the length of roads to be constructed/ improved against the approved outlay is not given. This has been estimated by divding the approved outlay by the per km cost indicated in the minutes.

APPENDIX III

(*vide* para 5.8 of the Report)

Note giving the composition, functions and important recommendations made by the Committee on Inland Water Transport

The Constitution, functions and main recommendations of the various Committees set up for Inland Water Transport and action taken by the Government on their recommendations are as shown below:

(1) *Inland Water Transport Committee,* 1959

Constitution

1. Shri B. K. Gokhale, ICS (Retd.), Chairman, Tungabhadra Board.
2. Shri H. P. Mathrani, ISE (Retd.), Development Adviser and Joint Secretary, Ministry of Transport and Communications.
3. Shri U. N. Mahida, ISE, Chief Engineer, Government of Bombay and subsequently Chairman, Bombay State Electricity Board.
4. Shri D. V. Joglekar, Director, Central Water & Power Research Station. (Now Adviser, Central Board of Irrigation and Power).
5. Member Planning, or Director, WIN, as alternate, Central Central Water & Power Commission. (Shri D. Mehta, ISE, Chief Engineer upto 4th June, 1958).

   (Dr. K. L. Rao, Member from 5th June, 1958 to 15th September, 1958).

   (Shri Yadava Mohan, ISE, Member from 16th September, 1958).
6. Shri S. K. Mukerji, Chief Commercial Superintendent, Northern Railway.
7. Shri J. B. Craig, Managing Director, Manceil & Barry Ltd.

8. Shri B. L. Jalan, *Representing the Federation of Indian Chamber of Commerce and Industry.*

9. Shri K. C. Chatterjee, *Managing Director, Indian Shipping Co., Ltd.*

Functions

The Committee was to advise *inter-alia* all measures for increase, utilisation of inland water transport for the purpose of export and movement of bulk commodities from Ports to the interior and to make recommendation of increasing and extending the river and canal services.

Important recommendations	*Action taken*
(i) Inland Water Transport has an important role to paly in India and is particularly suited fot commodities in bulk.	This is a observation of the Committee and no action was called for on the part of the Central Government.
(ii) A Provision of Rs. 50 crores should be made in the 3rd Five Year Plan for development of various waterways in the country.	In view of the constraint of resources a provision of Rs. 4 crores was made for central as well as Centrally Sponsored Schemes. The Third Plan although cost of the categories of the scheme included in the Plan was Rs. 760·18 lakhs only. In addition a provision of Rs. 148 lakhs was made in the 3rd Plan of the State Governments.
(iii) The Central Technical Organisation at the Centre should be strengthened and such organisation should be set up/ strengthened in the States.	IWT Directorate was set up in 1965 and start with, the posts of Chief Engineer (Director) (now redesingated as Chief Engineer-cum- Administrator). Joint Director and Deputy Director were created at the Centre. The Post of Chief Engieer (Director) and the Joint Director were filled out in view of the economy drive the post of Deputy Director was surrendered. The Ganga Brahmaputra Water Transport Board was merged in the IWT Directorate in 1967. Most of the State Govts. have also since set up IWT Cells and some of them have strengthened the IWT Cell which were already in existence there.
(iv) No waterways in India should be declared as a National Waterway at the present stage but the Committee strongly urged that Govt. of India should assume responsibility for improving and maintaining all important waterways of the country.	The matter was considered subsequently at various forums and a National waterway Committee was set up, which, in its report submitted in January, 1974, framed a draft of the National Waterway Bill which should be enacted. The National Water Committee stated that at the time of report the Ganga-Bhagirathi Hooghly river system did not provide an assured and continuous navigable channel connecting the Ganga with Bhagirathi and the Hooghly. The Committee recommended that after the completion of the

Reply of Government	..

of the Farakka Barrage, waterway (Ganga Bhagirathi Hooghly) would connect the major port Calcutta. This Committee, therefore, recommended that this river system should be selected for the eventual declaration as a National Waterway. The recommendations of this Committee are under consideration.

The recommendations of the I.W.T. Committee) (1959) about the assumption of responsibility by Government of India for improving and maintaining important waterways has also been under consideration of the Govt. of India and the Central Inland Water Transport Board in its meeting held on 9.11 73. adopted a resulution recommending that the Central Govt. should assume full responsibility for hydrographic surveys and conservancy measures of all important navigable waterways in the country. This recommendation is under consideration in consultation with the State Govts. who have been asked to initiate the expenditure incurred by them on the maintenance of the waterway, delaying within their States. After the financial implications are known a decision will be taken on this recommendation of the Gokhale Committee which has also been endorsed by Central Inland Water Transport Board.

(2) *Study Group on Assam River Services* (1967)

Constitution

1. Shri B. Bhagavati, M.P., *Chairman.*

2. Shri B. W. Roy, *Secretary to the Government of Assam, Transport Deptt., Shillong.*

3. Shri T. S. Gill, *Secretary to the Government of Assam, Industries Deptt., Shillong.*

4. Shri R. B. Mathur, *Transport Specialist & Member Secretary, Joint Technical Group for Transport Planning, Planning Commission, New Delhi.*

5. Shri K. N. Chennabasappa, *Chief Commercial Superintendent, N.F. Railway, Maligaon.*

6. Shri H. S. Banerjee, *Joint Director, IWT Directorate, Ministry of Transport, New Delhi.*

7. Shri Hamen P. Barua, Club Road, Jorhat Assam.

8. Shri S. S. Nandkeolyar, *Director of Tea Development, Tea Board, Calcutta.*

9. Shri C. H. H. Bowden, *Chairman & Managing Director, CRTC Ltd., Calcutta.*

10. Lt. Col. M. N. Sharma, *Director of Transportation, Egineer-in-Chief's Branch, Army Headquarters, New Delhi.*

11. Shri K. Srinivasan, *Managing Director, Central Inland Water Transport Corporation Ltd., Calcutta.*

Functions

With the closure of the Calcutta-Assam route *via* the erstwhile East Pakistan (now Bangladesh) and stoppage of the river services on this route, the Study Group was to examine the economics and operational feasibility of setting up a separate organisation based in Assam to provide river services in Assam with the assessment of the viability of such an arrangement.

Important recommendations	*Action taken.*
(i) The internal river services sought to be provided by CIWTC will not be able to complete with the Railways or road transport in the shortrun.	This is a general observation.
(ii) It will be short sighted and prejudicial to national interest to allow the river service to be extinguished merely because Railways and road transport can cope up with the traffic currently offered or that is anticipated during the next few years.	The CIWTC continue to provide the service in Assam, but unfortunately little traffic could become available for internal services in Assam by river.
(iii) There is a scope for development of all modes of transport in Assam and water transport constitutes a service essential for the State. It will be putting the clock back if CIWTC were to close down their operations in Assam.	
(iv) The Assam Government should see their way to exempt the CIWTC from the carriage of Goods, Tax, at least for the present since the Company's freight earnings will be substantially reduced if it is required to pay the tax out of these earnings.	The matter was taken up with the Assam Government who did not agree to this proposal.

(3) INLAND WATER TRANSPORT COMMITTEE 1970

Constitution

1. Shri B. Bhagavati, M.L.A. (Assam)	Chairman
2. Shri Jyotirmoy Bosu, Member Lok Sabha . . .	Member
3. Shri Chandrika Prasad, Member Lok Sabha. . . .	Do.
4. Shri Anand Chand, Ex-Member, Rajya Sabha . .	Do.
5. Shri U. N. Mahida, Member Rajya Sabha . .	Do.
6. Shri T. P. Kutiammu, Consulting Engineer to the Govt. of Kerala.	Do.
7. Shri G. K. Vij, Member (WR), Central & Power Commission subsequently replaced by Shri S.K. Jain, Chairman, Central Water and Power Commission. . . .	Do.
8. Shri T. N. Dar, Additionl Member (Commercial) Ministry of Railways.	Do.
9. Shri S. Ramanathan, Director (Projects) Ministry of Transpost & Shipping succeeded by Shri K. Srinivasan, Managing Director, Central Inland Water Transport—Corporation Ltd., Calcutta.	Do.
10. Shri R. Ramakrishna, Internal Financial Adviser, Ministry of Transport and Shipping subsequently succeeded by Shri H.S. Banerjee, Chief Engineer-*cum*-Administrator, Inland Water Transport Directorate, Ministry of Shipping and Transport.	Do.
11 Shri Badal Roy, Internal Financial Adviser, Ministry of Shipping and Transport.	Do.
12 Dr. V. G. Bhatia, Economic Adviser, Ministry of Steel & Heavy Engineering.	Do.

Functions

The Committee was set up to suggest a phased programme of development and assess the possibilities of drawing up specific schemes in selected regions.

tant recommendations	*Action taken*
I	
(i) Government of India should declare a national transportation policy envisaging development of all modes of transport. This policy should aim at exploiting inherent advantage of all modes of transport.	The recommendation have been referred to the planning Commission who are examining various aspects of the subject in consultation with concerned Ministries.

1	2
(ii) Important waterways (named in the Report) should be declared as National Waterways. The criteria should be its importance to the nationa as means of communication and its contribution to the economic development of the area and the country at large.	A draft of the National Waterways Bill has been prepared. A Committee was set up to consider whether the Ganga-Bhagirathi-Hooghly river system could be considered for being declared as a National Waterways. The Committee has recommended that after the completion of Farakka Barrage, this river system should be selected for eventual decalaration as a National Waterways. The matter is under consideration.
(iii) Organisation at the Headquarter should be strengthened and State Governments also establish suitable technical organisations with the exclusive responsibility for this purpose.	The question of strengthening the technical organisation at the Centre has been reviewed from time to time and it has been felt that the various IWT schemes likely to throw up more work were still in an embroynic stage, and this case may pend for some time till a clear picture emerges. All the State Govts. except Bihar, Gujarat and Jammu and Kashmir have set up separate Cells/Directorate for IWT. The Govt. of Bihar and Gujarat have agreed for the setting up of separate Organisation for IWT. The Govt. of Jammu and Kashmir are considering the matter.
(*iv*) The Central Government should assume full responsibility for maintaining navigability of all important water ways by taking necessary measures.	This recommendations is under consideration in consultation with the State Governments. who have been asked to intimate the expenditure incurred by them on maintenance of water ways in their territories. After the financial implications are known a decision will be taken. The matter is under consideration in consulation with the State Governments.
(*v*) Promulgation of a single Central Act to regulate the running of ferries throughout the country should be considered.	This recommendation is under consideration.
(*vi*) Inland Steam Vessels Act, 1917 should be amended in certain aspects and made applicable throughout the country.	The question of amendment has been considered in consultation with the State Governments concerned and is being processed further. The ISV Act has since been made applicable to the State of Tamil Nadu. The question of making the Act applicable to the States of Kerala, Jammu & Kashmir and those areas of Andhra Pradesh which formerally were part of the Madras Presidency is under consideration of the State Governments concerned.
(*vii*) Farakka, which is likely to become an important rail and road-*cum*-river transhipment point should be developed into a modern inland port with proper facilities for transhipment of cargo and berthing of inland craft.	The matter is under consideration of the Government of West Bengal. In their telex dated 2-3-1975 the State Government have intimated that techno-economic survey has been carried out but report is awaited.

1	2
(*viii*) The Committee recommended 32 schemes at a cost of Rs. 1242·19 lakhs for development of inland water transport in various States during the Fourth Plan. For the Fifth Plan, the Committee suggested 14 schemes at a cost of Rs. 1488·91 lakhs for development of inland water transport in the various States during the Fifth Plan period.	21 schemes recommended by the Bhagavati Committee alongwith 2 new schemes were sanctioned during 4th Plan period at an estimated cost of Rs. 777·97 lakhs. In the Draft Fifth Plan out of 14 schemes recommended by the Committee along with some more schemes suggested by the State Governments have tentatively been included as Centrally Sponsored Schemes. In addition 8 schemes recommended by the Bhagavti Committee of the Fourth Plan have been included in the Fifth alongwith some new schemes. The total cost of the schemes is Rs. 1782·61 lakhs. Out of remaining 2 schemes, one has been included as a Central scheme.

