

LOK SABHA

THE JOINT COMMITTEE ON THE
MOTOR VEHICLES (AMEND-
MENT) BILL, 1955

EVIDENCE



सत्यमेव जयते

LOK SABHA SECRETARIAT
NEW DELHI
October, 1956

WITNESSES EXAMINED

Name of the Association and their spokesman	Date	Pages
I. The Indian Roads and Transport Development Association Limited Bombay. <i>Spokesmen</i> 1. Shri E.A. Nadirshah. 2. Shri B.V. Vagh. 3. Dr. J.M. Rane. 4. Shri A.S. Irani. 5. Shri Durga Das. 6. Shri C.S. Nair.	5-10-56	2—31
II. The Motor Vehicles and Allied Merchants Association, Madras <i>Spokesman</i> Shri T.S. Santhanam.	5-10-56	31—49
III. The Regional Motor Operators' Union, Kanpur <i>Spokesman</i> Sardar Manohar Singh.	5-10-56	49—56
IV. The All India Motor Unions' Congress, New Delhi <i>Spokesmen</i> 1. Shri Kundan Lal. 2. Shri Harbhajan Singh. 3. Shri A. Williams.	6-10-56	58—83
V. The Western India Automobile Association, Bombay <i>Spokesmen</i> 1. Shri M.B. Madgavkar. 2. Shri K.G. Subramaniam.	6-10-56	83—90
VI. The Automotive Manufacturers' Association of India, Calcutta <i>Spokesman</i> Shri L.P. Misra.	6-10-56	90—104
VII. The West Bengal Lorry Syndicate, Calcutta <i>Spokesmen</i> 1. Shri S.K. Banerjee. 2. Shri S.K. Chatterjee. 3. Shri Ajit Singh Dhamrait.	6-10-56	104—110

APPENDICES

I
II.
III.
IV.
V.
VI.
VII.

THE JOINT COMMITTEE ON THE MOTOR VEHICLES (AMENDMENT) BILL,
1955

Minutes of Evidence taken before the Joint Committee on the Motor Vehicles
(Amendment) Bill, 1955.

Friday, the 5th October, 1956 at 10 A.M.

PRESENT

Shri K. S. Raghavachari—*Chairman.*

MEMBERS

Lok Sabha

Shri K. L. More	Shri Bhupendra Nath Misra
Shri Fulsinhji B. Dabhi	Sardar Iqbal Singh
Shri M. L. Dwivedi	Shri Raghunath Singh
Shri C. C. Shah	Shri Shree Narayan Das
Shri Amarnath Vidyalankar	Shri Rameshwar Sahu
Shri Suriya Prashad	Shri T. B. Vittal Rao
Shri Ram Sahai Tiwari	Shri Girraj Saran Singh
Shri Basanta Kumar Das	Shri Bahadur Singh

Rajya Sabha

Shri T. J. M. Wilson	Shri K. P. Madhavan Nair
Shri H. P. Saksena	Shri R. P. Sinha
Shri Amar Nath Agrawal	Dr. Radha Kumud Mookerji
Dr. Purna Chandra Mitra	Shri Lal Bahadur Shastri.
Dr. R. P. Dube	

DRAFTSMAN

Shri R. S. Sarkar, *Joint Secretary and Draftsman, Ministry of Law.*

REPRESENTATIVES OF MINISTRIES AND OTHER OFFICERS

Shri N. M. Ayyar, *Secretary, Ministry of Transport.*

SECRETARIAT

Shri N. N. Mallya—*Deputy Secretary.*

Shri P. K. Patnaik—*Under Secretary.*

WITNESSES EXAMINED

I. The Indian Roads and Transport Development Association Limited, Bombay.

Spokesmen:

Shri E. A. Nadirshah	Shri A. S. Irani
Shri B. V. Vagh	Shri Durga Das
Dr. J. M. Rane	Shri C. S. Nair

II. The Motor Vehicles and Allied Merchants Association, Madras.

Spokesman:

Shri T. S. Santhanam.

III. The Regional Motor Operators' Union, Kanpur.

Spokesman:

Sardar Manohar Singh.

L. The Indian Roads and Transport Development Association Limited, Bombay.
(Please see their memorandum at Appendix I).

Spokesmen:

- | | |
|---------------------------|-----------------------|
| (1) Shri E. A. Nadirshah. | (4) Shri A. S. Irani. |
| (2) Shri B. V. Vagh. | (5) Shri Durga Das. |
| (3) Dr. J. M. Rane. | (6) Shri C. S. Nair. |

(Witnesses were called in and they took their seats).

Chairman: Gentlemen, you have given us a memorandum copies of which have been circulated. Members have gone through them. You may give evidence in support of the points that you have raised in the memo by way of adding to them or clarifying them, and any new points, in which case you might say, this is a new point.

Shri Nadirshah: Practically we have covered most of the points which we would like to bring forward in our own memo, unless any new points arise out of the discussions which we may be able to answer. I do not know whether you would like me to give the salient points of the memo. That would only be a waste of time.

Chairman: That is what I suggested. We have an idea of the points and the topics that you have raised in the memo. You may, if you wish, add to or amplify any of them. Of course, Members will put questions later on.

Shri R. K. Mookerjee: It would be more convenient if they are asked to state their salient points afresh just now and then we may cross-examine.

Shri Nadirshah: If you want me to explain the salient points which we have covered in the memo, I should say that we would like to confine ourselves to Chapter IV which broadly deals with the restrictive provisions in road transport. I do not want to go into the history of Chapter IV, because it is well known. It was done in times when there was rail road competition. At present, there is no question of competition today or any competition arising even after 10 or 15 years. One point that

I would like to make clear is this. Today, to get through more transport by the railways, you have to spend a lot for increasing its capacity, lines and everything. So far as the road is concerned, we have already spent about Rs. 300 crores and we are going to spend another sum of Rs. 400 crores under the Second Five Year Plan. What we say is this. We are not able to utilise the road capacity to the fullest extent. Railways, naturally, you are utilising to the fullest extent. We would like to stress that we are not utilising the road to the fullest capacity as will be seen from the figures that we have already given. The intensity is hardly about 2½ trucks or cars per mile whereas in other countries it goes to 22 or 23 trucks or cars per mile. That means that with the existing roads and the new roads under construction, you can have far more vehicles very easily accommodated without spending much more.

Our next point is this. We thought that this Act was going to be better than the old Act; and we have been fighting for this. In one or two respects, I fear, it is not so. For instance, take the laden weight, weight of a vehicle. The Indian Roads Congress, which is naturally a technical body,—the Government of India have recognised this and there are Road Engineers from all over India on this body—have laid down that the total weight may be 32,000 to 72,000 pounds. In the new Act, the provision is 18,000 pounds. That means that on the axle itself, it will be only 12,000 pounds whereas under the old Act it was 10,000 pounds. There is no great increase. Here, we say, you have got roads and bridges which can take up that traffic, which can take that load. But, you are trying to

restrict that. So, we suggest that though you may not go to 32,000 or 72,000 pounds as suggested by the Roads Congress, at least it be specified as 27,000 pounds which would mean 18,000 on the axle.

We also submit that the overriding power to prohibit certain vehicles on certain roads should not be there. We, as Engineers, know that most of the roads can carry the traffic. In the case of certain bridges where it is not possible, they can do in exceptional cases only in consultation with the centre. We make this submission for the sake of a uniform policy in all the States.

The next point is this. We want to develop road transport, not with a view to compete with the railways, but as complementary. It has been acknowledged by everybody that now the time has come when road transport must take up the traffic which it is called upon to take up. This can only be done if certain restrictions such as limitations on account of deterioration of road system, differentiation between long distance and other traffic, etc., and regional transport restrictions are removed. Besides, at present, a permit is given for 3 to 5 years. We suggest that it should be at least for 5 to 8 years. When this period of 3 to 5 years was laid down, the cost of the vehicles was one-fourth of what it is today. At least to cover to a certain extent the depreciation, it should be four times more now. We suggest that it should be at least 5 to 8 years so that it could encourage private owners to purchase new trucks.

Now, we think it necessary to remove an impression that there is going to be road rail competition. There cannot be any such possibility as we have pointed out in our memo. The Railways fear that the roads may take away any traffic from them and also that the high-rated commodities would be taken away. This fear can be removed by fixing a particular target of production so that there cannot be over-production and competition. At the same time, on an All-

India basis, rates for the high-rated commodities may be fixed by a high power body with representatives of transport interests in it. Formerly, they said that certain roads had a bad surface or that they were not good enough and therefore, traffic should be restricted. I think that fear should also be removed. The Government have taken over the national highways and they are improving the highways and bridges. I am sure our roads can be compared well, in point of surface and other things, with the roads in any other country. In fact, I may say for the information of hon. Members that there was a deputation of prominent American Highway Engineers that came here. We went round with them and saw some of our roads, in order to get an idea of our mistakes and how to improve the surface, etc. We were very glad to learn from them that the type of construction that we are doing was the best. Some of them agreed that it was even better than what they were doing in America. That means our roads are in no way inferior—in width it may be, but not in the surface.

The Code also provides for regulating motor transport by distances. In the 1939 Act it was not there, but this was sought to be imposed by the Code. In this Bill this has been brought in in the Act itself. This is rather not trying to improve the Act, but on the contrary it will make it more rigid.

Coming to these delivery vans, the Bill provides that a private carrier's permit should be valid throughout a State without counter-signature from the regional authorities. This is a very good thing and we approve of it. At the same time, we would suggest that for the same reason a private carrier should also be exempted from taking out a permit if its gross laden weight is the same as that of a car of seven passengers. I would like to stress the point that if a permit is valid throughout the State without counter-signature, that

privilege should also be extended to a private carrier.

Coming to special permits proposed to be issued for public service vehicles which are operating in any region or State, the same concession, we would stress, should be extended to contract carriages like taxis etc. This will prevent the use of private cars doing the work of contract carriers. At present a taxi cannot go from one region to another. Naturally a private car does that job and nobody can stop that.

On the question of nationalisation I think all the States should strictly follow the policy that has already been laid down by the Ministry of Transport, that there should not be nationalisation at least as far as goods traffic is concerned at least till the end of the Second Five Year Plan, though we would like that also to be extended to another five years so that more private people can come in and buy more trucks.

The last and important question is in connection with compensation. This is a rather tricky question as far as people are concerned. Naturally they would not like to go out of the business. They have earned a certain amount of goodwill and so on, and a summary decision that they will get only so much of compensation should be avoided in our democratic set-up. At least we would suggest that a responsible tribunal must be appointed. They must hear both sides and then let them give their own judgment and we can abide by that.

I do not want to take more of your time. These are the important points which we should like to stress.

Chairman: One point I should have mentioned earlier. The evidence that you or your friends give would be liable to be published. If there is any material aspect which you would like to keep confidential, you might mention that. Otherwise, the whole thing is liable to publication.

Shri Nadirshah: As far as we are concerned, what we have said so far can be published. There is nothing confidential.

Shri Vagh: Can we publish our memorandum or is it to be treated as confidential?

Chairman: It is confidential. Only your evidence may be published and placed on the Table of the House if necessary.

Shri C. S. Nair: Can we publish the evidence?

Chairman: No.

Shri C. C. Shah: About compensation you have said there should be a tribunal set up to decide it. You will observe from the Act that no compensation is provided where a renewal of a permit is refused altogether. Do you suggest that compensation should also be paid where renewal is refused or do you agree with the suggestion in the Act that no compensation is payable?

Shri Vagh: The main point in this discussion is this, that consistently with the present requirements of the country which is expansion of transport, our suggestion is that nationalisation should not be carried out in areas which are at present being served because in that way you are definitely not going to expand transport.

I am coming to the second point. Arising out of this, our suggestion is that until the expiry of the present permits, they should not be cancelled by the regional transport officer or by the States. After the expiry, a number of questions will have to be dealt with—for instance, vehicles, workshops, staff and a number of things. Any question in regard to the compensation of this should be decided by the tribunal which is proposed to be set up under section 110. At present the idea of section 110 is that that tribunal should be confined only to claims. Our suggestion is that it should be a general tribunal to deal with all matters—claims as well as compensation.

Shri C. C. Shah: Do you suggest that compensation should be paid where renewal of a permit which has already expired is not granted? That is the plain question.

Shri Vagh: Yes, certainly. Also for the number of vehicles which will be lying idle. He has to sell them.

Shri C. C. Shah: You suggest that either the assets should be taken over or compensated for.

Shri Vagh: Yes, but somebody will have to decide the quantum of compensation for the assets taken over, and we suggest that should be done by the tribunal because in its compensation there is a judicial person present.

Shri Nadirshah: I might add to what Shri Vagh has said that though according to the permit rules naturally the Government is at liberty not to give any compensation after the expiry of the permit—we note that because the permit has been given on that distinct understanding—we plead that that will not be fair and reasonable, and that compensation as decided by the tribunal should be given.

Shri C. C. Shah: There is a provision made for claims tribunals for motor accidents which ousts the jurisdiction of the courts. The object is to expedite the settlement of such claims. Do you approve of that provision generally?

Shri Vagh: The same tribunal should deal with claims as well as other matters.

Shri C. C. Shah: Do you think that it is better that tribunals set up under the Act should deal with accident claims rather than the courts dealing with them as at present?

Shri Vagh: I think it is better. It will be more expeditious.

Shri Lal Bahadur Shastri: I might inform the Members that the acquisition of assets is purely a States' subject and the Centre cannot legislate on that.

Shri C. C. Shah: About compensation for assets. It is not acquisition.

Shri Lal Bahadur Shastri: That is also covered by the State List.

Shri R. P. Sinha: How about having a clause on compensation?

Chairman: We shall discuss it later amongst ourselves.

Shri Vagh: It has been mentioned that this is a State subject. What is our objective? Are we trying to develop transport, or are we asking the people to go from Peter to Paul? When somebody raises some point, the State says it is a Central subject. When we go to the Centre, the Centre says it is a State subject. Surely as between the Centre and the States there should be no great difficulty in establishing healthy conventions in the national interest to decide larger implications. If we were to take our stand on technical points, I do not know whether we will be able to solve any problem at all.

Let me expand this, because we have had the pleasure of seeing the hon. Minister on these implications more than once. Take the question of the Inter-State Board which the Act is proposing. The States would not agree to it, but ultimately the Centre has come forward with this in the national interest. If you see it is permissible, it is all right. You have to be guarded, I understand it, but let us not overlook the bigger national implications. It is no use saying "You go to the States." When we go to the Regional Transport Officer, he asks us to go to the State Transport.

Shri R. P. Sinha: Can he enlighten us on this particular point raised by the hon. Minister, whether the Centre has the constitutional power to legislate in the manner in which he wants?

Chairman: That is exactly the point I wish to bring to the notice of the witnesses. That is why I started it.

The point is the Constitution provides certain jurisdiction in respect of certain matters to the States exclusively, some to the Centre exclusively and some concurrently. So far as inter-State trade and relations are concerned, the Centre has jurisdiction. Therefore, these inter-State bodies and other things would come under that jurisdiction. But as regards the things exclusively within the competence of the States, it would be difficult to legislate except to persuade them and bring about a healthy convention. That is the distinction which you might keep in mind.

Shri Vagh: So far as the technical part is concerned, you are in the best position to find a solution. We are concerned with voicing before you our difficulties and grievances.

Chairman: Very well.

Shri R. K. Mookerjee: How do you propose to delimit the spheres of private enterprise and nationalisation so far as this transport is concerned?

Shri Vagh: We have said the object of nationalisation should be to expand the services and not to restrict them in any way.

Shri R. K. Mookerjee: I want a practical proposal as regards the delimitation of the spheres.

Shri Vagh: Nationalisation should be confined to areas where there are no services at present. Seventy per cent. of our population has no means of communication and road transport is the only transport which is going to serve them. If the States were to nationalise the cream, we are not going to expand the services. Ours is a Welfare State and let the State bend its energies to provide transport facilities in areas where there are no transport facilities at present.

Shri R. K. Mookerjee: Do you suggest any kind of procedure by which notices of nationalisation on behalf of the State can be issued?

Shri Vagh: That has been mentioned in the Act. It has been provided that the State should prepare a scheme, publish it and invite criticism. To that particular section we are proposing two amendments. One is that the Minister's declaration on the floor of the House that nationalisation of goods transport shall not be carried out except with the approval of the Centre should be strictly followed. The second is that nationalisation of passenger transport should be started in areas where there are no services at present. We accept the procedure which has been laid down.

Shri R. K. Mookerjee: Who will be the final authority in deciding where nationalised transport should operate or should be introduced?

Shri Vagh: The States subject to the guiding principle that services should be started where there are no services. The States can do it automatically, there is no difficulty.

Shri R. K. Mookerjee: Have you got any idea as to the scheme by which the claims for compensation can be elaborated?

Shri Vagh: We say that it should be referred to a tribunal.

Shri R. K. Mookerjee: From the point of view of accounting, may I know whether you have any ideas by which we may be guided in working out the compensation scheme? What is the average cost of a passenger bus?

Shri Vagh: In this connection, we can be guided by the experience in other countries. In the UK, they nationalised transport some years ago, and they adopted certain principles. Subsequently, however, they had to denationalise. But here, we would not have anything like that in this country. Anyhow, so far as the principles are concerned, they are already well-known.

Shri R. K. Mookerjee: You are not answering my question. I want to know how you will proceed to make your claim for compensation. You

are not at all clear about your own position.

Shri C. S. Nair: In the United Kingdom, when they nationalised goods transport services, they decided that compensation for goodwill should be paid to operators on the basis of two to five years' profits earned by them prior to nationalisation.

Shri R. K. Mookerjee: But what about the principal sunk in the enterprise? What about the assets, and what about the cost of the bus? What is the rate of depreciation? Have you gone into these questions?

Shri C. S. Nair: The book-value was paid in respect of the assets.

Shri R. K. Mookerjee: What is the extent of wear and tear allowed?

Shri C. S. Nair: That is according to the book value. The books show the depreciation written off and the existing value of the vehicles.

Shri R. K. Mookerjee: I want to know whether while making the claim for compensation, you will take into account not merely the amount of principal sunk in the business but also the rate of yield or income? How will you present your accounts?

Shri C. S. Nair: They said that the profits assessed to income-tax should be the basis of calculation, and compensation for loss of goodwill or loss of business should be paid at the rate of two to five years' profits.

Shri R. P. Sinha: How many operators in India maintain accounts like that?

Shri C. S. Nair: In India, even though the accounts may not show you any profits, yet income-tax is collected on the assumption that every vehicle does make a profit.

Shri R. K. Mookerjee: Your idea is that the principles on the basis of which compensation is to be allowed to private enterprise should be something like centralised principles applicable to every State.

Shri C. S. Nair: That is why we have suggested a tribunal. The tribunal will be able to lay down the principle.

Shri R. K. Mookerjee: Is it your idea that in this Bill we should put on a uniform basis, the principles on the basis of which compensation will be given?

Shri Vagh: That would be desirable, if that can be done.

Shri R. K. Mookerjee: There are no local conditions to be considered, in accounting for the compensation to be paid?

Shri Vagh: That will be as in the income-tax schedule, where they depreciate the assets at a certain rate, assess certain profits, and then calculate the cost of the vehicle. The principle should merely follow that, here also.

Shri R. K. Mookerjee: As regards the argument against nationalisation, I wish to know how you will be able to guarantee security of service to the public, by way of repairs and proper maintenance of the vehicles? Should there be any such condition by which the efficiency of the working of the buses should be secured?

Shri Vagh: The Act provides for inspections of all vehicles in periods of six months to two years. And obviously, the police will see to it, and the Road Transport Authority will see to it that if any vehicle is not roadworthy, it is not allowed to be put on the road. The Act provides for that.

Shri R. K. Mookerjee: What do you think of this new provision as regards licensing of conductors?

Shri Vagh: That is a step in the right direction.

Shri R. K. Mookerjee: You approve of this?

Shri Vagh: Yes.

Shri Amarnath Vidyalankar: Do you not think that in the interest of planning, it is necessary to demarcate the

spheres for the different types of transport? I think you have suggested something like that in your memorandum too.

Shri Vagh: May I repeat that question to make sure that I have understood it properly? Your question is: Do you suggest allocating spheres to various forms of transport? The answer to that is, no.

Shri Amarnath Vidyalkar: You think that no demarcation is necessary, and there should be no spheres allotted to the different types of transport?

Shri Vagh: That is not possible. That is not being done in any part of the world.

Shri Amarnath Vidyalkar: In India there are different types of transport. And you suggest that heavy vehicles should be given more sphere, and the medium and light vehicles also should freely ply on all the routes. In view of the condition of our roads, and in view of the fact that the indigenous types of transport must get also some sphere in the home industry, is it not necessary that Government should step in, and in the interest of planning, they should demarcate and allot different spheres to different types of transport, so that each type of transport may be properly encouraged and may have its proper share in the whole industry?

Shri Vagh: The criteria of transport is the cost to the consumer. And the trader, who is interested in that, obviously knows which form of service is economical and suitable to him. So, if we were to introduce any regulations, it is simply going to complicate matters.

Shri Amarnath Vidyalkar: Suppose, in view of the poor condition of the roads, we provide that the heavy type of transport should be reserved only for long distances. What would you think of that?

Shri Nadirshah: The question, as pointed out by Mr. Vagh, is one of economy. I do not think that we

should lay down any restrictions for a heavy-laden vehicle or for a medium-laden vehicle on particular roads. I have already pointed out in my preliminary remarks that today, in India, our roads are really not so bad as we think. Except for a few exceptions, they are in a position to take up the load that we are specifying. Therefore, I say, that let the people decide from the economic point of view as to which vehicle will suit them, whether a medium or a heavy vehicle.

Shri Amarnath Vidyalkar: But there are so many factors to be taken into account, such as the condition of the roads, the requirements of different places, the various types of trade and so on.

Shri Nadirshah: I might say that formerly during the war also, we had restrictions on certain vehicles on certain roads and certain bridges. But the war has proved that far more vehicles did go over those bridges and did go over those roads, without much bad effect. Therefore, we are taking it for granted that these restrictions about roads and bridges should not come in our way.

Shri Amarnath Vidyalkar: In a nationalised industry, in one way or the other, the whole community takes some share. Can you suggest some method by which the workers and the community as a whole could take some share in the transport industry, even in the private sector? Now, the tendency is to associate the workers also in the management of the industry. At present, in the transport industry, however, the workers do not have any such participation. Can you suggest some way by which the workers could participate in the private sector of the transport industry?

Shri Nadirshah: I think that may not be found very difficult, because I know of one instance in South India, where Mr. G. D. Naidu is working exactly on that system. In fact, it is more as a co-operative concern of the drivers, the cleaners, the mechanics

and the owners, and they all have got a share in that concern.

Therefore, what you say is correct, that so long as you can get common people also interested, probably it will work better. Surely if Mr. G. D. Naidu has found out a solution for that, since the last ten or fifteen years—he has been working very well on that system, and I have seen it myself—one could work on that line, if one wants to.

Shri Shree Narayan Das: In your memorandum, you have stated that the import of Chapter IV should be so altered as to emphasise the need to develop road transport, and not to restrict it by using such words as 'prohibition', 'restriction', 'limit' etc. And you have urged in that connection that the provisions should be liberalised, and the period of the permit should be raised from 3-5 years to 5-10 years. I would like to know the basis for this suggestion.

Shri Nadirshah: I have already said in my preliminary remarks that formerly, the cost of a vehicle was about Rs. 5,000 (before the war), and therefore, they thought that a vehicle could be written off in about three to five years; so, the period fixed in those times was 3-5 years. But today, we know the cost has gone up by four times. And of course, we would like to have the period increased to four times, but as that would be too long a period for a vehicle to be in operation, we have been very moderate in our demand, and we have suggested only 5-8 years instead of 3-5 years.

Shri Shree Narayan Das: What were the profits earned in 1939, and what are the profits being earned today?

Shri Vagh: But the expenses also have gone up. If the cost of the vehicle is four times, the interest is also four times, the depreciation also is four times, and the cost of repairs also is four times. Again, the wages have gone up by nearly three to four times.

Shri Shree Narayan Das: But the freight charges also have increased.

Shri Vagh: The freight charges depend primarily on taxation, insurance costs, costs of repairs etc. All these factors will determine the freight charges. Supposing the charge was two annas before, and now it is six annas, it does not mean that the difference between two and six annas is going into the operator's pocket. His margin is practically the same; it may be ten per cent. or fifteen per cent. He cannot earn more than that. Otherwise, he will go out of his business.

Shri Shree Narayan Das: Supposing the period of the permit is kept at five years, do you think it would be profitable to run the road transport?

Shri Nadirshah: We will only be too glad if it is increased from 5 to 8 years.

Chairman: The question is whether by the increased cost of the vehicles, its utility also is guaranteed to last as many times.

Shri Nadirshah: At least the modern vehicle—Mr. Irani will confirm this—will come for 8 to 10 years.

Shri Vagh: There are operators who will be able to say it from their own experience.

Shri Shree Narayan Das: If your suggestions are accepted, will not the small-owners be affected? Will they not be replaced by big financiers owning a higher number of vehicles?

Shri C. S. Nair: The policy of the Planning Commission is to induce big viable units to come into existence by voluntary amalgamation of small units.

Shri Vagh: It is in the interests of efficiency also that the units should be large. There was a time when it was better to have individual operators, but now the times have changed and it is desirable that there should be large viable units.

Shri Durga Das: In U.P. the latest policy is that they issue only one permit to one family. If a family has

more than one permit, it should be transferred to someone else unconnected with the family. On the one hand the policy seems to be that there should be viable units and co-operative societies, but on the other, we are discouraged to the extent that we cannot have more than one permit for one family. My suggestion is that the U.P. Government should be asked not to enforce that policy. Otherwise, efficiency will suffer and individual operators cannot have the proper staff; they cannot give the service that is needed by the public.

Shri Shree Narayan Das: I think that if all your suggestions are accepted, the smaller owners will be thrown out and the bigger owners will come in. That is one aspect. I want to know whether at present there is any co-operative union of transport owners working in India and whether there is any likelihood of these co-operatives being developed in this country?

Shri Durga Das: There are quite a number of co-operatives in Punjab and Delhi. If co-operatives are encouraged, there will be many more of them.

Shri Shree Narayan Das: So, it is your suggestion that there must be certain provisions to give encouragement to co-operative societies taking part in this transport industry.

Shri Durga Das: Yes, Sir.

Shri Vagh: Even at present there are a number of co-operative transport operators functioning in Bombay. The main principle is that if they get financial assistance from the co-operative banks, there should be no difficulty in forming large viable units on a co-operative basis.

Shri C. S. Nair: It is the policy of the Government to encourage such viable units. 3 or 4 companies have now been formed recently.

Shri Nadirshah: In reply to the previous question about the duration of the truck, I may add that even the State Transport have taken the life

as 10 years at the time of nationalisation.

Shri B. K. Das: A tribunal has been suggested for fixing the compensation. Evidently the association does not accept the formula that is given in the Bill. Supposing a tribunal is not acceptable to the Government or to the Committee, can you suggest any alternative formula? It was mentioned before that income must be taken into consideration. Supposing the net income of a particular transport is taken into consideration, how will the income be related to the compensation that has to be given?

Shri Vagh: The figure mentioned in the amending Bill has nothing to do with compensation—Rs. 50 for part of a month not exceeding fifteen days of the unexpired period of the permit and so on. The principles affecting the interests of such a large number of people should not be dealt with in such a peremptory manner. Compensation should include loss of our business, loss of goodwill, loss of our assets etc.

Shri B. K. Das: My question has not been answered. How is the income to be related to compensation. In the case of estate acquisition in different States, the net income is taken into consideration and the compensation is related to that income. I want to know whether there is any suggestion like that which may be considered by the committee.

Shri Vagh: This is such an important question and the facts and data vary from State to State. This should be left to a judicial committee. It could not be done by executive action.

Shri B. K. Das: In the memorandum, at page 5, it has been pointed out that during the last 15 years, many restrictions have been placed on the road transport system, so that proper development has not been possible. May I have some concrete examples about that?

Shri Vagh: There are a number of examples. Everyone who is acquaint-

ed with the history of road transport development in India knows that if you apply for a permit, you simply do not get it. There are thousands of cases. It is so very well-known that the restrictions imposed on motor vehicular traffic have become scandalous, if that is the parliamentary expression to use.

Shri Nadirshah: There is the restriction in regard to distance, for example. Sometimes permit is given only for a distance of 50 miles. That is never economic.

Shri Durga Das: The taxation is extremely high; it is the highest in the world.

Shri B. K. Das: I want some concrete examples. One is the discrimination about distance. If there are any others, we may consider them. This sort of general statement does not probably help us.

Shri C. S. Nair: When I was in Madras two months ago, there was a complaint that as against 300 applications submitted, only 50 permits were given.

Shri H. P. Saksena: One gentleman said that the U.P. Government should be asked not to do something. I could not follow that. I would request him to let me know what it is, so that if it is in public interest, I may take up the matter with the U.P. Government.

Chairman: What he wanted was this. In U.P. a family is given only one permit and if there are more permits than one, the members of that family are compelled to transfer it to some others. He wanted that this policy should be stopped.

Shri H. P. Saksena: In the long exposition of the first gentleman who put the case before the committee, I am sorry to state that I did not find any human touch in the expression of the manner in which the transport owners wanted to save the lives of the public which are lost by the operation of motor vehicular traffic.

Chairman: Instead of criticising the witness, you can elicit the facts you want.

Shri H. P. Saksena: This is my impression.

The second point is that motor owners are predominantly influenced by the profit motive and by no other motive. The entire picture is dominated by the profit motive. My point is this. There was some talk that nationalisation of road transport should not be attempted during the plan period. I beg to submit that there is no point in discussing the matter of nationalisation here in this small committee. It should be decided by Parliament alone. No decision of this committee on behalf of anyone of us including the Chairman can be binding on the Parliament. Whether motor traffic is going to be nationalised or not can be raised and decided only in Parliament.

Chairman: The point raised here is not the policy of nationalisation or no nationalisation, but, as a consequence of the nationalisation, what is the compensation to be paid. That is all. They only say that if there should be nationalisation the private owners' interests may be taken into consideration, both with regard to duration and compensation.

Shri Vagh: There has been a reference to profit motive. The shop-keeper works for profit, the doctor works for profit; everyone is working for profit. That is not the argument.

Chairman: The whole world is working with a profit motive; but, the profit motive should be controlled in the interests of the nation.

Shri Vagh: Even the nationalisation is based on the profit motive because the Government will get more money.

Dr. R. P. Dube: I want to ask a question. I think somebody has asked that question but I want more information on that. Do you suggest, when you say that the life of the permit from three to five years should be

increased to five to eight years, that the present trucks or vehicles are stronger than the old ones? You said that the life of the truck should be increased to eight years.

Shri Nadirshah: I have already explained this point. But I would like to make it clear again to the hon. Member and that is this. It is not a question of the trucks being made in a better way today than formerly. Trucks were quite good in the past also. In other words, the trucks in fact are of the similar quality even today. The main point here is economic point. Formerly, a truck used to cost only Rs. 5,000/- which we could very easily write off in three or five years. Now a truck is costing Rs. 20,000 to Rs. 25,000/- and therefore, it is natural that more years should be given to order depreciation. Otherwise, it will not pay anybody to purchase vehicles at a cost of Rs. 20,000 or Rs. 25,000/- and write it off in three years' time.

Dr. R. P. Dube: You are of the opinion that the cost is more and that irrespective of the construction of a truck, it should be given a longer life.

Shri Nadirshah: May I point out one thing more? Apart from the fact whether a truck is stronger or not, road conditions, when compared to 1939, are definitely better now and they are improving. This is certainly very important when we calculate the life of vehicles and as such nationalised transport all over the country has taken a minimum of eight years as the life of vehicles.

Dr. R. P. Dube: Now, the other question I want to ask is this: you said that during the Second Five-Year Plan period, transport is more needed because there will be more production. That means, for instance, a truck which used to do 5,000 tons a year will do now 10,000.

Shri Nadirshah: It will do more.

Dr. R. P. Dube: It will do more work than it used to do in the past. That means, when the life of a truck was 3 to 5 years, it was doing less mileage than it is now going to do and still you say you want the life of the truck to be increased from five to eight years.

Shri Vagh: The number of miles run by a truck cannot be strictly in proportion to the life of that vehicle.

Dr. R. P. Dube: It is news to me, anyway. I thought that if you do not use a truck very much, it will last for sometime.

Shri Nadirshah: I think my colleague Dr. Rane has made this point very clear. I am sure that my friend Mr. Mathrani will agree that today the condition of roads is far better than it was in 1939 and accordingly the life of a car also must go.

Dr. R. P. Dube: It is not a fact that now you find cars.....

Shri Nadirshah: I am talking about trucks and not cars.

Chairman: The whole point is that they want the life of a permit to be longer than before and that is based on the fact that more investment is involved now and therefore there must be some security of a longer period of life. That is the whole substance. Whether the roads have improved or whether they have to replace parts suddenly are other matters for consideration. The present point is that the period of term should be longer than before so that the man who invests greater amount now than before will get a chance of getting something more and also as the road condition is better now the vehicle is likely to last long.

Shri T. B. Vittal Rao: Our friend has stated regarding the competition between railway and road transport service. He has referred to that. But in actual practice, what you see is that road transport does not carry low-rated traffic notwithstanding the

fact that the railways are not able to transport, for instance, their coal, fire-wood, iron etc. Why cannot the road transport carry this whereas some road transport carry the high-rated traffic? Can he enlighten us?