(4) *The Committee on the working of the Central Inland Water Transport Corporation Ltd.*

Constitution

1. Shri G. C. Baveja, Joint Secretary, Planning Commission . .	*Chairman*
2. Shri R. M. Bhandari, Adviser (Finance) Bureau of Public Enterprises, Ministry of Finance	*Member*
3. Shri A. C. Bhatla, Member Audit Board and *ex-officio* Director of Commercial Audit, Northern Region . . .	*Do.*
4. Shri R. B. Mathur, Transport Specialist, Planning Commission	*Secretary*

Functions

The Committee was set up to study the Working of Central Inland Water Transport Corporation in detail with a view to assessing the viability of the various activites of the Company, and to recommend which should be closed down and how the others may be developed.

Important recommendations	*Action taken*
(*i*) The entire transferred liability of Rivers steam Navigation Co. to the Government of India in excess of the book value of the assets as on 3-5-1967 amounting to Rs. 313·74 lakhs together with interest accrued thereon should be written off and the capital structure of the Company should be reorganised.	Grants have been sanctioned to the CIWTC so as to write off the excess of the liabilitte (with interest accrued thereon) over the amount of asses is taken over from the R.S. No. Co. on 3-5-67.
(*ii*) The Funds to the extent of Rs. 60 lakhs advanced to CIWTC as Government of India's investment in repayment of loan	This proposal has been agreed to in principle and steps are being taken to implement it.

1	2
taken by River Steam Navigation Co. from the Chartered Bank should be treated a grant to Central Inland Water Transport Corporation.	
(iii) Loans should be given to Central Inland Water Transport Corporation in respect of the losses suffered by Central Inland Water Transport Corporation on the Calcutta River Services.	Loans are being advanced to CIWTC for cash losses on the River Services.
(iv) The Governments of Assam and West Bengal should also participate in the equity capital of the Central Inland Water Transport Corporation.	The Governments of Assam and Bangladesh have agreed to participate in the equity capital of CIWTC and contributions have been are being made by the State Governments from time to time.

(5) *River Services Committee* (1972)

Constitution

(1) Shri G.C. Baveja, Joint Secretary to the Govt. of India, Ministry of Shipping and Transport.	Member
(2) Shri T.K. Sarangan, Director, Ministry of Foreign Trade	Do.
(3) Shri R. Ghosh, Secretary to the Govt. of West Bengal, Home (Transport) Deptt. Calcutta	Do.
(4) Shri B.W. Roy, Special Secretary to the Govt. of Assam, Transport Deptt., Shillong	Do.
(5) Shri K. Srinivasan, Managing Director, CIWTC Ltd., Calcutta	Do.

Functions

The Committee was also asked to assess traffic prospects on Calcutta-Assam route *via* Bangladesh and to make recommendations about strengthening of the fleet strength for operation of this route.

Important Recommendations	*Action taken*
(i) The total traffic was assessed at 8·5 lakhs tonnes per annum to be carried by river services between Calcutta and Assam *via* Bangladesh as also between Indian and Bangladesh, he existing fleet capacity of Central Inland Water Transport Corpn. and the other operators being able to carry only 3 lakh tonnes per annum.	It has been tentatively decided that under the 5th Plan, the fleet strength of CIWTC should be enhanced so as to enable it to carry 605 lakh tonnes per annum.

Important Recommendations	*Action taken*
(ii) To bridge the gap as also to replace the old craft, Committee recommended acquisition of 15 pusher tugs and 60 dumb barges etc.	A provision of Rs. 16 crores has tentatively been made in the draft 5th Plan for addition to fleet as also for replacement of old vessels of CIWTC. During Fifth Plan period 18 tugs and 52 barge are proposed to be added. The actual amount of funds to be released on this account will depend up on the over all allocation of Rs. 26 crores made in the Draft Fifth Plan for all Central schemes including, those of CIWTC.
(iii) The Govt. of India should give necessary funds to Central Inland Water Transport Corpn. for strengthening its fleet.	Necessary provision has already been made in the Draft Fifth Plan and funds will be released on the basis of the provision available in the Budget Estimates from year to year.
(iv) Rajabagan Dockyard should be developed.	The Rajabagan Dockyard is currently being developed under the scheme made by the Bose Committee set by CIWTC. As against the sum of Rs. 300 lakhs recommended by the Bose Committee a sum of Rs. 263 lakhs has already been released. The working of the Dockyard is being studied by the National Productivity Council whose report is awaited.

(6) *Committee on National Waterways* (1974)·

Constitutions

(1) Shri P. H. Trivedi, Joint Secretary, Ministry of Shipping and Transport . . . . . Chairman

(2) Shri H.S. Banerjee, Chief Engineer-*cum*-Administrator, Inland Water Transport Directorate . . . . . Member

(3) Shri N. Gopalakrishnan, Deputy Secretary, Ministry of Shipping and Transport . . . . . Do.

(4) Shri H. P. Rajkhewa, Commissioner and Secretary to the Govt. of Assam, Transport Department . . . . . Do.

(5) Shri Y. N. Singh, Commedore IN (Rtd.) Officer on Special Duty, Transport Government of Bihar . . . . . Do.

(6) Shri G. D. Mathur, Chief Engineer, Public Works Deptt., Govt. of Uttar Pradesh . . . . . Do.

(7) Shri A. K. Roy, Member Secretary, Inland Navigation Cell, Home (Transport) Deptt., Govt. of West Bengal . . Do.

Functions

The Committee was asked to recommend propositions within which a statute for National Waterways could be contemplated and

also to undertake a study of the Ganga-Bhagirathi-Hooghly river system and recommended whether it should be declared a National Waterway.

Important Recommendations	*Action taken*
(i) The Committee prepared a draft National Waterways Bill for being adopted.	The draft bill is under consideration.
(ii) The criteria of the waterways for being declared as National Waterways were outlined.	The criteria suggested by the Committee will be considered for being included in the rules which will be framed after the Bill has been placed on the Statute Book.
(iii) After the completion of Farakka barrage, the Ganga-Bhagirathi-Hooghly will be a waterway, connecting the major port of Calcutta and this river system should be selected for eventual declaration as a National Waterway after the completion of the Farakka Barrage.	The matter is under consideration.

(7) *Study Group on Development of Buckingham Canal* (1974)

Constitution

(1) Shri H. S. Banerjee, Chief Engineer-cum-Administrator, I.W.T. Directorate . . . . . Convenor

(2) Shri Sat Prakash, Director (Transport) Planning Commission . Member

(3) Shri M. Venkateswarlu, BE, Deputy Chief Engineer (Major Irrigation & General) Govt. of Andhra Pradesh succeeded by Shri J. Raja Rao, Chief Engineer, Medium Irrigation and Design, Govt. of Andhra Pradesh . . . . . Do.

(4) Shri P. K. Balakrishnan, Deputy Chief Engineer, (Irrigation) Public Works Deptt., Govt. of Tamil Nadu succeeded by Shri N. Balasubramaniam, Deputy Chief Engineer (Irrigation) Govt. of Tamil Nadu . . . . . Do.

Functions

The Group was asked to carry out detailed examination both of the technical and economic feasibility of the project of Buckingham Canal with a view to have an assessment of existing traffic and the likely traffic for transport by the canal and the economic viability of the same. The Study Group was asked to suggest an integrated phased programme for the development and improvement of the entire Buckingham Canal lying in the two States of Andhra Pradesh and Tamil Nadu.

Important recommendations	*Action taken*
(i) The Group estimated the traffic by mechanised boats as 6·50 lakhs tonnes per annum in the North Buckingham Canal and 0·30 to 0·40 lakh tonnes per annum in the South Buckingham Canal, after the works recommended by the Group have been completed.	The recommendations are under consideraion in consultation with the State Govts. concerned. In the mean time on the basis of Bhagavati's recommendations a provision of Rs. 570·08 lakhs has been made for development of Bukingham Canal in Andhra Pradesh and Rs. 100 lakhs for the portion of the canal lying in Tamil Nadu.
) The Group recommended suitable channel dimensions on consideration of navigability.	
(iii) The Group recommended development of Bucki ngham Canal (North & South) at a cost of Rs. 800 lakhs and Commamur Canal at a cost of Rs. 40 lakhs	

APPENDIX IV

Summary of Rccommendations/Conclusions contained in the Report

S. No.	Reference to Para No. of the Report	Summary of Recommendations/Conclusions
1	2	3
1	1.5	It is well-known that transport plays a very important part in the economic growth of a country. It is in fact a strategic requirement in a developing economy and is an essential mean for the expansion of both internal and international trade. A good transport system contributes to the economic development of the country in various ways i.e. by enlarging the markets, facilitating mobility of manpower and exploitation of resources like raw materials by making them more accessible and by assisting the establishment and expansion of industries etc. It enables goods and passengers to be transported between and within consumption and production centres. Transportation also serves to increase national defence capabilities, social cohesion, national integration and political stability etc. In fact a well-knit and coordinated transportation system is considered to be the life-blood of a nation's commerce, trade and industry. The importance of an efficient and coordinated transport system is all the greater in a large country like India which is engaged earnestly in the gigantic task of economic development and social uplift and where the raw materials and finished goods are transported from one part of the country to the other to meet the demands of various sectors of economy and consumers.

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	1.6	The Committee note that during the four Plan periods, over Rs. 7,100 crores have been spent on the development of various modes of transport in the country, *viz.*, railways, roads, shipping and inland water transport. In spite of these massive investments made in the various Five Year Plans, there have been strains and bottlenecks in the smooth and efficient movement of goods and passengers. The recent transport bottlenecks experienced in the country and its consequent adverse impact on national economy has given a new dimension and urgency to the development of transport in the country in an integrated and coordinated manner. The Committee consider that all modes of transport should be planned and developed in such a manner as to force a supplementary and complementary relationship among them. The transport system should, *inter-alia*, aim at opening up the country-side, stimulating the growth of under-developed and less developed areas integrating the large-rural sector of the economy with the country's urban and industrial economy and providing cheap and efficient transport facilities to the users on a large scale The Committee would further like to emphasise that a well-balanced and coordinated network of transport systems is a basic requirement of the economy of the counrty as any bottleneck in the transport system results in artificial shortages which not only disturbs the efficient and economic production of goods and services but also results in mal-functioning of distributing machinery by creating a climate of scarcities and causing wide-spread hardships to the population in general. The Committee, therefore, recommend that Government should take well-planned and coordinated measures for the optimum utilisation of the transport capacity already created in the country and for the further deve-

1	2	3
		lopment of the various means of transport so that the transport system in the country may be able not only to meet the current demands but also future needs of our developing economy.
2	1.7	The Committee note that all the world over Inland Water Transport has been recognised as the cheapest mode of transport and there is a growing tendency in developed as as well as developing countries to increasingly utilise Inland Water Transport and coastal shipping wherever possible for transport purposes. Moreover because of the facility of quick transit and delivery at the consumers' door, the share of road transport *vis-a-vis* Railways in the total transport system is on the increase. However, in India, the share of Inland Water Transport and Coastal Shipping is continuously on the decline and at present forms an insignificant portion of the total inland transport. Moreover, in spite of massive investments made in the Five Year Plans, the share of railways in the total transport is on the decline. In freight traffic it has gone from 89.8 per cent in 1950-51 to 65.3 per cent in 1973-74 and in passenger traffic from 75.1 per cent in 1950-51 to 51.1 per cent in 1973-74. The Committee would like Government to take note of world trends and our own experience in formulating a perspective planning for the development of transport network in the country. They would also urge the Government to ensure that the built in capacity in the various modes of transport is utilised to the maximum. Moreover, any future investments in transport sector should be planned in such a way as to remove transport bottlenecks and to create capacities in the most needed and best suited and economical means of transport.

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3	1.13	The Committee note that although the formulation of a National Transportation Policy was emphasised as early as in 1950 by the Motor Vehicles Taxation Enquiry Committee and since then a number of Committees have also reiterated the need for the formulation of a National Transportation Policy, the same has not yet been finally formulated. The Committee are not convinced by the argument advanced by the representative of the Ministry of Shipping and Transport that the ingredients of the transport policy have already been enunciated in the Draft Fifth Five Year Plan and the need for a separate resolution has not arisen in the matter. The Committee feel that the present bottlenecks being experienced in the country and the difficulties experienced in the transportation of many essential commodities like Coal, Steel, Salt, Cement and the energy crisis which has particularly hit under-developed countries like India have focussed attention on the urgency of immediate enunciation of a national transportation policy which should aim at a coordinated and integrated development of all the modes of transport. The Committee, therefore recommend that Government should immediately formulate a national transportation policy clearly laying down the role of the various modes of transport and short-term and long-term objectives and programmes for their development. The draft national transport policy so formulated should be laid on the Table of Parliament so that Members of Parliament may get a chance to discuss the same before it is finalised.
4	1.30	The Committee note that transport sector in the economy, comprises a number of distinct services namely, railways, road transport, shipping, inland water transport and civil air transport which are managed and controlled by diffe-

1	2	3
		rent authorities. In view of the fact that transport projects require heavy capital investment and in view of the present constraints of resources, it is of vital importance that optimum utilisation is made of the capacities already created for each mode of transport so as to provide maximum facilities to the public and Country at large at minimum costs to the community. This would become possible if there is effective coordination amongst the various transport authorities. The Committee note that the Fifth Plan envisages steep increases in the production targets of bulk commodities like coal, pig iron, iron ore, cement etc. For instance, the production of coal is expected to increase from 80 million tonnes per annum at the end of the Fourth Plan, to about 135 million tonnes by 1978-79, of steel and pig iron from 7 million tonnes to nearly 12 million tonnes, of iron ore from about 39 million tonnes to about 58 million tonnes etc.
5	1.31	The Committee consider that in our country where we have planned development, it should be possible to assess methodically and rationally the quantum and nature of traffic to be carried by various modes of transport. Where more than one means of transport is available, a decision has to be taken as to what is the best means in terms of financial cost and overall consideration of development. This requires advanced and detailed planning, study of relative cost of transport by different means and a high coordinating authority which can give firm policy decisions.
6	1.32	The Committee are impressed with the approach which had been outlined in this behalf as early as 1966 by the Committee on Transport Policy and Coordination which was presided over by Member incharge of Transport and high-powered representatives of Railways, Roads

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		and other means of transport. It is a pity that Government while turning down the suggestion for having a Ministers' Committee for policy making on transport, did not provide a concrete alternative set up. More distressing is the fact that comparative cost studies of carrying transport by different means, which were to be made by well-equipped agency, never materialised. In fact the Joint Technical Group for Transport Planning which had done some studies on the subject was also done away with. The net result of this has been that both in the Third and Fourth Year Plan, the traffic projections for Railways were over-estimated and very large investments were directed towards development of Railways in the name of meeting heavy anticipated increase in traffic, whereas the fact is that in terms of originating traffic the position has remained stagnant for the last 10 years, though there has been some increase in net tonne kilometers carried by Railways. The Committee would like to emphasise that unless a coordinating authority which can lay down firm policy and specific targets in detailed terms for carrieage of traffic, particularly bulky materials and industrial goods, is set up the transport difficulties would not be resolved. They would urge the Government to set up such a high powered body, which should have representatives of rail, road, inland waterways, coastal shipping, Finance etc. To assist this body, there should be arrangement for conducting proper methodical studies of comparative cost of transport by alternative means, so as to facilitate objective and rational decisions being taken in the interest of ensuring that adequate transport capacity is developed well ahead of the requirements and that the best and most economical means are pressed into service for achieving this objective.
7	1.33	The Committee further note that at present the Transport Development Council do not have

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		any forum to hear the views of representative of the users and road transport operators and that the Advisory Committee for Rail, Road and Water transport which was set up in 1958 was wound up in 1966 as an economy measure. The Committee are surprised that Governmnet have not considered it desirable to have any forum of consultation with the users and operators of road transport so as to remain in touch with the practical difficulties being faced by the public and the road transport operators and in the name of an economy of few thousand rupees, the only forum for the purpose was wound up. The Committee recommend that Government should appoint an Advisory Committee consisting of representatives of Ministries of the Government of India, concerned with various Transport services and State Governments and the interests of major users like organisations represeting commerce, industry, manufacturers are transport operators so that problems of mutual interest could be discussed.
8	1.38	The Committee are surprised to note that no specific allocation of traffic was made between the various modes of transport during the Third and Fourth Plan periods. The Committee, however, note that for the Fifth Plan period, such an allocation of traffic has been made but these are very rough and broad indications. The Committee feel that in view of the heavy investments required for the creation of transport facilities particularly in the context of present financial constraints and the recent energy crisis, maximum possible advantage should be taken of these investments and steps should be taken to ensure that scarce resources are used most economically and efficiently to yield maximum results and all investments in transport services are made with a view to make the most optimum and economical

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		use of the capacity so created. The Committee, therefore, feel that cost benefit study of the various modes of transport for longhaulage or shorthaulage of goods commodities and passengers destinations-wise should be made and allocation of traffic for various modes of transport made accordingly so as to ensure optimum and economic utilisation of the transport facilities. The Committee also recommend that in these studies, world trend in the transport of cargo and the latest technological developments like the use of pipelines etc. should be kept in view.
9	1.39	The Committee note that the Ministry of Shipping and Transport and Planning Commission have conducted some inter-modal comparative cost surveys and that one of such intermodal study of Rail Transport and Coastal Shipping regarding movement of coal show that after the commissioning of Haldia Port it will generally be cheaper to move coal from the Bengal|Bihar coalfields to Coastal Areas in Southern and Western India by the Coastal Shipping than by an all rail route. The Committee recommend that similar inter-modal studies covering various Commodities and various destinations by different modes of transport should be conducted and allocations of traffic made accordingly. Once a decision regarding allocation of traffic has been taken, steps should be taken contemporaneously to provide the necessary infra-structure facilities like provision of rail link, handling and loading facilities, provision of roads etc. so that no bottlenecks are experienced in the actual movement of goods through these modes of transport. Moreover, continuous review should be made of transport bottlenecks and steps taken to correct imbalances in the transport sector and also ensure that these imbalances do not occur in future.

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10	2.6	The Committee note that Railways occupy a predominant position in the transport system in the country and as much as 65 per cent of the freight traffic and nearly 51 per cent of the passenger traffic is being carried by the Railways. The Railways have a total capital investment of about Rs. 3,890 crores, employ about 17 lakh persons and earn an annual gross revenue of over Rs. 1100 crores. The Committee note that as much as 80 per cent of the freight traffic carried out by the Railways consist of bulk commodities like coal, foodgrains, iron ore, cement etc. In view of the considerable increase expected in the production of these commodities during the Fifth Plan period which is estimated to be 55 million tonnes in respect of coal 19 million tonnes in respect of iron ore and 5 million tonnes in respect of pig iron, the Railways would be required to carry substantial amount of additional traffic in the coming years. It is, therefore, of utmost importance that the Railways should make concerted efforts to move this additional traffic by detailed planning of movements and linkages, optimum utilisation of the existing capacity, better management, greater operational efficiency and economy.
	2.7	The Committee have discussed how in spite of massive investments made in the Five Year Plans, not only the anticipated originating freight traffic has not materialised on the Railways but the same has shown a downward trend in recent years. The Committee would, therefore, like Railways to take corrective measures to reverse this trend and gear up its working to meet the transport requirements of the developing economy.
11	2.21	The Committee note that investments of more than 5000 crores of rupees have been made in the Railways during the Five Year Plans with the

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		result that the capital-at-charge of the Railways increased from Rs. 1521 crores in the beginning of the Third Plan to Rs. 2680 crores by the end of the Plan representing an increase of 76 per cent during the Third Plan period. The capital of the Indian Railways during 1973-74 i.e. last year of the Fourth Plan was Rs. 3,890 crores representing an increase of about 45 per cent during the Fourth Plan period. However, even with this massive investment and creation of considerable capacity , the freight traffic carried by the Railways has not shown any appreciable increase and has been considerably lower than the targets. The Committee note that the Fourth Five Year Plan, originally envisaged a freight traffic target of 265 million tonnes by the end of 1973-74. This target was subsequently revised downwards to 240.5 million tonnes at the time of Mid-term appraisal. The actual traffic handled by the Railways during 1973-74 was to the tune of 185.2 million tonnes only which was even less than carried in 1968-69, the year immediately preceding the Fourth Plan.
12	2.22	The Committee are unhappy that in spite of enormous investments made in the Railways over the years, there has not been any significant and expected increase in the freight traffic moved by the Railways. As has already been pointed out, the freight traffic moved by the Railways during 1973-74 in terms of both million tonnes loaded as well as net tonne kilometres moved, has been less than in 1968-69 in spite of an investment of Rs. 1420 crores during the 4th Plan period. This would indicate that there has not been proper planning and coordination in the creation of additional capacity on the Railways which has not been in conformity with the demand. No provision also appears to have been made for the shift in traffic pattern. Investments for the creation of spare capacity appears to have been made by the Railways, ahead of or at variance with

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		the emerging pattern of traffic demand. This has created a paradoxical situation where, on the one hand, there is spare capacity without the demand therefor and on the other hand, the traffic offered is not being moved. This is a serious situation. The Committee stress that a thorough study of the capacity available with the Railways should be undertaken on a priority basis with a view to identifying areas or sections where spare capacity is available as also the sections and areas where there are bottlenecks. The areas constituting bottlenecks should be identified and concerted measures taken to resolve them in full coordnation with all other means of transport so as to derive the maximum benefit from the resources spent and the capacities created. The Committee need hardly emphasise that the country cannot afford to spend scare resources on investments which do not produce concrete results. They therefore recommend that further investments on the Railways should be made judiciously and after most careful and thorough scrutiny.
13	2.23	The Committee note that all the world over, the trend is that Railways carry about 50 per cent of the total freight traffic (against 60 per cent in 1952), roads carry 30 per cent (against about 20 per cent in 1952), water transport including coastal shipping 10 per cent and pipelines 10 per cent. In India, the Railways carry about 65 per cent of the total freight traffic. As time goes on, the share of railways in the total freight carried may well come down. Moreover, there have been remarkable technical progress in the field of transmission through pipeline of not only petroleum products but also of coal and iron ore in the form of slurry. The Committee would like Government to keep this world trend in view while taking decisions about future investment on railways.

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14.	2.24	The Committee note that the payload carried by the Railways can be increased by introducing heavier trains. The Committee recommend that as running of heavier train loads will go a long way in obviating expenditure on doubling etc., railways should take necessary measures for introducing running of heavier train loads.
15.	2.25	The Committee note that the representative of the Ministry of Railway (Railway Board) has in his evidence before the Committee claimed that since June, 1974 the movement of traffic on the Railways has considerably picked up and at present except some pockets, Railways have capacity to move all the traffic that is offered to them. The Committee recommend that the Railways should, in their annual Report, as well by issuing press communiques periodically publicise the sections where there is spare capacity and the Railways are able to offer wagons for any type of traffic so that the users in that area may take advantage of the facilities so offered to the maximum possible extent.
16	2.31	The Committee note that about four-fifth of the total freight traffic carried by the Railways consists of bulk commodities. The share of these commodities in the revenue earnings freight carried by the Railways increased from 58.2 per cent in 1950-51 to 80.6 per cent in 1973. The Committee further note that during the Fifth Plan period, considerable increase is contemplated in the production of these commodities e.g., the production of coal is expected to increase from 80 million tonnes in 1973-74 to 140 million tonnes in 1978-79, of iron ore from 37 million tonnes in 1973-74 to 58 million tonnes in 1978-79, of cement from 16 million tonnes in 1973-74 to 25 million tonnes and of finished steel from 5.44

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		million tonnes in 1973-74 to 9.4 million tonnes by 1978-79. The Committee further note that a number of thermal power stations are proposed to be set up in the South during the Fifth Plan period which will get their supply of coal mostly from Bengal-Bihar coalfields. All of these will involve considerable increase in demand on railways for transport of these commodities in the years to come. The Committee would like to stress that this emphasises the need for an integrated, well-coordinated planning on the part of the railways to ensure that adequate transport capacity is available to transport these commodities to the producing centres and the products from the producing centres to the consuming centres so that the absence of transport infrastructure may not serve as a constraint to the development of the economy. The Committee feel that by increasing their operational efficiency and full utilization of their capacity by improving turn-round of wagons, reducing detention time etc., the Railways would be in a position to meet the situation.
17	2.32	The Committee need hardly emphasise that linkages of the major consuming centres with producing centres of raw materials like coal, iron-ore, lime-stone are imperative for an efficient transport system so as to avoid unnecessary lead in movement of these bulk commodities. It is well-known that longer routes and increased leads result in higher costs which should be kept to the minimum.
18	2.33	The Committee note that the origin destination studies in respect of coal have been completed by the Ministry of Railways and that studies in respect of other bulk commodities are in progress. The Committee feel that all these studies which should have determined not only