Chairman: The point is whether private transport can come in to assist in the transport of low-rated commodities rather than doing high-rated commodities.

Shri Vagh: There are a number of commodities which are being handled exclusively by road, for instance, sand, cow-dung, fuel, etc. We have seen hundreds and hundreds of trucks carrying these things. I would like to know on what basis this statement has been made.

Chairman: You see the commodities which you are referring to are generally carried on short distances. The whole point of Mr. Vittal Rao was that there is plenty of scope for private transport to come to aid and share the huge amount of traffic that is available for low-rated commodities. That is his point. Whether it is economical or not is the point.

Shri Nadirshah: I entirely agree with the hon. Member. It is possible for trucks and road transport to come in provided of course certain restrictions which are at present in force on road transport are removed. Then, naturally, I am sure road transport will come to the rescue of the nation.

Shri T. B. Vittal Rao: My second question is this: The gentleman who referred to the nationalisation said that there was an assurance from the Minister of Transport in this connection. But our experience is that the nationalisation came in 1932—not only in Hyderabad State—and during these 24 years there has been nationalisation in various States of various kinds of services and what we see is that even after nationalisation of transport there has been increase proportionately in the development of the road transport service and private enterprise. We, therefore, feel that nationalisation has not impeded the

progress or development of road transport service or other private enterprises. In view of the fact that we have not reached the saturation point in the matter of road transport, why is this assurance to the effect that there will be no more nationalisation required?

Shri Nadirshah: We are not disputing at all about the nationalisation question. We entirely agree that nationalisation policy is good for the Government. What we only want to point out is that nationalisation is really necessary and should take place in areas and in places where it is really wanted. But nationalisation should not replace an ordinary private truck owner who does his work well. Instead of that, we should go in for nationalisation in other spheres where at present there is no transport at all and we want to stress that point so that private owners may not be unnecessarily replaced.

Chairman: His point was that the sphere of imminent nationalisation has in fact not affected private transport owners coming into the field and therefore why should the question of giving a longer period for vehicles or of giving of some assurance of no nationalisation come in? I do not know whether I have made myself clear.

Shri Vagh: Can it be said that nationalisation has not impeded the growth of transport? Including passengers and goods vehicles, only 9 per cent. of the number of vehicles are nationalised and 91 per cent. of the vehicles are in private hands. How can you say that it has reached the saturation point in nationalisation?

Shri T. B. Vittal Rao: I said it has not reached the saturation point and that there is scope for development still.

Shri Vagh: When nationalisation comes private entrepreneurs are afraid to come in the field because they fear that their transport will also be nationalised shortly. If you put in Rs. 20,000 or Rs. 25,000/- in the busi-

ness, you should be given sufficient time to recoup and there must be some security. The person concerned should be allowed to run it for some years.

Dr. R. P. Dube: You have just said that only 9 per cent. are nationalised and 91 per cent. are in private hands and in spite of the fact....

Shri B. N. Misra: They have come here to give evidence and not to be cross-examined....

Chairman: Yes, I know.

Shri Nadirshah: What we only want to point out is that we are not against nationalisation as such and nationalisation has taken place....

Shri Lal Bahadur Shastri: (Minister of Railways and Transport): Do you agree to that?

Chairman: The Minister wants to know whether you have any objection to nationalisation.

Shri Nadirshah: But there is this difference....

Shri Lal Bahadur Shastri: You may have differences in regard to details. But as a question of policy, I take it, you have no objection to nationalisation.

Shri Nadirshah: To the extent of nationalisation, I would agree.

Shri Lal Bahadur Shastri: Both in goods as well as in passengers?

Shri Vagh: I am speaking about passengers service.

Shri Lal Bahadur Shastri: There is nationalisation in goods service to some extent in Bombay and in U. P. also, it is there to a small extent.

Chairman: Even now, the policy statement says that the goods transport will not be nationalised unless with the consent or approval of the Central Government. Therefore, there is no prohibition against nationalisation.

Shri Lal Bahadur Shastri: As a policy it has been accepted.

Shri Vagh: Nobody is saying it should not be nationalised.

Shri C. S. Nair: The U. K. Government has had rather an unhappy experience with nationalisation of goods transport. In 1950 they nationalised it, but in 1952 they were forced to denationalise it on the ground that the nationalised services were not able to render to the industry the economic services rendered by private enterprise.

Shri Lal Bahadur Shastri: That may be entirely different.

Chairman: Then Government will come and denationalise it!

Shri R. P. Sinha: The memorandum discusses the question of transport generally. Now, I would like to put a question to the witnesses whether their attention has been drawn to the Study Group recommendations in Chapter I where they say:

"The first step to be taken is for Government to announce formally their policy in regard to the development of different means of transport.

We feel that unless the policy of co-ordinated development is embodied in a statute, the comparatively weaker elements in the transport system such as road and inland water transport, will not have proper scope for development."

Do you think that such a declaration of policy will help the cause of development of road transport particularly and transport generally?

Shri Vagh: We have raised this point in the past also. Last year we waited in deputation upon the hon. the Transport Minister, and we raised the same point. The Motor Vehicles Taxation Enquiry Committee in 1950 suggested the adoption of an inland transport policy. The Study Group supported that, and finally the Taxation Enquiry Commission also strongly

supported that. We mentioned it in our deputation to the hon. Transport Minister, and we have said that the recommendation of the International Chamber of Commerce that a transport policy should be adopted by Parliament under Entry 35 of the Concurrent List, should be carried out. The hon. Minister may be able to discuss it in some detail.

We also suggested at that time that the present body, that is the Transport Advisory Council, is not sufficient for the purpose—for two reasons. One is that it is advisory in character. Secondly, it meets only once in twelve months. Thirdly, there is not even a single representative of ninety-one percent of the road transport, on it. There may be twenty representatives representing only nine per cent. of road transport. And our suggestion has been to form a statutory body on the lines suggested by the International Chamber of Commerce. The suggestion was made to the League of Nations. It has been accepted and implemented by a number of countries in the world, and in our own country it has been consistently recommended by three committees. That, to our mind, will therefore have to be the first thing to do in discussing any transport problem in this country. And it should relate to railways, roads, inland water transport, coastal shipping, etc. It should be composed of competent men, with their own secretariat who will go into the economics of the thing and discuss it objectively and not from any parochial point of view of any interest or other.

Shri R. P. Sinha: The witness has covered many points in reply to my question, and I am glad that he has done so. But I would again put a direct question to him with regard to the declaration of the transport policy. I would like to know what are his experiences, how such a declaration of policy in the United States of America has helped the development of transport generally in that country.

Shri Vagh: The object behind it is that the Central Transport Council decides on major issues of policy, to remove the bottlenecks, to facilitate expansion bearing in mind the industrial interests of the country and the free movement of goods. Those are the broad lines on which the whole thing is based. The experience in other countries is that it has produced excellent results.

Shri R. P. Sinha: What are your experiences regarding the Transport Advisory Council? I hope your attention has been drawn to paragraph 46 of the recommendations of the Study Group wherein they say:

“The constitution and working of the Transport Advisory Council should be changed so as to make it a less unwieldy body which could take quick decisions. Efforts should also be directed towards making the decisions of the Council binding on the State Governments.”

What do you think about that recommendation?

Shri Nadirshah: I think it is a very good suggestion and we entirely agree with the suggestion made by this Study Group.

Chairman: Mr. Sinha, we are concerned here not with the general policies that might be considered and laid and improved upon and declared. We are concerned with it so far as it relates to the Motor Vehicles Act with respect to the policy now stated.

Shri R. P. Sinha: I am just coming to it.

The witnesses will see that under the proposed section 63A we are going to have an Inter-State Transport Authority. We will also be having Inter-State Authorities for different zones.

Do you think that this body will serve the purpose that you have in view, with regard to the statutory Commission about which you talked?

Shri Vagh: No, it won't. The body which is proposed will have limited functions; it will have nothing to do with the general control of transport; it relates to roads and inter-State matters. The one I have in mind will consider all the forms of transport and deal with co-ordination; that is a very wide one.

Shri R. P. Sinha: You know, we have the different State Transport Authorities, the Regional Transport Authorities, etc. Now, they are supposed to be quasi-judicial bodies. What is your experience with regard to their working?

Shri Vagh: My experience of these bodies is none too happy, and beyond saying that I would not like to go into many details unless you want me to do so.

Chairman: It is unnecessary now.

Shri R. P. Sinha: Your attention must have been drawn to page 31 (para 39) of the Report of the Motor Vehicle Taxation Enquiry Committee in which they have said:

"The intention of this provision (and the same delegation of quasi-judicial powers exists in the United Kingdom and in the United States of America) is to prevent political considerations having any influence on the grant of permits which are to be given solely in the interests of the public generally, the interests being determined, as prescribed in the Act, mainly with a view to prevent unhealthy competition and other malpractices which might compromise the efficiency of transport in any region or in the country as a whole."

Now, you are a body vitally interested in the subject of road transport development. Do you think that these Transport Authorities, as constituted under the present Act and as will now be also done under the proposed measure, will function independently and that no political considerations will weigh with them? Do you think in the past political

considerations have weighed with them? Do you agree with the findings of the Enquiry Committee?

Shri Vagh: I would not like to go into the question of political consideration. Our experience of the functioning of the State Transport Authorities and the Regional Transport Authorities so far has been that they have been influenced by only one thing under the sun so far, and that is the railways. Beyond that they do not go. Anything else they suspect, and even if it is remotely concerned with the railways they stop. To what extent the Inter-State bodies are going to function, it is too early to say. But my submission is that the Inland Transport Commission, to which I have made a reference in reply to a question earlier, is a larger body.

Chairman: Mr. Sinha, the point is whether in the matter of granting permits political considerations etc., that is considerations other than economic considerations, have intervened. You have gone into the findings of the Enquiry Committee itself that it should not be so, and the witness does not wish to go into those matters further.

Shri R. P. Sinha: I want to put my question, and it is for him to answer it or not.

Chairman: I suggest you refer more to matters of immediate concern to the Bill and the clauses involved in it.

Shri Lal Bahadur Shastri: I am not quite sure about it myself, but has the number of permits increased during the last three or four years or not—permits on the same routes, note on different routes? You might be knowing it better.

Shri C. S. Nair: The number has increased to some extent, but not in proportion to the actual needs of the country.

Shri Lal Bahadur Shastri: That is a different matter. Therefore, you cannot say that because of the railways, permits are not being issued or that a restriction is being imposed.

Shri C. S. Nair: To take Bombay, for instance, they have laid down definite numbers as regards permits. In the Poona region it is only a thousand; in the Kolhapur region so many permits, and so on. Those restrictions were removed two years ago on the recommendation of the Planning Commission, and now permits are being issued. But because they are issued only for one year at a stretch, many applications have not been received.

Shri Lal Bahadur Shastri: That is a different matter.

Shri C. S. Nair: What I say is that the object has been defeated by restricting the duration of the permit.

Chairman: He only wanted to know whether they have increased or not.

Shri C. S. Nair: There were only 86,000 trucks previously, but today there are about 97,000.

Chairman: The argument may not be absolutely correct, because the figures show that the number has increased—that is what he has said.

Shri Lal Bahadur Shastri: I have got figures for 1948-49, 1951-52 and 1952-53. In 1948-49 the figure was 2,69,000 vehicles—total, buses, etc. And now the figure has gone up to 3,33,290. It includes motor cycles, private cars, taxis, buses. Goods vehicles have risen from 72,000 to 95,000.

Shri Lal Bahadur Shastri: That was the position in 1952-53. Today, the position will be much better.

Shri Vagh: When I say that permits have not been issued freely, I do not wish to suggest that that no permits are issued. The data which you have referred to show that some permits

are being issued. Nobody denies that. The point at issue is, is the number of permits commensurate with the requirements of the country.

Shri Lal Bahadur Shastri: The hon. Member mentioned the name of Railways and said that permits were not issued, and restrictions were imposed. But, the restrictions recently imposed were on different grounds.

Shri C. S. Nair: Except in the Madhya Pradesh. In Madhya Pradesh, they have limited the route length to 75 miles to protect the railways.

Shri Lal Bahadur Shastri: I am prepared to agree that in the case of distance.....

Shri C. S. Nair: That prevents the people from coming forward.

Shri Lal Bahadur Shastri: For shorter distances I do not think there has been any restriction on account of railways.

Shri C. S. Nair: For shorter distances, there is no restriction for the sake of railways.

Shri R. P. Sinha: What do you think India's requirements in transport during the next five years will be and how much will be met by the Railways and how much will be taken care of by road transport?

Shri Vagh: We have referred to this point in our memo. Consequent on the increased capacity under the Second Plan, the railways can carry 1.95 million tons per annum. That means that there will be a gap of 3 million tons unless the railways are able to get an allotment of more money. They are trying to do their best and we are all full of praise for the railways. But, our feeling is that in a highly organised institution, the scope for improvement will not be to the extent of 35 per cent. of the gap. I might also mention that during the First Plan, in spite of the fact that there was a reduced percentage of sick wagons and locomotives and

an improvement in the turn over of wagons and locomotives, the railways themselves have said that the position was not satisfactory. Against an anticipated increase of 35 per cent. in the traffic, we think that the wagon capacity of the railways could not handle more than 25 per cent. We have already mentioned all this.

Coming to the 33 million gap, we have gone into this question from the point of transport facilities available in the country. In 1954-55, the total traffic handled by inland waterways and coastal traffic was 5.11 million tons. Even assuming that it is possible to double this quantity in the Second Plan, it means that they can handle only 5 million tons more. As against that, we have imports of steel, imports of cement, imports of Burma rice, wheat and dairy products under the new programme which would be more than 5 million tons. Even assuming that the capacity of water transport is doubled, the gap of 33 million tons will still remain. We must also bear in mind that our Government have under consideration a scheme for increasing food production. That means, in all probability this 33 million tons will go up at least to 40 million tons. The Railways have been allotted Rs. 1125 crores which is nearly one-fourth of the total expenditure in the public sector. They do not seem to have a chance of getting more money. The only thing that we can do is to develop the road transport. It is absolutely impracticable that the road transport industry would be able to handle this, with the target of production of automobile industry which we have in the country, within the next five years.

Chairman: One general question leads to matters of general policy with which we are not directly concerned here, but are only indirectly concerned. In this way, discussion can go on. We must confine ourselves to the business on hand.

Shri R. P. Sinha: What do you think would be the requirements for handling this gap?

Shri Vagh: I can give that information. We estimate that 20,000 trucks and 20,000 truck trailer combination would be able to handle 33 million tons for an average distance of 300 miles, which is the average.

Shri R. P. Sinha: Do you think that under the provisions of this Bill, this supply will take place?

Shri Vagh: No, Sir. That is the reason why we are suggesting that there should be no restriction.

Shri R. P. Sinha: Do you think that the target of 40,000 commercial vehicles to be produced during the next five years as set out in the Second Plan will be taken over by the road transport system?

Chairman: May I request you kindly to confine yourselves to the provisions of the Bill?

Shri R. P. Sinha: I am asking generally.

Chairman: Production of 80,000 vehicles may be necessary in the interests of the country. But, we are not going to consider here the quantity that is to be manufactured in this Act.

Shri Nadirshah: I may point out that we have already said that we are not making full use of our road transport system. I am sure, even if you double production, the road transport system can take up that production.

Chairman: We are all agreed on these matters.

Shri R. P. Sinha: Coming to laden weight, we are now going to have 18,000 pounds which will mean 6½ tons. You have suggested 27,000 pounds. What would be the repercussions on our roads and bridges if your recommendations are accepted.

Shri Vagh: Our bridges have been built for a load of 11½ tons with a life of 100 years. On the specification of the Roads Congress, 27,000 pounds come to 11½ tons. You can see that the 27,000 pounds that we have suggested is absolutely safe for our national highways.

*Government have authorised the manufacture of vehicles with a gross laden weight of 27,000 lbs. in this country. Are we going to prevent their use by restricting the laden weight on the roads to 18,000 lbs.?

Chairman: A vehicle might be constructed to carry a particular weight, but whether the road can take that weight is another matter. Your question is: what is the meaning of asking vehicles of a particular type to be manufactured and then not have the roads fit for it? But we can go only to the maximum that the road can safely take.

Shri Lal Bahadur Shastri: It is said in the Act also that the State Government may with the approval of the Central Government, by notification in the Official Gazette, specify in relation to each make and model of a transport vehicle the maximum safe laden weight for such a vehicle. So, the State Government has been given the power.

Shri Vagh: The powers have been given. Under section 74 they have got over-riding power to stop the use of any vehicle on any road. Our humble submission is that since Government have authorised the manufacture of 27,000 lb. vehicles, they should be allowed to ply subject to the over-riding power.

Shri Mathrani: There has been no restriction on the States to allow them.

Shri Vagh: The States interpret it in a different way. You know it from your own experience.

Shri Lal Bahadur Shastri: What you have stated about the manufacture of trucks of a particular weight

is of course not relevant to the Bill, but I think that is a point which should be gone into. The Commerce Ministry is concerned with the manufacture of the vehicles. I think it would be wise on the part of the Transport Ministry to bring this matter to their notice. Because our roads and bridges are not capable of taking such big vehicles, it is but proper that this matter is brought to their notice.

Chairman: In other words, the Minister suggests that the present permit to manufacture vehicles of a particular capacity may have to be reduced in view of the actual state of roads.

Shri Nadirshah: The limit proposed is 18,000 lbs. We would say that the maximum limit, looking to the condition of our roads and bridges, should be 27,000 lbs. with the limiting or over-riding power with the States. If in particular cases it is found necessary they may allow vehicles of lesser weight, but fix the maximum at 27,000 lbs.

Shri Lal Bahadur Shastri: That can also be considered because there may be certain roads on which the bridges are strong enough to take them. The States are therefore being authorised, and if they so like they can register those vehicles and give permits to them on a particular or different routes over which they can ply where the bridges can take them. So that power is there and even if certain vehicles of 27,000 lbs. are being manufactured, they can be utilised on those particular routes.

Shri Nadirshah: I entirely agree, but our main difficulty is this. Once you lay down a maximum of 18,000, the States will not allow vehicles beyond 18,000.

Shri Vagh: The definition in clause 2 (9) says:

“heavy motor vehicle’ means a transport vehicle or omnibus the registered laden weight of

which or a motor car or tractor the unladen weight of which exceeds 18,000 pounds avoirdupois;"

Chairman: This matter concerns the quantum of transport that would be resulting if the weight is increased. Everybody agrees that vehicles can be permitted only according to the actual physical condition of the road. The only difference is that if the definition is 18,000 lbs. the States will be reluctant to increase it or permit heavier load vehicles. Therefore, we may have a higher limit and within that, if the road's condition is bad they may reduce it. The Minister also says the matter requires to be considered, and it will be considered.

Shri C. S. Nair: Laden weight of 18,000 lbs. means that the front axle will carry 6,000 lbs. and the rear axle 12,000 lbs. So, 18,000 lbs. laden weight is equal to 12,000 lbs. axle weight. In other countries, they use vehicles with three axles. So, even with a restricted laden weight, a higher laden weight is possible without damaging the bridges even within the capacity of the existing road system. If the definition of "heavy vehicle" is based on axle weight instead of laden weight, you will still be able to encourage use of multi-axle vehicles within the capacity of the road system. So, we want axle weight to be used in place of laden weight.

Shri Vagh: Under the old Act of 1939, the moment you put in 14,500 the States would not allow beyond that.

Shri Vagh: It is subject to a number of over-riding powers. Our suggestion is this, that we accept the Indian Roads Congress standard subject to the over-riding power which gives the States the power to prohibit its use anywhere.

Shri Lal Bahadur Shastri: There is no such provision except 2(9) which says:

"'heavy motor vehicle' means a transport vehicle or omnibus the registered laden weight of

which, or a motor car or tractor the unladen weight of which, exceeds 18,000 pounds avoirdupois;"

Shri Vagh: The moment you say not exceeding 18,000 lbs. laden weight, the States will stop heavier vehicles.

Chairman: The point simply is this. You have stated that the maximum should be 27,000, and that if the axle weight is taken, more goods can certainly be transported. The matter will be considered.

Shri R. P. Sinha: I would like to seek a clarification from the expert before I put my question. He has said that our bridges are capable of taking up to 12 tons. 18,000 lbs. comes to 6½ tons and 27,000 lbs. comes to 12½ tons. Can we find out a *via media* for which a free permit could be issued exceeding 18,000 lbs. but within 27,000 lbs. that is between 6½ and 12½ tons?

Chairman: This point has been accepted and the matter will be examined when we come to it. There is no question about it now.

Shri R. P. Sinha: He will explain it in two minutes.

Chairman: He has explained and the sum and substance of the whole thing is that the condition of the roads is such that they can take a little more than the maximum fixed. The whole matter will be considered when the clauses are considered.

Shri R. P. Sinha: I would like to know how the regulation of distances under the Code and in practice has worked. Will the distance restriction affect the development of road transport has been provided here.

Shri Vagh: Most certainly.

Chairman: Most certainly. Everybody knows that. They want the 150 limit miles to be removed.

Shri R. P. Sinha: What is the maximum distance you think the road transport can take care of without in any way affecting the traffic?

Chairman: Their answer was no limit. They said so even now.

Shri Nadirshah: Formerly a truck used to go from Bombay to Peshwar and Calcutta.

Chairman: Then the railway interest came in. That is the substance of their whole memorandum. It is in the memorandum.

Shri R. P. Sinha: We have fixed a limit of three to five years as period for a permit. It is stated that no compensation is to be paid if renewal is refused. Compensation is to be paid only when the permit is cancelled during its currency. How many years do you think it takes to recover the price of a truck or a bus?

Chairman: At an earlier time the whole question was discussed, and our friend put the question. They wanted 8 to 10 years to recoup.

Shri R. P. Sinha: I am limiting my question to this, under the conditions of working today in how many years the price of a truck can be recovered.

Chairman: Eight to ten years. They have already answered.

Shri Durga Das: The permit is only a regulatory device. The question of the permit should not come in the calculation of the compensation at all. The compensation should be based on the profits or other relevant matters, but not the permit.

Shri R. P. Sinha: In how many years do you think that the cost will be recovered?

Shri Nadirshah: Eight to ten years.

Shri R. P. Sinha: That is the life of your bus. You cannot recover it in five years?

Chairman: They have definitely said that the cost can be recovered in eight to ten years' time.

Shri R. P. Sinha: When a permit is cancelled, and you have got a bus or

a truck left with you, what shall you do with it?

Chairman: They will make such use of it as they can.

Shri Nadirshah: They will go into cold storage, to the waste of the country. That is a national waste.

Shri R. P. Sinha: If we have a provision that these assets should be taken over by the State undertakings, do you consider that the quantum of compensation could be revised? Do you like to have compensation as such, or do you like to have compensation for the recovery of your assets and for the loss of business?

Shri Nadirshah: As we have already stated, this is a question which has to be gone into in detail, by a special tribunal or a judicial committee. Each case will differ, and the decision will have to be taken on merits. As regards the compensation, I do not think that in a committee like that, we can fix a certain compensation on general lines.

Shri Dabhi: From what you have stated at page 4 of your memorandum, it seems that you do not want any restrictions whatsoever. Do you mean seriously that all the conditions laid down in proposed section 48 (vide page 24, clause 42) should be removed?

Chairman: What they want to impress is that the old Chapter IV was more concerned with preventing road-rail competition. Therefore, the words 'restriction', 'prohibition', etc. were used. But now, the whole picture has changed, and this chapter is inconsistent with our present purposes. That is the very general statement that they have made, and not that all restrictions should be removed while granting the permits. They have not said that.

Shri Vagh: If you would kindly go through the list of the amendments we have suggested, you will see what restrictions we want to have removed.

Shri Dabhi: But they have stated that there should be an absolute removal of all restrictions.

Chairman: They have generally stated that as the policy. They have stated that as the general charge against the chapter.

Shri Dabhi: At page 7 of your memorandum, you have stated:

“...no permit should be refused on the ground that a certain road is not fit for traffic”.

Do you seriously mean that whatever be the condition of the road, the permit should be given?

Chairman: What they have said is that within six months, it must be possible for Government to set the road right, and therefore, for six months alone, the restrictions should apply. After those six months, whether the roads have been set right or not, the vehicles should be allowed to ply. They have stated this in an extreme way.

Shri Vagh: The point at issue is that the road is the means to an end.

Chairman: That is the issue which you have raised. But can we compel Government to set the roads right within six months?

Shri Vagh: If there is no prohibition, they will automatically do it.

Chairman: You can desire the States to do that. But the point is whether you can compel them to do so?

Shri Vagh: Surely, the finances that they are getting today 150 times those in 1939.

Chairman: You have argued that matter already. But is it practicable?

Shri Dabhi: You yourself have stated that the conditions of the roads have fast improved. If that is the case, why should you be afraid of restrictions with a view to preventing the deterioration of road surfaces?

Chairman: We shall discuss that amongst ourselves.

Shri Dabhi: They have made such a statement. That is why I wanted to know.

Shri Nadirshah: There is a provision here that they have got power to restrict a vehicle on a particular road, on the ground that the road surface is not good. That is what we are objecting to. There should be no restrictions, in the modern times, when the roads have been fast improved. In case, there is any such road, which may be a rail-road or something of that sort—naturally, the exceptions are always there—other measures should be taken to improve that road in a reasonable time. That is what we are suggesting.

Shri Dabhi: As page 9 of your memorandum, regarding the inspection of vehicles, you have stated:

“While admitting the need for frequent inspections of transport vehicles we are of the view that the proposed intervals are both unnecessary and impracticable.”

After all, the inspection will be made by Government. So, where is the difficulty, from your point of view? For the sake of safety, the period may be reduced, but that would be the concern of Government. You say that it is unnecessary. But there is nothing to harm you. Then you say, it is impracticable. But that is a matter for the State Government concerned to look into.

Chairman: The point is that the more frequent the inspection, the more will be the trouble in getting the fitness certificate. The fitness certificate may not be get so easily. And they have put it in this way.

Shri Vagh: I would point out that there are administrative difficulties also. Actually, in Bombay there is a law for this purpose, and yet they are not enforcing it because of the administrative difficulties.

Chairman: Apart from that, as practical people, we know that getting a fitness certificate is often a problem.

Shri Irani: About two years ago, fitness certificates were issued every six months by the Bombay Government. But they found it so hard that eventually they had to increase the period to one year. And for new vehicles, they increased the period to 1½-2 years. So, if you provide a minimum period of three or six months, I do not think it is going to be practicable; at the same time, it would put the operators also to a lot of troubles.

So, today, a vehicle is capable of running at least for a period of one year. That has been the position in Bombay for the last two years.

Chairman: These are all practical matters. As men of business, we know that frequent checkings will simply give a handle to other people, and will not conduce to smooth working. These are all matters for consideration.

Shri Irani: If you provide for a minimum period of three months, and a maximum period of one year, then they will stick to the minimum of three months, and the result will be that there will be a lot of hardship to the operators.

Shri Dabhi: You have stated that compensation should be given even in cases of non-renewal of permits. I would like to know whether, when the permits are given for a particular period, any guarantee or any assurance is given that these permits should be renewed. If that is not the case, then how can you expect compensation for non renewal of permits?

Shri Durga Das: The permit is renewed, unless the operator has done something wrong during the running of the vehicle.

Shri Lal Bahadur Shastri: What is the period that you suggest for new vehicles? Are you suggesting 1½ years?

Shri Vagh: Six months is the minimum, and instead of the maximum being three years, it may be reduced to two years.

Shri Lal Bahadur Shastri: You are suggesting six months for the new vehicles as well as the old vehicles?

Chairman: I do not think they have made any such distinction.

Shri Vagh: We have made a distinction.

Chairman: You have not made any distinction between old and new vehicles, in your memorandum?

Shri Vagh: We have suggested six months to two years.

Chairman: Without making any distinction between the new and the old ones.

Shri Irani: No, because Government have fixed 1½ years for new vehicles.

Chairman: That is a reasonable thing. Shri Dabhi's question was whether there was any obligation to the effect that the permit would be renewed. If there is no such obligation, then, now can you claim compensation?

Shri Vagh: It is not a question of any obligation. When the man loses the business, he will incur financial loss.

Chairman: That is not a legal aspect, but a practical aspect.

Shri Nadirshah: We have already submitted that when a permit is refused, the man cannot do anything. He has to submit to it. But is it fair and reasonable that we should do like that? Some justice is necessary.

Sardar Iqbal Singh: You have suggested in the memorandum that production should be controlled, and restrictions should not be imposed on the issue of permits. May I ask how this is possible in a large country

like ours, where some regions are more developed than others, while some other regions are not well-developed at all. Could you kindly explain how control over production can effect development of road transport?

Shri Nadirshah: What we say is this. There may be a fear of rail-road competition today. Suppose, 40,000 trucks can take up a surplus of 33 million lbs. then we should restrict ourselves to that much, so that there may not be any competition. If, instead of 40,000 trucks, you put 80,000 trucks on the market, naturally, there will be competition, and the railways may suffer. That is the reason why we ourselves have suggested that there should be a control on the production of trucks, so that nobody can put them on the road at all.

Shri Lal Bahadur Shastri: There is the other side of the picture also. Not only the railways, but even the present operators also might suffer.

Shri Nadirshah: That is correct.

Sardar Iqbal Singh: If we accept your argument, it means that regions which are more developed from the point of view of transport will be developed still more, because they have the capacity of trucks, their organisation is much more perfect and so on, while regions which are backward and less developed will remain undeveloped.

Chairman: Your question is that there might still be local congestion. But their view is an all-India one; for transporting so much of goods, so many vehicles are to be put on the road. But in Calcutta or Kanpur, the vehicles may be concentrated, and there may be terrible congestion. Is that your question?

Shri Vagh: This is a matter which the Planning Commission has to go into. The first thing is that they should ascertain the traffic require-

ments, and the second is to fix the targets for trucks, so far as manufacture is concerned. The distribution is a matter of detail.

Sardar Iqbal Singh: In your memorandum, you have suggested some *via media* for the co-ordination of fares and freights. So far as goods transport is concerned, can you give us some concrete suggestions as to how this co-ordination of fares and freights can be put into operation, for, here, there is no proper organisation at all at present?

Shri Vagh: We are suggesting a solution in this way. Firstly, control the number of vehicles to be introduced in the country and secondly, road transport excluding the feeder transport should be allowed to carry that percentage of high-rated commodities as the railways will carry themselves, so that there would be no question of competition at all.

Chairman: The contention is that a minimum should be fixed for transport of high-rated commodities by road, so that there may not be any competition.

Sardar Iqbal Singh: In the case of goods transport owned by the individual holder, how will the freights for high-rated commodities be fixed?

Shri Nadirshah: We have already suggested in our memorandum that an All-India Schedule of such high-rated commodities should be drawn up in consultation with all transport interests concerned. That being a matter of detail, it can be worked out when this body is appointed.

Shri Durga Das: There is also a provision for having booking agencies, through which individuals can operate.

Sardar Iqbal Singh: Now that you have mentioned booking agencies, I want to ask a question. You are an expert on transport. In your opinion, are the booking agencies working effectively in this country? Are

they not taking away more profits without any investment? Do you think booking agencies will prove beneficial to the development of goods transport in the country?

Shri Durga Das: The idea is that booking agencies should be licensed and they should have a minimum number of vehicles with them. Therefore, those who do not own any vehicles and who have not made any investment will be stopped from operating. Unless they have a minimum number of vehicles the booking agencies will not be given licences.

Sardar Iqbal Singh: There are hilly regions where the roads are not as good as the roads in the plain regions. Do you think there should be two types of carriers, one for the hilly regions and the other for plain regions? A carrier which carries a particular load in the plain region can carry only a lesser load in the hilly region.

Shri Vagh: The load factor will be controlled by the operator himself. If the region is hilly, he will put less load on the carrier. He cannot afford to have two types of vehicles, one for this and one for that.

Shri Nadirshah: It is a method of adjustment only.

Sardar Iqbal Singh: In the memorandum you have suggested that contract carriages must be allowed to ply in the whole of the State. Do you think that this will be beneficial to the trade and also to the public?

Shri C. S. Nair: "Contract carriages" means small taxis plying for hire. In Bombay the experience is that taxis cannot go to the other regions, not even to the Thana which is 17 miles away. So, people are made to violate the law by making use of private cars as taxis for hire. So, the existing law gives encouragement to such a violation of the law. To avoid it, the Bombay Government has created a special type of permit for contract carriages.

Sardar Iqbal Singh: You say in the memorandum that special permits should be given to the goods carriers also. Should there be any restrictions on the issue of such permits?

Shri C. S. Nair: There will be restrictions in respect of stoppings in between. They will run from one point to the destination without stopping on the way.

Shri Vagh: There will be a sort of an Express Service as in the case of railways.

Sardar Iqbal Singh: About private carriers, you have suggested in your memorandum that the expression "except in connection with the business of the applicant" should be substituted by "for carrying goods for hire or reward". If this modification is accepted, do you not think that every goods carrier will be converted into a private carrier and there will be loss of revenue?

Shri Vagh: At present if I have a private carrier and if I am constructing a factory, I will not be able to carry the building materials in the carrier, although it belongs to me. Therefore, we have suggested this modification.

Sardar Iqbal Singh: How can this restriction be made effective? If your modification is accepted, everyone will say, "I am not carrying goods for hire or reward" and every goods carrier can be converted into a private carrier.

Chairman: He is concerned with the misuse of the provision.

Shri Vagh: I understand. But the person who applies for a private carrier will be a person of some status, after all.

Shri C. S. Nair: There are only 13,000 private carriers as against 125,000 private cars. These private cars can very well ply for hire. How can we check them?