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		firm linkages but also share of railways in carrying them, should have been completed well before the commencement of the Fifth Plan and the results of these studies should have been fully utilised while formulating programmes for the Fifth Plan period. The Committee stress that the Working Groups should complete their studies at the earliest and that Government should take decisions on the reports of these studies expeditiously. The Committee further emphasise that the actual working of these linkages should be critically reviewed every year and corrective measures taken so that transportation does not constitute a bottlenecks in the development of the national economy.
19	2.43	The Committee note that Railways are a service organisation, being run on commercial lines and the performance of the Railways will ultimately be judged by their performance in the field of speedy and safe transport of goods at competitive rates. They regret to note from the memorandum submitted to them by the representative organisations of trade and industry in the country as well as their discussions with the various organisation of users of railways that there are general complaints about the working of the Railways. Bookings are not easily done, wagons are not made available in time, there is undue delay in the transport of goods, there are widespread thefts and pilferage of goods on the way, there are no proper handling facilities at the Railway stations and claims are not settled expeditiously. It has also been represented to the Committee that railways are not suffering for lack of traffic, it is the traffic which is suffering for want of railway wagons. While on the one hand, railways earnings have fallen short of estimates, there are stock-piles of industrial raw materials and consigner goods

(1)	(2)	(3)
		that are awaiting transportation and the wagons for the same are not available. The very fact that the high rated traffic is slowly going away from the Railways to the road transport and the deteriorating financial position of the Railways are indicative of the fact that the performance of the Railways is not satisfactory and considerable improvement is needed in the working of the Railways to give better service to the users. Moreover, the fact that the percentage of amount of compensation paid to gross earnings had increased from 1.03 in 1965-66 to 1.65 in 1973-74 and the average time taken in settlement of claims had gone up from 32 days in 1965-66 to 50 days in 1973-74 further confirms that the complaints of increase in pilferage and delay in settlement of claims are justified.
20	2.44	The Committee note from the evidence of the representative of the Ministry of Railways that the Railways have taken a number of steps like, introduction of Quick Transit Service, Container Service, opening of booking agencies etc., and are making efforts to attract high-rated traffic. The Committee also note that Railways have introduced a freight forwarder scheme by which agents of the Railways go and collect small traffic from parties, book them as wagon loads from goods shed and these are despatched by Quick Transit Service. The Railways have also introduced collection and delivery services in important towns which is being gradually extended. The Committee, would, however, like to emphasise that in view of the increased competition from road transport in the matter of transport of high-rated traffic, the Railways will have to make concerted efforts to improve their credibility with the users if they want to attract high-rated and other freight traffic by

(1)	(2)	(3)
		giving more speedy, quick and pilferage-free service to users. The Committee would further urge that the Railways should maintain close liaison and contact with the users like business and industrial interests at the Divisional and station levels to gain first hand knowledge about their difficulties and should evolve a suitable machinery to resolve them without delay. Moreover, concerted measures should be taken to eliminate pilferage and thefts of goods during transit as well as in the yards. It is also necessary that claims are settled expeditiously.
21	2.50	The Committee note that *all the world over*, there is an increasing trend towards containerisation as the container service provides an efficient doo-to-door service, eliminates multiple intermediate handling, thereby minising damage and pilferage claims, improving turn round of rolling stock and resulting in reduction of labour costs. The Committee further note that Britain's highly developed freight liner system now carries over 6 lakh containers annuallly. Japan's National Railways are operating more than 100 liner train services, including the non-stop container service between Tokyo and Osaka. INTER-CONTAINER, an international association for trans-container traffic representing 19 rail systems in Europe has introduced a large number of liner trains connecting principal cities and ports on the continent and handles 20,000 container per month. The Committee also note that the Railways in India have also introduced container services since 1966 and at present the service is in operation on 11 routes. The Committee feel that as the container service is particularly useful for the transport of costly and fragile cargo over long distances, this provides a good opportunity to Railways to attract high-rated cargo, by eliminating the present complaints of delay in transportation.

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		pilferage and theft *en-route* and at transhipment points. The Committee, however, note that as against the total originating freight traffic of nearly 200 million tonnes carried by the Indian Railways at present, only about 96,650 tonnes are carried through containers which constitutes hardly 0.05 per cent of the total traffic carried by the Indian Railways. The Committee recommend that Railways should make concerted and determined efforts to introduce container services on more routes and should aim at introducing liner train services including non-stop container service between principal trading and industrial centres in the country so that the container service may become more popular.
22	2.51	The Committee note that a study conducted by the Working Group on Containerisation, set up by the Ministry of Shipping and Transport, has revealed that 80 per cent of all import/export traffic passing through Indian ports could be containerised. The Committee would like the Government to make concerted efforts to introduce container service on an increasing scale to handle the export and import trade of the country to the maximum extent. These efforts can be successful only if effective and coordinated measures are taken by all modes of transport viz., Railways, road and port authorities to provide the necessary facilities as not only the goods would be taken by trucks to loading points in Railway yards, carried by Railways to ports but modern container berths with cranes and other handling facilities would have to be provided at Indian ports. The Committee recommend that in view of the growing need for introduction of container services for export and import of goods, it is necessary that integrated plans are formulated and effective mea-

(1)	(2)	(3)
		sures taken to ensure that all requisite facilities are provided simultaneously at necessary points for efficient and maximum utilisation of containers so as to popularise the use of container services.
23	2.61	The Committee regret to note that there has been persistent fall in the movement of the targetted traffic by the Railways during the Third and Fourth Five Year Plans. There have been widespread complaints by the users particularly, the interests representing commerce, industry and manufacturers in the country regarding the non-availability of wagons. The Committee are distressed to note that in spite of considerable investment in the rolling stock, the freight traffic carried by the Railways has not shown any increase but has on the other hand shown a decline, and has not in any year touched the target. During Fourth Five Year Plan, against a revised target of 240.5 million tonnes, the freight traffic actually carried by the Railways was 184.9 million tonnes in the last year of the Plan. This shortfall in the movement of traffic has resulted in widespread shortage of important bulk commodities, mainly due to non-availability of wagons.
	2.62	The Committee further note that the draft Fifth Five Year Plan has indicated a target of 300 million tonnes of originating freight traffic to be carried by the Railways by the end of Fifth Five Year Plan period and an addition of 1,00,000 wagons in the existing fleet of wagons. The Committee also note that the Railways had fixed a target of carrying 240 million tonnes of traffic by 1973-74 i.e. the last year of the Fourth Plan and necessary capacity for the same was created. However, there was considerable short-

(1)	(2)	(3)
		fall in the actual freight traffic carried by the Railways which amounted to only 184.9 million tonnes in 1973-74. The Committee feel that as the Railways have created sufficient capacity by massive investments in the four Five Year Plan periods, they should have no difficulty to achieve the target fixed for the Five Year Plan period by improving their trun-round of wagons and cutting down detention time to the minimum. The Committee recommend that the Railways should make concerted efforts in this direction and achieve the targetted traffic for the Fifth Five Year Plan by improving operational efficiency and with the minimum investment.
24	2.63	The Committee note that turn-round of time of wagons has increased from 11.00 days in 1963-64 to 15.3 days till December, 1974 in respect of B. G. wagons and from 8.29 days in 1963-64 to 12.6 days till December, 1974 in respect of M. G. Wagons and that the detention of wagons particularly in steel plants, collieries etc. is on the increase. The Committee would like to point out that this has led to the unnecessary blocking of rolling stock of Railways leading to their non-utilisation and denial of transport facilities to users. The Committee would like to draw the attention of the Ministry of Railways to the fact that at many of the railways yards, goods are not being unloaded for long periods from the wagons which are virtually being used as warehouses by the businessmen. The Committee would like Railway authorities to go into the matter in depth and evolve suitable steps to ensure that such unfair and undesirable practices are put to an end to immediately.
25	2.64	The Committee would further like that the users and public should be kept fully informed of the position of wagon availability at parti-

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		cular station at a particular time so that the scope for unfair practices in the matter of allotment of wagons may be eliminated. The Committee recommend that every loading station of the Railways should display a board at a prominent place showing the latest position regarding the availability of wagons and if necessary the same should be announced on the public address system. The Railway Officers should also exercise surprise checks to ensure that the position is being correctly displayed on the notice boards. Moreover there should also be close coordination among the different sections so that in case the position regarding availability of wagons is difficult in a particular section, wagons could be procured from nearby points where spare wagons are available.
26	2.65	The Committee further note that there is a lot of empty running of wagons. While agreeing that empty running of wagons cannot be fully eliminated, as matching return cargo may not always be available, they feel that it can be considerably reduced by well-planned concerted measures to attract traffic. The Committee recommend that every possible effort should be made by Railways to win over the traffic by making detailed market studies, offering suitable incentives where necessary, offering empties at concessional freight rates etc., so as to reduce the empty running of wagons to the minimum.
27	2.77	The Committee note that in view of the present transport bottlenecks being experienced in the country, limitation of fresh investments due to constraint of resources and need for achieving maximum economy in the use of petroleum products due to energy crisis, the problem of optimum utilisation of the existing transport facilities in the country has assumed

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		new dimensions. The Committee would like to emphasise that Government will have to ensure that complete coordination exists between the various means of transport viz., Rail, Road and Coastal Shipping so that each method of transport should carry such freight traffic for which it is most suited and is the cheapest in terms of real costs to the nation as a whole.
	2.78	The Committee note that it has been widely accepted that railways are most suited for long haulage of goods particularly, bulk commodities while road transport is more suitable for haulage of goods for short distances because of its advantage of door-to-door delivery and quick transit. It is, however, a matter of concern that there is a growing tendency in the country for haulage of goods even for long distances by road. The Committee feel that in the present context of energy crisis when there is an urgent need for every possible economy in the consumption of petroleum products, it is imperative that this tendency should be discouraged. The Committee feel that this can be best done by Railways toning up their efficiency and providing quick, efficient and pilferage free service to the users and by making available wagons easily. The Committee feel that with the heavy investments made in the Railways and a large capacity available, it should not be difficult for them to provide such a service. The main thing is for the Railways to tone up their operational efficiency and make concerted efforts to improve turn-out of wagons and reduce loading, unloading and detention time, and prevent pilferages and thefts. The Committee note the statement made by the representative of the Ministry of Railways that the working of the railways had considerably improved and the Railways are now, by and large, in a position to carry any amount of traffic offered to them. The Com-

(1)	(2)	(3)
		mittee recommend that Government should evolve an effective machinery to maintain full coordination between the different modes of transport so that goods may be transported in the country at minimum cost to the community and there is no duplication and avoidable wastage of scarce resources.
28	2.79	The Committee would also like to emphasise the need for maintaining coordination with the coastal shipping so as to utilise this mode of transport to the utmost possible extent. The Committee feel that with the extensive coastline and a number of ports and harbours in the country, there is considerable scope for the utilisation of coastal shipping for solving the problem of transport in the country. There is thus a pressing need for long-term planning and undisturbed linkages to assure traffic. Close coordination between road, rail and coastal shipping is necessary to ensure that there is no wasteful duplication of efforts in promoting these modes of transportation.
29	2.80	The Committee, however, note that during Fifth Plan, it is expected that 5 to 6 million tonnes of coal per annum will be moved from Bengal Bihar area to Southern and Western India by Coastal Shipping and necessary provision has been included in the Plan for acquisition of appropriate ships to cater to this coastal traffic. The Committee also note that Haldia Port is expected to be mainly utilised for this movement of coal and an inter-modal study conducted by the Planning Commission has shown that "when Haldia port comes into commission and when loading and unloading arrangements are installed at the ports, movement of coal by coastal shipping will tend to be more economical

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		than by the all-rail route, especially when line capacity is likely to pose a serious problem". The Committee would, however, like to point out that it would not be sufficient to merely provide ships for this movement of coal but integrated and well-coordinated steps would have to be taken in this direction. The Railways will have to provide adequate link and capacity to move this coal from the coalfields to the Port. In addition sufficient loading, unloading and handling facilities will have to be provided at the Ports and similar facilities and railway links will have to be provided at ports on the Southern and Western Ports where the coal will be unloaded. Steps will have to be taken to provide adequate return cargo like salt etc. to make coastal shipping economically viable. The Committee would like Government to undertake advance planning and take suitable steps contemporaneously to maintain full coordination between the various transport authorities etc., so that there are no last minute bottlenecks.
30	3.7	The Committee note that road transport is one of the most promising and potent means for rapid industrial and agricultural advancement. Road transport provides the basic infrastructure for bringing the majority of the people who are living in far-off villages into the mainstream of life by connecting them with the rest of the country. The Committee further note that while railways occupy the predominant position in the transport network in the country, the role of road transport has steadily been increasing. The share of road transport has risen from 24.9 per cent in 1950-51 to 48.9 per cent in 1973-74 in the matter of passenger traffic and from 10.2 per cent in 1950-51 to 34.7 per cent in 1973-74 in the matter of goods traffic. The Committee further note that with the spread of green revolution in the country and

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		industrial growth and opening up of new areas, the road transport will assume greater importance as the growing demands for supply of inputs like fertiliser, seeds etc. as well as the transport of agricultural produce to markets will have to be met largely by road transport. The Committee feel that road transport has also a vital role to play in the development and opening up of backward and interior remote areas of the country. The Committee has discussed in the subsequent portions of this Chapter the problems being faced and constraints on the road transport in the country. The Committee urge that Government should accord increasing importance to the road transport and take concerted measures to help the growth of road transport on healthy lines so that the road transport may play its desired role in the economy of the country.
31	3.8	The Committee note that all the world over, there is a trend for increasing utilisation of road transport for transportation of cargo. The share of road transport in the transport of goods traffic has increased from 20 per cent in 1952 to 30 per cent in 1973. In India also the share of road transport both in passenger and goods traffic is on the increase. The Committee recommend that Government should evolve an overall transportation plan for the country laying down the share of road and other modes of transport keeping in view the past achievements and the world and national trends in this field. Government should keep this world and national trend in view while taking decisions regarding investments in the various modes of transport during the successive Five Year Plans.
32	3.33	The Committee note that one of the main problems being faced by road transport vehicles is the restrictions imposed on the movement of these vehicles from one State to another. The

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		Committee feel that in view of the increasing demand for transport facilities in the country and increasing role of road transport for movement of goods and passengers, it is imperative that road transport vehicles should be allowed an unrestricted movement so as to transport maximum amount of goods to the various parts of the country.
	3.34	The Committee note that Inter-State Transport Commission has initiated zonal schemes for the issue of permits, according to which vehicles issued these permits, will be eligible to ply within the States covered under the scheme and that three schemes. *viz.*, South Zone Permit Scheme covering the States of Andhra Pradesh, Kerala, Tamil Nadu, Maharashtra and Mysore, Western Zone Scheme covering the States|Union Territories of Punjab, Haryana, Rajasthan, Uttar Pradesh, Madhya Pradesh, Gujarat, Maharashtra and Delhi, and the Northern Zone Scheme covering the States|Union Territories of Jammu and Kashmir, Himachal Pradesh, Punjab, Haryana, Chandigarh, Rajasthan, Delhi, Uttar Pradesh, Bihar and West Bengal are already in operation and two more schemes *viz.* Eastern Zone and Central Zone schemes are in the process of being finalised. The Committee also note that the Commission had taken up the matter for having a single permit for road transport operations throughout the country. While welcoming these schemes, the Committee would like to emphasise that those schemes which are under consideration should be pursued vigorously and finalised at an early date.
33	3.35	It has also been represented to the Committee that the number of permits issued under these schemes is very small and the permit fees charged are very high with the result that the cost of transportation goes up which acts as a damper on the growth of road transport in the

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		country. The Committee recommend that Government should look into the matter and take effective steps to provide relief to the road transport industry, which is already subjected to heavy taxation, from this additional burden.
34	3.36	The Committee note that the Government had in 1958 set up an Inter-State Transport Commission with the objective of preparing schemes for the development, coordination and regulation of the operation of transport vehicles, to settle all disputes and decide all matters on which differences of opinion arise in connection with the development, coordination or regulation of the operation of transport vehicles in an inter-State region, to issue directions to the concerned State Transport Authorities or Regional Transport Authorities regarding grant, revocation and suspension of permits and of countersignature of permits for the operation of transport vehicles in respect of any route, or area common to two or more States and to grant, revoke or suspend any permit or countersign any permit for the operation of any vehicle on such route or area. The Committee further note that the Commission has not yet been vested with the powers of granting, revocation or suspension of permits. It acts essentially in an advisory capacity. While agreeing that the Commission should adopt the policy of persuasion in the settlement of disputes between the States, the Committee would like that the Inter-State Transport Commission should be strengthened and vested with sufficient powers so as to be able to act as an effective body to regulate the operation of road transport in the country in a coordinated and healthy manner in the interest of deriving the maximum benefits out of the existing road system in the country.
35	3.47	The Committee consider that in view of the inadequacy of transport facilities in the country,

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		there is a pressing need for maximum utilisation of transport capacity by enabling rapid and unhindered movement of vehicles. The Committee regret to note that one of the main obstacles in the way of quick and rapid movement of road transport in the country in the multiplicity of check-posts and payment of octroi duties on these check-posts. The transport vehicles are required to stop and wait at these check-posts for a considerable time to pay octroi duties which not only increases the detention time, hampers the quick and rapid transport of goods but also results in wastage of fuel which, in the context of the current energy crisis, is something which the country cannot afford to do. The Committee note that according to one estimate the capacity of road transport in the country can be increased by as much as 30 per cent by abolishing these check-posts and octroi-posts.
3.48		The Committee regret to note that although a number of committees including Road Transport Taxation Enquiry Committee have emphasised the immediate necessity of abolishing these check-posts and octroi duties by substituting them by an alternative form of taxation and there is a general consensus on the desirability of removing Octroi duty, Government have not found it possible to evolve any alternative method of charging this tax with the result that not only this practice has been continuing but the check-posts are on the increase creating greater difficulties for the transport operators. Moreover, this system tends to generate nepotism and corruption and also results in a large scale leakage of this revenue. The Committee recommend that Government should take up this matter with the State Governments urgently and find out a way of collecting this tax either at source or in a consolidated

(1)	(2)	(3)
		form on the basis of turnover of a truck so that the present time consuming and irrigating method of collection of octroi duty could be done away with.
36	3.49	The Committee regret that although the Central Government have already advised the State Governments to reduce the number of check-posts, most of the State Governments have not taken necessary steps in this direction. The Committee would recommend that this matter should be taken up with the State Government at the highest level and the Committee informed within a period of three months about the specific progress made in the matter. The Committee would like Central Government to take up the matter in the Transport Development Council also where the representatives of the State Governments are present and impress upon them the desirability of taking immediate steps in this direction.
37	3.58	The Committee note that the transport operators in the country are experiencing difficulties regarding availability of transport vehicles in the country. There have been heavy shortfalls in the production of these vehicles. The Committee note that against the targeted production of 65,000, 75,000 and 85,000 in 1971-72, 1972-73 and 1973-74, the actual production was only 41,850, 45,000 and 50,000 respectively. The Committee would like to emphasise that as the demand for road vehicles is expected to increase to 1,07,100 by 1978-79 and the pressure on public transport is likely to increase further due to the high prices of petrol, Government should ensure that all bottlenecks in the production of these vehicles are removed and the production target of 1,10,000 commercial vehicles by 1978-79 is achieved. The Government should also maintain effective surveillance to ensure that the

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		installed capacity for the manufacture of these vehicles is fully utilised so that the production units are enabled to achieve economics of maximum utilisation of capacity.
38	3.59	The Committee also note that the road transport operators in the country are facing considerable difficulties because of high prices of transport vehicles as these operators mostly belong to economically weaker sections of society or are ex-servicemen. The Committee further note that in 1968, the Study Group on Road Transport Financing had remarked that price of road transport vehicle had increased upto a point where further investment by transport operators on new vehicles was becoming uneconomic. The Committee regret to note that since then the prices of Commercial vehicles have more than doubled and in some cases there have been as many as 16 increases. The Committee recommend that Government should take effective measures to arrest any further increase in the price of these vehicles and attempts should rather be made to bring down the prices as far as possible. The Committee also recommend that concerted research in the manufacture of vehicles should be made in order to reduce the capital cost of vehicles, improve their operational efficiency with reference to paying load and economy in fuel consumption.
39	3.60	The Committee further note that there is a considerable shortage of essential spare parts and tyres and tubes and a number of vehicles including those being used by the Public Transport Corporations like Delhi Transport Corporation etc., are lying unused in the depots because of the non-availability of these spare parts and tyres and tubes. The Committee feel that at a

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		time when there is every necessity of maximum utilisation of existing resources to remove the transport bottlenecks, Government should ensure that spare parts are freely available to these vehicles as and when required so that their capacity is not blocked up unnecessarily. The Committee recommend that if necessary Government should make it obligatory on the manufacturers to set apart some portion of their capacity for manufacture of spare parts only. Government should also ensure sufficient production of tyres and tubes and evolve a fool proof procedure of their equitable distribution in consultation with the representative of transport operators so that the persons really needing them may get them at fair prices.
40	3.61	The Committee further suggest that Government should initiate effective measures to standardize different parts of vehicles and arrange for their mass production to obviate shortages.
41	3.68	The Committee note that most of the transport operators in the country are persons belonging to lower income groups of society or ex-servicemen etc. and are owners of single vehicles only. The Committee further note that as these operators cannot provide sufficient funds from their own resources for the purchase of vehicles they have to take loans and in the absence of adequate institutional financing facilities at cheap rates of interest, take recourse to borrowing from private financiers who not only charge exhorbitant rates of interest but also confiscate their vehicles at the default of one or two instalments. The Committee would like to urge that provision of suitable facilities to grant loans at reasonable rates of interest is very necessary for the development of road transport facilities in the country.
	3.69	The Committee are glad to note that the lending financial institutions like State Financial

(1)	(2)	(3)
		Corporations and the nationalised commercial banks are providing loans to the transport operators for the purchase of vehicles. While the representative of the Ministry of Finance has claimed in his evidence before the Committee that the amount of loans granted to these operators is on the increase, the organisations of operators and others have represented that the recent credit squeeze has hit them hard and the operators are experiencing considerable difficulties in getting loans from the nationalised and other lending institutions. The Committee feel that in view of the considerable rise in the price of transport vehicles and increased demand for these vehicles, Government should ensure that the impact of credit squeeze does not affect the individual vehicle operators who belong to the weaker sections of society.
42	3.70	The Committee recommend that there should be periodical meetings at district/State/Regional and national levels between the representatives of the financial/banking institutions and representatives of transport operators to sort out any procedural or other difficulties in the matter of obtaining loans for purchase of transport vehicles. The Ministry of Transport and State Directorates of Transport should be associated with these meetings at the State and national level. The Committee would like Government to ensure that the benefits of these lending facilities should go to actual operators of transport vehicles or their genuine cooperatives and not to transport companies who may exploit the actual transport operators.
43	3.79	The Committee note that as most of the transport operators are owners of single vehicles only, a class of middlemen have come into existence who charge considerable margin of profit amounting even to 50 per cent of total freight charged and resort to other malpractices also with the result that the actual operator of the trans-

(1)	(2)	(3)
		port vehicle is deprived of a major share of his earnings. The Committee further note that there has been mushroom growth of booking agencies which do not maintain any proper records nor adopt any standard procedures for carrying on their working. The Committee regret to note that although the malpractices being resorted to by these operators have been pointed out by the organisations of Transport Operators and a number of Government Committees like the Committee on Transport Policy and Coordination, 1966 and Road Transport Taxation Enquiry Committee, 1967, it was only in September, 1970 that necessary provisions were included in the Motor Vehicles Act by incorporating for licensing of persons engaged in the business of collecting, forwarding or distributing goods carried by public carriers. However, the Committee note that these rules have not been implemented in any of the States so far as the rules framed by the Delhi Administration have been challenged in the Supreme Court through a Writ Petition and the Writ Petition has been pending since July, 1973. While the Committee would not like to comment on the merits of the case in view of the case being *sub-judice* the Committee would like Government to take all possible measures to get the case disposed of expeditiously in the Supreme Court and take necessary action for the regulation of these booking agencies so as to put an end to the exploitation of genuine transport operators.
44	3.97	The Committee note that roads provide the vital links between the various parts of the country and serve as veins and asteries for the economic development of the country. The Committee, however, regret that the total length of the roads in the country is very small compared to the needs. Large parts of the country are still not linked with roads. Even the national highways which carry as much as