Chairman: They are trying to do it by omitting the explanation.

Sardar Iqbal Singh: About light vehicles, you have suggested that there should be no restriction on them. I want to seek one clarification. Will this not hit the *Gadhas* etc. by which some people earn their living by carrying goods in small places? I am not speaking of Bombay or Calcutta, but the small places.

Shri C. S. Nair: It will not. The whole idea behind the suggestion is that the vehicle can go anywhere in the country.

Shri Vagh: It is of the same weight as the motor car.

Sardar Iqbal Singh: Regarding the fitness certificate, you have suggested in the memorandum that the interval should be 3 years. I feel that three years is a long period and it will not be in the interest of everybody. It may be 1 or 2 years, but 3 years is too long a period.

Chairman: They have also suggested that it may be two years.

Sardar Iqbal Singh: In the memorandum it is urged that the Code of Principles and Practice must be abolished. It is said that except Madhya Pradesh, the other States have not agreed to it. May I know the reasons which have convinced you that this Code should be abolished?

Chairman: Their argument is that only one State has accepted it. Even the Government of India have asked the States to reconsider the matter and they are reconsidering it. So, their argument is, "It is not in existence; why should we continue it?"

Sardar Iqbal Singh: Lastly, you have suggested a tribunal for deciding the payment of compensation. In your view, should this be a judicial tribunal or should it consist of representatives from the industry, Government etc.

Shri Vagh: There is a provision in the Act under section 110 for a

Claims Tribunal. We are suggesting the same tribunal for this purpose also.

Shri H. P. Saksena: A statement has been made that "the full capacity of transport is not being utilised". As a matter of fact, it is a serious charge on somebody. May I request the gentlemen who made that statement to explain what they actually mean by it and what is the remedy they suggest by which the full capacity of transport may be utilised fully? It is a waste of national time, energy and money that the transport capacity is not fully utilised.

Shri Nadirshah: What I meant was that we are not making the whole use not of transport itself but the roads which carry the transport and I have given certain figures to the effect that density of a vehicle here is $2\frac{1}{2}$ per mile whereas in other countries it goes from the minimum of $3\frac{1}{2}$ to 4 to $22\frac{1}{2}$ to 23 and therefore we say that we have already invested 300 crores in the roads and we are going to invest another 400 crores in the two Five-Year Plans. We must make use of the road capacity to a greater degree by providing more trucks.

Chairman: Have you heard his explanation?

Shri H. P. Saksena: Your remedy is to provide more trucks.

Shri Nadirshah: That is, by using roads more frequently.

Shri R. P. Sinha: Is there idle capacity in the road transport as such?

Shri Vagh: Not to our knowledge at all.

Chairman: There is plenty of it. Your vehicles are permitted to go longer distances.

Shri R. P. Sinha: You have caught my point correctly.

Chairman: I want to put to you one or two points. The impression in my mind when I read through all the memoranda is that this nationalisation statement that goods traffic would not be taken within the Second Five-Year Plan period must find a place in the Act itself. Do you want this thing to be part of the legislation or do you want to be satisfied with the assurance given that this is the policy of the Government.

Shri Nadirshah: So long as the assurance is there, we do not want to say that there must be a law to this effect. After all what we want is the result.

Shri Vagh: Supposing this is not incorporated in the Act, then according to the wording of the Act as it stands, will any State be entitled to say that it is free to nationalise goods transport because there is nothing against this in the Act?

Chairman: Under the Act they will be legally entitled to say that and you will be helpless too.

Shri Vagh: Our position is that except with regard to nationalisation of goods traffic, such a scheme should have prior approval of the Central Government.

Chairman: So far as goods transport is concerned, they have provided that it should be with the consent or approval of the Central Government.

Shri Vagh: No.

Chairman: They have.

Shri Lal Bahadur Shastri: The State Governments were consulted and except Bombay, generally all the States have agreed that they would not like to nationalise goods service in the next five years.

Shri T. B. Vittal Rao: I take it that they will not further nationalise goods transport.

Chairman: Of course, further.

Shri Lal Bahadur Shastri: Where it is already there, we cannot help.

Chairman: One other thing that I wanted to ask is this: There has been a lot of discussion about the limit of 150 miles and some memoranda argued that beyond 150 miles alone it will be economical. The distance of 150 miles was limited as the Government felt that only within 150 miles it can work economically. What is your opinion? Is a longer distance bound to be more economical or is it the short distance?

Shri A. S. Irani: With the modern type of diesel vehicles which we are getting now, we see that the longer they go the better it is from the economic point of view. It is more economical on the long run.

Chairman: You modify it with 'modern and diesel'.

Shri A. S. Irani: Modern in the sense that carrying capacity is higher and due to that running cost is low.

Chairman: In other words, you are definitely of the opinion that the longer distance or distance beyond 150 miles is economic in the case of diesel modern type of engines.

Shri Durga Das: Whether it is petrol or diesel engine, the longer it runs the more economical it is.

Shri Lal Bahadur Shastri: It depends upon the type of goods and the trucks have to carry. For instance, if you carry coal, beyond 150 miles it is not going to be economical.

Shri Durga Das: It is a question of margin....

Shri Lal Bahadur Shastri: This matter will not be decided unilaterally. It will be discussed between the railways and the road transport.

Chairman: My point was this: The study group and others have considered this and there is one volume of opinion that 150 miles is taken as a limit because in it economical run is possible and some of the memoranda urged, as you are now urging, that

longer distance and heavier load are certainly economical and that 150 miles limit is not economical. That is the difference of opinion. I wanted to have a broad view.

Shri Nadirshah: What I feel is that there should not be any restriction like 150 miles, 200 miles, etc. We do not want any restriction. I mean to say that the longer a vehicle runs the more economical it will be in operation costs. Suppose, for argument sake we say that it is not economical, in that case, the person concerned himself will not run it. Why should we lay down any limit? If a particular truck can do 1,200 miles and the owner can earn more, let him do that. Why should we restrict him to go to that particular distance? If a particular vehicle is not capable of going beyond 150 miles, the owner himself is not going to do that. So, we should not have any limit. It should be left to the individuals to decide based on economical conditions.

Shri Vagh: In other countries, for instance, particularly in the U.S.A. vehicles go from east to west and from north to south covering a distance of 4,000 miles. If that had not been economical enough, they would not have done any such thing but would have said that beyond 150 or 200 miles, it is not economical.

Shri A. S. Irani: There are some products like vegetables, potatoes, etc. which have got very good market in Bombay State....

Shri Lal Bahadur Shastri: Railways are prepared to allow you to carry coal from the collieries.

Shri A. S. Irani: Could you allow us a pay-load to the tune of 20,000 tons for a distance of 300 to 500 miles?

Shri Lal Bahadur Shastri: I am speaking for the Railways because Railway is also in my charge....

Chairman: You can seriously offer a scheme and the Minister will consider it. The Minister is prepared to consider sympathetically a scheme for

carrying coals and ores for long distances.

Shri Lal Bahadur Shastri: But we cannot guarantee any return traffic for them. The Railways do not take such a guarantee. You cannot ask for that.

Shri Vagh: The road transport and railway transport, both belong to this country. Therefore, there should be some sort of co-ordinating scheme. They should sit down and work it out.

Chairman: The Minister is prepared to consider it sitting with you

Shri Lal Bahadur Shastri: It does not mean that you should necessarily ask for the removal of the limit of 150 miles.

Chairman: Certain things will be permitted.

Shri Lal Bahadur Shastri: We can sit down and work out a co-ordinated scheme. As regards the distance, there is no law involved in it. Even today we have told the State Governments that they should specify it by rules, even if it is beyond 150 miles. It may be 300 miles or 400 miles. If they want permits to be given on a particular road or in a number of roads where railways are not able to carry goods, there is no objection.

Shri Vagh: I will tell you that the limit of 150 miles has to be calculated like this: 1½ miles on road have to be taken as equivalent to one mile on rail. This is the definition and I can show that it is like that. In other words, 150 miles on road are just 100 miles on rail.

Shri N. M. Ayer: We have got it here.

Chairman: The fact is not disputed.

Shri Lal Bahadur Shastri: This matter can only be discussed between the different wings of transport who deal with this.

Shri Vagh: My point is that there should be no restrictions.

Chairman: Their point is that when your railways are not able to carry things from point to point, why not permit them to do that work.

Shri Lal Bahadur Shastri: I am prepared to agree to that, namely, between point and point. But what they want is to carry the goods on parallel routes. That will be duplication.

Shri Vagh: Shall I say something? To start with, roads were not built parallel to the rail but the railways were built parallel to the roads.

Shri Lal Bahadur Shastri: The present roads—almost all of them—are being made parallel to the railways.

Shri Vagh: 50 per cent. of the railways are parallel to roads. The pre-planned traffic carried by the 50 per cent. was 72 million tons. Today the road traffic is 33 million tons, more or less half of 72 million tons.

Chairman: These are other principles which the Minister is prepared to consider very sympathetically—that is, between point and point, beyond 150 miles and all that. In conjunction with and with the co-operation of the States it has to be worked out. The Government is fully realising the transport bottleneck, because all the trouble is on account of that. Crores cannot be invested on the Railways. Therefore, there is not much point in stressing that. It is a matter of practically working it out.

Shri T. B. Vittal Rao: In some States they are giving beyond 150 miles: for instance, between Madurai and Madras.

Chairman: The rule simply says that with permission it can be taken.

Shri Lal Bahadur Shastri: The Code is not being implemented at all.

Shri R. P. Sinha: He said that up to 500 miles they can carry coal. I would like to ask whether it will be at the same rate as the railways.

Shri A. S. Irani: Provided the pay load is increased.

Shri R. P. Sinha: Do you want a condition about return traffic load also?

Chairman: What he says is, there is no definite opinion about that. It is a matter where two opinions can be had.

Shri R. P. Sinha: I would like to know whether it is possible for them, with the increased load, to carry coal at the same rate as the railways if they are given one way traffic, or whether they insist on the return traffic also.

Chairman: The Railway Minister at an earlier stage definitely stated to him, "I am prepared to examine it and permit it also, if it is economical". They are prepared to consider it.

Shri R. P. Sinha: I want to know whether it is economical.

Chairman: He did say it is economical, and the Railway Minister said he was prepared to examine it.

Chairman: Yes, one way. That is what they said.

Shri R. P. Sinha: One way?

Shri Vagh: Sir, I would make an appeal to you. You have been discussing all these things for years together, and I do not know whether you consider us competent enough to express an opinion generally on controls. But, in our humble experience, permanent controls have nowhere in the world solved any problem. And in support of that I may mention the case of our own food position. If it had not been for the foresight of the late Shri Kidwai...

Shri Lal Bahadur Shastri: You want control on the number of permits being issued. Do you want a control on that or not?

Shri Vagh: According to the number of trucks.

Shri Lal Bahadur Shastri: For that you want. I personally sometime think there should be no control at all, let the permits be issued freely,

set everyone drive his truck—co-operatives or groups. But you want certain restrictions.

Shri Vagh: For controlling the number of vehicles and limiting them.

Shri Lal Bahadur Shastri: When you are generally against control...

Shri Nadirshah: It is not that we want control. But because the railways say that such and such a thing will happen, we give our part of the guarantee that we would not put so many trucks on the road, so that there may be competition. It is to meet that argument. But if the control is removed completely, we will probably be very glad, as an association.

Shri Lal Bahadur Shastri: I am extremely doubtful whether it will be in your interest and that of the country as a whole.

Chairman: There will be a lot of competition. Very well, these are the larger points. Thank you, gentlemen.

Shri Nadirshah: On behalf of our Association I thank you, Mr. Chairman, and all the Members for giving us an opportunity of ventilating our views, and we do hope that something will come out of it.

(The witnesses then withdrew.)

II. The Motor Vehicles and Allied Merchants Association Limited, Madras.

(Please see their memorandum at Appendix II)

Spokesman:

Shri T. S. Santhanam.

(Witness was called in and he took his seat.)

Chairman: Mr. Santhanam, we have been discussing the general principles involved in the consideration of this Bill with the previous witnesses fairly at length. Your memorandum

which has been submitted to the Committee gives all the details about the particular sections and the amendments, and you have elaborated your arguments in support of every amendment which you would like to be put in a particular way. Over and beyond what has been stated in your memorandum, if there is anything which you want to supplement or explain or clarify, you might do so.

Shri T. S. Santhanam: Sir, in the first instance I would like to say something about our Association. The Motor Vehicles and Allied Merchants Association is about thirty years old, having been founded in 1926. It is a unique association combining the interests of consumers and producers. We have on our register about 195 members out of whom 120 represent road transport interests and 75 represent manufacturers of motor vehicles, rubber companies, oil companies, motor vehicle manufacturers and so on. It is a combination of the interests of producer and consumer.

Our Association has been mainly confined with the South, by which I mean Madras, Andhra, Mysore and Travancore-Cochin, and we have been making representations to the Central Government as well, because one of our members, Mr. Krishna, who is Managing Director of the Southern Roadways has been making representations on behalf of this Association.

In our memorandum we have only gone into the various clauses of the Bill and suggested how those amendments will affect the industry, how they will to a certain extent retard the growth of the road transport industry. The general principles we have not discussed, because it was felt that I could do it before the Committee. I am the Vice-Chairman of the Association, and I have been the Chairman for about seven or eight years, and our committee said that I could make a submission to the Parliamentary Committee. Therefore, I would like to speak a few words on

the general principles, with your permission.

The point I wanted to say is this. When you take the total number of vehicles on the road—goods transport—it is 1,10,000. Their carrying capacity is nothing as compared to the railways, that is to say the carrying capacity or the potentiality of the railways. Therefore the oft-repeated argument that road transport is a competitor to the railways is, I think, a myth—if I may use that word. It does not exist, because the volume of traffic that could be carried by road transport is negligible. After the war, the expansion of road transport has not been rapid. And, with the First Plan and the Second Plan and the successive Plans that are likely to follow, there is vast scope for improvement of road transport.

Looking at it from the angle of South India, there are about 16,000—if my memory serves me aright—of trucks operating in the South, that is in Madras, Andhra, Mysore and Travancore-Cochin. The increase in the past ten years has not been 50 per cent., unit-wise; capacity-wise it has been 100 per cent. We have been able to persuade the Madras Government and the Andhra Government to liberalise the grants of permits in respect of goods transport vehicles; and in 1956 both Governments have increased the number of vehicles on the road by 25 per cent. because we have been able to tell them that it will bring more revenue and from the exchequer angle it is a good thing for Government to liberalise it as the railways will not be able to handle the traffic.

Looking from the point of view of traffic offerings, I think under the Second Five Year Plan the scope for expansion of road transport is about 200 per cent. From 1,10,000 vehicles on the road—I am only giving a very optimistic figure—it could go up to 3,00,000 vehicles. Even at a conservative level, it can expand by a hundred per cent. without any detriment whatsoever to our nationalised railway industry.

Dr. R. K. Mookerjee: How many vehicles does your Association run?

Shri T. S. Santhanam: The Association is not in the road transport business. We represent members who are in the road transport business. It is an association of road transport users.

Chairman: My suggestion to you is, some of these facts are well accepted now. The very purpose of this amendment is to liberalise and to have more effective road transport. We are generally agreed that this must be done. The only thing is it should not harm the nationalised industry in any particular respects.

Shri T. S. Santhanam: It will not harm. If I may say so, I can talk with some practical experience because my firm happens to be the largest Indian road transport company in the Indian Union. I am a director of the T.V.S. Limited, and we operate about 400 vehicles including buses and lorries, out of which 340 are buses. And over a period of 17 years we have collected and collated statistics about operational costs. The Deputy Minister of Railways and the hon. Minister know about our transport operations. And figures have been given. Our submission is that road transport can never compete with the railways on an economic footing. Therefore, there is no competition, in the real sense of the term, between road and rail. In short, my submission is that the Act should be so amended that the truck owner, particularly, will have freedom to operate. One of the points we have mentioned is that there should not be a restriction of 150 miles. After all today, the cost of a truck is Rs. 35,000 whereas in the prewar days, before 1939, if I remember aright, it was about Rs. 3,500. So it has gone up by ten times.

Chairman: I think we shall adjourn now and meet at 3-30. We shall go on till 5-30 P.M.

(The Committee then adjourned for lunch and reassembled at 3-30 P.M.)

Chairman: I think we can commence now. The witness may continue.

Shri T. S. Santhanam: Mr. Chairman, I want to establish a few points. In the morning, I gave you some idea of the road transport operation, particularly as it relates to the south. The main point that I am emphasising is that there is no competition whatsoever between road and rail. The reason is this. From the figures which we could get from one of the biggest road transport companies, the operation cost per ton mile of a truck is about three annas, that is, based on diesel operation. If it is based on petrol operated vehicles, it is more than 3 annas; it is about $3\frac{1}{2}$ annas per ton mile. When you take a truck or lorry as it is called, the cost of operation is about 3 annas or $3\frac{1}{2}$ annas depending on whether it is operated on diesel or petrol. The maximum rate on the railways is about $3\frac{1}{2}$ annas. I am sure you will appreciate that there is no competition whatever between road and rail.

Shri R. K. Mookerjee: I know of many places where there is very keen competition.

Shri T. S. Santhanam: We are talking from the economic aspect as to what it costs.

Shri R. K. Mookerjee: You are beginning with a fact which is not clear. You must assume there is competition and then say.

Chairman: The point is, competition is not because of the cost involved, as much as the income to the one or the other or the distribution thereof.

Shri T. S. Santhanam: I may elaborate this point. There may be rate cutting if there are violations of the law. A truck is permitted to carry four tons. If it carries 8 tons, which is against all regulations, he may charge less. What is required is enforcement of the rule and not a penal provision. Whereas the honest

operator is penalised, you want the people to become unlawful. I am looking at the question from the point of view of the law of our country, and if you conform to the law, what would be the cost of operation. I am prepared to substantiate my statement, which is based on the operation figures of two transport companies which have been in business for the last 17 years. This has been accepted by the Madras and Andhra Governments. From the economic point of view, there can be no competition between road and rail.

Shri Lal Bahadur Shastri: You are talking about the goods side?

Shri T. S. Santhanam: Yes. I will come to the passenger side later.

When you take the number of vehicles on the road, the rate of increase particularly in the last four years, is very discouraging and disappointing. I am sure, hon. Members are aware that the automobile industry is a nascent industry and the production of motor vehicles, particularly in 1953 and 1954 was very low, about 14,000. The Planning Commission has provided in the Second Plan that we should reach a target of 57,000 vehicles. In a country which is mainly dependent on agriculture, in which 70 per cent. of gross volume of national product is dependent on agriculture, we need transport in the villages. We have 600,000 villages and we need more vehicles. The Planning Commission has suggested that we can produce at least 40,000 trucks. The automobile industry has not only to look after the handling of transport, it is also a strategic industry. During the Second World War, we had to depend on American vehicles. From that point of view also, we need more trucks. The point that I am emphasising is that there should be greater encouragement to the road transport industry, particularly on the goods transport side. I make these points for your sympathetic consideration.

The cost of a vehicle is Rs. 35,000. When I say a truck, I refer to a vehicle which has a gross weight of roughly 8 tons. As far as the States of Madras, Mysore, Andhra and Travancore-Cochin are concerned, the maximum permissible gross vehicle weight is 8 tons, of which 4 tons will be the weight of the vehicle. This sum of Rs. 35,000 is, as I said before, ten times the cost of a vehicle in pre-war days. On this investment of Rs. 35,000 you provide employment for 7 people. In the case of nationalised transport, it may be more. The point that I am driving at is that for an investment of Rs. 35,000, you provide useful employment for 7 people, or for an investment of Rs. 5,000, you provide employment for one man. The foremost problem facing our country is the problem of unemployment. If you look at the question from the point of view....

Shri R. K. Mookerjee: Will you make it more clear? How do you calculate Rs. 5,000 for one man?

Shri T. S. Santhanam: Assuming that you pay for the chassis, for the body, etc., the cost of a truck comes to about Rs. 35,000, with a total carrying capacity, including its own weight, of 8 tons. There are a number of people directly employed in a truck. When I say directly, I mean the driver, the conductor, the mechanic, the manager and clerks, time keeper, etc. I am not referring to the people who are indirectly employed like the motor vehicle dealer, people employed in the tyre industry, etc.

Shri R. K. Mookerjee: For a unit, you pay Rs. 35,000. You cannot say Rs. 5,000. The business must be taken as a whole. For Rs. 35,000 you provide employment for 7 people. It is not correct to say Rs. 5,000 for one man.

Chairman: Roughly; that is how he is putting it.

Shri R. K. Mookerjee: That is very unreal.

Shri T. S. Santhanam: You provide employment for 7 people. I am deducing the proposition that for a capital of Rs. 5,000 you provide useful employment to one man. From what I know, there is no other industry or trade, whether it is the steel industry or the textile industry or sugar industry in which you can with such a low capital of Rs. 5,000, employ a man for all the 365 days in a year. Therefore, my submission is that road transport is an industry where you can provide employment with the minimum capital. It is labour-intensive. Considering that there are now 160,000 vehicles on the road and out of them 110,000 are trucks, and considering the scope of the Second Plan, the increase contemplated under the heads of agriculture, under industry and various other aspects, I am confident that the total number of trucks and buses on the road can be increased by 200 per cent. Even taking it at 100 per cent, it will mean that we can provide employment to a million more people in the Second Plan period, and that too at an average investment of Rs. 5,000. So, this is a matter that requires serious consideration of Parliament. It is a thing which should appeal to people because this is a thing which can be brought about very quickly.

From the ownership of these vehicles,—I am confining myself again to the South because I am only familiar with the statistical data in the South, i.e., Madras, Andhra, Mysore and Travancore-Cochin—it is found that 5,000 to 6,000 people own 16,000 lorries from the figures published by the State Governments. My point is it is widely owned. There is no gigantic combine or monopoly. Many of the persons own one, two or three lorries. It is not in the hands of big business or big people. The truck industry is in the hands of mostly the small man and he depends on this for his livelihood and he supports many people. In view of this the road transport needs encouragement.

The Motor Vehicles Act of 1939 was unduly regressive. In fact, it penalised the efficient and honest operator because enforcement was not there in many States. I have discussed this matter with the Transport Commissioners in the various States. We have been agitating that there should be liberalisation. This Code of Principles was like a death knell, it was going to completely kill the road transport industry. I find part of it has been brought in this Bill. My submission is that there is an urgent necessity for liberalising the provisions of the Motor Vehicles Act and not tightening them up, because it will not be in the interests of the country, it will not be in the interests of the smaller men who are running the trucks, and it is not necessary also if I may say so from the point of our country and the railways. Many of the provisions in the Act are unduly regressive, and some of the penal provisions are, I should think, very harsh, and some of the other provisions about which I will talk a little later require to be softened.

These are my general observations.

Chairman: You have provided a fairly detailed memorandum complete with arguments and the suggestions as to what you consider would be in the interests of liberalisation and public interest also. Do you wish to add anything on any particular clause?

Shri T. S. Santhanam: There are a few points. We have not over-stressed this question of nationalisation. I would like to touch upon that point.

As an Association, we are not against nationalisation on principle, but our submission is that in the case of passenger transport, there has been nationalisation all over India but fortunately or unfortunately in the South it has not made much of a headway. Coming to the point, nationalisation without fair compensation is unfair. The provisions made for compensation are, I think, not fair to the operator. Secondly,

when there is nationalisation, there must be provision for taking over of all the assets of the person whose permits are suspended or terminated or who goes out of business. There should be provision for taking over not only his vehicles, but his workshop facilities, buildings etc., so that when he winds up his business, the Government will take over everything.

I would invite your attention to section 36. It disposes of Form F under the Motor Vehicles Act, Schedule VII: In place of the existing practice under the Seventh Schedule where the gross vehicle weight is to a certain extent governed by the tyre capacity, a rather cumbersome formula has been outlined. The Government will lay down the standards taking into consideration the manufacturers' recommendation of axle weights, tyre capacity, chassis weight, safety factor and so on. It may be all right because now our country is producing only six makes of vehicles, but there are still vehicles 15, 16 years old running on the road and there are nearly 100 different makes of such vehicles. To get the front axle weight, the rear axle weight, chassis weight, all this will be very cumbersome and will entail a lot of hardship.

Chairman: Those details are already there, I suppose.

Shri T. S. Santhanam: It is being based so far as on the F Form submitted by the vehicles owner which is a form furnished to him by the motor vehicle dealer which is on the information furnished by the manufacturer. In the proposed Bill that is going to be completely ignored. Government will have a technical committee which will decide what shall be the total weight. My point is that is going to create a lot of hardship.

Chairman: It does not necessarily mean that the particulars available under the F Form will be scrapped and they will re-start and find out the whole thing.

Shri T. S. Santhanam: The F Form is working satisfactorily. The only point to be taken into consideration is the safety limit the vehicle can carry. Actually the spring and chassis are sufficiently strong in vehicles to carry a larger capacity than what the manufacturers mention. With a slightly larger tyre size they can, within the safety limit, carry more load. Therefore, alternatives are also suggested. The F form may be continued with such modifications as the Government thinks necessary instead of taking it away completely and bringing this new formula. It is more for convenience of the user one the road.

Chairman: There will be a breach of warranty, and escape very easily for the manufacturer. That is the point.

Shri T. S. Santhanam: Under the old Act consideration was given to operation of unremunerative services because particularly in passenger transport service, it is not every route that is remunerative. In the South particularly, preference was given to people who were operating unremunerative routes because generally there is a tendency by people to ply on profitable routes and completely neglect unremunerative routes which serve the villages which is very necessary. This is being done away with under the new amendment. My submission is it should be there because if this incentive is given to the operator that if he runs a certain number of unremunerative routes his application will be given preference for remunerative routes, there will be greater transport facilities available for the rural population. Otherwise, you will find many people may not come forward to ply on routes where there is no profit which means denial of transport facilities to the village folks.

Shri Lal Bahadur Shastri: There is some judgment of the Madras High Court, and that is why it has been omitted.

Shri T. S. Santhanam: Government can consider how to overcome it. In the same judgment there is mention of public good. More transport facilities are in the public good.

Chairman: The matter should be considered.

Shri T. S. Santhanam: Section 48(ix) deals with postal mail contract. The conditions of the contract should be imposed by the regional transport authority and not by the postal department. I wish Members of Parliament read the contract. You will find some of the clauses must have been drafted before 1914. We have refused to sign the agreement. For instance, for every vehicle employed, you must have a spare vehicle. At that rate no person can run the transport business. Then they seem to think that carrying mail is a great privilege.

Shri T. S. Santhanam: My contention is that they should not be left at the mercy of the postal authorities. The present Act provides that the regional transport authorities shall fix rates. We want that provision to be there.

In regard to section 55 (i) (h), we submit that there should be provision for consulting the associations, even as you have in section 47. I am not elaborating on this.

Then, I come to section 56 (1). Under this section, there is a provision to restrict the area of operation. And it has been put in here that the route should be restricted to 150 miles. As it is, in Madras and Andhra States, the vehicles are already running for distances over 200 miles. I am referring here to passenger transport vehicles. Between Madras and Nellore, passenger transport vehicles are already running for a distance of 216 miles; similarly, between Madras and Gudiyatham, they are running for a distance of 220 miles. Between Shimoga and Mysore, they are covering a distance of 200 miles. So, there are many places where passenger transport vehicles are allowed to run for 200 miles and more.

The reason for this is as follows. A passenger bus today costs roughly Rs. 40,000, which is about ten times the pre-war value. They are equipped with a more expensive piece of machinery, and the vehicles that are now being produced are certainly more precision-made, and can last longer than the pre-war vehicles. Therefore, to restrict the operation to 150 miles, which means only seven to eight hours of useful work, would be to waste the machine. When a textile machinery can work three shifts, a truck costing Rs. 40,000 can easily work for nearly sixteen hours. What we need is to have two shifts of drivers. When we know well that our country is not able to produce all the trucks that we need, because of the cost involved, and when the cost of the truck is very high, my submission is that this restriction on the operation of the route is not fair, for that would mean that there would not be economy in operation. So far as the south is concerned, where the vehicles—I am referring to passenger buses—are already allowed to run for distances over 200 miles, and trucks are allowed to run up to 400 miles (for example, we are running on routes of 400 miles at a stretch; and we are covering from Bezwada to Trivandrum a distance of 800 miles) this restriction of 150 miles is not fair.

From the economic angle, this will not be fair. A truck can work for much more than eight hours. It can easily do 200 to 300 miles, without any detriment to its mechanical efficiency. All that is required is to ensure that no person shall be employed for more than eight hours a day. That will take care of the employees' position. My submission is that the route should not be restricted to 150 miles, but to 400 miles.

Shri Lal Bahadur Shastri: There is no bar to that.

Chairman: The very example quoted by you show that long distances have been permitted.

Shri T. S. Santhanam: But when they have the new Act, they can immediately stop it.

Shri Lal Bahadur Shastri: But there is a proviso also, which reads as follows:

“Provided further that no such permit shall, without the previous approval of the State Transport Authority, be granted for a route exceeding one hundred and fifty miles and serving places connected by railway.”

Shri T. S. Santhanam: Why should this proviso be added? Why should not long distance traffic be encouraged? If the proviso comes in, it becomes a little difficult.

Shri Lal Bahadur Shastri: Probably, the suspicion is that with this provision, the State Governments may take a conservative attitude.

Shri T. S. Santhanam: If you would pardon me, I would say that the State Governments have already been very narrow-minded in interpreting the Motor Vehicles Act. I do not want to say it so bluntly. But the fact remains that they are very narrow-minded.

Chairman: But you yourself have quoted instances where they have been liberal-minded.

Shri T. S. Santhanam: But there is a reason for it. I think you are aware that a 50-seater bus in Madras pays a tax of Rs. 8,500, where as in Punjab, the same bus pays a tax of only Rs. 450. So, they get a return which is 20 times more. So, from the taxation angle, it is advantageous to them, and therefore, they are allowing maximum utilisation of the vehicle.

Next, I come to section 58 (2). This sub-clause is now sought to be deleted. In the past, preference was given to the existing operators. Now, this is being done away with. The Planning Commission themselves have suggested that there should be viable units. Particularly, in the case of passenger transport; the small operators, that is to say, persons

having just one or two or three vehicles do not have the necessary facilities to provide adequate and reasonable comfort to the travelling public, for, these small units are certainly not able to render that amount of service which the Motor Vehicles Act contemplates, and which Government also desire that they should give.

So, when we want viable units, the best way to achieve it is to give preference to the existing operators. Therefore, I would submit that the present provision where preference is given to existing operators may be retained and not deleted.

Shri Amarnath Agrawal: But this is as a result of a High Court judgment, where the point was made out that such preference was not in public interest but only in the interest of the operator. So, the question of preference cannot be there.

Shri T. S. Santhanam: My submission is that, other things being equal, preference may be given to the existing operators. By 'other things' I mean the conditions governing the grant of a permit, as laid down in the Motor Vehicles Act, in section 57, namely, that public interest shall prevail, there must be a certain mileage, the person must have the necessary facilities, experience and so on. If there are two parties fulfilling these conditions, the person who is already operating may be preferred to the other man. That was what was provided for in the previous Act, since 1940 onwards.

Chairman: But when the man goes to court, this becomes the rock on which the whole thing explodes.

Shri T. S. Santhanam: The other man also satisfies all those conditions.

Chairman: But this is brought under discrimination. That is the difficulty. However, we shall have to examine that position.

Shri T. S. Santhanam: I now come to section 59(2). This should be amended to suit the present type of vehicles for replacement. The words

in the existing provision are 'nature' and 'capacity', that is to say, when a vehicle is replaced by another, the factors that shall be taken into consideration are 'nature' and 'capacity'.

We would suggest a more precise definition, because, the vehicles that we are getting today for replacement are larger vehicles. In the past, we had passenger buses which were 25-seaters or 30-seaters, but the buses that we are getting today are 40-50-seaters. So, considering the existing conditions, it would be better if instead of the words 'nature' and 'capacity', we say, not exceeding 175 per cent. of those of the replaced vehicle.

In fact, there was such an amendment in the Madras Motor Vehicles Rules. They provided for a 50 per cent. increase, which could be sanctioned even by the RTO, without going to Government. We are suggesting that 75 per cent. increase should be allowed. That would mean that better transport facilities will be provided to the public. If a person replaces a 1945 model with a 1953 model, he should be allowed to do so up to 75 per cent. increase.

Shri Lal Bahadur Shastri: You want 175 per cent. in all?

Shri T. S. Santhanam: Yes, because the chassis that are now being obtained have a larger seating capacity than the old ones.

With regard to section 63A, we would again emphasise that there should be an inter-State transport authority, because in the absence of such an authority, we find that there is quite a lot of delay. I have experience of that between Madras and Andhra, and Madras and Travancore-Cochin. It has taken two years to get a permit.

Shri Lal Bahadur Shastri: The present provisions have only a restricted application. These are applicable at the special request of the State Government.

Shri T. S. Santhanam: In the case of Madras and Andhra, it may be all

right. But in the case of Travancore-Cochin, the difficulty comes in, because they say that they do not want this transport, since they are having a nationalised transport system.

Shri Lal Bahadur Shastri: Shri Matthen from Travancore-Cochin is not present here to throw light on this matter.

Shri T. S. Santhanam: My submission is that if it is left to the States, then some States may say that they do not want it.

Shri Lal Bahadur Shastri: We shall have no objection provided the States are prepared to take. We cannot compel them.

Shri T. S. Santhanam: You know more than I do about this matter. Our point is that we are put to a lot of trouble in pursuing these things.