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		35 per cent to 40 per cent of total traffic are marked by missing links, missing bridges, weak culverts, one lane roads and other deficiencies and inspite of four Five Year Plans, it has not been possible to remove these deficiencies. The Committee feel that in view of the increasing role of road transport in the economy of the country and increase in the number of vehicles as also the increasing pressure on road transport anticipated in the years to come, there is an imperative need for a substantial improvement of the road system in the country.
	3.98	The Committee note that the main reason for the present unsatisfactory state of affairs is that adequate allocations are not being made for roads in the Five Year Plans. While the Government has been earning annual revenues amounting to more than Rs. 800 crores from road transport, only a sum of Rs. 305 crores approximately, is being invested in the construction and maintenance of roads which amount to about 38 per cent of the revenue earned. The Committee feel that as raods provide vital links and a good road can bring in considerable economy in operation and fuel cost, there is an imperative need for stepping up investments in road sector considerably. The Committee feel that there should be a definite linkage between the revenues earned from the road sector and investments in the roads. Even if Government may not find it possible to invest the entire revenues, at least a large portion of the revenues earned from the road sector should be invested in the road sector.
45	3.99	The Committee note that the Chief Engineers had in their Plan (1959) for the period 1961—81 had recommended that the road length in the country should be increased to 6,57,000 miles by 1981 but the present road length is only 3,94,270 miles and at the present rate, there is likely to be considerable shortfall in achieving the target.

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		The Committee feel that every possible endeavour should be made to achieve the targets laid down in the Plan of the Chief Engineers by 1981.
	3.100	The Committee would like the Government to undertake a fresh study of the requirements of roads in the country as the projection made by the Chief Engineers in 1959 would require review in the light of the latest industrial and agricultural developments achieved in the country. The Committee recommend that after the study is made, Government should prepare a perspective development plan for roads clearly specifying the areas where road construction work should be undertaken first in the light of the potential of the area for industrial and agricultural development.
46	3.101	The Committee further note that in addition to the low allocations, another difficulty being experienced in the road construction programme is that there are wide variations in the annual allocations which make it difficult for the State Governments who are the executing agencies for National Highway programme, to carry on the work in a phased manner. For instance, it has been noticed that after stepping up the allocations in the last two years of the Fourth Plan, the allocations during the years 1974-75 and 1975-76 have again been drastically cut with the result that the State Governments which have built up the necessary organisations are now faced with serious retrenchment problem and it has become difficult even to carry on with the continuing works brought forward from the previous years. The Committee feel that this situation need to be corrected and the annual allocations should be made in phased manner so as to ensure continuity in the road construction programmes.
47	3.106	The Committee note that all the world over truck-trailer combinations are operating but in

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		India the truck-trailer combinations are not in use. The Committee further note that by allowing the plying of truck-trailer combinations, not only more goods can be transported increasing the much-needed transport capacity but there can be considerable saving in fuel, amounting to about 25 per cent in the fuel consumption. The Committee feel that in view of the considerable transport bottlenecks being experienced in the country and need for economy in fuel consumption in the context of energy crisis, Government should make concerted efforts to introduce the plying of truck-trailer/Truck trailor combination in the country.
	3.107	The Committee note that the main difficulty in the way of introducing truck-trailor combinations is that the existing Highways are not suitable for their plying because of weak culverts, weak bridges and inadequate road width. The Committee further note that an investment of Rs. 266 crores would be required to make the four connecting Highways between Bombay, Calcutta, Madras and Delhi suitable for plying of these combinations. In view of the fact that currently the annual allocations for all the national highways is of the order of Rs. 45 crores only, it will take a long time for these highways to be suitably strengthened for the plying of truck-trailor combinations. The Committee have already emphasised in an earlier section the urgent need for stepping up the allocation for national highways. The Committee recommend that in view of the urgent need for plying of truck-trailor combinations and in view of the considerable economy likely to be achieved from their plying, a time-bound programme for removing these deficiencies in the national highways should be prepared and implemented. The programme should be prepared in such a way that the limited resources are utilised to complete at least

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		our connecting highways at a time rather than spending the resources on all the highways without completing any within a year so that truck trailor combinations could be plied on that highway. The Committee further recommend that truck-trailer combination should be tried on a pilot basis on some selected routes for transporting industrial raw materials. The results of the plying of truck-trailer combinations should then be evaluated and on the basis of such evaluation the use of truck-trailer combination extended to other routes, wherever the road conditions permit.
18	3.115	The Committee note that in view of considerable increase in the construction and maintenance cost of roads and scarcity of petroleum based material like bitumen, and present constraint of resources, there is an urgent need for conducting research in the field of roads so as to bring down construction and maintenance cost by utilising locally available material which is abundant and easily availale. The Committee, however, not that although the necessity of such research has been felt and acknowledged for a long time, not much progress has been made in the matter and whatever little research has been done has not yet been applied in actual road construction on any considerable scale.
	3.116	The Committee further note that the Ministry of Shipping and Transport had proposed that at least one per cent of State Plan Outlay for Research and Development should be earmarked for roads and although a provision of Rs. 5 crores has been included for the Fifth Plan in the Central Sector, no provision was made for the year 1974-75. The position in most of the States is in no way different. The Committee regret that the importance of road research and resultant economy likely to accrue thereby has not been re-

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		cognised with the result that the country has not been able to make any headway in the matter. The Committee recommend that suitable steps should be taken for stepping up road research so as to enable the use of locally available material in road building. The result of the research should be tested on a pilot basis in some selected portions of roads and if found suitable should be applied extensively in the field.
49	3.117	The Committee note that the Central Road Research Institute, New Delhi has undertaken a numer of studies in the field of road construction e.g. (i) with a view to facilitating the channelisation of efforts for village road development, data was generated on alternative specifications which may find use in the construction of village roads in different regions of the country, selection of pavement compositions in specific cases for their conditions of subgrade, availability of materials, traffic intensity, costing of various specifications, (ii) laboratory investigations were conducted to find the possible use of low-temperature tar, produced in large quantities from low temperature carbonisation of sands in desert areas (iii) Experiments were conducted with the addition of lime (2 per cent) and gypsum (2 per cent) separately with a view to improving the cementing property of the binder and resistance to high temperature. The Committee recommend that results of these experiments conducted by the Central Road Research Institute should be properly evaluated and in case these are found suitable and economical, maximum use of these alternative techniques of road construction should be made in the road construction programmes in the country.
50	3.123	The Committee note that more than three-fourth of the population in the country live in villages and most of our population in villages is dependent upon agriculture. However, most of

(1)	(2)	(3)
		our villages are cut off from the mainstream of economic life in the country and have been denied the fruits of economic development as there are no roads linking these villages with the markets with the result that they are not able to get economic returns for their produce. The Committee feel that linking of villages with the major cities and towns and markets for agricultural produce is a matter of highest priority to accelerate the pace of development of these areas and bring economic prosperity to them. The Committee would like to stress that one of the basic reasons for large parts of the country remaining backward is the absence of all weather connecting roads. It is therefore, very necessary to construct such roads in these areas as roads a road. While the Committee feel that the objectvie is commendable, they have grave apprehenprovide the basic infra-structure for the development of any region.
51	3.124	The Committee note that during Fifth Plan, a provision of Rs. 500 crores has been made for Rural Roads under the Minimum Needs Programme and the objective will be to link up all villages with a population of 1500 or more with sions about the achievements of this programme in view of the progress made in the implementation of the programme. The Committee note that during 1974-75, *i.e.* the first year of the Plan, only an outlay of Rs. 32.62 crores was provided for rural roads under the programme. The Committee would like to stress that as rural roads occupy an important place in the economy of the country, Government should ensure that under no circumstances, the programme of rural roads should be allowed to suffer.
	3.125	The Committee recommend that Government should prepare a perspective detailed plan for construction of roads with special emphasis on

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		the construction of roads in backward and hilly areas. Government should also ensure that roads in rural areas are planned properly with proper alignment and that these roads do not affect adversely drainage of the area concerned.
52	3.126	The Committee would also like to stress that in addition to the construction of rural roads, maintenance of these roads should also be given due consideration so that the people may get the maximum benefit from these roads. In this connection, the Committee would like to draw attention to the recommendation made in paras 2.24 and 2.25 of the 69th Report on the 'Development of Backward Areas' that "It has come to the notice of the Committee that roads were not properly constructed in rural areas with the result that instead of facilitating road communicaions, these have become a source of great discomfiture to the local population. The Committee stress that proper standards for construction of roads connecting the backward areas to the main towns or centres should be laid down and strictly adhered to. The Committee reiterate that not only the construction of the roads in the backward areas but its proper maintenance and improvement should also receive the concerted attention of Government so that maximum benefits from the roads may flow to the persons living in these areas."
53	3.127	The Committee would like to stress that suitable machinery should be evolved for the monitoring of construction and maintenance of rural roads so as to ensure that the progress of the programme is satisfactory.
54	3.130	The Committee note that there are a number of Railway level crossings in the country where the transport vehicles have to wait for long hours

(1)	(2)	(3)
		whenever a train has to pass, leading to considerable loss of time and fuel. The Committee feel that at a time when the number of vehicles as well as the traffic on the roads is on the increase and there is need for ensuing uninterrupted flow of traffic on all the roads, there is an urgent necessity to replace these railway level crossings by over/under bridges.
	3.131	The Committee note in the Fifth Plan, a provision of Rs. 25 crores has been made specifically for the provision of over/under bridges to replace railway level crossings. The Committee recommend that a survey should be made of all the points, where the intensity of traffic justifies the replacement of these level crossings by over/under bridges and a timebound programme for such replacement should be prepared and implemented as early as possible.
	3.132	In this connection the Committee would invite attention to the recommendations made in Paras 3.51 to 3.55 of the First Report of the Railway Convention Committee, 1971 where they have stressed the need for the construction of over/under bridges from Railway Safety Works Fund. They hope that full use would be made of this fund for the construction of over and under bridges.
55	4.11	The Committee note that India has a vast coastline with a number of ports and harbours. There is considerable scope for the utilisation of coastal shipping for the transportation of goods and passengers. The Committee, however, regret to note that the coastal shipping in the country is on the decline and the amount of cargo traffic has fallen, from 40.77 lakh tonnes in 1962 to 14.72 lakh tonnes in 1974 and passenger traffic has fallen from 6.14 lakh passengers in 1969 to

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		5.17 lakh passengers in 1973. The Committee regret that at a time when the country has been experiencing considerable transport bottlenecks, with adverse effect on the national economy and there is a pressing need for maximum utilisation of all modes of transport, there has been considerable decline in the traffic carried by coastal shipping. The Committee cannot overemphasise the importance of a strong coastal shipping fleet for the country as a second line of defence, in the light of past experience. They therefore recommend that coastal shipping should be regarded as an important sector of national activity as apart from its strategic value, it can serve to economically transport cargo and passengers around the coastline and relieve the pressure on other systems of transport and thereby result in maximum utilisation of available resources in the country.
	4.12	The Committee note that the main reason for the decline in the traffic handled by the coastal shipping has been that although it is ideally suited for the transport of bulk commodities like coal, salt, cement etc., there has been no specific allocation of traffic to be carried by Coastal Shipping and as the Railways decided to move their own coal there was no firm traffic for the coastal shipping. Now that it has been decided to allocate movement of about 6.5 million tonnes of coal traffic by coastal shipping, the Committee hope that Government would take concerted measures for the development of Coastal Shipping and removing the bottlenecks that are hampering the growth of coastal shipping in the country.
56	4.13	The Committee consider that the estimates of movement of about 6.5 million tonnes of coal by coastal shipping by the end of the Fifth Plan

(1)	(2)	(3)
		which were made before the energy crisis, would require to be reviewed. The requirements of coal by the various industries are likely to go up due to high cost of oil as also due to conversion of existing production units from oil to coal. The Committee therefore recommend that a fresh study of the requirements of coal and other commodities which are to be moved by coastal shipping during the Fifth Plan period may be made in the light of the latest developments.
57	4.14	The Committee would like to point out that all the world over the coastal shipping is playing an important role in the transport of goods traffic and its share alongwith inland waterways in the total goods traffic is as much as 10 per cent. However, in India, which has a vast coastine, the share of coastal shipping in the transport of goods is negligible. The Committee would like Government to take note of the world trend and the manner in which coastal shiping is being developed particularly in Baltic countries and take concerted steps for the development of coastal shipping by providing proper type of ships, proper linkages with consuming and producing centres and providing handling facilities at the concerned ports.
58	4.15	The Committee would like to point out that there are a number of areas in the country like the Andaman and Nicobar Islands, Lakshdweep Islands etc. where coastal shipping provide the only connecting link of these Islands with the Mainland. Moreover, there are a number of a coastal areas like konkan, where railway lines have not been laid and coastal shipping can provide a pivotal role in meeting the transport needs of the areas. The Committee recommend that Government sholud pay special attention to the development of these areas and provide efficient

(1)	(2)	(3)
		shipping services connecting these areas with the rest of the country. The desirability of subsidising these services in the interest of the development of these Islands and their integration with the Mainland may also be considered. As regards the coastal areas which are served by roads also, the Coastal Shipping services should be provided after taking into consideration the relative costs of the different modes of transport and the need for developing coastal shipping as a second line of defence.
59	4.16	The Committee further recommend that suitable landing facilities for the passengers and cargo should be provided at Andaman and Nicobar and Lakshdweep to serve the people of these areas.
60	4.17	The Committee further consider that in the wake of the oil crisis the movement of coal to Southern and Western India by coastal ships has assumed special significance. It is therefore necessary to undertake a study to find out the most economic method of moving coal from Eastern India to Southern and Western India and to bring back salt etc., from that area. The various methods of movement of coal such as large self-unloading vessels, tug barge system etc., should be studied and the most apropriate and economical system of movement should be selected for the purpose. The Committee further suggest that integrated advance action should be taken (i) to identify the mines from where the coal would be moved so as to provide the necessary facilities there, (ii) to establish firm linkage with the Railways for the movement of the requisite quantity of coal from the mines so identified and (iii) to develop the facilities at the ports from which the coal will be loaded so as to syncronise and coordinate the smooth movement of coal etc. to the destinations. The Committee would

(1)	(2)	(3)
		also like Government to study the requirements of facilities which would be needed at each port where coal would have to be unloaded and from where salt would have to be loaded so as to ensure that there is no unnecessary detention of ships for this movement.
61	4.23	The Committee note that a well-developed coastal fleet is essential for the development of coastal shipping in the country. The Committee, however, regret to note that the number of ships and total tonnage has shown a continuous decline since 1964. The number of ships has gone down from 114 in 1964 to 56 in 1973 and the tonnage has gone down from 4,11,961 g.r.t. in 1964 to 2,20,217 g.r.t. Moreover as many as 23 out of 56 coastal vessels as on 31st December, 1973 were more than 20 years old and only 4 vessels are less than 4 years old. Moreover, as has been pointed out by the Minor Ports Committee, 1973 the sizes and drafts of the vessels in operation in the coastal fleet have no manoeuvrability in respect of its employment at most of our minor ports which results in reduction in the efficiency of the fleet, slower turn round at the ports and bunching of vessels at terminals and results in high cost of cargo handling. The Committee regret to note that the acquisition of coastal fleet has been neglected by Government all these years with the result that coastal shipping in the country is continuously on the decline.
	4.24	The Committee note that the Draft Fifth Plan provides for considerable expansion of coastal fleet and the target for coastal vessels by the end of Fifth Plan *i.e.*, 1978-79 has been fixed at 6 lakh g.r.t. The Committee note that orders for 10 ships with Rumania have been placed and these are expected to be received in phases latest by 1976. Moreover, orders are being placed for

(1)	(2)	(3)
		some pioneer type vessels with Hindustan Shipyard also. The Committee recommend that in view of the imperative need for coastal vessels in the country and the role which coastal shipping is to play in the transport of coal, salt etc., after the commissioning of the Haldia Dock, Government should ensure that the target of 6 lakh g.r.t. by 1978-79 is achieved and financial constraints are not allowed to stand in the way of achieving this target.
62	4.25	The Committee would like the Government to ensure that the new vessels acquired for Coastal Shipping are most economical, suitable and versatile to handle the types of cargo that would be required to be moved by Coastal Shipping. They should have manoeuvrability for being employed in the minor ports also where they will be required to load and unload cargo.
63	4.30	The Committee note that one of the reasons for the decline of coastal shipping is that the freight structure for traffic is not economic and does not ensure sufficient return to the shipowners with the result that the shipping companies ers with the result that the shipping companies sion of their vessels. The Committee recommend that Government should look into the matter urgently and revise the freight structure suitably so as to ensure economic return to the shipowners engaged in coastal shipping.
		A suggestion has been made to the Committee that Government should set up a Maritime Freight Commission to review on a continuous basis the freight rates charged by Coastal Shipping. However, the representative of the Ministry of Shipping and Transport has stated before the Committee that their experience of a Commission was not happy and that they were devis-

(1)	(2)	(3)
		ing a new method to revise the freight rates. The Committee recommend that a decision in the matter should be taken early and it should be ensured that there are no delays in the revision of freight rates when the circumstances so warrant.
64	4.50	The Committee note that there are ten major Ports in India *viz.*, Calcutta, Bombay, Madras, Cochin, Vizag, Kandla, Mormugao, Paradeep, Mangalore and Tuticorin and these ports handle an annual traffic of about 65 million tonnes. The Committee further note that considerable investments have been made in these ports. Since the First Five Year Plan, a sum of Rs. 522 crores has already been invested in these Ports and the Fifth Plan also provides for an investment of Rs. 308 crores in these major ports. The Committee, however, regret to note that in spite of the considerable investments made in the major ports and creation of additional capacity, the condition of these ports is far from satisfactory and there is great congestion of cargo, long detention of ships, slow loading and unloading of cargo, long turn-round time of ships and unsatisfactory draft depth with the result that the shippers have adversely affected the foreign trade of the country.
65	4.51	The Committee further note that as stated by Government in the draft Fifth Five Year document, "many of the important port programmes were not worked out in sufficient detail and a large number of projects were consequently dragged far beyond their scheduled dates of completion, resulting not only in cost escalation but also in some bottlenecks regarding smooth operation in country's overseas trade." The Committee have already commented about these delays in the execution of projects in their first report

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		(Fifth Lok Sabha) on Visakhapatnam Port and Second Report on Tuticorin and Mangalore Ports. In the case of Haldia Project also, the Committee note that although the Project was expected to be completed in 1972 with an estimated cost of Rs. 40 crores, it is now expected to be completed in 1975 only and the estimated cost has already escalated to Rs. 126.94 crores. The result of these delays has been that while in 1973-74 *i.e.*, the last year of the Fourth Plan, the major ports were expected to handle 77 million tonnes of traffic, the ports actually handled a traffic of only 65 million tonnes. The Committee are unhappy at this tendency on the part of Government to start port development programmes without preparation of proper project reports and consequent delays in the execution of projects which not only results in considerable escalation of costs but also hampers the smooth operation of these ports. The Committee recommend that the projects should be taken up for execution only after preparation of detailed project reports with realistic estimates and target dates for completion which should be adhered to. Moreover, it shall be ensured that the capacity created in these ports after investment of scarce financial resources, should be fully utilised by increasing the operational efficiency so that the maximum returns from these investments could be obtained. The Committee further recommend that while making fresh investments in major ports, the needs of coastal shipping should be specifically kept in view to meet the increasing role of coastal shipping in the transportation network.
66	4.52	The Committee further note that traffic in the major ports in the country is expected to increase to about 115 million tonnes by 1978-79 from the present traffic of 65 million tonnes which means an increase of about 77 per cent.

(1)	(2)	(3)
		The Committee further note that about 80 per cent of the increased traffic will be in bulk commodities such as crude oil and petroleum products, iron, fertilisers and coal. The Committee would like to point out that until and unless concerted efforts are made to increase the capacity of major ports and maximum utilisation of existing capacity by improvement in operational efficiency, better scheduling of ships etc., the position in the ports is not likely to improve, creating great impediments in the way of country's overseas trade. The Committee stress that necessary advance plannng for the purpose should be done and programmes for port expansion should be completed expeditiously to meet the expected increase in traffic.
67	4.53	The Committee need hardly point out that with the phenominal increase in the sizes of ships which visit our ports, it has become imperative to reduce the time spent by these vessels at the ports as the detention of the ships results in wasteful expenditure on account of payment of detention charges. It is therefore essential that fast loading and unloading techniques are employed for quicker and cheaper movement of cargoes and reducing transportation charges.
68	4.54	The Committee further note that the Major Ports Commission in their report submitted in 1970 had made a number of recommendations for improving the working of the major ports e.g., need for improvement in cargo handling methods, need for creation of necessary capacity for the loading and unloading of bulk cargo, commensurate with the larger size of ships, increased use of mechanised devices like high capacity shore cranes and mobile cranes, pellatization etc. The Committee recommend that immediate action

(1)	(2)	(3)
		should be taken for the implementation of the recommendations made by the Major Ports Commission.
69	4.62	The Committee note that in addition to 10 major ports in the country, there are 226 intermediate and minor ports, out of which 157 are working ports. Of these, only 118 ports have any traffic. 17 ports handle an annual traffic of between one lakh and 10 lakh tonnes, 70 handle an annual traffic of less than 10,000 tonnes. In 32 ports, the annual traffic was even less than 1,000 tonnes. The Committee regret to note that the intermediate/minor ports in the country are generally in a poor condition and are not being fully utilised for the transport network of the country. These ports have neither the necessary drafts nor the requisite handling facilities for the cargo with the result that transportation costs through these ports are greatly inflated and coastal traffic is continuously going down.
	4.63	The Committee note that the Fourth Five Year Plan provided for an intensive development of one minor port in each maritime State but the sanction of the schemes were considerably delayed with the result that much headway could not be made in the development of these ports. It is thus evident that the development of intermediate/minor ports in the country has been dealt with in a casual manner and did not receive the earnest attention that it deserved, which is regrettable.
	4.64	The Committee consider that as the major ports in the country are congested and overburdened with overseas trade, the intermediate/minor ports can play a vital role in the transport network of the country and in the development of their adjoining regions. These ports can prove

(1)	(2)	(3)
		very useful in the development of coastal traffic which has considerable scope for expansion in the country and can serve as feeders to major ports and relieve congestion at these ports. The Committee consider that for the development of coastal shipping, a selective development of minor ports with requisite facilities for loading and unloading of cargo, is necessary by reserving adequate amount of cargo for coastal movement and evolving suitable type and sizes of vessels to meet the requirements of coastal traffic. The Committee urge that the selective development of these ports, at suitable locations, should be undertaken after a detailed study of their economic viability so that they can serve as feeder ports for moving the cargo from their hinterland to the adjoining major ports and *vice-versa*. It is also necessary that State Governments concerned also take steps for the development of hinterland of these ports as well as for providing adequate communication facilities, particularly in view of the fact that Fifth Plan provides for a considerable increase in the coastal traffic in the country. It should however be ensured that there is no overlapping and duplication of facilities. A coordinated review of all modes of transport in the State should be undertaken to ensure an integrated and economic development of transport facilities both for goods and passenger traffic.
70	4.65	The Committee further note that the Minor Ports Committee in their report submitted in 1973, has made a number of recommendations for the development of these ports like reservation of suitable coastal cargo, provision of adequate port facilities, integrated development of communication system and hinterland of these ports, provision of handling facilities etc. The Committee recommend that Government should take