Chairman: The difficulty is immense, and we should try to have some solution.

Shri T. S. Santhanam: Now, I come to section 68. This deals with the assets of the operator being taken over. I have already covered this point.

Chairman: This is with regard to compensation.

Shri T. S. Santhanam: Then, I would invite your attention to sections 102, 121, 122 etc. We find that in all cases, the penal provisions are being stiffened. I presume that it is not the intention of Parliament to make these penal provisions a revenue-machinery.

Chairman: They want to prevent instances of pleading guilty and then going on as if it means nothing.

Shri T. S. Santhanam: That is not happening. Actually, what is happening is that there is lack of enforcement. If the Motor Vehicles Act and the rules thereunder, as they stand today, without these amendments, are strictly enforced, you will find that there would be greater relief to the public. But the position is that the enforcement is not there.

Shri Lal Bahadur Shastri: What is the maximum fine prescribed at present?

Shri T. S. Santhanam: I would submit that it is not a question of the money-fine that you put in.

Shri Lal Bahadur Shastri: Suspension of licences is not provided for.

Shri T. S. Santhanam: You have provided in certain cases, up to six months. When the court says, you can suspend for four to six months.

I would suggest that instead of these Rs. 500 or Rs. 1000 or Rs. 250 fine, there may be a history-sheet for each bus or truck-owner and whatever violations of the permit conditions he makes may be noted there, and you can give the owner some black-marks as is being done in certain States already. If a person's history-sheet is bad, you can refuse to grant him permits, saying that he is not an efficient operator. That is a better way of enforcing the Motor Vehicles Act rather than putting a penalty of Rs. 250 or Rs. 500. This Rs. 200 or so of increase in penalty is not going to deter the man.

Shri Dabhi: If he does not want the fine to be enhanced, would he agree to imprisonment being provided for?

Shri T. S. Santhanam: We would like the fines to be lowered, because we do not want the penal provision of money-fines to be so rigorous.

Shri Shree Narayan Das: But I would like to know whether black-listing will be effective, because the permit can be taken in the name of others.

Shri T. S. Santhanam: It is not so easy.

Shri Shree Narayan Das: It is so easy in India.

Shri T. S. Santhanam: In the case of road transport, I can say from personal experience that it has not been so easy.

Shri Shree Narayan Das: This black-listing means nothing.

Shri T. S. Santhanam: Then, I would like to say a few words about passenger transport. The number of passengers who travel in our country is far too much, and there are so many festivals and melas. As a bus-owner, I would benefit from that, economically. But I find that there is a lot of unnecessary travelling.

In the case of passenger transport, my submission is that the smaller operators generally are not able to provide the necessary comfort and convenience for the travelling public. And it is waste of money to have people operating just one, two or three or even five vehicles, because in the case of passenger transport, it is not a question of just carrying people, but we have also got to consider the safety of the people travelling. We have got to consider their comfort also.

In our country, people do not generally complain much, unless they are put to very severe hardship. They are prepared to stand a lot of things.

Therefore, my submission is that, as the Planning Commission has suggested, encouragement should be given to viable units. I am not even suggesting 50 or 25 vehicles, as suggested by the Planning Commission, but I am only saying that we must start with a viable unit of at least 10 vehicles, to begin with. A man who operates 10 vehicles will be able to provide for the necessary comforts for the passengers. He will be also paying more tax to the Government out of his profits. If there are smaller units, the rate of tax is also lower and they do not pay much income-tax.

I may also mention here that after the war all the smaller units were forced to combine together, and there were units of 20 vehicles and above. From about 1600 operators in the former Madras State, the number has come down to 470. I am suggesting a unit of 10 vehicles, if not 20, because in that case the labour also will get a proper return. I am sorry to say that the smaller busi-

nessmen generally do not provide the minimum comfort for their employees. They have got to pay the minimum wage, provident fund, medical relief etc., but these are not being done. The labour tribunal went into this matter and Mr. Venkataramiah's investigation has revealed that by and large the smaller operators do not provide the minimum comfort for their employees. If there is a viable unit, Government will be able not only to enforce the regulations with regard to efficiency, but also to see that the labour is properly paid and necessary facilities are provided to them.

Shri Lal Bahadur Shastri: Your suggestion is that we should start with a unit of 10 vehicles.

Shri T. S. Santhanam: Yes; later on we can increase it.

Shri B. K. Das: What is your formula for acquiring the assets at the time of nationalisation?

Chairman: He wants that the assets must be acquired at market value.

Shri T. S. Santhanam: Government have a particular procedure with regard to that.

Shri K. L. More: In page 4 of your memorandum, with regard to section 56(5), you have said:

"It is accepted on all hands that railways cannot carry all the traffic generated by the progressive implementation of the Second Plan."

This means that there will be increasingly greater traffic. How can you explain that the restrictions in favour of the railways will take away the scope of traffic with regard to road transport?

Chairman: He has simply made a statement that it is accepted that the railways are not capable of handling all the traffic.

Shri K. L. More: Will it mean that it will take away the scope for road transport?

Shri T. S. Santhanam: It is not so. The hon. Railway Minister himself has admitted that the railways today are not able to handle all the traffic that is offered. This point was discussed in the Transport Advisory Committee, Madras.

Chairman: The dispute is not about the fact, but how does this act as an argument against railways and in favour of road transport?

Shri T. S. Santhanam: There should be liberalisation of the Motor Vehicles Act, so that there is greater freedom of operation.

Shri K. L. More: How will it take away the scope of the private carriers?

Chairman: It does not take away the scope; he says, there is more scope and therefore be liberal.

Shri T. S. Santhanam: Section 56(5) defines the places served by the railways. For example, whenever a permit was sought for operation on a route parallel to the railway line, the argument was advanced that railways were national assets and there should be no competition with them. My submission is, there is no such competition. There is scope not only for these two, but for even other modes of transport. Therefore, the definition of railway routes and places served by the railways is unnecessary.

Shri K. L. More: How will it take away the scope of the private carriers?

Shri T. S. Santhanam: If the vehicles are allowed to run with greater freedom and to compete with the railways, the businessman will have the option to choose whichever mode of transport he likes.

Chairman: It does not take away the scope of the private carriers. He says that more vehicles can be permitted between different railway stations also. There is scope for both.

Shri T. S. Santhanam: In short, I do not want any restrictions on vehicular traffic.

Shri K. L. More: The second point is, you have said that the length of the route should be not less than 400 miles and it should not be restricted to 150 miles. But you have not given us any illustrations or reliable data to show that 150 miles will not be economic.

Chairman: Even in the general remarks, Mr. Santhanam has been saying that this limit of 150 miles is unnecessarily restrictive and therefore, longer distances will be economical.

Shri T. S. Santhanam: When you buy a vehicle for Rs. 40,000, why should you use it only for 8 hours? You can use it for 16 hours. For example, I happen to run a transport service where the vehicles are running 350 miles a day. They are doing more than 100,000 miles a year.

Shri K. L. More: At page 5 of your memorandum, with regard to section 127, you say that you are against fixing the responsibility on the driver, the conductor etc. Your suggestion is that the responsibility should be fixed on a person named by the company.

Shri T. S. Santhanam: Yes; to rope in all the directors etc., is unfair.

Shri K. L. More: Will you point out the advantages in fixing the responsibility on a certain person named by the company?

Shri T. S. Santhanam: At present, if there is a violation of a rule by the driver, then the directors of the company are asked to appear before the court. They may not be in a position to explain, which means it is vexatious and it may not be in the interests of road transport itself. The purpose of this Act is to see that the company does not evade the responsibility, because it is only the driver who committed the offence. Each company may be asked to say who will be the person responsible—either the General Manager or the Executive Director etc. My suggestion is

that instead of roping in all the officers, if it is a private limited company or a public limited company, the company may be asked to say who will be the person responsible, for purposes of this Act.

Shri K. L. More: Another point is regarding the quantum of punishment. You say it is sever at present.

Shri T. S. Santhanam: It is being made more sever.

Shri K. L. More: Don't you think it will go to prevent offences?

Shri T. S. Santhanam: It will not; people have not stopped murdering others because of the sentence of hanging.

Chairman: Punishment and prevention of offences is a huge question.

Shri K. L. More: I want to know his view about punishment.

Chairman: He does not want it to be increased.

Shri T. S. Santhanam: I want it to be lowered.

Chairman: His point of view is that the fine and imprisonment in the existing Act should not be disturbed, except that they may be reduced.

Shri T. S. Santhanam: Yes.

Shri R. K. Mookerji: What will be your policy where there is keen competition between road transport and railways, yet both being necessary for the public?

Shri T. S. Santhanam: For the next few years, during the period of the Second plan, there cannot be any competition whatsoever, as far as truck transport is concerned. Taking the case of passenger transport, the Motor Vehicles Act provides that certain conditions have to be fulfilled if the operators want to increase the number of vehicles. For instance, if you are running a bus service from Delhi to Ambala, you cannot increase the number of buses unless the Road

Transport Authority feels that transport facilities are inadequate and there should be more buses on the route. There are certain regulations. Therefore, the competition cannot become suddenly unhealthy.

Shri R. K. Mookerji: Your argument is that competition can be limited by controlling the private enterprise by being more rigorous with regard to permits for private buses. My point is that the public demand is so high that it can be met both by road and railway transport. But there may be a very unfair competition with the result that the railways come to lose. I have a specific case in view—the Darjeeling—Himalayan Railway. There you cannot possibly do away with the bus traffic. At the same time, the railways are unable to increase their service. This problem may appear elsewhere also. What is your policy in regard to this?

Shri T. S. Santhanam: Under section 57 of the Motor Vehicles Act, for grant of permits, a provision is made that if the transport facilities are inadequate, the various villages in that particular route may send petitions and the bus owners will be given fresh permits. If the traffic is great, the transport operators vie with each other in applying for permits. They submit data stating that there is scope for increased transport facilities. The Act gives sufficient power to the State Transport Authority or the Regional Transport Authority to increase the number of vehicles if the present facilities are inadequate. It is not the pecuniary aspect of the operator but public interest that governs the increase in road transport facilities.

Shri R. K. Mookerji: There is a competition in lowering the fares and the railway cannot possibly meet this competition.

Shri T. S. Santhanam: It is not possible. If you take the present economics, no man running a bus service can afford to go below the

railway rates. For example, we are running a bus service. Our rate is 6 pies per mile, whereas the railway rate is 5 pies per mile. Running on the same routes parallel to the railway lines, we are able to make money and get off with 80 per cent. of the occupational ratio, as we call it.

Shri R. K. Mookerjee: I wanted some scheme to be formulated on the basis of which you can adjust the conflict of interests of both the private enterprise and the railways.

Shri T. S. Santhanam: There is no conflict as I see. The hon. Minister may know better. From my experience in the south, there is no conflict as such or rate-cutting by private owners. A private operator is unable to lower his rates. There may be instances.....

Shri R. K. Mookerjee: I know that the Himalayan-Darjeeling railway is running at a great loss for the sake of the public, only because there is a cut-throat competition between the railways and the private transport. Of course, I am speaking subject to correction.

Shri Lal Bahadur Shastri: On certain narrow gauge railways there is this cut-throat competition and railways are incurring losses.

Dr. R. P. Dube: It is up to the Railways to initiate suitable action on this. If we ask him for....

Chairman: Let us not dispute the question put by him.

Shri T. S. Santhanam: As far as I know I can say from my experience in the south, that it does not happen.

Shri Lal Bahadur Shastri: The one example which has been quoted by Dr. Mookerji is in respect of a narrow gauge.

Shri T. S. Santhanam: That may be a mountain railway.

Shri Lal Bahadur Shastri: Even on broad gauge it happen sometimes. For instance, in the Northern Railway, between Pathankot and Muka-

rian we have constructed a new line three years ago and what happened was that the State Government—in this case it was the Punjab Government—indiscriminately gave permits to private transport. The general practice is that whenever permits are to be issued the State Government concerned, that is, the Regional Transport Authority or the State Transport Authority consult one of the railway officers and then only issue permits. But somehow or other, this is what happened there and the present position on that particular line is that the Railway is being run at a loss. This is a broad gauge.

Shri T. S. Santhanam: Probably that means there may not be enough people travelling to justify the travel facilities given.

Shri Lal Bahadur Shastri: As it is a loss to the Railways, it is a national loss. If there is a Railway, then the number of permits to be issued should be restricted.

Shri T. B. Vittal Rao: There is one question that I want to ask and that is about the restriction of the distance to 150 miles. It has been said that by restricting the distance to 150 miles, there is no proper or full utilisation of vehicles. If a vehicle goes 150 miles and returns the same day, the mileage covered is 300 miles and that distance will be done in 16 hours. How could we say that there is no full utilisation of the vehicles in this case? A vehicle cannot be utilised for more than 16 hours a day.

Chairman: They only want longer distances and more number of vehicles. It is quite possible that they will say: 'we will put two vehicles and give us longer distance'.

Shri T. S. Santhanam: It can go 300 miles at a stretch and stop there and return next week.

Chairman: At an earlier stage your argument was that if a vehicle is allowed to run only 150 miles and stop

there, there will be no full utilisation of that vehicle. Now, he says that the vehicle can come back in which case the argument that the vehicle is unoccupied for long hours does not hold good.

Shri T. S. Santhanam: If the distance is 250 miles, you cannot come back. You cannot do 500 miles in a day.

Shri Lal Bahadur Shastri: We made enquiries from the State Governments to know how many people had asked for permits for over 200 miles and our information is that they have not received any application for over 200 miles.

Chairman: It may be due to the fact that the rule is there already.

Shri Lal Bahadur Shastri: This rule is not working at all. It is a dead letter.

Shri T. B. Vittal Rao: There are cases where permits have been granted beyond 200 miles.

Shri T. S. Santhanam: As it is, what has happened is this: They have allowed 200 miles for Madras and Andhra city routes vehicles. In the case of districts, they have fixed it at 160 miles. We are agitating for 200 miles.

Shri Lal Bahadur Shastri: I think it is more....

Shri T. S. Santhanam: In the case of goods transport, they have allowed 350 miles but for passenger transport, they have restricted the distance to 160 miles.

Shri Lal Bahadur Shastri: The more important is the goods traffic.

Shri T. S. Santhanam: That is why we have put 400 miles in the case of buses.

Shri T. B. Vittal Rao: In the case of nationalisation, Government have to take over the assets. Does the term 'assets' include, drivers, conductors, etc.?

Chairman: He means the personnel.

Shri T. S. Santhanam: No, sir.

Chairman: He did not include them. Naturally, they all go. We cannot throw them out of employment. Otherwise, there will be unemployment.

Shri T. S. Santhanam: It is not for me to suggest. It is for Government to consider.

Shri R. P. Sinha: I am drawing your attention to your memorandum, page 2, regarding section 36. Now, the present sections 36 and 37 are being changed by clause 32. How you have said in your memorandum that you doubt whether the State Governments will be able to fix the laden weights, etc. What is the basis for this?

Shri T. S. Santhanam: We have now six manufacturers like Mack, Reo, etc. producing trucks for which representatives are not here. - Suppose you want to get data in respect of a vehicle which is 16 years old about its specific capacity, actual ratios and things like that. It may not be possible to get the data because the representatives of the firms are not in this country. I do not know whether the Government have got specifications and data of all the makes. This will be extremely difficult.

Chairman: It is not very difficult. However, we have discussed this enough. He fears that the Government will have to do the whole thing anew and it will be an enormous load on the Government. Government might have to take few more employees. He suggests that Form 'F' may be retained.

Shri T. S. Santhanam: No vehicle will carry more load than specified because the chassis or springs will otherwise break.

Chairman: The real point is that the guarantee supplied by the Company might not be there.

Shri R. P. Sinha: We shall have after the operation of Schedule VII a different specification with regard to weights etc. for all the States. This is what you have said; that the State Governments will fix the specifications with the approval of the Central Government so that there should be uniformity as otherwise there will be trouble....

Shri T. S. Santhanam: That may be all right with regard to the vehicles now being manufactured in this country. But I visualise there will be difficulty in the case of vehicles which are over 10 years of age and for which necessary data will not be available.

Shri R. P. Sinha: So the difficulty is only in respect of old vehicles and not the new ones.

Chairman: You are more bothered about the old vehicles.

Shri T. S. Santhanam: Even with regard to the new vehicles, the main factor is that a vehicle should carry the load within its safety limits, without any damage to the vehicle itself or to the goods. Form 'F' provides for this and that is why I say it should be retained.

Shri Lal Bahadur Shastri: Ten year-old vehicles will go out of the road very soon.

Shri T. S. Santhanam: They are not going. They are still running.

Shri R. P. Sinha: What is your area of operation with regard to Andhra, Madras and Travancore-Cochin?

Shri T. S. Santhanam: We are continuing 'F' Form.

Shri R. P. Sinha: What is the maximum laden weight?

Shri T. S. Santhanam: Eight tons.

Shri R. P. Sinha: What is the basis for fixing this?

Shri T. S. Santhanam: It is fixed on the basis of the condition of the road, culverts, bridges, etc. It is of course governed by the capacity of the vehicle also. That includes the weight of the vehicle.

Shri R. P. Sinha: You think that the provision relating to the carrying capacity of heavy motor vehicles will adversely affect you?

Shri T. S. Santhanam: We have been agitating that it should be raised to 10 tons. We are getting vehicles of 3 tons (6,000 lbs. is the weight of the chassis); it can carry 7 tons. We need heavy trucks.

Shri R. P. Sinha: Do you think that the bridges and roads in that part of the country will stand it?

Shri T. S. Santhanam: I can be very frank. There are many persons who carry fifty per cent. over the limit. Five ton carriers carry 7½ tons.

Shri R. P. Sinha: Are the State authorities willing to permit it?

Shri T. S. Santhanam: "It is under examination"-that is the reply we have received from the Minister of Public Works.

Shri H. P. Saksena: So you are fully conscious of the violation of the law in your part of the country?

Shri T. S. Santhanam: As an Association we do not close our eyes to the sins of our members!

Shri R. P. Sinha: May I refer you to page 3 of your memorandum where you refer to Chapter IV, section 42(3)(i)? According to you, the laden weight of a trailer is 2,400 lbs. Do you mean to say that we shall not have any trailer to be drawn by ordinary motor cars with 1,700 lbs, that is now being provided?

Shri T. S. Santhanam: Even a jeep trailer weighs more. Certain vehicles have been carrying two wheeled trailers. Cutting it from 2,400 lbs. to 1,700 lbs. in the case of passenger cars will be a hardship.

Shri R. P. Sinha: You have said there is no vehicle with a laden

weight of 1,700 lbs. and even a jeep has a laden weight of 2,400 lbs.

Shri T. S. Santhanam: Our submission is that the laden weight of a trailer even now is 2,400 lbs. By the provision of this clause it is intended to cut it down to 1,700 lbs. We are saying that only two-wheeled trailers are generally attached to a jeep or to some of these small cars, mostly and if the permissible weight is reduced to 1,700 lbs. it will cause a great hardship. We have said that even a jeep trailer has a laden weight of 2,400 lbs. as per present Schedule VII. We are saying that there should be this provision of 2,400 lbs.

We have also suggested that there is no special provision for special-purpose or dual-purpose vehicles. But I did not repeat what is already given in our memorandum, because Members would be aware of it.

Shri R. P. Sinha: You said that when a permit is not renewed or is cancelled, with regard to the compensation the assets of the operator should also be taken up. You also insisted that there should be viable units. Do you think that these viable units shall provide for workshops and other facilities, amenities for traffic, whether it is passenger or goods?

Shri T. S. Santhanam: Generally they do. I have travelled widely in the South, and my experience is that most of these units having fifteen or more units have workshop facilities; and they generally have better facilities for labour as well, and have amenities for passengers. Even otherwise, I would go to the extent of suggesting that provision could be made in the Motor Vehicles Act that these units should have certain minimum standards with regard to repair facilities, with regard to amenities to passengers. It can be provided in the Act, which will be good for the public.

Shri R. P. Sinha: We are providing that the limit of the period should be three to five years. We are also

providing that in case of nationalisation, compensation will not be paid when there is a refusal for the renewal of permits. So, do you think that in the case of three to five years your investments and works and the other amenities that you will provide, will be recovered?

Shri T. S. Santhanam: Not at all

Shri R. P. Sinha: So it will lead to further deterioration with regard to the provision of workshop and other amenities if we have such a clause?

Shri T. S. Santhanam: I think this provision of 3—5 years for a permit period is far too low. We have been saying also so in the past. When the Motor Vehicles Experts Committee discussed this matter, it was represented to them that the minimum period should be ten years and the maximum fifteen years. When you look at the condition or the average life of a vehicle, truck or bus, it is ten years. We have always suggested that the minimum period should be ten years—not three or five years. Because, it is not possible to recover the complete capital (not only of the vehicle but also of the repair facilities and other things) within three or five years.

Shri Lal Bahadur Shastri: You don't want fifteen years?

Shri T. S. Santhanam: I do not suggest fifteen; I suggest a minimum of ten years.

Shri R. P. Sinha: In the South we have a large number of both passenger and goods vehicles, that is trucks and buses. Now, the expansion was there and has been taking place every year. Do you think that the expansion of the bus and the trucks during the last five years, during the course of the First Plan period, was of the same order as the expansion which took place, say, ten years prior to the beginning of the First Plan?

Shri H. P. Saksena: It was wartime. You cannot make a comparison.

Shri R. P. Sinha: The average percentage.

Shri T. S. Santhanam: I will give you the percentage figures. For Madras and Andhra, immediately after the cessation of war, in 1945, the total number of buses operating was 3,600, I am giving round figures. In January 1956—it takes months to get the statistics—the combined operational figure for Madras and Andhra was over 7,000. So, if you take 1946 and compare it with 1956, in the period of ten years, the total number of vehicles has increased by 100 per cent. I am referring to passenger transport vehicles. That is unit-wise. But the unit-wise comparison is not a proper comparison. The criterion should be the number of seats made available for the passengers to travel. The average seating capacity of a bus immediately after the cessation of war in the South—because we have taken pains to collect these in our part—was roughly under thirty; it was between 24 and 25. The seating capacity now, in 1956, according to the Government's taxation figures, is between 35 and 36. So, there has been an increase of 50 per cent in the seating capacity of the buses. Therefore, in actual fact, the effective increase in travelling accommodation is about 300 per cent in the last ten years.

Shri R. P. Sinha: So, you mean that the Motor Vehicles Act, as it stood, did not stand in the way of the progress of the road transport?

Shri T. S. Santhanam: Not in passenger transport. But with regard to passenger transport the people always complained, whereas with regard to goods transport the goods unfortunately didn't! With regard to passenger traffic, the Government have been much more sympathetic and the increase has been three-fold.

Shri R. P. Sinha: In the case of goods transport?

Shri T. S. Santhanam: In the case of goods transport, till recently the expansion was very poor—I should say right up to 1951. It is only after

a great deal of agitation that the State Governments have agreed or rather condescended to increase the number of vehicles. It is only in the last year, 1955, and in 1956 they have said that they will increase the number by 25 per cent every year. In the past the rate of expansion of goods vehicles has been poor.

Shri R. P. Sinha: In the period of the Second Plan, with the new Act coming into force, you think the rate of expansion will be maintained as in the last ten years?

Shri T. S. Santhanam: Much more, Sir.

Shri Dabhi: You want that for contravention of any provision of this Act, only one specified officer of the company should be punished or held liable. Suppose the driver drives recklessly? You want that the responsibility of the driver and conductor and managers etc. should be done away with and one specified officer should be held responsible.

Shri T. S. Santhanam: I am only suggesting about the officers of the company.

Shri Dabhi: It comes to that, that the driver etc. will not be held liable.

Shri T. S. Santhanam: I did not mean that.

Chairman: You see, with regard to a company all the directors are liable for any criminal act. This matter is often discussed on the floor of the House, and the accepted practice is to introduce a similar provision in every Bill. Therefore it is going on, and therefore the same kind of amendments come in.

Sardar Iqbal Singh: In your memorandum you have referred to viable units with regard to goods transport also. May I seek clarification from you as to what type of viable units they should be, whether it should be unit-wise, and what type of organisation you visualize which will be better for the development of goods transport in this country?

Shri T. S. Santhanam: I have suggested unit-wise. I have suggested a minimum of ten units for a viable unit.

Sardar Iqbal Singh: And the maximum?

Shri T. S. Santhanam: Maximum I have not suggested, because it depends upon various factors.

Chairman: It may be 100 or 1,000.

Shri T. S. Santhanam: The Bombay Government, for instance, runs 3,500 vehicles.

Sardar Iqbal Singh: There are middlemen who get more profit, in goods transport also—for instance, booking agencies and others. How do you suggest that the profit got by the middleman, who is neither a truck-owner nor the owner of the goods, may be avoided or lowered so that this business may be economically done?

Shri T. S. Santhanam: The viable units will help to do that. I can say from our experience. We are running seventy trucks, and we have 195 depots in the South. I am not talking of the Association; I am giving an illustration of a transport company. It has its own depots and delivery offices. Thus they are able to give better facilities to the businessmen. Now many others have started it. They have their own offices at intermediate places. When they have units of ten or more, they can give better service.

Sardar Iqbal Singh: There are middlemen's agencies, booking agencies, etc. who carry most of the profit. For example, if something is booked for Delhi for Rs. 2, they will give to the truck-owners only one rupee. What is your suggestion to eliminate this middleman's profit.

Shri T. S. Santhanam: My main condition to offset or to get over that is to have viable units of ten or more, so that they can have their own offices. It is possible. If there are

larger units, they can have their own central booking offices. In South Kanara, at Mangalore, they have a central booking agency. Four companies combined together and having 100 vehicles, have central booking. They can form a co-operative with regard to bookings only. At various places they can have offices. And the load can be on the basis of a route basis.

Sardar Iqbal Singh: Have you any statistics, according to your company, about the cost of running of the goods carrier on the first hundred, the second hundred and the third hundred miles? Are they equal statistics?

Shri T. S. Santhanam: I will put it this way. On the basis of last year, the average mile ton per lorry was about 220. When I say average, we take a calendar year of 365 days. We reckon a maximum operation of 95 per cent, allowing the 5 per cent of 20 days for repairs, break down and other things, when the vehicle will be off the road. It comes to 345 days in a year. The average is 220 miles and the average cost of a ton mile is 3 annas, that is, diesel operation.

Sardar Iqbal Singh: In this Bill, we have provided for some compensation if permits are not renewed. Do you agree to the quantum of compensation?

Shri T. S. Santhanam: I have said that the compensation is rather low. I did not elaborate the point because the Association that gave evidence before me has gone into it in detail.

Sardar Iqbal Singh: What should be the reasonable compensation, in your opinion?

Shri T. S. Santhanam: It is rather difficult for me to give a straight answer. I am not familiar with the profit potential of various States. If you ask me in respect of Madras, Andhra or Travancore-Cochin, these figures have been published by the Central Board of Revenue.

Chairman: You have not given your thought. We want considered opinion.

Shri T. S. Santhanam: It would be difficult for me to say.

Sardar Iqbal Singh: In how many years is it possible to recover the cost of the truck or the car?

Shri T. S. Santhanam: If you take the investment on the truck, and other assets, I would put it—it varies from state to state—it depends on the operating conditions, the routes you ply, the region where you operate etc. You cannot arbitrarily fix. It depends on various factors. In the best of conditions, allowing for taxes and all that, it is about 7 years; the maximum may be 10 years.

Sardar Iqbal Singh: Seven years in your State?

Shri T. S. Santhanam: In the best circumstances.

Sardar Iqbal Singh: What would you suggest in regard to rural routes which are not now served? Could it be made obligatory on every unit to take up some rural routes which may not run on a profit?

Shri T. S. Santhanam: Compulsion is not the best way of getting things done. I would say that a carrot is a better thing than a stick. You offer him some remunerative routes and also some unremunerative routes. Compulsion will not be conducive.

Chairman: Thank you.

(Witness then withdrew)

III. The Regional Motor Operators' Union, Kanpur.

(Please see their memorandum at Appendix III)

Spokesman: Sardar Manohar Singh.

(Witness was called in and he took his seat.)

Chairman: You have given us a memorandum. If you like, you may add to what you have already

stated there or state the new points if any, which you have not mentioned there. Members have discussed the general principles with the other witnesses. You may refer to particular points if you have any.

श्री मनोहर सिंह : मुझे यह प्रश्न करना है कि आपने इसमें यह जो कहा है कि जब परमिट रिन्यू नहीं किये जायेंगे तो कोई कम्पसेशन नहीं दिया जायगा इस का नतीजा यह हुआ है कि अप्रेटर्स में बहुत ज्यादा घबराहट पैदा हो गई है और उनका फ्यूचर बिल्कुल डार्क हो गया है। आज जो एक गाड़ी की कीमत है वह २५-३० हजार से कम नहीं है। आपने यह भी कहा है कि जब रूट को करटेल भी किया जायगा तो भी प्रोपोरनेटली कुछ कम कम्पसेशन मिलेगा। यही चीज स्टेट ऐक्ट में भी है। मैं अपने तजुबों की बिना पर बतलाना चाहता हूँ कि अगर मेरा रूट ३६ मील का है और उसमें ८ मील सड़क कच्ची है और २८ मील पक्की है तो ऐसा किया जाता है कि पक्की सड़क के लिये तो रूट को करटेल कर दिया जायगा और मुझे से कहा जायेगा कि आप ८ मील कच्ची सड़क पर ही गाड़ी को चलाइये।

अब आप खुद ही सोच सकते हैं कि किस तरह से एक आदमी आठ मील कच्ची सड़क पर गाड़ी को चला सकता है। वहां पर हालत भी ऐसी होती है कि न तो पेट्रोल ही मिलता है और न कोई पैसंजर्स ही मिल सकते हैं। तो यह चीज रखी गई है कि अगर रूट को करटेल किया जाये तो जो कम्पसेशन मिलेगी वह थोड़ी सी होगी, यह ठीक बात नहीं है। इसका नतीजा यह होगा कि जो अप्रेटर है वह नई गाड़ियां नहीं खरीदेगा और जो उसके पास पुरानी गाड़ियां हैं उनको ही चलाता चला जायेगा। जब वह यह करेगा तो पब्लिक को कोई आराम पहुंचने की बात नहीं सोची जा सकती। तो मेरी प्रार्थना यह है कि यह

जो अनसरटेनटी है उसको खत्म किया जाये। पहली बात तो यह है कि आपने जिन रूट्स को लेना है उनको आप एक ही बार ले लें ताकि यह जो अनसरटेनटी का वातावरण है यह समाप्त हो जाये। अगर आपने ऐसा नहीं किया तो जाहिर है कि यह न तो आप्रेंटर्स के इंटरिस्ट में होगी और न ही पब्लिक के। मैं आपको बतलाना चाहता हूँ कि पहले ही बहुत से आप्रेंटर्स खत्म हो चुके हैं और इस वक्त जो थोड़े बहुत रूट्स आप्रेंटर्स को मिले हुये हैं उनकी भी यह ऐसी हालत हो जायेगी जिसका अन्दाजा नहीं लगाया जा सकता। इस वास्ते मैं अर्ज करता हूँ कि पांच साल के लिये हमारे जो परमिट्स हैं उनको रिन्यू कर दिया जाये ताकि हम जो इम्प्रूवमेंट्स चाहें कर लें। इससे हमें यह पता चल जायेगा कि आने वाले पांच सालों में हमें किसी सूरत में भी उखाड़ा नहीं जायेगा। अगर इस चीज की गारंटी हमें मिल जाये तो हम इम्प्रूवमेंट्स कर सकेंगे।

एक बात और भी है। फाइव इयर प्लान में बहुत से रूट्स निकाले जायेंगे। आप कोई ऐसा प्रोजेक्ट कर दें कि स्टेट गवर्नमेंट्स हमको आलटरनेट रूट्स दें। अगर आपने बिना आलटरनेट रूट्स दिये ही हमारे परमिट्स कैंसल कर दिये तो हम जो २०-२० और २५-२५ साल से इस लाइन में हैं, हम क्या काम कर सकेंगे। इस तरह से जब हमको डिस्प्लेस किया जायेगा तो हम खत्म हो जायेंगे। आप्रेंटर्स की गाड़ियां पहले ही गैरेजिज में सड़ गई हैं। उनके कुछ दाम भी नहीं मिल रहे हैं। उनकी दशा यह है कि वे लोग कुछ काम नहीं कर सकते हैं इन हालात में मेरी रिक्वेस्ट यह है कि कोई ऐसा प्राविजन किया जाये कि कम से कम आने वाले पांच सालों के दौरान में जो नये रूट्स निकाले जायें, वे डिस्प्लेस आप्रेंटर्स को पहले दिये जायें और अगर उनको कोई रूट्स नहीं दिये जा सकते हैं और कम्पेंसेशन ही देना है तो फिर उसकी गाड़ी

भी ले लीजिये, एसेट्स भी परचेज कर लीजिये और उसे कम्पेंसेशन की एडिम्बेट दीजिये।

अब रिन्यूअल टाइम आ रहा है। बहुत से रूट्स पर जो गाड़ियां चल रही हैं उनके परमिट्स अब रिन्यू होने वाले हैं। अगर अब कह दिया जाये कि न तो परमिट्स को रिन्यू किया जायेगा और न ही कोई कम्पेंसेशन दिया जायेगा तो आप ही बताइये कि हमने क्या कसूर किया है कि हमको यह सजा दी जा रही है।

अब मैं क्लॉज १२३ के बारे में कुछ कहना चाहता हूँ। इसमें कई किस्म की पैनलटीज इमपोज की जा रही हैं। इसमें एक तो फाइन को एनहेस किया जा रहा है, दूसरे इम्प्रिजनमेंट की व्यवस्था की जा रही है और साथ ही साथ कैंसलेशन आफ परमिट इत्यादि की बात भी इसमें कही गई है। कोर्टस को यह हिदायत भी की जा रही है कि अगर ५०० से कम का फाइन वे करें तो उसके लिये उनको रीजंसक देने होंगे इसका नतीजा यह होगा कि कोर्टस को जो पावर्स आपने दे रखी हैं उनको वे अच्छी तरह से यूटिलाइज नहीं कर सकेंगे। इसका लाजिमी तौर पर यह नतीजा निकलेगा कि ५०० से किसी सूरत में फाइन कम नहीं होगा। अब इतनी हार्श प्राविजंस रखने से क्या फायदा होगा सिवाय इसके कि करप्शन बढ़े और हैरासमेंट हो।

क्लॉज १२३ (४) में यह लिखा हुआ है :

“...notwithstanding that no appeal lies against the conviction in connection with which such order was made.”

अगर कोई कनविकशन भी होता है तो भी हायर कोर्ट में अपील नहीं की जा सकती है।

Chairman: That means one may not have appealed, still the Court has the jurisdiction to consider. That is the idea. The revisionary powers are specifically provided for here.

श्री मनोहर सिंह : इसके अलावा एक चीज और मुझे अर्ज करनी है। हमारे यहां यू० पी० गवर्नमेंट ने तमाम आर० टी० एज० को इंस्ट्रक्शंस इशू कर दिये हैं कि एक फैमिली को एक परमिट ही दिया जाये—

सभापति महोदय : इसके बारे में यह कमीटी कुछ नहीं कर सकती। यह स्टेट सब्जेक्ट है।

श्री मनोहर सिंह : मुझे इसके बारे में केवल इतना ही अर्ज करना है कि एक सी पालिसी तमाम हिन्दुस्तान में लागू होनी चाहिये और डिफेंड स्टेट में डिफेंड पालिसीज नहीं होनी चाहिये। बहुत सी गाड़ियों वालों को इस वास्ते रूट परमिट्स दिये जाते हैं कि वे वर्कशाप्स वगैरह मेन्टेन कर सकें। तो अब जो हमारे यहां यह हो रहा है कि एक फैमिली को एक ही परमिट दिया जाय, तो क्या इसका यह मतलब है कि बाकी स्टेट्स में भी ऐसा ही कर दिया जायेगा।

श्री लाल बहादुर शास्त्री : इसमें ज्यादा एम्प्लायमेंट देने की बात है। मुद्दा यह है कि ज्यादा से ज्यादा लोगों को रोजगार मिले।

श्री मनोहर सिंह : वह तो हम आल-रेडी दे रहे हैं।

श्री लाल बहादुर शास्त्री : यह किस तरह से हो सकता है जब कि एक एक के पास पांच पांच और दस दस परमिट हों।

श्री मनोहर सिंह : ड्राइवर और कंडक्टर वगैरह तो हम को रखने ही पड़ते हैं और उनको रखकर हम रोजगार का प्रबन्ध

करते हैं। अगर एक फैमिली को एक ही परमिट दिया जायेगा तो भी वह उतने ही ड्राइवर और कंडक्टर रखेगा जितने कि हम रखते हैं।

श्री लाल बहादुर शास्त्री : इससे ग्रामदनी बट जायेगी।

श्री मनोहर सिंह : यह चीज सिर्फ यू० पी० में ही क्यों लागू होती है। सारे हिन्दुस्तान में एक सी पालिसी होनी चाहिये।

श्री लाल बहादुर शास्त्री : आपकी यह बात ठीक है। लेकिन यू० पी० के मिनिस्टर्स को तजवीज यह हो सकती है कि ज्यादा से ज्यादा लोगों को रोजगार दिया जाय। हम यह नहीं कहते हैं जो वे कर रहे हैं वह हर लिहाज से ठीक है। प्लानिंग कमिशन ने भी कहा है कि वायेबल यनिट्स होने चाहियें।

Chairman: Now Members may put questions.

श्री रा० स० तिवारी : आपने अभी यह कहा है कि सारे हिन्दुस्तान में एक सी पालिसी होनी चाहिये और एक फैमिली को एक ही परमिट दिया जाना चाहिये। मैं यह पूछना चाहता हूँ—

श्री लाल बहादुर शास्त्री : इसका यह कहना है कि एक फैमिली को एक परमिट नहीं बल्कि कई परमिट दिये जायें।

श्री रा० स० तिवारी : तो फिर अगर एक एक आदमी को चार चार और दस दस परमिट मिलें तो बाकी गरीब लोग क्या करेंगे और उनका क्या बनेगा।

श्री मनोहर सिंह : मेरा कहना सिर्फ इतना है कि आलरेडी जिस आदमी के पास बीस बीस साल से जो परमिट चले आ रहे हैं उस परमिट कैंसल न किये जायें और उन पर यह चीज लागू नहीं होनी चाहिये।

श्री रा० स० तिवारी : आपको यह मालम ही है कि कांग्रेस गवर्नमेंट ने सोशल-स्टिक पैटर्न आफ सोसाइटी बनाने का फैसला कर रखा है। ऐसी सूरत में आप जो चाहते हैं क्या उसका इस सोसाइटी से मेल बैठता है ?

श्री मनोहर सिंह : सोशल-स्टिक पैटर्न आफ सोसाइटी की बात को हम बेलकम करते हैं। लेकिन यह चीज मोटर वालों पर लागू नहीं होनी चाहिये, बड़े बड़े इंडस्ट्रियलिस्ट्स पर लागू होनी चाहिये।

श्री रा० स० तिवारी : सब पर लागू होगी।

श्री मनोहर सिंह : बड़े इंडस्ट्रियलिस्ट्स पर तो पहले इसे आप लागू करें।

श्री रा० स० तिवारी : आपने अभी कहा कि कम से कम पांच साल के लिए पर-मिट दिये जायें : जब ऐसी बात है तो आपने अपने जो ड्राइवर्स और कंडक्टर्स हैं उनकी नौकरी के बारे में क्या सोचा है ?

श्री मनोहर सिंह : उनको हम रोड-वेज में जो मुलाजिम हैं उन से ज्यादा पे देते हैं।

श्री रा० स० तिवारी : वे लोग पांच साल के बाद क्या करेंगे ?

श्री मनोहर सिंह : उनको उसके बाद आप रोडवेज में ले सकते हैं।

श्री रा० स० तिवारी : उनके विषय में अगर कोई कानून बनाया जाय तो आप उससे सहमत होंगे ?

श्री मनोहर सिंह : बिल्कुल सहमत होंगे। हम यह चाहते हैं कि जब आप हमारे रूट ले लें तो आप हमारे ड्राइवर्स और कंडक्टर्स को भी ले लें।

श्री रा० स० तिवारी : आपने कहा है कि एक रूट परमिट ३२ मील का है उसमें ८ मील कच्ची सड़क है और २४ मील पक्की लेकिन जहां पर सारी को सारी सड़क पक्की है, तो क्या उसमें भी अगर रूट को कर-टेल कर दिया जाता है तो आपको कोई एतराज है ?

श्री मनोहर सिंह : हम यह चाहते हैं कि जिस तरह से आज रूट परमिट्स हैं वे वैसे ही चलते रहें उनको न छेड़ा जाये।

श्री रा० स० तिवारी : आपने कम्पें-सेशन की बात कही है। क्या आप उसको दर बता सकते हैं ?

श्री मनोहर सिंह : इसके बारे में डिटेल में मेमोरेण्डम में दिया हुआ है। जब आप रूट को लेते हैं तो आपको चाहिये कि उसकी गाड़ी भी आप ले लें और उसका कोई इंतजाम करें वरना कोई फायदा नहीं होगा और वह आदमी तबाह हो जायेगा। कितने ही सालों से वह इस धंधे में लगा हुआ है और वह कोई दूसरा काम करने के काबिल नहीं है। इससे वह बेकार हो जायेगा। एक तरफ तो आप बेकारी दूर करने के उपाय सोच रहे हैं दूसरी तरफ इन लोगों को बेकार करके इस समस्या को आप जटिल बना देंगे।

श्री रा० स० तिवारी : आपने यह नहीं बताया कि कम्पेंसेशन की दर क्या हो और किस ढंग से कम्पेंसेशन दिया जाये।

श्री मनोहर सिंह : इसके बारे में मैंने डिटेल में मेमोरेण्डम में दिया हुआ है। अगर आप उसके परमिट को रिन्यू नहीं करते तो कम से कम डेढ़ साल का तो कम्पेंसेशन उसे पे कोजिये, बजाय इसके कि एक पैसा भी उसको आप पे न करें।

डा० पी० सी० मित्र : मैं कम्पेंसेशन के बारे में पूछना चाहता हूँ। जब स्टेट ने

यह फैसला कर लिया है कि चूंकि हम नैशनलाइजेशन करने जा रहे हैं इस लिये पर्मिट्स का रिन्यूअल नहीं करेंगे, तो रिन्यूअल रिफ्यूज करने पर कम्पेन्सेशन देने का क्या सवाल है ?

श्री मनोहर सिंह : मैंने तो यही अर्ज किया है कि यह बहुत जल्म होगा, क्योंकि अगर आप इन्कार करते हैं तो सारी स्टेट्स भी यह कहेंगी कि कोई पर्मिट के रिन्यूअल के लिये आये तो रिफ्यूज कर दो।

डा० पी० सी० मित्र : पर्मिट का रिन्यूअल होता है उस के टर्म के एक्स्पायर करने पर। अगर टर्म के एक्स्पायर करने के बाद गवर्नमेंट कहे कि चूंकि हम नैशनलाइजेशन करने जा रहे हैं इसलिये पर्मिट्स का रिन्यूअल नहीं करेंगे, तो इस में क्या हर्ज है ? इस में वह कम्पेन्सेशन क्यों देगी ?

श्री मनोहर सिंह : सवाल तो यह है कि नैशनलाइजेशन करने से बिजिनेस वालों पर एफेक्ट पड़ेगा।

डा० पी० सी० मित्र : अगर टर्म एक्स्पायर न हो तब तो कम्पेन्सेशन देने का सवाल पैदा हो सकता है, लेकिन अगर टर्म एक्स्पायर करने के बाद रिन्यूअल नहीं होता है तो कम्पेन्सेशन देने का सवाल कहाँ उठता है ?

श्री मनोहर सिंह : मैं यह अर्ज करना चाहता हूँ कि जिस वजह से रिफ्यूज किया जा रहा है, चीज वह स्कीम के अन्दर दी हुई है। उस स्कीम से बिजिनेस वालों पर एफेक्ट पड़ता है, इसलिये कम्पेन्सेशन जरूर होना चाहिये।

श्री सूर्य प्रसाद : आप ने असेट्स के सम्बन्ध में कहा कि लारीज हैं, ट्रक्स हैं, जब नैशनलाइजेशन के बाद वह ले ली जाती हैं, तो लेते समय एक ट्राइब्यूनल को जांच करने का काम सौंप दिया जाता है कि वह देखे कि गाड़ी

की कंडीशन कैसी है, वह नई है या पुरानी, और गवर्नमेंट को कितने दाम पर खरीदना चाहिये। आप इस बारे में क्या चाहते हैं ?

श्री मनोहर सिंह : मैं ने तो मेमोरेन्डम में लिखा है कि एक बोर्ड बना दिया जाय, जो उस की कीमत मुकरर करे।

श्री नारायण दास : बिल के सेक्शन ६८ (एफ) में जो सब सेक्शन ३ है, उस में आप चाहते हैं कि राइट आफ अपील न हो। क्या आप बता सकते हैं कि रजिनल ट्रांसपोर्ट अधारिटी के खिलाफ कोई अपील है ?

श्री मनोहर सिंह : एस० टी० ए० में अपील हो सकती है।

श्री श्री नारायण दास : वह तो इस बिल के अनुसार नहीं जा रही है।

For the removal of doubts, it is hereby declared that no appeal shall lie against any action taken, or order passed, by the Regional Transport Authority under sub-section (1) or sub-section (2).

स्टेट ट्रांसपोर्ट अधारिटी के पास पहले इस की अपील थी, लेकिन अब वह हटाई जा रही है। क्या आप बता सकते हैं कि उस में जो अपील होती है, वह किस तरह की होती है और उस में कितना वक्त लगता है, क्या अपील में ज्यादा देर लगती है ?

श्री मनोहर सिंह : कई केसेज में देर भी हो जाती है। यहां तक कि बहुत से केसेज में दो दो तीन तीन साल लग जाते हैं लेकिन स्टेट भी नहीं दिया जाता। फिर भी यह जरूर है कि लोगों को कुछ न कुछ कंसोलेशन जरूर होता है कि हम ने अपील कर लिया। लेकिन इस में प्राबिजन होना चाहिये कि एस० टी० ए० जितनी जल्दी हो सके, अपीलों को डिस्पोज आफ करे।

श्री बी० के० दास : अपने मेमोरेन्डम के पैरा २ में आप ने कहा है :

“no individual truck owner should be allowed to pick up goods of his own accord from the market....”

तो आप का मतलब टाउन्स से है या कि सब जगहों से । आप टाउन की बात कर रहे हैं कि जो इंडिविजुअल ट्रक्स हैं उन को लाइसेंस न दिया जाये । इस से आप का मतलब क्या है ?

श्री मनोहर सिंह : यह टाउन में ही प्रिक्टिकेबल हो सकता है, छोटे छोटे गांवों में नहीं हो सकता ।

श्री बी० के० दास : उन को तो लाइसेंस देना मना नहीं है । इस तरह का मतलब तो नहीं है ?

श्री मनोहर सिंह : हम ने यह इसलिये रक्खा था कि जो गुड्स ट्रांसपोर्ट कम्पनीज हैं उनकी हालत बहुत खराब है । जो ट्रांसपोर्ट कम्पनीज है वह बरसात के दिनों में अपनी मर्जी से चार पांच आने मन सामान ले जाती है । वह लोग कमिशन से अपना खर्च निकाल लेती है, पर मालिकों के पास कुछ नहीं बचता है ।

श्री बी० के० दास : तो आप टाउन्स के लिये नहीं चाहते हैं कि इंडिविजुअल ट्रक्स को इजाजत दी जाय, या बाहर के लिये भी ?

श्री मनोहर सिंह : अगर बाहर मुमकिन हो सके तो ठीक है, लेकिन टाउन्स में यह अरेन्जमेंट हो सकता है क्योंकि वहां पर ट्रांसपोर्ट कम्पनीज लाइसेंस ले लेंगी ।

श्री बी० के० दास : अगर इंडिविजुअल्स भी रहें और लाइसेंसड ट्रांसपोर्ट कंपनीज भी रहें तो इसका क्या ईविल एफेक्ट होगा ?

श्री मनोहर सिंह : इस का नतीजा यह होगा कि कम्पटीशन बढ़ जायेगा । जो ट्रांसपोर्ट कम्पनीज इस वक्त हैं अगर उनका रेट मुकर्रर हो जाये कि आप इतने कमिशन से ज्यादा चार्ज नहीं कर सकते, तो वह जगह जगह से गुड्स नहीं उठा पायेंगे, और इस का नतीजा बहुत अच्छा रहेगा ।

श्री एच० पी० सक्सेना : मैं तो सिर्फ यह जानना चाहता हूँ कि जिस बिल के ऊपर आप ने अपना मेमोरेन्डम भेजा है उस को पढ़ा है ? अगर पढ़ा है तो आप किस नतीजे पर पहुंचे हैं, आया आप इस ड्राफ्ट बिल से सहमत है या नहीं ?

श्री मनोहर सिंह : जो कुछ मैंने मेमोरेन्डम में रक्खा है, उस के अलावा तो कुछ है नहीं ।

श्री एच० पी० सक्सेना : आप ने नेशनलाइजेशन के साथ साथ रिन्यूअल आफ टर्म्स का जिक्र किया और कहा कि वह जल्दी आने वाला है । तो आप को कुछ शंका है । फिर उसी से मिला कर आप ने मुआवजे का जिक्र किया है । मैं जानना चाहता हूँ कि इन दोनों चीजों में क्या सम्बन्ध है ? आप ने साफ तौर पर कुछ बताया नहीं है । मैं बहुत गौर से आप के वक्तव्य को सुन रहा था, लेकिन मैं इस चीज को समझ नहीं पाया ।

श्री मनोहर सिंह : जो कुछ हमारे यहां हो रहा है, उसको मद्देनजर रख कर मैं अर्ज करूँ ।

श्री एच० पी० सक्सेना : हमारे यहां से आप की मुराद उत्तर प्रदेश से है, खास कर कानपुर से ?

श्री मनोहर सिंह : जी हां । जब रिन्यूअल होता है तो कई बहाने लिये जाते हैं । पहले तो कहा जाता है कि आप के दो चालान हैं इस लिये रिन्यू नहीं करेंगे । लखनऊ रीजन में आप कहते हैं कि आप के पास चार चालान

है, इस लिये हम रिन्यू नहीं करेंगे। कोई असूल नहीं है कि अगर पर्मिट रिन्यू नहीं होगा तो क्यों नहीं होगा। आप ने कुछ तय नहीं किया है कि इस किस्म के चालान होंगे तब हम रिन्यू करेंगे, या जब तक इस किस्म का चालान नहीं होगा तब तक हम रिन्यू नहीं करेंगे। जो भी रीजन है, है, वह अपनी अपनी मर्जी से काम करते हैं। हमारे अपने बहुत से आदमी रिन्यूअल करा रहे हैं वन फैमिली, वन पर्मिट के बेसिस पर।

श्री एच० पी० सक्सेना : आप की कानपुर की फैमिली में कुल मिला कर कितने आदमी हैं ?

श्री मनोहर सिंह : हमारे आपरेटर हैं सरदार मालिक सिंह। उन के पास ६,७ पर्मिट हैं। मैंने पहले अर्ज कर दिया कि जो पहले से चला रहे हैं, कोई वजह नहीं है कि उन की पर्मिट क्यों न रिन्यू की जाय। आइन्दा के लिये कुछ प्राविजन्स रख लिये जायें कि रिन्यू नहीं किया जायेगा।

श्री एच० पी० सक्सेना : तो इस से कम्पेन्सेशन का क्या सम्बन्ध है ?

श्री मनोहर सिंह : कम्पेन्सेशन तो इसी हिसाब से मिलना चाहिये।

श्री एच० पी० सक्सेना : पर्मिट की तादाद के मुताबिक ?

श्री मनोहर सिंह : जी हां।

श्री बिट्ठल राव : आप ने अपने मैमो-रेन्डम में यह बतलाया कि जब एग्जिस्टिंग रूट्स ले लिये जाते हैं तो डिस्लेन्ड आपरेटर्स को आल्टनट रूट्स दिये जाने चाहिये। मगर यह चीज साफ नहीं है कि जब आल्टनट रूट्स दिया जाता है तो उन को कम्पेन्सेशन क्यों दिया जाय।

श्री मनोहर सिंह : कम्पेन्सेशन देने की कोई जरूरत नहीं।

श्री बिट्ठल राव : मैंने इस लिये यह सवाल किया है कि जब कभी नैशनालाइजेशन किया जाता है तो वह लोग कहते हैं कि चूंकि हमारे पास पेइंग रूट्स हैं, इसलिये गवर्नमेंट उन को ले लेती है और हम को नान पेइंग रूट्स दे देती है।

श्री आर० पी० सिन्हा : क्या आप बतला सकते हैं कि एक लारी या ट्रक की कीमत कितने दिनों में आप को वापस हो जाती है। इस बारे में आप का क्या तजुर्बा है ?

श्री मनोहर सिंह : यह तो रूट पर निर्भर करता है।

श्री आर० पी० सिन्हा : एक ऐवरेज ले लीजिये। कानपुर में बड़े और छोटे, रूरल और अर्बन सभी तरह के रूट्स हैं, उन का ऐवरेज लेकर बताइये कि कितने दिनों में गाड़ी की कीमत वापस हो जाती है।

श्री मनोहर सिंह : हर एक गाड़ी की ऐवरेज इनकम साढ़े तीन सौ या चार सौ रुपया होती है।

श्री आर० पी० सिन्हा : आज कल जो गाड़ी की मौजूदा कीमत है उस के हिसाब से एक ट्रक या बस की कीमत कितने दिनों में वापस हो जाती है ?

श्री लाल बहादुर शास्त्री : अगर ऐवरेज ५०० रु० की आमदनी का है तो उसी का हिसाब लगा लीजिये। ४०० या ५०० रु० महीने की इनकम पर कितने दिन लगेंगे ?

श्री मनोहर सिंह : बरसात के दिनों में तो अपने पास से पैसा लगाना पड़ता है।

श्री आर० पी० सिन्हा : क्या आप ऐसा समझते हैं कि तीन बरस में या चार बरस में जो ट्रक चलती है उन से आप का पैसा वापस हो जाता है ?

श्री मनोहर सिंह : मुश्किल है। अगर किसी को रूट अच्छा मिल गया तो हो सकता

है कि निकाल ले, लेकिन हमारे रीजन में सारे अच्छे रूट्स छीन लिये गये हैं।

श्री अरार० पी० सिन्हा : आप जानते हैं कि हम लोग यह चाहते हैं कि ज्यादा से ज्यादा प्राइवेट आपरेटर्स इस बिजनेस में आवें। जो मौजूदा अमेंडमेंट हमारे सामने है उस को निगाह में रखते हुए क्या आप समझते हैं मालिकों को रिन्यूअल्स न होने का और नैशनेलाइजेशन का डर होते हुए भी उसी तादाद में नये आपरेटर्स बसेज और ट्रक्स लायेंगे, जैसे वे पहले लाते रहे हैं।

श्री मनोहर सिंह : मेरे खयाल में अगर यह पास हो जाता है तो बहुत मुश्किल है। इस से गुड्स ट्रांसपोर्ट को बहुत खतरा होगा। पहले गुड्स वालों को कोई खतरा नहीं था, उन्हें आश्वासन दिलाया जा रहा है कि पांच साल तक गुड्स ट्रांसपोर्ट को नैशनेलाइज नहीं किया जायेगा। जो प्राविजन रक्खा जा रहा है उस में भी यह कहा गया है कि गुड्स ट्रांसपोर्ट वालों को घबराना नहीं चाहिये। लेकिन इससे हर एक के सिर पर तलवार तो लटकती रहेगी, गुड्स ट्रांसपोर्ट वालों पर भी और पैसेन्जर ट्रांसपोर्ट वालों पर भी, कि पता नहीं कब उस को ले लिया जाय।

श्री अरार० पी० सिन्हा : आप के दिल में डर हो गया है ?

श्री मनोहर सिंह : जबदस्त डर हो गया है।

Chairman: Tomorrow, we shall examine witnesses from the following four associations:

The All India Motor Union
Congress, New Delhi,

The Western India Automobile
Association, Bombay,

The Automotive Manufacturers'
Association of India, Calcutta,

The West Bengal Lorry Syndi-
cate, Calcutta.

We shall try to finish taking evidence by 1 P.M. tomorrow, so that we may avoid, if possible, sitting in the afternoon.

I believe the memoranda submitted by these associations have already been circulated to hon. Members. I would request them to persue these memoranda and confine themselves to asking questions on the relevant facts.

We shall try to avoid the afternoon session if possible, but not at the cost of getting the necessary information from the witnesses. We shall try to make the best use of the time, in the morning itself. If, however, we are not able to finish, then, we have to meet in the afternoon.

(Witness then withdrew)

(The Joint Committee then adjourn-
ed.)

THE JOINT COMMITTEE ON THE MOTOR VEHICLES (AMENDMENT)
BILL, 1955

Minutes of Evidence taken before the Joint Committee on the Motor
Vehicles (Amendment) Bill, 1955.

Saturday, the 6th October, 1956 at 10 A.M.

PRESENT

Shri K. S. Raghavachari—*Chairman*.

MEMBERS

Lok Sabha

Shri K. L. More	Shri Bhupendra Nath Misra
Shri Fulsinhji B. Dabhi	Sardar Iqbal Singh
Shri M. L. Dwivedi	Shri Shree Narayan Das
Shri C. C. Shah	Shri Rameshwar Sahu
Shri Amarnath Vidyalankar	Shri T. B. Vittal Rao
Shri Suriya Prashad	Shri Girraj Saran Singh
Shri Ram Sahai Tiwari	Shri Bahadur Singh
Shri Basanta Kumar Das	

Rajya Sabha

Shri T. J. M. Wilson	Shri K. P. Madhavan Nair
Shri H. P. Saksena	Shri R. P. Sinha
Shri Amar Nath Agrawal	Dr. Radha Kumud Mookerji
Dr. Pur. Chandra Mitra	Shri Lal Bahadur Shastri
Dr. R. P. Dube	

DRAFTSMAN

Shri R. S. Sarkar—*Joint Secretary and Draftsman, Ministry of Law.*

REPRESENTATIVES OF MINISTRIES AND OTHER OFFICERS

Shri N. M. Ayyar—*Secretary, Ministry of Transport.*

SECRETARIAT

Shri P. K. Patnaik—*Under Secretary*

WITNESSES EXAMINED

I. The All India Motor Unions' Congress, New Delhi.

Spokesman:

Shri Kundan Lal	Shri A. Williams
Shri Harbhajan Singh	

II. The Western India Automobile Association, Bombay.

Spokesman:

Shri K. B. Madgavkar	Shri K. G. Subramaniam.
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III. The Automotive Manufacturers' Association of India, Calcutta.

Spokesman:

Shri L. P. Misra.

IV. The West Bengal Lorry Syndicate, Calcutta.

Spokesman:

Shri S. K. Banerjee

Shri Ajit Singh Dhamrait.

Shri S. K. Chatterjee.

I. The All India Motor Unions' Congress, New Delhi.

(Please see their memorandum at Appendix IV)

Spokesman:

(1) Shri Kundan Lal

(2) Shri Harbhajan Singh

(3) Shri A. Williams.

(Witnesses were called in and they took their seats.)

Chairman: Now, we have the representatives of the All India Motor Unions Congress, New Delhi. Let us begin.

Gentlemen, you have submitted your memorandum and all the members have got a copy of it. You mostly deal with the general principles except a few particular sections. You have also stated that at the time of giving evidence you will add to what you have stated in the memorandum. Do you wish to say anything over and above what is contained in it?

Shri Kundan Lal: Before we begin, I would like to thank you for this opportunity given to us. As I shall presently try to put before you, we are the persons who are interested in this enactment in more than one way. We are interested in it just because we are citizens of India and we feel that the object of this Bill is the development of road transport.

Secondly, we are the people whom this Bill is going to affect in the long run because, as has been estimated by the Planning Commission, we provide today the entire goods transport

in the country and about 3/4ths of the passenger transport services running on the roads in India. I can show by statistical information that for another two decades our numerical superiority is going to be there both in goods transport and passenger transport services.

The present Bill seeks to amend a number of sections of the existing Act affecting both matters of policy and detail and also regulation. We have to submit something on each and every clause of the Bill. It affects us in the operation of the day to day services, not only in the long-term policy but also in the event of the notionalisation because it is our existing services that are sought to be nationalised, our existing permits are sought to be terminated by way of cancellation or by refusal to renew. I would, therefore, request that you may be pleased to allow us to elucidate some of the points that we have submitted in our memorandum. It is for the simple reason that we might not have been able to express ourselves as completely as we wish to.

The Bill, as we see it, is going to defeat some of the objectives that we have in view—at least feel that we have in view—for the overall economy of the country. We understand that there is no difference of opinion that there is going to be a definite increase in the traffic of the men and material for the Second Five Year Plan, as a result of so many schemes that we have in hand and as a result of the increase in the level of income and many other reasons. We feel that the only way to cater to the traffic is to

increase the number of motor vehicles on the road. I would submit, with your permission, that the amendments that we are going to make would not achieve the purpose of bringing in more vehicles on the road. Therefore, my fears are that instead of really developing road transport to the extent it is desired, we might have some difficulties in the real implementation of our Plan.

There are so many things which will affect the bringing in of new vehicles. We can divide them for the sake of argument into different categories; first goods transport and the second passenger transport. I do not consider passenger traffic in any way to be less important than goods traffic although much emphasis is being laid in the newspapers and in the representations that are being made from time to time for the expansion of facilities for goods transport. Of course, as a result of our increased emphasis in the Plan on industrialisation, we have worked out certain targets and we have worked out the capacities also. We have also tried to assess the shortfall that will be there. I would submit that in working out the targets we have made a serious omission. That is, we have not taken into consideration the secondary transport. What I mean by secondary transport is this. We may have worked out what we are going to produce in the factories; but, we have forgotten that production will have to be processed and many things will have to be moved. I will take the example of cement. When we say that a certain quantity of cement is to be produced in the Second Five Year period. We forget the fact that it is not cement alone that is going to be used. Therefore we have to calculate our targets including the sand—4 times of cement—that has to be used and all that. It may be that they have to be moved for shorter or longer leads. The railways are doing their best and it is possible that there may be much more improvement than we have imagined or anticipated. But still we say that the railways cannot

do the whole job. They can do their best but they have their own limitations also. In that context, it is necessary to give the railways the necessary help. I would again submit that that help could come only from road transport than from any other transport. That is how I see this problem.

So far as passenger transport is concerned, the Railways are visualising a certain percentage of increase. I think they have calculated it at 3 per cent. per annum; and, in 5 years, it is going to be 15 per cent. There is already overcrowding on the railways. If there is going to be 15 per cent. increase, the railways will necessarily have to devote some of their money and attention to increase passenger transport facilities also. In the same way, we are anticipating there is also going to be an increase in the amount of passenger transport by road. Moreover, we are going to have 10,000 miles more of roads. We want to put some vehicle on every mile of our roads. We want to make the best use of the roads and, to that extent, there is going to be definitely an equal if not more increase in the passenger transport by roads. My opinion is that our immediate objective should be—and I would say that it should be the national objective—not to view it as one of road transport or rail transport—our objective should be to take whatever steps we can to increase and step up the existing facilities. In this context, I would like to submit that this Bill, in the form in which it will come out after amendment, will belie at least some of the hopes that we are having.

About goods transport, we have been told that that will not be nationalised during the Second Five Year period. It is very welcome news and a very welcome assurance. But, I would submit that we find that there is only the assurance and not the necessary climate for it. The Bill, as it is going to be, brims with danger. As goods transport has been included in the definition of transport services, if any State Government wants to nationalise it can come up with its

scheme to the Centre and the Centre may agree to it. This cannot be avoided unless there is going to be some specific provision in the Bill that nationalisation of goods transport will not be done. If in spite of the instructions from the Planning Commission or the Central Ministry of Transport, if some State Government wants to go ahead with the nationalisation of goods transport, it has got all the powers under this Bill. That is one thing which I want to submit. You have given the assurance that it has been decided and it has been accepted by the States that there will not be any nationalisation of goods transport during the Second Five Year period; when it is so, we can delete that clause which empowers the State Government to prepare schemes for nationalising this. If it has been decided by the Central Government and if it has been agreed to by the State Governments, I do not know what reasons compelled them to include this provision in this. This deletion will have a more assuring effect on the people than the assurances.

Chairman: You have the statement of the policy by the Minister and the Government and you have also the assurance that the States have agreed to this that no nationalisation of goods transport will be taken up within these five years unless with the permission of the Central Government. You are not satisfied with this and you want it to be in the Act itself. Is that what you are urging?

Shri Kundan Lal: I would submit that it is very difficult for me to say that I am not satisfied with the assurances. What I mean to say is that it would be only fair to incorporate that in the Bill and not rely merely upon assurances with the provision existing in the Bill. It may be that owing to certain circumstances and for some reasons the States may not like to fall in line with the policy of the Centre and it may, perhaps, happen, for some reason or other, that after a year or two the Centre too might give in. Certainly, there

will be an amending Bill and there may be an opportunity for us at that time to put our views. That will be possible only if the power is not there now. If, as you say, there is the policy of the Centre and the agreement of the State Governments, I personally feel that it would not be difficult to delete the clause. That, I think, would have much more assuring effect than the assurances themselves.

Shri Lal Bahadur Shastri: Since the Government of India—the Transport Ministry—and the Planning Commission tendered the advice, the State Governments have so far not taken to the nationalisation of goods transport. I do not think that the State Governments will go against the spirit of the advice given by the Transport Ministry. In these circumstances, I personally feel that it is perhaps advisable to retain it in this Bill.

Shri Kundan Lal: I would not like to enter into any sort of controversy with the hon. Minister who has been very considerate to us in the past and whom we expect to be so in the future also. I would submit that there have been occasions when we have had to rush to him and request him to persuade the State Governments not to do certain things. I would only like to save him from all this trouble. I would only request him to give this as a parting gift of the present Ministry, that for 5 years at least there will be no trouble. That is all what we want.

Chairman: You and your organisation believe that it would be better if it is part of the legislation itself rather than an assurance. That is all. Whether the States would like to embark upon some scheme or whether the Central Government would give permission and many other things have to be taken into consideration later on. You only mean that it should be part of the legislation. Is it so?

Shri Kundan Lal: Yes. I would only submit that we have to make

this suggestion because of our past experience with the State Governments and assurances. Our experience is that we get an assurance today and after 3 months or 6 months or even after three years we have to remind them that they had given us an assurance and that they are going against that. We do not want to have that repeated.

Shri Lal Bahadur Shastri: Not in the case of goods transport services?

Shri Kundan Lal: It has not started as yet. We want that history should not repeat itself—in the case of goods transport also.