(1)	(2)	(3)
		immediate action for the implementation of the recommendations of the Minor Ports Committee.
71	4.66	During their visit to some of the Ports in Gujarat like Bhavnagar Port, the Committee were informed that there is continuous siltation and inadequate dredging capacity with the result that the working of these ports was adversely affected. The Committee would like Government to take corrective measures in the matter early so as to improve the working of these Ports.
72	5.6	The Committee note that inland water transport is one of the oldest mode of transport in the country and due to the existence of a number of perennial and navigable rivers in the country, there is considerable scope for its development as a mode of transport to carry cargo and passengers. Moreover, it has been proved that inland water transport is the cheapest mode of transport in as much as while the initial investment on provision of one km. of track is Rs. 8 to 10 in the case of road, it is as little as Rs. 1.25 to 2.00 in the case of inland water transport. Similarly while the maintenance cost per km. of track per year is Rs. 9,600 in the case of rail and Rs. 4,500 in the case of road, it is as low as Rs. 1000 in the case of inland water transport. The operation cost per tonne km. is also the cheapest in the case of inland water transport as while the same is 10 paise in the case of road and 4.40 to 11.70 in the case of railways in the eastern region, it is 2.44 to 5.00 paise in the case of inland water transport. The Committee note that advanced countries in the world have already realised the inherent advantages of the inland water transport and many countries like U.SA., Germany, France and U.S.S.R. are using it increasingly inspite of the fact that other modes of transport such as rail and road are more developed in

(1)	(2)	(3)
		these countries as compared to India. The Waterways in the U.S.A. carry nearly 16 per cent of the nation's total transportation, but the total cost is less than 1 per cent of the total amount expended annually on transportation
73	5.7	The Committee, regret to note that although India has been experiencing considerable transport bottlenecks, one of the oldest mode of transport viz., inland water transport has been consistently on the decline. The Committee consider that inland waterways can play a significant part in the transport network of the country by economically distributing goods to the ports from their connected hinterland and vice-versa. In view of the low cost of this system of transport, it is necessary that comprehensive data of the possible traffic, along all the navigable waterways of the country is compiled to enable a realistic future planning of this system of transport. Considering the extent to which the inland water transport has declined, it would call for a massive effort to bring it to an efficient and fruitful level of functioning. However, in view of the constraints of resources it would be necessary to phase the development of inland waterways over an extended period. The Committee suggest that after the comprehensive data has been compiled, priorities for the development of inland transport in the various sectors should be laid down, after considering the availability of traffic and the existing facilities etc. The Committee need hardly emphasise that a well-thought out phased programme should be formulated for the development of inland waterways which in addition to making the waterways navigable, should include the provision of necessary terminal facilities which are very necessary for ensuring quick, efficient and fast turn round of traffic for making this system of transport a success in the modern transportation net work.

(1)	(2)	(3)
74	5.13	The Committee note that Government have appointed a number of Committees to examine the various aspects of the problems connected with the development of inland water transport in the country viz. the Inland Water Transport Committee, 1959, Study Group on Assam Services, 1967; Inland Water Transport Committee, 1970; River Services Committee, 1972; Committee on National Waterways, 1974 and Study Group on Development of Buckingham Canal (1974). These Committees have made a number of useful recommendations e.g. the Inland Water Transport Committee, 1970 had recommended that important waterways should be declared National Waterways; the Central Government should assume full responsibility for maintaining navigability of all important waterways by taking necessary action; promulgation of a single Act to regulate the running of ferries throughout the country; development of Farakka into a modern inland port etc. Similarly the River Services Committee (1972) recommended the acquisition of 15 pusher tugs and 60 dumb barges etc. The Study Group on Development of Buckingham Canal, 1974 recommended development of Buckingham Canal (North and South) at a cost of Rs. 800 lakhs. The Committee however, note from the statement of action taken on the recommendations of these Committees that most of these recommendations are still under consideration and followup action thereon has not yet been taken. The Committee regret that even after a laps of more than 4 years final decision on the recommendations made by the Inland Water Transport Committee, 1970 has not yet been taken. The Committee recommend that action to implement the recommendations of these Committees should be taken at an early date.
75	5.14	The Committee regret to note that inland water transport has received a very meagre allo-

(1)	(2)	(3)
		cation in the Five Year Plans. It is noted that no allocation was made for inland water transport in the First Five Year Plan while the allocation in the Second, Third and Fourth Five Year Plan was only Rs. 16 crores approximately out of a total provision of more than Rs. 7000 crores on the transport sector. In the draft Fifth Plan also, the provision for inland water transport is Rs. 69 crores only including Rs. 22 crores for Farakka Barrage Project, out of a total provision of Rs. 5697 crores on the transport sector which is less than 1.5 per cent of the total provision. It is thus evident that the potentialities of inland water transport in the transport system of the country have not been realised and although a number of Committees appointed by Government, have emphasised the inherent advantage of this mode of transport for the national economy, their recommendations have remained largely unimplemented due to organisational deficiencies and lack of resources. The result has been that this system of transport has not been put on sound lines. The Committee would like Government to take necessary corrective measures in this regard at an early date.
76	5.15	The Committee are, however, surprised to note that even the meagre allocations made in the various Five Year Plans for inland water transport, have not been utilised and there have been considerable shortfalls in expenditure as compared to the allocations made in the various Five Year Plans for inland water transport. In the Second Plan, against a provision of Rs. 143.32 lakhs, only a sum of Rs. 72.34 i.e. about 50 per cent was utilised, in the Third Plan against a provision of Rs. 548 lakhs, only a sum of Rs. 307.04 lakhs i.e. about 63 per cent was utilised and in the Fourth Plan against a provision of Rs. 900 lakhs, a sum of Rs. 674 lakhs i.e. about 75 per

(1)	(2)	(3)
		cent was utilised. The Committee faul to understand the reasons for the non-utilisation of these allocations. The Committee recommend that the reasons for the non-utilisation of these provisions in full should be analysed in detail and corrective measures taken. Moreover, Government should take steps to ensrue that the amount allocated for inland water transport in Fifth Plan are fully utilised.
77	5.16	The Committee further note that there is an Inland Water Transport Directorate in the Ministry of Shipping and Transport to deal with the various aspects of Inland Water Transport in an efficient and coordinated manner. The Committee regret to note that the Director in this Directorate, who is a technical hand, has taken over only recently and the Directorate is not equipped with adequate technical personnel. In the opinion of the Committee this is one of the reasons for the poor progress in the development of Inland Water Transport in the country. The Committee recommend that urgent steps should be taken for strengthening the Directorate with adequate technical personnel to enable it to perform its function effectively.
78	5.24	The Committee note that Ganga provides a maginificient waterway in the north India and with the commissioning of the Farakka Feeder Canal, it will be possible to provide a direct link for transportation of cargo and passengers all the way from the Port of Calcutta|Haldia upto places like Patna, Varanasi and Allahabad. The Committee further note that Ganga can provide enormous scope for transportation of important bulk

(1)	(2)	(3)
		cargo like jute, salt, cement, sugar, iron and steel products, timber and general cargo. Even coal can be transported by inland water transport to a considerable extent. The Committee feel that Ganga is a national asset which must be harnessed fully for commercial navigation to supplement the already congested railway and road transport in this area.
	5.25	The Committee need hardly emphasise that water transport on the Ganga river will go a long way in opening up opportunities for the development of the far flung areas in its hinterland and bringing the advantages of a port outlet to these areas through this cheap system of transport. It will generate considerable employment opportunities at the various river stations in this region and would help in the Development of ancillary industries which are required in connection with the expansion of river services. The Committee recommend that necessary steps for improving the navigability of the river by bandaling and other measures should be taken so that this potential source of inland water transport may be utilised to the maximum possible extent.
79	5.26	The Committee note that the Inland Water Transport Committee, 1970 had recommended Ganga-Bhagirathi-Hooghly for being considered as a national waterway and had also expressed the view that facilities for berthing inland craft, construction of modern jetty with necessary cargo handling facilities, transit warehouses etc. should be provided at Farakka to facilitate smooth handling and transhipment. The Committee regret to note that the matter is still under consideration of the Government of West Bengal. They recommend that a decision in the matter should be taken expeditiously.
80	5.27	The Committee further note that the Ministry of Energy have offered two million tonnes of

(1)	(2)	(3)
		coal for being carried by inland water transport vessels on the Ganga from Rajmahal collieries to various stations and a scheme in this regard has been prepared by the Ministry of Shipping and Transport. The Committee recommend that this matter should be followed up urgently.
81.	5.36	The Committee note that Buckingham Canal in the South plays an important role in providing transport facilities in the States of Andhra Pradesh and Tamil Nadu. The Canal, with a total length of 416 kms. links important commercial centres with the ports of Kakinada and Machlipatnam and there is scope for bulk movement of ores and agricultural produce through the Canals.
	5.37	The Committee, however, regret to note that although the Buckingham Canal provides considerable scope for inland water transport, the traffic in the canal is declining and large parts of the canal has silted up with the result that only 88 kms. out of its total length of 258 kms. in Andhra Pradesh is navigable. Moreover, in the absence of lining of the canal, it is not possible to permit operations of mechanical boats. The Committee recommend that necessary steps to improve the navigability of the canal and its lining should be taken immediately.
82	5.38	The Committee note that in the draft Fifth Plan, schemes for widening and lining of the Canal and its improvement at an estimated cost of Rs. 670 lakhs have been included but for the present only schemes for prototype studies and the lining etc. at an estimated cost of Rs. 5.98 lakhs have been sanctioned and the remaining schemes will be taken up only when resources position permit. The Committee recommend that in view of the vast potentialities of the canal for inland water transport, work on the deepening and lining of the canal should be taken up at an early date.

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83	5.45	The Committee note that most of the boats/ crafts used in the inland water transport in the country are outdated and obsolete and are country boats without mechanical power. The further note that great developments have taken place all over the world in the field of standardising boats and crafts for inland water transport. The Committee is of the view that if inland water transport is to make a headway in the country and compete with other modes of transport in carrying passengers and cargo economically, it is necessary to standardize the designs of the crafts to a few number which would meet the requirements of the whole country. The Committee recommend that necessary steps in the direction of standardising crafts and prime movers suitable for Indian conditions by studying the recent technological advances made in other countries, should be taken.
84	5.46	The Committee note that for standardising inland craft and equipment, Government had constituted a Joint Technical Group in March, 1969. The Group held 4 meetings only i.e. in February, 1970, June 1970, July 1970 and October 1971. The draft report was prepared and circulated on 14-9-1973 but it has not been finalised so far as the report is yet to be signed by two Members. The Committee deplore the casual manner in which the technical group on this important subject has been working. It is a matter of concern that the group has taken over 6 years in finalising their report on this important matter. The Committee are unable to appreciate why target dates for the submission of the report by the technical group were not laid by the Government. They would like the whole matter regarding the abnormal delay in the submission of the report by technical group to be examined by Government and responsibility fixed therefor. The Committee would

(1)	(2)	(3)
		also like Government to ensure that the report of this group is finalised immediately and decisions taken by Government thereon within a period of three months and the Committee informed.
85	5.48	The Committee note that some studies about the traffic potential of inland water transport has been conducted in some parts of the country and some more studies are at present being conducted. The Committee, however, note that these studies are in a piece-meal for relating to some areas only and do not cover all navigable areas of the country. The Committee, therefore, recommend that for a realistic long-term planning for inland water transport, a comprehensive study of traffic potential of all the navigable waterways in the country should be undertaken. The Committee further recommend that the scope of co-ordination of inland water transport in the country with other modes of transport and their relative cost-benefit study should also be included in this study so as to avoid any duplication in investible resources.

APPENDIX V

(*Vide* Introduction to the Report)

ANALYSIS OF RECOMMENDATIONS

A. Recommendation for improving the organisation and working.

3, 4, 5, 6, 7, 15, 16, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 32, 33, 34, 35, 36, 37, 38, 41, 42, 43, 44, 45, 46, 47, 48, 55, 56, 57, 58, 59, 61, 66, 67, 68, 69 70, 71, 73, 74, 78, 79, 80, 81, 82, 83, 84.

B. Recommendations for effecting economy.

8, 9, 12, 13, 14, 17, 18, 29, 31, 39, 40, 49, 50, 60, 62, 64, 65, 72, 85.

C. Miscllaneous Recommendations.

1, 2, 10, 30, 51, 52, 53, 54, 63, 75, 76, 77.

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