I come to another point. It has been suggested that more transport facilities should come to the rescue of the trade. It has also been suggested by some that the number of trucks should be increased and so many new permits should be issued and there should be liberalisation of permit rules etc. I would submit that when you are going to develop road transport, the objective of development should be efficient and economic transport. But I find that there are certain amendments in this Bill whose effect would be the contrary. On account of those there would be difficulty and the efficiency would go down and our objective would not be reached even if we increase the number or liberalise the terms. In regard to the portions where we are going to restrict the operation of trucks, where we are going to put the provisions of the Code in an indirect way in the provisions of the Bill, and where we are increasing very meagrely the payload capacity of the trucks and where we are still carrying on the machinery of regulation in the same old form which has completely failed in the past to rise equal to the situation as and when it demanded. I would say just a word on each of them. There has been a restriction in the area of operation and a limit of 150 miles is imposed. From my own experience of the business for so many years, I would say that it is not at all an economic limit

unless you allow us to do about 300 miles a day, which in our opinion is the minimum necessary. I do not say this in any bargaining sense. If you put a limit of 150 miles, it cannot be economic in the sense that if the cost of operation continues to be as at present, we cannot perhaps reduce the rates—really people want cheaper rates—and I would submit that by cheapening the rates, we are not thinking of entering into any conflict or competition with the Railways. The conception during the last decade and a half has been that it has not benefited the Railways in the least but it has harmed us most. Railways have got a specific role to play which we cannot do and similarly we cannot do what the Railways can do. Therefore, we are doing what the Railways cannot do. These are two distinct fields in which road transport has to play its own part and the Railways their own part. These two areas border each other, no doubt, and there can be sometimes a conflict as well as there can be sometimes an ancillary help from one to the other. At the time the 1939 Act was passed, we were afraid of a conflict between these two.

Chairman: There is an awakening now and the feared competition between these two sectors is not so much a reality now. The policy is to make it as far as possible liberal, except keeping the power, in exceptional cases, to control it.

Shri Kundan Lal: Thank you; I would not take up the time of the hon. Members on this point, because that is exactly what I was going to say.

Having accepted this proposition and having stated this policy, which your good self has stated, I find that in the name of liberalisation we are getting more restrictions in the amendments of the Bill. Here we have been struggling hard in our own humble way that the Code should not be implemented, and perhaps the Code has not been implemented as such in many States. It may be that here or there certain restrictions are imposed.

but once it gets into the Bill, perhaps our position will become more difficult. That is why we submit that the present time is not opportune to restrict the operation of goods traffic and let the *status quo* remain. If more liberalisation cannot be put into the Bill now, at least let there not be any clauses which go against this policy, let them not be put in there. The 150 mile limit and other restrictions now sought to be made were never present in the 1939 Act. They were contemplated in another document—the Code of Principles and Practice—and it was circulated and discussed every year by the Central Government, and the State Governments. There is only one point on which we have the support of the State Governments and perhaps they also resisted its implementation. On other points we were fighting the State Governments, but here they were helping us; they are with us on this point that at least this thing should not be done because it would render it uneconomic. When we started the discussion about 150 mile limit and about this Code, with regard to the price factor of the trucks and the period in which we were going to take them, things have changed in such disproportion that all our old conditions do not hold good today. Secondly, we have started on the assumption that we are required to do something more in these five years and we shall do it. But certainly we should be given a freer hand to do it. We do not want to give the impression that road transport has failed to discharge its duties. Therefore, I would request that there should not be any restriction on mileage like 150 miles as sought to be imposed now. If there are any fears that by liberalising the area of operation we will come into conflict and there would be any trouble or loss for the Railways, then there are a hundred and one means of achieving the object which Government has in mind.

Chairman: That point is covered now.

Shri Kundan Lal: Secondly, we have a very good provision in the Bill about the inter-State Transport Authorities. This good point, however, has been compromised in an anxiety to have it included in the Bill. We once learnt that the suggestion was that the Central Government was going to have the power of regulating inter-State transport because it can do so under the Constitution, because inter-State transport, as in the American Constitution, has been interpreted to mean inter-State commerce, which I think is covered by the present Constitution. But it has been said that they would be only permissive powers, permissive in the sense that when two State Governments cannot come to an agreement and one of them approaches the Central Government, the Central Government will set up an inter-State Transport Authority. I would submit that this is a question which deserves your very careful consideration. Supposing I am State A and I know that by my representing the case that I would not be able to come to an agreement or I have not been able to come to an agreement with an adjoining State, the unfettered inter-State Authority is going to dominate on me. Therefore, I would think a hundred times before approaching the Central Government. Therefore, this provision would remain a dead letter.

Shri Shree Narayan Das: The present provision does not prevent the setting up of an inter-State Authority by the Centre. They can do it in consultation with the State Governments and they can also do it otherwise.

Shri Lal Bahadur Shastri: It says "on a request received in this behalf from a State Government or otherwise".....

Chairman: In the memorandum they have specifically referred to it and feared that it can be only on a reference by a State and therefore the public have no place. But I would like to point out that the word "otherwise" is also used there.

Shri Kundan Lal: I do not know whether I should submit this point before you or not, but I think that the present wording of the provision is vague and more in favour of the State Governments. We could certainly delete this clause "that the Central Government shall constitute an Inter-State Transport Authority....."

Shri Shree Narayan Das: What do you mean by saying that the present provision is in favour of the State Governments?

Shri Lal Bahadur Shastri: Your purpose is served without offending the State Government.

Shri Shree Narayan Das: The State Government also represents the people and therefore they cannot go against public interests.

Chairman: The policy is that the States and the Centre in a matter of such importance must go with goodwill towards each other rather than get into a struggle for having exclusive powers one way or the other.

Shri Kundan Lal: I am sorry if my remarks have carried that meaning.

Chairman: No, no.

Shri Kundan Lal: On the other hand it is more with State Governments that I have to deal with than with the Central Government. But what I was going to say is this. Supposing two State Governments come to an agreement. The agreement is arrived at between the two officials of the respective Transport Departments and it is ratified by the respective Ministers of the States concerned. I can quote instances existing today where the agreement made by the Governments, State Governments, is not in the interests of the public—I am not speaking of a situation when there will be no agreement. They arrive at it from the point of the public interests, but I look at it from the point of the view of the consumer, the user of the transport, the supplier of the transport. Maybe there is a difference of

opinion. It is stated here that it should be at the request of a State Government or otherwise. The word "otherwise" should be amplified by saying that if the users of the transport feel, those who provide the transport feel, that the existing agreement arrived at between the two State Governments is not satisfactory, then also the Central Government should come forward and constitute an Inter-State Transport Authority.

Chairman: We will consider that aspect.

Shri Kundan Lal: Another point about the goods transport is that we should be given greater payload. The laden weight of the vehicle should be increased from 18,000 lb. to 18,000 lb. axle weight—that is the minimum that we want. I would not like to compare India with any advanced country in the world and conditions that exist in each country are different. But almost in all countries the trend is towards going in for a higher payload, because the more the payload, the greater is the effect on cheapening the operational cost.

Shri Lal Bahadur Shastri: This matter was referred to yesterday. Had Mr. Mathrani been here now, he would have explained this point to you. But we are prepared to consider this problem.

Chairman: We have been considering this matter yesterday, consistent with the safety and the condition of the bridges and roads. The general impression of the Committee is that the laden weight may be increased, except that in particular areas or States where the roads may not be capable of bearing the load some discretion may have to be given in the matter of decreasing it.

Shri Lal Bahadur Shastri: Even on certain national highways the position is that they cannot take too much load. If the roads and bridges are such that they can take that much weight, we are prepared to go up to 27,000 lbs.

Shri Kundan Lal: I have nothing to say except one more point. All that we are considering is the safety of the roads and bridges. If in this Bill some provision is made for encouraging the truck-trailor combination, then we can achieve our object of getting more payload without damaging the roads. Secondly, the Act, as now going to be amended, contains a provision for restricting the use of the vehicle in a certain area and on certain routes. If that provision is there....

Chairman: Let us have a minimum and a maximum.

Shri Kundan Lal: That would be better.

Chairman: Putting a smaller minimum and then giving discretion to increase may be more difficult. Instead put a higher minimum. That matter will be considered by the Committee.

Shri Kundan Lal: It would be increased by 50 per cent; it will not be doubled if we are permitted to increase.

There are two points about goods transport. The wearer knows where the shoe pinches and so we know it. We have the report of the Study Group and it has said that there is at the present moment some unused capacity, that is, that some capacity is lying unused and it has also said something with regard to the development of road transport. There are certain things with which we are in entire agreement. There are certain evils which are at present prevalent in the trade. We had emphasised this point long before the Planning Commission brought out their First Five Year Plan. They had said that the only way of tackling the problem is to encourage the organisation of viable units. I do not mean to say that viable units should have a complex Capital structure. The best way is to organise them on a co-operative basis and that will also fit in with the socialistic pattern of society that we have adopted. Whether you give one man a permit or one family a permit,

all that I say is that if we expect him to maintain a certain basic standard of safety, of good operation, of economic operation and all that, then the only course left open to us is to force him—persuasion here will not be enough—to organise himself into a viable unit. It should be left to the State Governments to do that. I am afraid during the last five years the directive—I won't call it a directive, it is rather the wish—of the Planning Commission has been ignored by the State Governments.

Shri Lal Bahadur Shastri: What will be the viable unit?

Shri Kundan Lal: This will again depend on different areas and so I will not mention any number. But we had discussed with the Study Group and we said that 20 would be advisable if more cannot be done. As I have already submitted, this association has no idea whether joint stock companies should be preferred or co-operative societies should be preferred but in consonance with the policy of socialistic pattern of society, perhaps, it would be better if we organise them on a co-operative basis. But I submit, as I have submitted to the Study Group, if you are expecting that the initiative will come from the operators' side, it will never come not because that they don't want to organise but because the regional transport authorities and the State transport authorities have been following different policies at different times, may be in the public interest—I don't deny it—which have been contrary, contrary in the sense that at one time they have refused to give me a permit because I have already got one permit and the next time they refused to give me a permit because I have no experience and permit is given only to experienced operators. There were so many instances like this in Punjab. I will cite one example. In Punjab there were so many individual bus operators and they were running the services until 1941, as individuals. I was also one of the operators since 1936. All of a sudden, we were forced to join into

a viable unit and, as it is admitted everywhere, bus service in Punjab is definitely superior, of course leaving some areas in the South.—In Panjab after they had received instructions from the Planning Commission that viable units should be encouraged. So, some were split up into fractions, sometimes 4, 5 and 6 and that policy continue today. Therefore, I would submit that this Bill, which you are going to amend here, is an opportunity for implementing this recommendation if you take it seriously—and I have no reason to doubt that we do not take it seriously—when you are amending section 47, factors that should be taken into account when granting a permit. I say that when you grant a permit to a new individual this should be the policy of the State Government. When you grant a permit make it a condition that the grantee shall join one of the so many viable units, leaving the choice to him. He will not run it independently. If you grant a public carrier permit and you expect him to have storage facility, insurance of the vehicle, insurance of the goods and certain other facilities, he may not be able to provide all of them. Therefore, it should be made a condition of the permit. There are certain vested interests—they are always everywhere—who have got a pull and who will manage it themselves. Therefore, it should be made a condition of the permit, a condition incorporated in the licence itself, if we want viable units to be formed quickly. Unless viable units are formed and standardised, operation will not improve. I don't think I can lay any more emphasis on this point.

Shri Lal Bahadur Shastri: Yesterday one of the associations suggested that we should start with ten.

Shri Kundan Lal: The Delhi State Government started with five. But I would not like to enter into a controversy about numbers. But I will only say that if there are only two or three, it will not be an economic unit or a workable viable unit. Therefore, let there be some minimum

and some maximum because we do not want big monopolies either here.

Shri Lal Bahadur Shastri: There are individual operators who are keeping their vehicles in perfect condition and they are giving necessary facilities also to the travelling public. Why do you insist on that? I am just asking for my personal information. For example, in U.P., I am told, the Government have decided that one family should not get more than one permit. Their idea, perhaps, is that by that they will be giving employment to more people. The individual initiative is there and the workshops are there in every big city. They can take the help of private workshops where those vehicles will be properly looked after and maintained. So, why do you object to this kind of system and why should you insist on a viable unit?

Shri Kundan Lal: I am in perfect agreement with the hon. Minister that there are certain individual operators who are giving very good service. But I would like to point out for your information that they are working under various handicaps. Supposing there is an organised unit which wants to conform to the law and do everything as desired by the law. He begins doing it and then he has to meet uneconomic competition of those who do not want to observe them. He is at a disadvantage and it is only for his name's sake that he is doing everything. If you will allow me, I will give one example from U.P., in the hill areas of Tehri and Garwal the R.T.A. has issued an order that no permits should be issued to fresh entrants when they should be made to join the rest of us. If the hardships are removed, there are great potentialities of employment in the road transport, and more rapid development is going to come. Therefore, what I submit is, whether it is Tehri Garwal or some other place, you make a condition that if there is an existing operator, all the permit holders who are operating should pool their resources and they should join one association.

Shri Lal Bahadur Shastri: To help the association?

Shri Kundan Lal: Not to help the association.

Shri Lal Bahadur Shastri: Whenever the association have met Government representatives, they have always said that whenever permits are given, the permit-holders should be asked to join one of the associations. In order to help the association, Government has been taking this attitude, but as a matter of general policy whether they should take it or not is the point.

Shri Kundan Lal: May I submit that this procedure helps the individual permit-holder more than anybody else? As your goods were saying, there are private workshops, I don't deny that. But suppose I have got one bus or one truck and that goes in for repairs and is kept in the workshop for 10 or 20 days. My business for those days is totally lost. Then, suppose the State needs the vehicles for emergency purposes—we have got some-times flood and all that—we cannot keep reserves for other needs. Therefore, the individual permit-holder certainly is benefited more by coming into the viable unit. If we generally accept the principles, we can have the number of 20 or 25 or a unit for each district.

Shri Lal Bahadur Shastri: The quantum of income is divided.

Shri Kundan Lal: My emphasis is on another point. Do we or do we not want that the standard of services should improve? If you want, there is no other way. If we want a bus service, there should be enough of passengers, there should be amenities to the passengers, there should be sheds and other conveniences and the workers should get better wages. All these things you cannot provide unless there is a viable unit.

Chairman: All these things could be done by the association.

Shri Kundan Lal: In other countries people are association-minded and

Govts. are also association-minded. But, unfortunately, the people and the Govt. are not so here.

Shri Lal Bahadur Shastri: Can you compare the conditions obtaining here with the conditions in other countries as compared to the population and other things?

Shri Kundan Lal: I cannot compare at all and that is my difficulty. If I can compare, I would not have come here. Now I have come to you to seek your kind help in seeing that there is no uneconomic competition anywhere. If we were association-minded, there was no necessity for me to rush up here and seek your help. We in India have got uneconomic competition which you know very well and to prevent it and to give an opportunity to us to improve ourselves, it is very necessary that we should get your help and we think that the help should be given to us in the form of some statutory provision, whether it is in the rule-making power or is embodied in the Act itself, because it may be that even if you desire to help us, your directives and other things may be carried out too late or not in the way in which we wanted.

Then there is one minor matter—minor in the sense it is coming last; but it is an important matter. There is a class of middlemen working between the users of the transport and the providers of the transport. It is too well-known to some of us who are dealing in this business that it requires not even an investment of Rs. 50 or more to set up a goods booking and forwarding agency. All that is required is to have a table, get a receipt book printed, and a chair and sit on the road side and say we are goods booking and forwarding agents. That has to be done because there are not enough transport companies and there is a man who has got a truck who cannot go and find full truck loads. He has to depend upon them for the procurement of the goods and the consignor has to depend upon them for he has not enough

goods to book a truck. Therefore these people have a position which is indispensable for the trade, I mean this trade of road transport and amazingly these people have got no regulations absolutely. We have been urging on the Ministry of Transport as also on the various State Governments and some of the State Governments agreed with us but they said that they have no powers under the Act to do anything. I am glad that the power to make rules have been given in the amendment but I would submit that it is not enough and this will again not lead us anywhere because this is a very dilatory method. I would only say that some elaborate provisions for the regulation of these middle class men should be provided in the Act for the guidance of other people for merely leaving it to the rule-making power will not serve our purpose in this matter.

Chairman: Just a minute ago you said that a provision should be made in the Act or in the rule-making power. Now why do you insist on it being provided in the Act itself?

Shri Kundan Lal: When I submitted that I was referring that there were no powers either in the Act or in the rule-making power.

Chairman: I understand you to say that the control of this intermediary or agency may be in the rule-making power or in the Act. Do you want it in the Act itself?

Shri Kundan Lal: It would be much better if it is in the Act.

Chairman: We will consider that.

Shri Kundan Lal: Now I come to the most important and burning question of this Act, that is about the nationalisation of passenger transport and the compensation that you are going to pay us when you are going to bring about that nationalisation. Having made my submission, particularly on Chapter IV, I will now, with your permission, say something on Chapter IV-A, that is, with regard to the nationalisation of passenger transport service.

Chairman: Instead of going into general matters for consideration

about nationalisation and compensation and the principles or details as to how compensation should be fixed to be paid, you may offer your remarks and opinions only on a few aspects which are included in this Bill. For instance, the Act provides that compensation shall be payable only if a permit is cancelled or if it is restricted and not for refusal to renew them for a further period. That is point No. 1. Your memorandum says that refusal to renew the licence also must be an item for compensation. The second point is that compensation must be paid also for the vehicles and other assets of the operator. Those things to be acquired may not be of any practical use at all. That is another item of dispute.

Is there any other point?

Shri Kundan Lal: These are the main two points.

Chairman: So far as the first item is concerned, we have already said that if a refusal to renew a permit is motivated because a particular route or area of operation is to be reserved for the State, that will be another consideration. These are the only points....

Shri Kundan Lal: And the quantum of compensation.

Chairman: Instead of covering these three points in detail, you simply mention some important aspects of these as to what you would like to be done with respect to them because our purpose is to understand your point of view.

Shri Lal Bahadur Shastri: Because, the general question of compensation is acceptable to all.

Chairman: And throughout the country the cry is it is not satisfactory and it is inadequate. We have to consider the legal aspect of it.

Shri Kundan Lal: I would like to draw your kind attention to only one sentence in my memorandum wherein we have said that of all the people we are discriminated against you yourself have been kind enough to say that everywhere there is dissatisfac-

tion on this issue of compensation. My case is quite different from everybody in the sense that my complaint is not that it is inadequate or insufficient. All that has been done to me and sought to be done to me are unfair. I do not take the legal point so much. I have not come here in connection with any legal aspect of the issue. I have come here to demand justice and I was told that justice on this issue will be done by the Legislatures and not by the Courts. Therefore, I am not discussing the legal side of the question.

Chairman: Come to the point.

Shri Kundan Lal: I was saying that nationalisation of transport has been done in a way which is quite dissimilar and rather in a unique fashion. The process that is followed in the case of nationalisation of other industries was not followed here in the case of road transport industry. In other cases what was done is to take an existing concern and according to certain rules to fix the compensation and there will be valuers. Here, I would like to bring to your kind notice certain things. The Central Government took over one existing concern of road transport in Delhi. The Mysore State Government has taken over a concern, namely, the Bangalore Transport Company. In these cases, the same principle as was followed in the case of nationalisation of insurance companies, etc. was followed. The word 'nationalisation' and the process of nationalisation have started earlier. There was this process in the State Governments. It started when the State Governments found that it was not advisable for one reason or other to give permits to private road transport and they refused them permits and almost created a monopoly to earn more....

Chairman: You are going into certain details. What exactly is it that you want to urge in addition to the fact that compensation must include the refusal to renew permits, etc? You are saying that in other places, this was done like this, that, and so on. It is justice that you plead for

Under the Constitution, they have provided; as you have rightly said, that the principles of compensation must be settled by the Legislature. It is so. What is it that you have to say now?

Shri Kundan Lal: I will try to be more to the point as directed by your goodself. What I say is that the tying up of the compensation with the permits is wholly unjust. Permit is regulatory in character. If a vehicle is fit enough to be on the roads, you give it a fitness certificate. If I am considered fit enough to run a vehicle, you give me a permit. The main point is that, in whatever form it may be, you are stopping my business and stopping me from putting my vehicles on the road. It is for this cessation of business that compensation should be paid. I do not know whether you will do so by cancellation of my permit or refusal to renew my permit or by modifying its terms. The object is to allow the Government to come there. In the matter of compensation, not only I want that you should be fair to me but you should be rather generous to me because, after all, I have done something at a time when the Government was not in a position to do it.

Shri Lal Bahadur Shastri: In the U.P. they have done this and in the matter of fixing the existing rate of compensation did they consult your association or some of your?

Shri Kundan Lal: We represented. Consultation is quite a different thing.

Shri Lal Bahadur Shastri: What happened then? Did you agree to the rate of compensation?

Shri Lal Bahadur Shastri: Absolutely not.

Chairman: There are other considerations. All the assets should be acquired on nationalisation and there are 100 types of vehicles in all States and it will be a junk and it is something useless....

Shri Kundan Lal: In this connection I would like to quote an instance

which is quite relevant though it may not be specific. The Government of India took over the Gwalior and North India Transport Company and a committee of valuers was appointed to assess the value of the assets of that company and those assets had to be auctioned at 10 per cent value within one year. Then it was said that this would be a junk and so on. I would only submit to you one thing and that is when a vehicle is road-worthy and we can make profitable use of it for some more years, it is only then that we go in for renewal of permit. It is not proper to replace a vehicle six months before it becomes unfit. If my vehicle is not on the road for one day, you will cancel my permit and for that reason your valuers cannot say that my vehicle is not road-worthy. That is the essence. It may not be road-worthy for those people who are only accustomed to run new vehicles, that is, perhaps the road transport undertaking, without casting any aspersion on them. If it is declared as not road-worthy, will it not be a national waste? Is it not unfair to judge such a vehicle as not road-worthy whereas I can put it on the road for another five years?

Chairman: Another aspect is this that something must be paid for the things which are considered to be of no use to you.

Shri Kundan Lal: Let them take the market value.

Chairman: There are other considerations, no doubt.

Shri Lal Bahadur Shastri: The Public Accounts Committee has criticised already....

Chairman: The point is that you want your assets also to be a matter for consideration in including compensation. That is the substance of it.

Shri Kundan Lal: I want them to be taken over at a value to be fixed. Incidentally I would like to mention with your permission what the Public Accounts Committee has said, as it

has come in. The Public Accounts Committee has criticised the over-valuation of the assets and not for taking over them. Here, I do not want my assets to be over-valued.

Chairman: What happens is, once the question of the valuation comes in, there must be an agency for that and there will be some final settlement and so on. All those things will come in. That is another matter

Shri Kundan Lal: Will you permit me to say one thing more? I am referring to the U. K. Transport Act. There, though the condition is quite different....

Shri Lal Bahadur Shastri: You can clarify that point if any question is put to you on that.

Shri Kundan Lal: Government of India agreed that this question should be settled in accordance with the U. K. Transport Act and actually a draft had been prepared on that line. It is only when it turned into a legal fight that we lost and we were penalised for having gone to the legal side. Please forget those things.

Chairman: You have referred to the need of having an agency for fixing the compensation. Would you be satisfied with a tribunal or an executive agency?

Shri Kundan Lal: We have no objection if there is an independent Tribunal from which appeal should lie to the High Court or Supreme Court. If it is purely executive, sometimes it will be difficult.

Shri Lal Bahadur Shastri: What about a judicial tribunal?

Shri Kundan Lal: But there should be right of appeal.

Shri Lal Bahadur Shastri: If it is a one-man judicial Tribunal?

Shri Kundan Lal: Even then there should be the right of appeal. In that case, I will be contented with the judicial tribunal.

I would also like to say that period of a permit should be extended from 3-5 years to 5-8 years as the present price of vehicles is very high.

The private operators or their representatives should be given representation in R. T. A. etc. The penal provisions incorporated in Chapter 'A' are very good. But they have been made very prohibitive and there is no clarification as to who will be punished for the crime because under the present procedure the owner is punished for nothing when the driver is at fault and at times the driver is punished for nothing when the owner is at fault. In other words, both of them suffer. There should be a clear provision incorporated at least in the Act to this effect so that the man responsible alone is punished. I would like to go a step further and say that increased fines etc. will lead to corruption. Therefore it should have been better if for successive offences these were more deterrent punishments, like cancellation of the licence or permit, etc. whereby nobody will be able to do anything in their favour by corrupt methods....

Chairman: In other words, you are suggesting that for the first offence there should not be severe punishment but for subsequent offences there may be severer punishments.

Shri Kundan Lal: In the first as well as the second offence. You can be liberal in small offences.

Chairman: In other words, you are suggesting to have a scale according to the number of repeated offences.

Shri Kundan Lal: There is one more minor point and that is about insurance. You are appointing a Tribunal and the Tribunal will award the damages and we welcome that. Sometimes it so happens that some insurance companies put up certain technical objections before the Tribunal in the case of certain private operators who are illiterates and say that the insurance is wrong and as such they cannot undertake the liability. I would, therefore, submit that before the insurance, this insurer he should satisfy from the RTA records or in anyway that whatever is given by the applicant in the proposal is correct and nothing should at the late hour when it come to the question of pay-

ment spoil the poor transport operator's case just because he cannot write.

Chairman: In other words, you want the insurer to ensure himself that there is no legal defect or misrepresentation.

Now, some of our friends would like to put questions to you.

Shri R. K. Mookerjee: Please turn to page 4 of the memorandum. I wish you to explain the meaning of your 'dismal' figures which you have quoted there. You say that while the general production in the country increased by 35 per cent. between 1951 and 1953, the registration of motor vehicles increased only by four per cent. Then, you say that "since the start of the First Five Year Plan, there has been less than half of what it was in the 15 preceding years and almost one-fifth of that for the period 1920 to 1936". I wish you to understand the economic significance of these dismal figures, as you call it, and you must explain how it is that instead of making any progress, there has been this appalling rate of deterioration in this sphere of private enterprise.

Shri Kundan Lal: I might submit one thing. I have refrained from quoting figures in the memorandum. This is unfortunately one of the few figures which I have quoted there, and which I have crept into the memorandum. What I mean to say by these figures is, I do not say that the number of motor vehicles has not increased. But I say that the effect of the Motor Vehicles Act has been that this increase has been very nominal. It is at least not as much as what happened in other sectors of economy, the general progress, and all that.

Shri R. K. Mookerjee: You say there is a steady decrease. Am I not justified in assuming that it shows only the very appalling stage of inefficiency so far as the private industry is concerned? Why do you lay the blame at the door of the Government?

Shri Kundan Lal: I have not said anything about the Government transport.

Shri R. K. Mookerjee: I would like you to explain the basis of this decline in this industry.

Shri Kundan Lal: What I have said is that the number has not increased.

Shri R. K. Mookerjee: You say that the number has decreased. You say it is just one-fifth now.

Shri Kundan Lal: It is one-fifth of the number which should have been there. There is an increase, but it is only 20 per cent.

Shri R. K. Mookerjee: Since 1920, you say that there has been a steady deterioration in the growth of this private enterprise. You say that it is only due to law that has been made. Why could you not examine this problem from the point of view of efficiency of private enterprise.

Shri Kundan Lal: It is a very pertinent question, and I shall answer that. For example, in 1947, the number of the stage carriage permits in Punjab—I am mentioning it only by way of example, and not for anything else.

Chairman: You may say, "in one State".

Shri Kundan Lal: Yes; In a State, it was 1,100. Ten years have passed and except for some services which that Government have run for themselves—that also during the last two or three years—not a single permit was issued and not a single route was opened, just because, well, if I mention that, I may be transgressing.

Chairman: You may mention the facts.

Shri Kundan Lal: Not a single route has been opened and not a single permit was given just because the Government were anxious to nationalise the industry and they did not want to issue permits to the private operators and then pay them compensation and all that. Thus, stagnation has come about in this industry, and

that is exactly what I am saying. I am not apportioning the blame to the Government, but I am saying that because of this fact—we have been caught in the midst of road transport nationalisation—there has been no progress. I might say this. Nationalisation or no nationalisation, the position is that road transport is not developing. I say this with full knowledge. Unless permit is granted to us so that we cannot come out with the buses—transport permits have been given to the industries in the goods transport service—there will not be much improvement. There is much less increase in the passenger transport service. There have been 400 permits which the Government has been considering to allot on Kacha routes but though so many years have passed they have not done it.

Chairman: In other words, what Shri Kundan Lal is saying is that the reduced rate of increase in the permits given to the vehicles is, as he thinks, due to the Government refusing to give permits. And the hon. Member, Shri Mookerjee, says that proper things have not been placed before the Government for issuing a larger number of permits.

Shri Amar Nath Vidyalankar: But, did the total number decrease?

Chairman: It has not increased, as much as we had hoped.

Shri Amar Nath Vidyalankar: It has increased, I hope.

Shri Kundan Lal: It has increased at a lesser rate than it should have. That is the point.

Shri R. K. Mookerjee: My point is this. You think that law is responsible for this steady deterioration in the growth of this private business.

Shri Kundan Lal: It is not only law, but there are other factors also.

Shri R. K. Mookerjee: You must explain them. But you say that it is law and law alone that is responsible for this state of affairs.

Shri Kundan Lal: There are certain other factors also.

Shri R. K. Mookerjee: What factors there are, must be examined, if you have any interest in the private enterprise.

Shri Kundan Lal: Whereas the Government has thought it fit to provide loans and other financial assistance to all sorts of industries, such as the cottage and small-scale industries, we have been left at the mercy of the private investors for whom we have been paying interest. In spite of our repeated requests, nothing has been given to us by the Government.

Chairman: That means, private capital is shy and is not coming.

Shri R. K. Mookerjee: What are the other factors connected in the working of the bus trade?

Shri Kundan Lal: As I said, on account of the fact that there have been different policies pursued at different stages, the position has become what it is. We have been working on temporary permits. I would like to say here for the information of this Committee that for the last ten years, in one State, we have been issued permits, every time, for four months only and never even for four months and one day. For ten years, there have been these permits. I have refrained from saying all this in the memorandum.

Chairman: That fact has been found out by the Study Group also.

Shri R. K. Mookerjee: Please turn to page 9 in the memorandum where renewals have been mentioned. What are the conditions that you propose for renewals of permits, and what are the difficulties in the present Act and what do you want in this matter?

Shri Kundan Lal: In section 58(2) of the present Act, it has been laid down that an application for a renewal shall be considered as an application for a fresh permit provided

other things are equal. An application for renewal shall have reference over a new application. That has been construed this way, and rightly so. I would be granted a renewal permit, unless there are legitimately or rightly or lawfully some allegations against me such as breach of contract or something like that. In fact, renewals have been granted to me right from 1939 up to now. At the time when the Act was framed, there was no possibility of any State coming into the picture. Now, when the State came into the picture, the States started amending the Act in their own way. In the proposed Bill, you are taking away the proviso—subsection (2). Therefore, when I come for a renewal, I will be just considered as an applicant from the private side; naturally, I feel that the State should also be considered as an applicant. Other things will not be equal in all cases, and I would not get a renewal.

Chairman: So, in other words, you want your previous permit to be a ground for having a renewal automatically.

Shri Kundan Lal: Not automatically, but there should be no trouble.

Shri R. P. Sinha: Supposing the amendment is made in such a manner that in the case of your application *vis a vis* a State application, your application will not be considered, but that your application *vis a vis* another application for a private applicant, will get a better chance for renewal, will you not agree?

Shri Kundan Lal: That is the most relevant point. If it is the policy that my permits will not be renewed when the Government decide that transport is to be nationalise, I cannot insist on getting a renewal, because that will not help us.

I would again try to clarify it. Either my permit is not renewed and a permit is granted to say, X, Y or Z or a permit is given to the State Transport undertaking. If it is

granted to a State Transport undertaking, the question of compensation, acquisition, etc., comes in. Supposing, the renewal of permit is not made in my case, then, there will be a constant danger to me, namely, losing my business. Therefore, I plead that the existing sub-section should be retained as such. Or, at least, it should be retained so long as there is no applicant from the State undertaking.

Shri R. K. Mookerjee: Please turn to page 11 where you have referred to the goods services and the monopoly of goods transport on any road or roads. If it is said that for the period of the second Plan, no monopoly of this sort should be given will it satisfy you, or do you want a longer period?

Shri Kundan Lal: I submitted already that the monopoly of the goods transport should not be there for sometime. It has been considered by the Government that for the next five years, there is not going to be any nationalisation. I have also said that there is no need to do it right now. After five years, we can review the condition and decide on nationalisation. To put it right now is not necessary.

Shri R. K. Mookerjee: Is it your intention that the period of five years is not sufficient to make progress?

Shri Kundan Lal: I have said that the period should be raised. It should be at least ten years.

Chairman: That is, he wants that it should wait till the third Plan is completed.

Shri R. K. Mookerjee: Your point is that from the point of view of investment, the minimum period of assurance for this purpose should be ten years.

Shri Kundan Lal: I say that five years is not sufficient. Ten years would be good.

Shri R. K. Mookerjee: I come to the last point. That is about the fitness certificates. What is the alteration that you propose there? Should the period be extended from three to six months?

Shri Kundan Lal: It is already six months.

Shri R. K. Mookerjee: What is your suggestion?

Shri Kundan Lal: My suggestion is that the minimum period should not be changed.

Chairman: The minimum should not be reduced to three.

Shri R. K. Mookerjee: What is the harm if the period in respect of the certificate of fitness is more rapid?

Shri Kundan Lal: Actually I feel that the vehicle should always be fit for the road. The number is growing and I find that the bus or the truck remains idle for over a week. If you make it more frequent, we will be losing some of the working days.

Shri R. K. Mookerjee: There is the point of view of public safety.

Shri Kundan Lal: So far as that point is concerned, we find that the vehicles from the Disposals are now far less, and I think that public safety will be served by reducing the maximum and not by reducing the minimum.

Shri R. K. Mookerjee: It is assumed that the present rule has not worked well from the point of view of public safety.

Shri Kundan Lal: The fault should lie with the man who inspected the vehicle and not with the vehicle.

Chairman: There is no use discussing this point further. The whole question is this: whether frequent inspection for fitness should be good for public safety or whether it would only increase the work and also give great or more trouble.

Shri Kundan Lal: I am not the less anxious about road safety. I only say that the vehicles should not be made to remain idle for a long period, on this score.

Shri T. B. Vittal Rao: I would like to know the nature of the difficulties experienced by the operators.

Chairman: He referred to a week's idleness during which period, they have to go in search of the authority who grants certificates of fitness. We know that if an officer has to be appointed frequently, it means frequent trouble for all concerned. That is the thing.

Shri R. K. Mookerjee: What have you to say about the proposal to have licence for conductors?

Shri Kundan Lal: I have got nothing to say against it.

Shri S. N. Das: In paragraph 13 of your memorandum you have stated:

"The whole procedure of preparation of a scheme by State Transport undertaking and its approval by the State Government is unfair."

You want that there should be an independent, impartial machinery to scrutinise and approve the scheme. When it has been decided in the public interest that certain routes should be nationalised, then schemes are prepared and they are approved. You say the scheme should not be approved by the State Government, but it should be approved by an impartial machinery. What is your idea of this impartial machinery which would scrutinise the scheme and approve it before it is put through.

Shri Kundan Lal: This whole idea of preparing the scheme and getting it approved has been borrowed from the British Transport Act. It is there in the case of passenger transport, and this process is at present operating only in one State. I would not mention the name of the State. My experience is that the scheme is prepared by the department, and the

objections are also heard by the same department generally and in that case there are some snags in it. Public interest is one question. The legislature or the Government is competent to decide it.

Chairman: The whole point of his question is: how do you think the same authority considering the scheme in the State will not be independent.

Shri Lal Bahadur Shastri: May I put the question more positively? Do you want any change in the composition of the present regional transport authority? The R.T.As. are the bodies which issue permits and they have got other powers too. So, do you suggest any change in their composition?

Shri Kundan Lal: Yes, Sir.

Shri Lal Bahadur Shastri: What change?

Shri Kundan Lal: Presently there is very little attention given to the development side of transport. All that they do is from the regulatory point of view. If we have some persons who are specialists in transport on the transport authority....

Chairman: You want representatives of business.

Shri Lal Bahadur Shastri: Do you want any judicial officer to be there? At present the Chairman of the R.T.A. may be a Government officer. The Judicial Officer is also a Government officer, but he has an independent position. So, do you suggest that the R.T.A. should be presided over by a judicial officer, and will that invoke greater confidence?

Shri Kundan Lal: It will certainly invoke greater confidence. We have always been pressing for the right of appeal, if you cannot appoint a judicial officer, to the courts and not to the prescribed authority.

Chairman: The Minister's question was if you would like to have a judicial officer preside over these things.

Shri Kundan Lal: Yes.

Shri S. N. Das: My question has been answered only partly. Having accepted the principle that certain routes should be nationalised, if some schemes are prepared by the department, why should they go to an impartial machinery to be approved by it?

Shri Lal Bahadur Shastri: He will not like to insist on that. It is just an exaggerated demand from that side.

Shri Kundan Lal: No, Sir.

Chairman: He will only adduce more arguments in favour of it. His point is that examination of the scheme ultimately means a permit being given which means loss of permit to some other man doing business. From that angle he says let it be independent.

Shri S. N. Das: It appears that he is prejudiced against some States. After all, the State Government represent the people. When the principle has been accepted, nothing should stand in the way of the State putting through the scheme. He wants that everything that the State Government does to nationalise should be scrutinised by independent tribunals, thereby imposing restrictions.

Chairman: His point of view and your point of view are contrary.

Shri S. N. Das: There is no question of holding views. There is a question of propriety underlying his making the statement.

Shri Kundan Lal: I do not want the impression to be created that we want to obstruct the scheme. I have nowhere suggested that an impartial tribunal should come from abroad. It is for the State Government to set up such a tribunal. Certain schemes are prepared with vindictiveness. It is there, you cannot deny it. Therefore, the best thing is to have a tribunal. It is the State Government that is going to set up such a tribunal, and if the tribunal thinks it is

in the public interest, their decision stands and not mine.

Shri S. N. Das: In paragraph 14 it is stated:

"The mandatory nature of the Clause 68F (Chapter IVA) takes away whatever was left of the judicial or semi-judicial character of the Regional or State Transport authorities."

The clause reads:

"Where, in pursuance of an approved scheme, any State transport undertaking applies in the manner specified in Chapter IV for a stage carriage permit or a public carrier's permit or a contract carriage permit in respect of a notified area or notified route, the Regional Transport Authority shall issue such permit to the State transport undertaking, notwithstanding anything to the contrary contained in Chapter IV."

Why do you object to this? What is the point in saying that whatever power was given to the regional authority is being taken away by this provision?

Shri Kundan Lal: The regional transport authorities have to take certain points into consideration when granting a permit, like efficiency and economy of transportation etc. If we are going to believe that the nationalised transport will always be efficient and economic, then why not completely do away with the R.T.As. so far as today are concerned, why have this formality that they will apply for a permit and it shall be granted. You are not trusting the regional and transport authorities and are merely reducing them to agencies to carry out the orders of the State Government. The non-official element associated with them would not be to any purpose if they have only to carry out the order when the scheme has been approved. Even after the scheme is approved, it is for the R.T.A. as constituted at present to see whether the nationalised service provided is efficient and economic.

Shri S. N. Das: When the private owners are operating, it is necessary that there should be an authority, but when the State itself takes upon itself the responsibility of running the business, what is the necessity of having an authority standing in the way of the scheme being put through by the Government.

Shri Kundan Lal: That is exactly what I said. If you do not want your nationalised transport undertakings to come under the scrutiny of another authority then do away with this clause absolutely instead of keeping it and saying that they shall grant.

Shri S. N. Das: When we have accepted that there should be nationalisation, there should be no other authority to prevent its execution by the Government.

Chairman: The point is this. He has given his reaction. It is for us to consider it.

Shri S. N. Das: Before we take decisions we should know what is their idea.

Chairman: I am not objecting to your question. I only said he has given his reaction. It is for us to consider whether his view should prevail or the other considerations should prevail.

Shri S. N. Das: My mind is open just now. If I am convinced of his idea, we can put it through in the committee.

With regard to representation, what do you think should be the method, manner and strength of representation on these regional and State transport authorities?

Shri Kundan Lal: May I answer the first question first? We have accepted the principle that there should be nationalised transport undertakings, but we have certainly not accepted the principle that they should be inefficient or uneconomic or not properly working. Therefore, the scrutiny should be done by the R.T.As., and the S.T.As. There should be no mandatory power.

Secondly...

Shri S. N. Das: I have no knowledge of it, could you tell me whether the present regional transport authorities in the various States are expert bodies or they have no expert knowledge and they just administer this permit business?

Shri Kundan Lal: The composition or the nature of the regional transport authority should not stand in the way of this scrutiny. I would not like to pass a general remark, but as I have stated earlier, the regional transport authority should be made competent, and once they are made competent, it should be under their purview to consider the pros and cons of nationalisation schemes so that they are efficient and economic.

Shri S. N. Das: In the present set-up as we know, the regional transport authorities are operating in the various States. Suppose certain schemes are put through, it is for such an agency as a Government department or the Transport Corporation to see whether the schemes are economic or good or bad.

Chairman: I think we have pursued that matter sufficiently.

Shri Kundan Lal: I would not like to prejudice the chances of my getting representation, by suggesting anything. But it should be in proportion with the representation which may be given to other providers of transport, such as the railways and others, and it should be quite fair also.

Shri Shree Narayan Das: Who should be represented, the users, the consumers or the providers?

Shri Kundan Lal: The users and consumers are already represented as public representatives on these bodies. It is the providers who have not been so far represented, and I am asking for their representation.

Chairman: That is, for the owners or the operators?

Shri Kundan Lal: Yes.

Shri Shree Narayan Das: You have suggested that the distance limit of 150 miles should be increased to 300 miles. Have you any calculations with you to show what would be the profit earned, when a certain given unit is permitted to run up to 150 miles only, and what would be the increase in profit, if it is permitted to run up to 300 miles?

Shri Kundan Lal: I have no statistical figures to offer in gist, just now. But I can say from experience that it is not economical in the sense that we cannot make any income, if the vehicle lies idle. A road transport vehicle is not like a fixed plant. So, if it remains idle, we have still to spend on overheads, maintenance etc. So, if we have to make it economical, then, as I submitted earlier, we have to increase the area of operation to 300 miles, because a vehicle of the present value and of the present technical nature must not do, over a year, anything less than 50,000 miles, because otherwise, we cannot just earn the money back in less than five or six years. I have made some calculations, and if I am permitted, I shall place them before the Committee, but they are not with me at the moment.

Shri Shree Narayan Das: You have suggested that the units should be viable, and for that purpose, there should be some condition, while granting the permit to a person, that he should join some viable unit. I would like to know whether, if this suggestion is put through, the small owners will not be ousted by the big owners.

Shri Kundan Lal: I have submitted at the very outset, that personally speaking, and as far as the association, which I am representing here, is concerned, I would prefer that they are organised on co-operative lines. If they are so organised, then there would be less danger of their being exploited or being turned out. My own preference is that they should not be exploited, and they should not be turned out by the bigger owners,

and therefore, the only remedy for this is that they should be organised on a co-operative basis, so that this sphere itself will not exist.

Shri Shree Narayan Das: May I take it that there is some provision in the present Bill, which would give encouragement to co-operatives?

Shri Kundan Lal: There are none:

Shri Shree Narayan Das: May I know whether you want that there should be some provision for that?

Shri Kundan Lal: Yes.

Shri B. K. Das: It has been suggested at page 12 of your memorandum:

"We suggest that the Government of India should have full control over the inter-State transport."

Of course, you have explained certain things already in regard to this matter.

It has been laid down in proposed section 630 that the Central Government will have every power regarding the making of rules in connection with the functioning and duties of the inter-State transport authority. There is also a provision for appeal against the decisions of the inter-State transport authority. What else is necessary, so that there may be a full control?

Shri Kundan Lal: My only aim in writing this was that the powers should not be permissive, but they should be implemented. The powers that are there in the Bill are quite adequate, but the inter-State transport authorities should be set up automatically without any reference coming from any source. This clause should be made the operative clause of this Bill, and it should not wait for implementation simply because one State Government has not requested, or one State Government does not think it necessary, and so on.

I have suggested that the inter-State transport should be controlled

by these inter-State transport authorities to be set up by the Central Government, which would, of course, be jointly administered by the States and the Centre. But they should be set up by the Centre, and their setting up these bodies should not await any representation which might come from this State or that State, or, as I submitted earlier, on a settlement of the question whether the representation should come from the operators or the users.

My main stand is that they should be set up automatically.

Shri B. K. Das: That point has already been explained. But you have not said anything about the functioning of these authorities?

Shri Kundan Lal: So far as the functions are concerned, we are quite satisfied, because they have not revealed anything whether they are adequate or inadequate.

Shri K. L. More: At page 13, in para 14 of your memorandum, you say:

"The mandatory nature of the clause 68F (Chapter IV) takes away what is left of the judicial or semi-judicial character of the Regional or State Transport Authority."

In the light of the provision in section 68D, how do you account for this statement? There, sufficient opportunity has been given for agitating any point. The State Government must publish the scheme in the official gazette, and then invite objections, if any. So, there is sufficient scope provided for already, and there is a sufficient procedure. It is only after the scheme is approved by the State Government that it can be put through. So, how do you say that this would take away the judicial or semi-judicial character of the regional or State transport authority?

Shri Kundan Lal: The question is, after the whole scheme has been approved, what is the necessity of referring it to the Regional Transport

Authority to see whether the scheme is all right, and so on. I have already answered that point, and I shall answer it again. The whole approval of the scheme and the preparation of the scheme is in pursuance of an objective, which has got two operative clauses. The first is that there should be a nationalised transport, and secondly, there should be an efficient and economic transport.

When the schemes are made, they are made just because there should be nationalised transport, and they are approved because there should be nationalised transport. But I am also a user of transport, and I have got as much right as anyone else to say that the nationalised transport function; well, without coming under the immunity from supervision by the regional or State transport authority; these authorities must supervise and see that the nationalise transport also runs efficiently and economically, and they follow the procedures that have been laid down in the Motor Vehicles Act. When Government descend to run a commercial undertaking, they must do so in accordance with the law, and the law should be the same for me as well as for Government.

Shri K. L. More: At page 16, in para 21, you have stated that any increase in the fines and enhancement of punishment would increase corruption and would absolutely fail to minimise the offences. Will you kindly elaborate this point?

Shri Kundan Lal: This is something which I would not have liked to answer. All the same, now that the question has been put, I would answer it. Generally, when we are being *chalaaned* and fined Rs. 25 we barter for Rs. 5; when the fine is Rs. 500, we will barter for Rs. 100, because the other man will not accept Rs. 5. And the punishments are so deterrent that there would be every effort in this direction. After all, we are human beings, and there will be an effort on the part of everyone to barter like this.

Chairman: In other words, you are suggesting that the people who are concerned with the prosecution of the offenders are liable to be silenced.

Shri Kundan Lal: Yes.

Chairman: That is the fear. As a businessman, you know it.

Shri P. C. Mitra: You are against nationalisation?

Shri Kundan Lal: No.

Shri P. C. Mitra: Are you definite that the private sector can meet the growth in the demand for transport facilities, in proportion to the growth of production in the next five years?

Shri Kundan Lal: I would submit that the States cannot do it alone, and the private sector also may not be able to do it alone. So, there is need for both, and not for one only.

Shri P. C. Mitra: When carriage of goods traffic is prohibited in this manner, by the refusal to renew the permit, you claim that compensation should be paid. Now, what are the means to be adopted, when people want to nationalise this business?

Shri Kundan Lal: The Second Five Year Plan gives you money, with which you can put only 5,000 vehicles on the road in the next five years. And the requirement for goods transport as well as passenger transport during these five years can best be put at 50,000, if not more. Therefore, the only means is that you should give us these 5,000 vehicles, and encourage us to bring in the rest that is, 45,000 vehicles.

Shri Lal Bahadur Shastri: Have you drawn up any scheme? Have you got any idea of the number of new vehicles you can put on the road, in the course of the next five or three years, profitably?

Shri Kundan Lal: That scheme is conditioned by so many things; the preparation of the scheme now would be of no purpose. If I could know the mind of the Minister....

Shri Lal Bahadur Shastri: I would like to know whether you could give us some idea, both for goods transport as well as for passenger transport—I am not so particular about passenger service, but I am keen about goods service—of the number of new vehicles that can be put on the road.

Shri Kundan Lal: That is conditioned by one or two things. We can bring in quite a large number of vehicles in the next five years. That scheme can be worked out. It is not difficult.

Shri Lal Bahadur Shastri: When can you give that scheme?

Shri Kundan Lal: In a week's time.

Shri Lal Bahadur Shastri: We might even like to help you in that....

Shri Kundan Lal: I can give it to you in a week's time.

Shri Lal Bahadur Shastri:.... even for capital investment.

Shri Kundan Lal: Thank you very much.

Shri H. P. Saksena: In the course of his evidence, the witness was very hard on those intermediaries, who, by their ingenuity, have devised a new means of livelihood, by sitting up a booking-house in a street corner with a table, and a piece of cardboard as a signboard, and are earning their livelihood by registering the trade and passing it on to the operators. They get some commission out of this, and they earn their livelihood by this.

I would like the witness to explain why he was so hard on them. How do these persons disturb the trade of the operators themselves? Why was their ingenuity of discovering a new method of earning their livelihood not admired?

Shri Kundan Lal: I would submit there is no ingenuity; it is brokerage. We would like to encourage tourism,

because they are only doing that job. I only request that there should be regulation. The present malpractice is bringing a bad name to all of us for which we are not responsible. I only want that there should be some regulation and I do not want that they should be completely ousted. I only say that the practice should be regulated by law.

Shri H. P. Saksena: I would like to know if he has got any instances to show that some such people are indulging in malpractices.

Shri Kundan Lal: We have been able to show to the Delhi State Government a number of such instances and there have been a number of police cases registered. The Delhi State have provided for all this in their rules. If the hon. Member wants and if the Chairman gives me the permission I can provide him with a number of instances from the police diaries of several thanas.

Shri H. P. Saksena: What is your plan? Is it that the practice should be stopped altogether statutorily?

Chairman: He says that it should be organised and regulated. I think the hon. Member would have listened to the evidence tendered yesterday in answer to the questions put by Shri Vittal Rao in this connection, whether these agencies should be run by people who have nothing to do with the operation of these services or whether it should be by persons who are running as viable units. That was the whole question. If a third person with only a box and a board does it, it would be a burden on the consumer. So, the witness was not hard upon these people.

Shri H. P. Saksena: If you do not mind, I may submit that the Railways do the same thing in broad daylight in big cities by establishing booking agencies where tickets are sold during the day and people purchase the ticket and go to the station just in time.....

Chairman: It is not for commission.

Shri B. N. Misra: These booking offices something different.

Shri H. P. Saksena: Please do not take the trouble of explaining things to me. I know more about them.

Chairman: We can discuss these matters some time later.

Shri Kundan Lal: I forgot to tell one thing. The hon. Member was referring to malpractices. One of them is of Sales tax. A huge amount of Sales tax is evaded by these bogus companies by issuing fictitious receipts. I do not want that they (the agencies) should be turned out. But, if they are just regulated, the Government will save a lot; they would not lose a lot of income which otherwise they would lose. There are many things which I would like to point out in these malpractices.

Shri H. P. Saksena: I am thankful to the witness for the reminder that he has given to Government that it is unmindful of its duty and that it should be more alert and active.

Shri Kundan Lal: I thank you very much.

Shri Dabhi: In regard to the non-renewal of permits, what should be the basis of compensation in your opinion?

Shri Kundan Lal: I would like to submit that I do not want any compensation for non-renewal of permits. I want compensation only for the cessation of business. I should like that the compensation should be fair and equitable. That would depend upon what I am making out of the business or what the other party is going to make out of that business. These are the general rules governing compensation.

Shri Dabhi: You want the minimum period of validity of a fitness certificate should not be less than six months. Do you think there should be no necessity for inspection?

Shri Kundan Lal: I would submit one thing. If the vehicle is quite new and all that, you are going to fix a maximum period of one year and like that. We want that the vehicles that we put on the road should be good. The putting of a statutory period may not serve the purpose. A vehicle may go out of order in one day or it may be in order even for more than nine months. You can expect the private operator or the Government in State Transport services also to show or exercise some due care. My only objection is that by restricting it to 3 months, it will cause considerable delay and undue difficulty. There may be some idle days for the buses and trucks which we want to avoid as much as possible.

Chairman: Do you expect a vehicle to be perfectly sound for six months?

Shri Kundan Lal: I do not say that.

Shri Dabhi: The State Governments have pointed out that the offences under the Motor Vehicles Act are on the increase. Do you agree with that?

Shri Kundan Lal: I have no statistics to contradict it.

Shri Dabhi: Supposing the offences are on the increase, what do you suggest?

Shri Kundan Lal: There should be deterrent punishment for subsequent offences.

Shri R. P. Sinha: You have stated that at present there is no apprehension or rail road competition because there is plenty of goods available for both. But there is another aspect of competition. That is, the trucks carry away the high-rated goods and leave the low-rated goods for the railways. Can you suggest some method by which there can be an equitable distribution both of the high-rated and low-rated goods for both the railways and the road transport?

Shri Kundan Lal: My submission is that if viable units are formed and if booking agencies are regulated, we can work out some sort of a sound rate structure and see that it can be enforced so that these things do not stand in the way. I would rather agree to such restrictions on me than this restriction that I should not go beyond a certain mileage.

Shri R. P. Sinha: Would take up long distance haulage of coal?

Shri Kundan Lal: I would not like to say, 'Yes' on the present railway rates. Nothing is impossible if certain conditions are there. Coal and certain other things can be carried on quite economic rates which can be worked out after careful study. I would not be able to say offhand what the rates should be. At present because the rates which we have to pay on our vehicles, I mean the taxes, amount to more than the railway rates, it has not been possible. If the taxes are reduced we can give more help to the railways.

Shri R. P. Sinha: Would you like the abolition altogether of the Regional Transport Authorities and have only the State Transport Authority?

Shri Kundan Lal: If they are as they are at the present moment the lesser the better. But if you can make them more efficient, I think there should be no objection to their retention.

Shri R. P. Sinha: Will the operators in the districts find it more inconvenient to apply for permits to a Central authority?

Shri Kundan Lal: It all depends upon the number of authorities in a particular State. In the U. P. it may be more than one and in small States one can do.

Shri R. P. Sinha: Regarding compensation, will you accept that instead of giving any cash compensation you may be given an alternative route?

Shri Kundan Lal: That is better if my business can continue. Instead of winding up the business altogether I would like to continue it. But the route should be such that it exists. I should not be made to cut the trees and make the road. Instead of going out of the picture I would certainly like to stay for some time more.

Shri R. P. Sinha: If they are rural routes?

Shri Kundan Lal: The State has got resources and they are trying to do everything in the public interest. We do not say that we are doing everything in public interest.....

Shri R. P. Sinha: Would you exchange for rural routes?

Shri Kundan Lal: If nothing else is possible I will accept it.

Shri R. P. Sinha: If a long period is given to you would you accept the rural route?

Chairman: Supposing an undeveloped rural route is given to you for a period of 10 years, will you accept it?

Shri Kundan Lal: Certainly I would prefer to accept it.

Shri R. P. Sinha: Is it the rural route or the road that is objected to?

Shri Kundan Lal: Both sometimes.

Dr. Dube: I am asking a straight question whether it is the rural route that is objected to by you or the road that is objected to by you.

Chairman: He has said that it is the road that he is objecting to.

Shri R. P. Sinha: You are asking for representation on the different bodies. What would you suggest for representation if there is no regular organised body in the field and if there is difficulty in selecting the operator?

Shri Kundan Lal: This difficulty has not stood in giving representation on various other committees. I do not know why this difficulty should stand in our way.

Shri R. P. Sinha: Would you accept nomination of the representatives by Government?

Shri Kundan Lal: As a democratic principle, the most representative operator is to be nominated.

Sardar Iqbal Singh: In how many years will the cost of a lorry or transport be recovered?

Shri Kundan Lal: I would like to make a very cautious statement. A lorry if it is allowed to do 200 miles a day can recover its cost, at its present price, in five years, and not less than five years. The same is the case with the bus. Of course, there may be good roads and bad roads, but on an average, I would say that five years are needed.

Sardar Iqbal Singh: What is your opinion about the parallel running of a State bus with a private route?

Shri Kundan Lal: My personal opinion is that there should be a healthy competition, there should not be monopoly for anyone, whether it be a private operator or a State. If there is healthy competition, we would certainly achieve better results and our national objective would be gained. I would not like to say anything about the Government here.

Sardar Iqbal Singh: In what manner you suggest the new agencies should be regulated?

Shri Kundan Lal: We have examined this question in some of the State Governments, and if viable units are formed and organised on a co-operative basis, then there will be no necessity for any body to be set up. We want even the present licensing agencies to be regulated but that would take some time.

Sardar Iqbal Singh: At present no permanent permits are given and permits for one, two or three months are given. Would you suggest that the permits should be for 3, 4 or 5 years and that special permits should be given, say, for three months?

Shri Kundan Lal: We have already objected to temporary permits and perhaps we have done away with them in the present amendment. About the special permits, you are referring to inter-regional permits for tourism. I would welcome them if they are given for exhibitions, flood relief work, etc., to public carriers also.

Sardar Iqbal Singh: What is your opinion about private carriers?

Shri Kundan Lal: There is a general complaint from several quarters that private carriers, when they are issued such permits, misuse them. But we would only say that this liberty should be given subject to the condition that they are not used to the disadvantage of the public carriers.

Sardar Iqbal Singh: What about the permits to be issued for delivery vans etc.

Shri Kundan Lal: The question arose about the enforcement of the conditions. If that can be done, we have no objection to the issuing of more permits for delivery vans etc.

Sardar Iqbal Singh: In what manner would you suggest that appeal should lie against the decision of the R.T.A.? Should it be with the High Court or with the Commissioner?

Shri Kundan Lal: Preferably some Judicial Commissioner or the High Court.

Shri B. N. Misra: You have said that the present provisions are meant to enhance the punishment and you are objecting to enhancement of the punishment. Today the background is that if the quantum of punishment is enhanced, that is, in the case of Rs. 50 it would be increased to Rs. 200, then one would like to go away with paying a fine of Rs. 5 and pass off. If I am a person who has already been punished twice, for the third offence, I may have to pay much more and therefore,...

Shri Kundan Lal: It is difficult for me to answer this, but I am for the strict observance or enforcement of

the Motor Vehicles Act. I would suggest that some *via media* should be found and if a man is successively going about making offences, he must not be allowed to escape punishment. I cannot answer it straight-away.

Chairman: The witness concedes that this question was never in his mind.

Shri Kundan Lal: Deterrent punishment should be either cancellation of licence or disqualification. I never meant that after two offences, the third offence should not be detected.

Chairman: The point simply is about the increase or enhancement of punishment. The witness says that this higher punishment for the second or subsequent offence was never in his mind.

That is all. We thank you for the evidence you have given before this Committee. Please remember that any evidence which you have given before us, including the memorandum, is confidential, and it is the business of the Committee to consider whether the portion of your evidence should be published. Therefore, please see that no matter that you have placed before us here goes out as a thing that you have stated before the Committee.

(Witnesses then withdrew)

II. The Western India Automobile Association, Bombay.

(Please see their memorandum at Appendix V)

Spokesman:

(1) Shri M. B. Madgavkar.

(2) Shri K. G. Subramaniam.

(Witnesses were called in and they took their seats)

Chairman: You have given us a memorandum in which you have detailed clause by clause what you would like to have either by way of further consideration of amendment

or dropping or rectifying or modifying. The Committee is to cover other witnesses also, and therefore it will not be proper that you repeat any things that you have already stated in your memorandum. The whole matter will be considered carefully by the Committee. If you want to add anything new to what you have already stated, you might only confine yourself to that portion.

Shri M. B. Madgavkar: At the outset we would like to express our deep gratitude to you for inviting us to express our views on this question. We are a body of private car owners and not transport in the Western India Automobile Association, Bombay, and we have therefore restricted ourselves only to a few sections and to the amendments proposed thereto. We have not touched on other points, which, however important, will be dealt with by other interests. We have no axe to grind and we do not seek to take up your time.

With regard to the points that we have mentioned, in our memorandum there are one or two which I would like to enlarge, if I may. One of them is with regard to licences. We have suggested a longer period of validity. If you will permit me, I would point out countries where the period of validity of a driving licence is for more than five years and some countries where the period of validity is for life—in Austria, Belgian, Congo, Ceylon, French, North Africa, France, Germany, Greece, Luxembourg, Madagascar, Portugal, South Africa, Southern Rhodesia, Sweden and Uganda (British East Africa), the licence is valid for life. The object in suggesting a longer period is to save a certain amount of red tape or effort from the point of view of administration as well as simplifying the matter.

Shri Lal Bahadur Shastri: But you have not mentioned it in your memorandum.

Shri M. B. Madgavkar: We have, but we have not cited the countries. My object is not to repeat what I have stated in the memorandum because I do not want to take up your time.

Chairman: Please refer to the particular item so that the hon. Minister may note it.

Shri M. B. Madgavkar: Item 9, that is, the second item. If you like we will submit to you the names of the countries. Countries where the period is 5 years are: Finland, Netherlands, Norway, Denmark and Canada. Countries where the period is more than 5 years are: Spain (upto the age of 65); Spanish Morocco (upto the age of 65); Argentina (10 years when the age is not more than 45 and after 45 upto age of 70, 1—5 years according to physical condition).

One point which we have not taken up in the memorandum is item 80 dealing with section 110 of the existing Act. That is about the constitution of the Tribunal. One suggestion that I would like to make is that the period within which a claim should be lodged should be extended to 90 days and should not be 30 days. If a person dies as a result of an accident, in order to obtain Letters of Administration or to constitute legal representatives, an application has to be made to the court and a legal representative cannot be appointed within one month. Not that he cannot be so appointed by law, but in practice you don't find legal representation granted as early as within thirty days so that when a person dies, the heirs of the person dying would be placed at a considerable disadvantage.

Shri Lal Bahadur Shastri: We will consider that. But do you want the period to be extended to three months?

Shri M. B. Madgavkar: Yes, 90 days.

Shri Lal Bahadur Shastri: You want three months or any other period?

Shri M. B. Madgavkar: If it is six months, it would be better still.

Shri Lal Bahadur Shastri: If it is two months?

Shri M. B. Madgavkar: It is not practical.

Chairman: I may just mention that in the Civil Procedure Code and the Limitation Act the period for bringing in legal representation is one month, subject to further extension.

Shri M. B. Madgavkar: We appreciate your point of view. But in practice what happens is if a person dies as a result of the accident, there is a certain period of mourning. So, it takes time.

Then, as regards the personnel of the tribunal, if I may crave your indulgence, you have a Judge of the High Court or a district judge or a person qualified for that appointment or a practising advocate of not less than ten years standing. But we would respectfully place before you this aspect that since the Judge will be sitting in judgment on accidents in which motor vehicles are involved, a person, in order to be qualified for appointment on the tribunal should also have a driving licence or should know the subject because there are many technicalities about motoring in regard to which a person, however eminent he may be as a jurist and whatever be the depth of his knowledge or the extent of his experience, may not be able to appreciate a motorists' point of view and, therefore, with great respect to you I will submit that a person to preside over this tribunal should have personal experience of motor driving.

Shri Shree Narayan Das: Would you like to appoint assessors?

Shri M. B. Madgavkar: No, not necessarily.

Shri Lal Bahadur Shastri: He can have an assessor who will be a technical man who may have a driving licence. You can have assessors in the nature of jurors.

Shri M. B. Madgavkar: Not necessary, that becomes a bit unwieldy.

Shri Shree Narayan Das: The assessors are there to advise the judges.

Chairman: It may be difficult to find both legal experience and other experience. Therefore, he can be assisted by an assessor.

Shri M. B. Madgavkar: It does happen that sometimes some of these appointments do not inspire confidence.

Shri Lal Bahadur Shastri: Suppose we want to appoint a Judge to enquire into a railway accident or something like that?

Chairman: The difficulty is to find judicial experience as well as this practical experience in the same man.

Shri M. B. Madgavkar: Most of the Judges in Bombay at least, I know, have been driving cars.

Shri Lal Bahadur Shastri: What happens in the case of a railway accident? They should know how to drive an engine?

Shri M. B. Madgavkar: I am very glad that you put that question to me. I will try to answer that. In the case of a railway accident, there is an enquiry held by a regular committee of enquirers for the purpose of ascertaining what factors led to the accident. In the case of a motor accident there is no such enquiry.

Shri Lal Bahadur Shastri: Recently, you might have read in the papers, Parliament were very very keen that a judicial enquiry be held in the Hyderabad accident. So, sometimes we may have to hold an enquiry through a judicial officer into railway accidents. There also, the same rule will apply.

Chairman: He is only pointing out the scope to be extended to other things also.

Shri M. B. Madgavkar: In the case of a motor accident, there is no enquiry. Actually, there are many factors which contribute to motor accidents. It is not merely the negligence of a driver...

Chairman: Contributory negligence.

Shri M. B. Madgavkar: In fact, we very respectfully submit that we are in entire agreement with your amendments with regard to the penal provisions but there is one aspect which we would beg of you to bear in mind

and that is that these accidents are as much due to lack of knowledge of traffic rules on the part of other road users—I won't say, only pedestrians because on the highways you can see bullock carts going from left to right and right to left.

Chairman: So, you would like to have some qualifications?

Shri M. B. Madgavkar: Yes, if it is possible.

About the notification of repairs, if a person desires to effect certain alterations to his car, he has to make an application specifying the repairs and then wait for seven days. It constitutes a hardship to the owner. So, I would suggest that if a person wants to make repairs or alterations, he should be allowed to do so, and he can notify them within a period of 14 days after the alterations are made. The existing provisions would meet the situation. It does not need any amendment.

Shri Lal Bahadur Shastri: Are we making the position more difficult?

Shri M. B. Madgavkar: I am afraid so.

Chairman: The point is that petty repairs might be excluded.

Shri M. B. Madgavkar: Petty repairs are not notified. Now if the colour is changed, we have to notify it.

Then, I will not refer to the penal sections. But you will appreciate that traffic safety can be achieved by education and propaganda and not by deterrent punishments. Unlike other offences, motoring offences are not pre-meditated. A motoring offence is not due to lust, revenge or jealousy or any such thing. There is no *means rea*. I will not elaborate it.

Chairman: But the consequences of these accidents are more serious.

Shri M. B. Madgavkar: They are due to a variety of circumstances.

Chairman: As you say, education is the best way of preventing all such accidents.

Shri M. B. Madgavkar: For example, take the case of the police constable on duty. He may not be accurate in the waving of his hand. But the penalty for a breach of traffic signals appears to be drastic. I am not touching on it because we have already submitted it.

We have not touched item 5 in our memorandum. In the proviso in subsection (6) of section 7, the expression used is "recent experience" and it may be that people called upon to administer this Act may vary in their interpretation of the expression "recent experience". If you will kindly clarify it, that will solve the problem.

Chairman: That will be considered.

Shri K. G. Subramaniam: If it means that the applicant must have twelve months' valid licence at the time of applying for this exemption, that is, he has to hold a current licence, then no question of exemption from Part I of the test arises.

Shri Lal Bahadur Shastri: Suppose you omit the word "recent", will it serve the purpose?

Shri K. G. Subramaniam: Subclause (?) will be redundant in that case.

Chairman: The whole reference to licence is to a previous licence....

Shri K. G. Subramaniam: The whole object is to facilitate grant of exemption. But in the case of an applicant coming from another country and who has also a licence issued by a foreign Government, then the licensing authority may exempt that licensee from Part I of the test.

Shri M. B. Madgavkar: Further, our attempts are to encourage tourism.

Chairman: The first 'licence' is a foreign licence. It appears there is another possibility. Supposing a man has a licence and he did not renew it and therefore it happens to be not correct. His experience nevertheless will be there.

Shri K. G. Subramaniam: What does the term 'recent' mean?

Chairman: Whether it requires to be there or not has to be considered.

Shri M. B. Madgavkar: If you kindly clarify that point, it will be all right.

Shri K. G. Subramaniam: The trouble will be this: A person might have experience of 12 months at any time but at the same time he may not have 12 months' immediate past experience in driving and in such cases.....

Chairman: The witnesses' point is that this matter should be clarified. We will look into this.

Shri M. B. Madgavkar: The idea is to avoid different interpretations by different regional officers.

Shri Lal Bahadur Shastri: This consists of only motor cycles and motor cars.

Shri M. B. Madgavkar: This is rendered necessary because of people holding foreign licences coming to India by car and motor-cycle and travelling here.

Shri K. G. Subramaniam: There is one other point and that is regarding item No. 28.

Chairman: Are you referring to your memorandum or the new proposed amendments?

Shri K. G. Subramaniam: I am referring to the proposed Amendment Bill.

Shri M. B. Madgavkar: It is at the bottom of page 15.

Chairman: What is your proposal here?

Shri K. G. Subramaniam: There, it is provided that the authority can call upon the motorists to produce the registration certificates for noting particulars of the colour of the vehicle, etc. I believe the object of this amendment is to see that in the case of taxis and public service vehicles for which certain specific colours are allotted, they ply only with those specifications. If that is so,

then this should not be made applicable in the case of private motor cars because periodically colours of these cars may undergo changes.

Shri H. P. Saksena: May I know the page?

Shri M. B. Madgavkar: Page 17, clause 32A.

Chairman: It says:

"Where a State Government is of opinion that the particulars relating to the colour or colours of the body, wheels and front end of any class of motor vehicles registered before the commencement of the Motor Vehicles (Amendment) Act, 1955 should be entered in the certificates of registration relating to such vehicles, the State Government may, by notification in the Official Gazette, require the owners of such class of motor vehicles to produce their certificates of registration before the registering authority within such time as may be specified in the notification".

Here, the point is this: If already in the existing certificates the colour and other particulars have not been mentioned, then the authority would call upon the motorists to enable the authority to note down these particulars.

Shri K. G. Subramaniam: Supposing the colour of a vehicle under-goes changes?

Chairman: If it has already undergone a change, the changed colour would be noted there. It does not require permission to change the colour. But once it is entered into the register and if the motorist has to change it again, then only this comes in. There is no trouble. It is only at the subsequent stage.

Shri Shree Narayan Das: This sub-clause (4) is applicable to all. He says that private owners should not be asked to go to the authority whenever they make changes in their cars.

Chairman: I may tell you that this evidence you have given before the Committee is confidential and if the Committee feel it should be published, it will be published. You are not to publish anything. Now, our friends would like to ask you something.

Shri R. P. Sinha: You have suggested in paragraph 2 of your memorandum dealing with the definition of a motor vehicle that some of the roads and bridges are not strong enough to withstand the increased weight. Do you want that the old definition should continue? Is that your idea?

Shri K. G. Subramaniam: Our object is to see that before this new restriction is enforced, the authorities satisfy themselves that the bridges, culverts and the roads are in a position to carry the increased weight. In fact, there is another clause somewhere later on in which the State Governments are given powers to issue notifications making this restriction applicable to particular roads for particular types of vehicles. Under this clause, our point has been covered. Our object is only to emphasize that safety conditions should be taken into consideration.

Shri R. P. Sinha: As an automobile manufacturers association, could you tell us.....

Shri M. B. Madgavkar: We are not manufacturers.

Shri Lal Bahadur Shastri: Perhaps, you are thinking of Mr. L. P. Misra.

Chairman: They belong to the Western India Automobile Association.

Shri Dabhi: You say that it would be wrong to charge the driver or the owner if a vehicle is used in an unsafe condition. Is it not strange that none should be responsible even though the vehicle was used in a bad condition? You do not want to make anybody responsible.

Shri K. G. Subramaniam: The point is that when an accident takes place,

it does not mean the vehicle is in a bad condition. The vehicle may be in safe condition before the accident and it is quite possible that as a result of the accident, the vehicle may go wrong. In such cases, how can an owner be taken to task? It often happens that as a result of an accident, the brakes go out of order. If the brakes were not in good condition before the accident, the vehicle would not have been taken out on the road.

Shri M. B. Madgavkar: The brakes may go out of order as a result of the impact.

Shri Dabhi: You merely say that it will be wrong to charge the owner or the driver even though the vehicle was found to be in an unsafe condition.

Shri M. B. Madgavkar: Lack of safety condition may be due to the impact, as I said.

Chairman: The authority that has to decide this question will have to consider whether the condition of a vehicle becomes unsafe after the accident as a result of that accident or even previously.

Shri H. P. Saksena: I want to know one thing. Before that, I wish to express my complete agreement with the suggestion that they have made, namely, that the period during which a claim should be launched should be extended from 30 to 90 days....

Chairman: Our agreement will come later when we sit as a Committee. Now, they do not know our minds but we are trying to know their minds.

Shri H. P. Saksena: This is what I feel. But I do not understand the witness when he says that the presiding officer of a Tribunal should know driving....

Shri M. B. Madgavkar: We said that if possible this should be made a condition.

Shri H. P. Saksena: It comes to this: If a Judge has to decide a point, for instance, whether a wall was constructed 10 years before or 5 years before, he should have some knowledge of architecture. It is just like saying this. I cannot understand this. I would, therefore, like him to explain that point further so that I may be able to understand him what he means by saying so. Another thing which he says is that deterrant punishment is not the remedy. Then, what is the alternative?

Chairman: Education.

Shri H. P. Saksena: I was coming to that. I hope the motorists are educated people and know the method of driving, and the manner in which the pedestrians and other people behave on the roads. Meanwhile, there is no other alternative left to the authority but to punish those who fail to follow the law.

Chairman: His point was that mere enhancement would not bring about lessening of the offences, but that the problem has to be attacked by a programme of education also. It is not that punishment should be taken away.

Shri H. P. Saksena: Meanwhile, what has to be done? The law will operate as it has been operating till now.

Chairman: Certainly.

Shri Amar Nath Vidyalankar: I understand that your emphasis is on the modification of the penal sections of the Act. I admit that the fault is not always with the driver. It may be that often the users might be at fault, and there might be other conditions too which will have to be laid down. My point is that, as things stand today, the users are not all educated, and sometimes so many things happen on the roads and may be the policemen is also at fault. In the circumstances, is it not necessary—I want to put the point the

other way about—that we should make the drivers more efficient and we should ask the owners to keep the vehicles in a better and more efficient condition? Is it not necessary that we should put emphasis on this aspect, because, the people would not become educated so soon? Therefore, is it not necessary that the penal sections should be more tightened so that the users and drivers and the owners should be more careful? We cannot just educate the people at once.

Shri M. B. Madgavkar: I greatly appreciate the question, because it gives me an opportunity to place our point of view a little more clearly. What we want to submit is that however drastic you make the penalties you cannot eliminate accidents merely by making the punishments strong or the penalties deterrent.

Shri Amar Nath Vidyalankar: My point was that we should place higher standards for the drivers and for the vehicles. We must prescribe higher standards for the drivers and the vehicles.

Shri M. B. Madgavkar: The higher deterrent measures are something different from higher standards of driving.

Shri Amar Nath Vidyalankar: If the standards are not kept up, the penalty clause comes in.

Shri M. B. Madgavkar: But that is on the assumption that there is no other cause for the accident, than the defect in driving.

Shri Amar Nath Vidyalankar: Just for the sake of clarity, I may put the question. Is it not possible for associations like yours to participate in the matter of public education on these matters.

Shri M. B. Madgavkar: In fact, we have always contributed in the shape of documentaries. Many of the accidents are met with on the highways where bullock-carts or cattle are involved, and these could have been easily avoided if a certain amount of traffic sense or duty was

brought home to the users and there are a variety of users of the roads.

Chairman: We thank you very much for having helped us to go through the business.

(Witnesses then withdrew)

III. The Automotive Manufacturers' Association of India, Calcutta.

(Please see their memorandum at Appendix VI)

Spokesman:

Shri L. P. Misra

(Witness was called in and he took his seat)

Chairman: Mr. Misra, we have the memorandum that has been submitted by your Association and the matters that are found in it will be carefully considered by the Committee. If, in addition to what you have already said in the memorandum, you wish to add anything or elaborate or clarify—in fact, elaboration is not needed so much as clarification—you may clarify. The points made in the memorandum and the problems connected with them are all seized by the Committee and we are anxious to find only matters which would help the Committee in deciding the points. So, kindly tell us anything that you wish to add and which has not already been included in the memorandum.

Shri L. P. Misra: At what time do you adjourn for lunch?

Chairman: You may take your own time. If anything is left over, we shall have to take it up at a later time. If you could assist us in finishing it soon, that would be good. There is no restriction on time. The restriction, if any, is on the materials that have been placed before us already and there is no restriction on any further material which you would like to enlighten us upon.

Shri L. P. Misra: As far as my Association is concerned, we are not so much interested in what the law is, but as to how it is administered. We are very anxious that the provi-

sions of the new Act should be such that there should be a reasonable prospect of its being administered in a manner which is fair to all interests concerned and which may lead to the development of road transport to such an extent that might meet the requirements of the country.

We feel that at present the railways carry more than 96 per cent. of the ton miles of the burden placed on them through our second Five Year Plan. It is rather so heavy that there are very great misgivings as to whether they would be able to carry all the traffic which is offered to them. I need not repeat the whole detail of the Plan in this regard. The Plan provided for about 180 million tons lift by 1960. The railway claim was cut down but assuming that it will be restored, and they have intended to take up a lift of 180 million tons, and they are making a very vigorous effort the like of which has not been seen before—and we are all sanguine that they will certainly be able to improve the efficiency in the next three years and may be able to carry up to 200 million or even 210 million tons by the end of the Plan, if their present propaganda for efficiency leads to some success—my Association has a doubt. We find that the lift resulting from the second Plan will be in the neighbourhood of 250 million tons. Whatever efforts the railways might make, there will be a gap of about 50 million tons, because, after all, the law of diminishing returns begins to operate, however serious the effort is towards achieving efficiency.

The problem before the country today is, how to devise ways and means to deal with this lift of about 50 million tons which will be in deficit by 1960. As far as we can see, the water transport has not been developed and it may not be able to take up more than about 10 million tons even in the most favourable circumstances. The problem before the country today is either to jeopardize the success of the Plan through transport bottle-necks or to put the road

transport in such a position that it may be able to meet the demands of the country.

Shri Lal Bahadur Shastri: What was the figure that you gave for inland water transport?

Shri L. P. Misra: Inland water transport is carrying about 5 million tons. It is supposed to be the limit. But I am becoming optimistic because, with the vigorous action which our Government is taking in all directions, they will be able to double it; but after all, it is a thrust in the dark, and I feel that there will be a deficit of about 50 million tons lift, as a result of the Plan. These 50 million tons have to be provided for and the only possible chance which I can see is that we will have to fall back on the roads and remove most of the restrictions which have hampered the development of motor traffic on the roads in the past.

We enacted a law which may have certain restrictive clauses, but like all Government Acts, it was fairly reasonable and sensible and would have worked well if the administrators had taken it in the spirit with which it was to have worked. There is a section there—a code of principles—in which we get what is called reciprocity. I may tell you that today, Calcutta supplies most of the requirements through imports. Bihar is the hinterland of Calcutta port. West Bengal has got 23,000 trucks and they will not allow more than 200 permits to go to Bihar and in each permit the man is given one trip. He cannot go more than two miles beyond the road specified in the permit, and he must complete the journey in 15 days.

Now, in regard to reciprocity, the Bihar Government say, "We do not give more than 200 because we do not want more than 200".

These are between two State Governments and one can understand a certain clash of interests, but when you go down further, in Bengal you find there are 14 regions and each region has adopted the code of principles and reciprocity. For ins-

tance, from Murshidabad to Calcutta not more than a certain number of vehicles can be permitted, although the district may be starving, and the same article may be available in Calcutta. This sort of difficulty exists as between the regions, within the State and between States.

In the Act you have provided for an Inter-State Transport Authority and you have also provided for a Central Transport Authority, but it appears to me that the provisions under which they will function are rather nebulous, and the fears of my committee are that it is quite possible that they may lead to a little more chaos, detention in the issue of the permits etc., unless they are worked out in greater detail so that their functions become more or less mandatory rather than advisory. But unfortunately, the mandatory aspect of these committees is out of question under the Constitution.

My submission is that the importance of transport for the success of the Plan has not been adequately appreciated in the country. It is true the Government is getting seized of it, but even they do not adequately realise what demands are being made for transport. The progress in the country is coming like an avalanche. Production is rising all over, and unless we remove these bottlenecks we shall find ourselves in a very difficult position in about four years' time. Therefore, whatever you may do, please see that these inter-State and Central Transport Authorities as far as possible become real, effective institutions in solving the problem for those who want to take up operation of vehicles.

You have heard a good deal about taxation, the nature of the permits issues etc. You know all about it. I need not put it up to you. Road transport has become like the Hindu society, suffering from self-imposed disabilities. Everyone from the top to bottom is anxious to see that there is no bottleneck, but the clash of interests between the Centre and the

States and the States and the regions has been such in the past that it actually throttled road transport.

I give you one instance. There is an advisory committee to the Transport Commissioner in Bengal. It was supposed to advise him. There was no meeting held for two years, and there was a very serious agitation. Then after 11 months they held one meeting. In other words, the Secretary and the Chairman of this authority practically run the whole transport. Whatever the system, you have to provide that a person who wants to hire a lorry is not forced to abandon the scheme, but is encouraged to take it up and contribute his own small mite to the national economy at this stage.

Shri Lal Bahadur Shastri: You said something about the Central Transport Authority? Do you mean to refer to the State Transport authorities or.....

Shri L. R. Misra: As far as I can gather, in the Act you are providing for a Central Transport Authority which has to deal with inter-State transport, but the trouble is it must come from the inter-State level to the Central level. Otherwise it becomes rather an ineffective body. But there is something more. At the inter-State level also, unless the States refer it to that body, there too the same disease remains. So, the prime necessity at present is that you must have some means by which the licences are issued as a matter of course, or rather as a matter of policy, because the persons applying for the licences are mostly comparatively poor men who want to make an honest living. Previous to 1939 it used to be a sort of cottage industry. The members of a family took up a truck and ran it and it gave them a steady income of Rs. 200 to Rs. 250 a month. In India during the last 10 years there was an increase in the number of motor vehicles at the rate of 15 per cent. or so, but in the last three years it was only 3 per cent., it has gone down. It is not that there

is no transport in the country. The Commerce Ministry have got their own figures as to what the railways have failed to carry, and the railways have got their own. The railways have increased the carrying of goods from 83 million to 116 million tons. So you cannot accuse the railways, but the fact remains that a large amount of traffic remains uncarried. In this, my submission is that it is unfortunately the underdog that suffers. Big associations approach through the Chambers of Commerce and they get redress, but whenever there is a shortage of wagons, it is the man at the roadside, the poor cultivator or the small trader who gets it in the neck and his product remains uncarried. It is true that an effort is being made by the railways to provide for it, but the fact remains that about 15 per cent. of the traffic remained uncarried during the last Five Year Plan, and with all the improvements which they are effecting, with all the drive for efficiency, there is the seriousness of this percentage increasing in the next Five Year Plan. Unless you remove the restriction on road transport even as a temporary measure, you will find very great difficulty in coping with it. The country is determined with the national Government to see the Plan through and all of us hope that it will be a success, but where will the success be if the product is not carried to where it is required? Therefore, my appeal to this committee is to see that we cast off our old ideas.

After all, there is a tremendous possibility for increase of railway earnings. I myself envisage an income of about Rs. 500 crores for the railways in the next three years, and I have got my reasons for it. If you ask me, I can give them. There is no chance whatsoever of road traffic at this stage taking away any substantial part of the railway traffic. We have to cast off that fear. I am bold enough to say it before the Transport Minister because he knows all about it. The goods income from the railways at present is about

Rs. 205 crores. On a population of 337 crores, it is not even Rs. 6 per head. Therefore there is no cause at all for alarm so far as railway revenues are concerned that they will be reduced by road competition. What is required at present is the development of internal combustion engines. Roads and railways are no longer in competition, they have become complementary. There is a certain kind of traffic which can best be carried by road and there is a certain kind of traffic which can best be carried by rail. The requirements of society are now increasing daily, both in variety and complexity. Therefore, the policy, so far as transport is concerned, for the next five years should be such as to keep it untrammelled to develop to the maximum extent possible.

An argument may be advanced that the railways may suffer serious loss of revenue. To that I say that after all, five years is not a very long period. If you really find that your worst fears or even your mild apprehensions are materialising, you can easily bring forward another law and keep motor transport in its proper place. But for the sake of this fear you should not restrict motor transport to such an extent as might compromise the success of the Plan.

Chairman: So far as this general assessment of the situation and the needs of the country for increased transport are concerned, the Government is aware of it, as also the committee; the present amending Bill is all meant to tide over and then permanently solve this problem. The fear of rail-road competition which was behind the 1939 Act is not there now. What are the broad details of the liberalisation of the permit and other considerations that will succeed in bringing more private vehicles on to the road? We are more concerned with these details than with the general aspect of it.

Shri L. P. Misra: I have got a few suggestions to make in that connection. One of the suggestions is that this distance is at present a various handicap.

Chairman: It has to be increased, or it has to be abolished?

Shri L. P. Misra: It has to be abolished.

Chairman: No restriction on distances at all?

Shri L. P. Misra: Probably you know that the average tax per ton-mile on road traffic comes to 23 pies, nearly two annas.

Chairman: So, what would you like? You feel that the 150 miles restriction is very embarrassing. Therefore you do not want any restriction.

Shri L. P. Misra: I would call it a very severe handicap. There should be no restriction on the distance.

Shri Lal Bahadur Shastri: What about the pattern of traffic? Is it possible to make some adjustment in regard to that matter? For example, these vehicles carry only the high-rated traffic and the railways are allowed to carry the low-rated traffic. Will you find out some alternative to adjust this? Probably it might go against the railways in case they are only permitted to carry low-rated traffic.

Shri L. P. Misra: This objection I raised about ten years ago and with some success. My submission in this connection is that the railways will have so much high-rated traffic to carry that even if they give up 6 to 8 per cent. of their traffic, it will leave no impress at all on the finances of the railways.

Shri Lal Bahadur Shastri: Why did you suggest this before?

Shri L. P. Misra: Because the railway revenues had come down to Rs. 86 crores at that time and the position was we were not paying for our depreciation. That was hardly the time when we could allow any traffic of the railways to be diverted. But now the position has completely changed.

Shri L. P. Misra: As you are aware, we swallowed during the depression period all our depreciation fund, and we had to borrow from Government. That period was very difficult. But now the position is different.

Even take the case of high-rated traffic. How much of it can road transport carry away? Even at that time, if you would read the Acworth Committee's report, you will find that the railways had been robbed of about Rs. 4 crores, and that was at a time when the lorries were plying absolutely uninterrupted, and unrestricted in the country; and the maximum dent which they could make on railway traffic in higher-priced commodities was to the extent of about Rs. 4 crores.

Now, even if we suppose that they take away Rs. 13 or Rs. 15 or Rs. 16 or Rs. 20 crores, there will not be much damage, because your income is going up by leaps and bounds, by nearly Rs. 50 to Rs. 60 crores each year. In 1939, the maximum income was Rs. 115 crores for the railways, but now it is Rs. 345 crores, according to your estimates. So, even supposing the unexpected happens, and the roads take away Rs. 10 crores out of it, the railways will not be hit to that extent, which is feared.

It is also a mistake to imagine that the lorries will take away only the higher-rated traffic and settle on that.

Shri Lal Bahadur Shastri: Generally they do that. You say that the gap will be about 30 per cent., and it may be up to 50 per cent.

Shri L. P. Misra: Not as far as that. I reckon a deficit of 50 million tons. But with that deficit of 50 million tons, the railways are carrying on now. Recently, I had been to Naini Tal, and I found that even timber for fuel was being carried by trucks.

Shri Lal Bahadur Shastri: You know those figures. What would be the extent of the high-rated traffic, out of the total traffic being carried by the railways, which would be taken away

by the roads? Can you give the percentage?

Shri L. P. Misra: It is absolutely a guess. It is very difficult to give it.

First of all, we have not developed road transport well. So, at present it is very difficult to get an idea, because these vehicles are not operating in a natural manner; there are so many restrictions on them. So, it is very difficult to say what is the maximum damage which they can do to railways, if they were unrestricted. But my own impression is that when you are thinking of railway earnings of the order of Rs. 500 to Rs. 550 crores, the time is not ripe for you to think of this fear.

Shri Lal Bahadur Shastri: I quite appreciate it. My only point was this. If the goods trucks are able to carry 30 million tons—of course, in course of time—and most of it happens to be high-rated traffic, then the position of the railways is bound to be affected. But I am taking an extreme view.

Shri L. P. Misra: That is what I said. After all, Government control the transport in the country, both road as well as rail. If at any stage, you find that your apprehensions are materialising, it is easy for you to stop this.

Shri Lal Bahadur Shastri: My fear is that it might be very difficult to retard the step later on. Naturally, the operators' vested interest is there, and their difficulties have also to be taken into account.

Shri L. P. Misra: On the operators, you can put down some restriction in regard to high-rated traffic.

Shri Lal Bahadur Shastri: That was precisely my point.

Shri L. P. Misra: But I had advisedly refrained from suggesting it, because in my opinion, it will not be a practical step, for this reason namely, that it is easy to lay down a law, and tell the lorry operator that he should submit a return, but as practical men, we know....

Shri Lal Bahadur Shastri: You mean that fraud may be committed and so on.

Shri L. P. Misra: When I had a good deal to do with the operators in 1932, the amount of high-rated traffic which they were carrying was not much. As a matter of fact, I saw even bullocks and buffaloes being loaded. They started from Peshawar and went up to Calcutta, and whatever they could get for 20 or 40 miles they loaded and unloaded. So, it was just a composite mixed train carrying whatever was offered. They did not stop at anything, but the high-rated traffic which was going on roads really did not come too much.

Now, leave aside Calcutta. So far as the mofussil towns are concerned, when these people are going for 200 miles or 250 miles, they cannot fill up all the trucks that are going there.

Shri Lal Bahadur Shastri: So far as short distances are concerned, we do not mind. I am speaking here on behalf of the railways. So far as short distances are concerned, I do not mind. But if we remove the restriction of 150 miles, and the trucks are allowed to carry traffic from Calcutta to Amritsar or from Calcutta to Madras, than they will naturally like to concentrate on carrying high-rated traffic. I am very doubtful whether they will carry coal from the collieries to Bezwada or Madras.

Shri L. P. Misra: As a matter of fact, there is a great apprehension on this score, because some people hold that the trucks will not be able to carry low-rated traffic. But road transport in India has not yet been developed. As a matter of fact, we can work out a scheme whereby we can provide a trailer of 4 tons capacity. A five-ton truck can easily take a trailer of about 4 tons capacity, and the cost of operation goes down immediately to about 60 per cent., if that is done. But nobody has thought of these trailers.

Chairman: Other witnesses have suggested it.

Shri L. P. Misra: As a matter of fact, we have been discussing this trailer idea amongst ourselves. In America and other countries, they use these trailers. But in our country, the development of goods traffic has not received serious consideration, either from the operator or from the others because formerly there was no need for it.

Now that the necessity is there, we have to look at it from a new angle of vision, and we have to make certain arrangements. Unless we do that, we shall find the position rather difficult. And please do not forget also that a truck has to pay about Rs. 5,400 per year by way of taxes. The maximum it can earn, if it is worked throughout the month efficiently, will be in the neighbourhood of about Rs. 20,000. There is such a little margin left over, after taking into account depreciation, replacement costs, cost of repairs, insurance charges and others, that unless you can make it worth the while of an operator to make a decent living out of it, he will not be encouraged to take to it.

At present, what is happening is that sheer necessity compels the people in presidency towns and other places to resort to it, and they would give it up as soon as the necessity is gone.

I have been thinking over this problem of high-rated traffic, and I would appeal to you with all the earnestness at my command that in the present stage of development of transport, both by rail as well as by road, this fear will turn out to be an unfounded fear.

Shri R. P. Sinha: Out of the 30 million tons, how much of high-rated traffic would the trucks carry?

Chairman: He has already said that it is very difficult to give the percentage.

Shri R. P. Sinha: He can give us some estimates.

Shri L. P. Misra: The deficit of 30 to 40 million tons is all over the country; it will occur in mountainous tracts, in agricultural tracts and also in industrial tracts. And the people may

find it much more paying. I quote just one instance. In 1949, there were no trucks available in adequate numbers, with the result that potatoes were selling at Farrukhabad at four annas a seer, while in Calcutta, they were selling it at Rs. 1-2-0. If the trucks had been available, the agriculturist would have got a good value and the rate in Calcutta would also have gone down to about As. 12 or As. 13 a seer.

What I am asking is for the elimination of the restriction on distances. If I ask you to reduce the taxes, I know that it will be a counsel of perfection, because who will listen to me. If the Centre asks the States to reduce the taxes, they are not going to listen, because they are trying to collect as much as possible.

Chairman: Your point is that even if the limitation on distances is removed, the fear that you are trying to disabuse from the mind of the Minister will not be there, that is to say, that even if high-rated traffic is carried by the trucks, its effect on the railway income will be very little, just about ten to twelve per cent.

Shri L. P. Misra: Yes, it may be ten to twelve per cent. And the railways will be making it up in so many directions, by the development of traffic all over the country.

Chairman: So, you think that the railways could make it up in other ways. It is more that aspect of it that the Minister has to consider, once the fear is removed that the removal of restrictions may affect the national income; for, after all, the railways are our national assets, and you are interested, and everyone of us is interested in seeing that they are administered smoothly and efficiently and economically.

Shri L. P. Misra: Now, let us consider this case dispassionately....

Shri B. P. Sinha: It is time for lunch now. It is nearly 1.30 P.M.

Chairman: Then, we shall adjourn and meet again at 3 P.M.

(The Joint Committee then adjourned for lunch and reassembled at 3 P.M.)

Shri L. P. Misra: I was just dealing with the point why there should be no restriction in the licence on the distance. This is a very difficult question, rather a controversial one.

At present a truck, on an average, does not earn normally more than Rs. 20,000 a year. Out of that, Rs. 5,500 has to be paid by way of taxes and about Rs. 3,000 to Rs. 3,500 by way of depreciation on a truck costing about Rs. 18,000 to Rs. 19,000.

Chairman: Now they say it costs Rs. 40,000.

Shri L. P. Misra: I am telling you of a truck for the poor man and not for a rich man. If it is a diesel truck it is about Rs. 24,000 and if it is a petrol truck it is about Rs. 18,000. I assume Rs. 21,000, the average, to be the price of a truck. With Rs. 3,500 a year as depreciation one would be able to take back the amount in 6 years.

That leaves about Rs. 9,500. Generally, in Calcutta the tyres are generally changed twice a year and outside Calcutta, in the mofussil, they are changed thrice a year. That means another about Rs. 6,000 again. Unless a man gets about Rs. 3,000 net profit over an investment, it becomes very difficult for him to take to this business. The only way to do it is to keep him fully occupied throughout the 12 months of the year.

With this restriction of 150 miles, leaving aside the Presidency towns, there are very few places where a truck can be kept fully occupied throughout the 12 months of the year. These places are very few and far between. Therefore it is essential for a truck to go just beyond that limit to wherever traffic is offering. There may be a potato crop or a chilly crop. Wherever there is dearth of transport or there may be a restriction on the railways, they should go and relieve not only the pressure on

railways but also keep themselves employed throughout the year. That was my main object.

In case you find that the complete removal of restriction is not feasible, I would suggest that the limit in the licence should be over the inter-State areas; that is to say, a man may be able to go to another place where traffic is offering whether it is in the State or in the connected States. That is my humble suggestion for your consideration.

Shri R. K. Mookerji: You have not calculated the hire purchase charges.

Shri L. P. Misra: What happens is this. Generally those who are sensible enough used to mortgage their property and buy a truck and pay it back. If one goes for hire purchase the price may be a little more because the interest charges at present are about 10 to 12 per cent. Even providing for 10 to 12 per cent. charges, if the traffic is available throughout the year, my impression is that he would be able to earn a small livelihood for his family out of the proceeds from this operation.

The other point in this connection is that the Government of India have already laid down in the Ministry of Transport that licences for goods traffic should be issued for the whole period of the Plan.

Shri Lal Bahadur Shastri: Yes.

Shri L. P. Misra: That solves the problem of the operator very much because this is the advice given by the Ministry of Transport to the States and it is for the States to carry it out. If they are going to give licences for the duration of the Plan period, most of the difficulties and the uncertainties at present existing would be removed

Shri R. K. Mookerji: On this point there is another view that the period of 5 years is too small to make the proposition economic.

Shri L. P. Misra: When I came to put my views before this Committee,

I told my committee that I would like to go only on one condition and that is that wherever I find the views of my committee are not in the interests of the country I should be allowed to put my view. I am glad to inform you that they fully authorised me to put my views before the Committee. Naturally, from the operator's point of view, he would like to have 8 or 10 years. If I were an operator, I would myself have asked for 10 years. But my difficulty at present is that we are asking the Government for so many concessions for the operator that it is hardly desirable for us to open our mouths too wide.

Shri R. K. Mookerji: Make your fill all at once.

Shri L. P. Misra: I have never believed in that. I think moderation always carries conviction.

The third and the most important point is that in the existing Act it is said that the authority issuing the licence will be guided to a very great extent by the traffic offering, by the prospects of development of other forms of transport and it was put in such a manner that it gave complete power to the Regional Transport Authority. But I am sorry to say—and it has been acknowledged by the Study Group—that frequently licences were denied on extraneous considerations, considerations other than the interest of traffic. My submission in this case is that to avoid such a thing recurring there must be an appeal against the refusal of licences and this appeal may best be heard by the Inter-State Transport Authority envisaged in the Bill or by some representatives who have no interest in the transport of the province.

What happened in the first 5 years is this. The Transport Commissioner who was also the General Manager of the nationalised transport was the Chief Officer for the administration of the Motor Vehicles Act. The difficulty was they had high ambitions and

they were promised by the respective Governments liberal funds to develop traffic right through the States. Like all human hopes they were only partially realised. But during the 5 years that this was happening, a large number of persons who could have developed transport, both passenger and goods, were denied the opportunity of doing so, leading considerably to the economic loss of the country. Therefore, there should be some sort of appeal against the orders. Under the existing Act the appeal lies to the Transport Commissioner but, in practice, it has led to nothing. In fact, in the State from which I come, there is even a sub-committee of the Ministers to hear these appeals. But, unfortunately, no appeals have been made and they have naturally remained defunct. Just as you allow us to have a car or a bicycle, I think, it would be desirable that men should be encouraged—persons who can put some Rs. 20,000 or so—to keep a truck and develop what turns out to be a sort of small-scale industry. Each lorry gives employment to about 8 or 10 persons apart from the three who are there. If you put in 100,000 trucks on the roads, you will have given employment to about 11 to 12 lakhs of people. And, taking 3 dependents for each it would provide for about 33 lakhs of people or a proportion of 1 in 100.

Shri H. P. Saksena: Would you like this appeal to be allowed even against the refusal to renew licences?

Shri L. P. Misra: What I am concerned at present is the issue of more licences. At present because of the development of traffic that is taking place, generally, all the States in their own interests will not easily be refusing licences or the renewal of licences, unless they are going to take it up themselves. The Ministry of Transport have cleared the position and the States have been asked to define or lay down what routes will be taken up by them in the course of the year. The principles laid down and the instructions issued by the Transport Ministry are more

than enough in this respect to prevent the States running them.

Shri T. B. Vittal Rao: You say that if we put one lakh of lorries on the roads it would provide employment for 10 to 11 lakhs. Could we know how this figure was arrived at? Today we have already 75,000 or 80,000 lorries and buses on the roads and we have got only 3,50,000 employed.

Shri L. P. Misra: What about the garages and workshops in which they have to attend to these vehicles?

Chairman: The other day another witness told us that each vehicle gives employment to about 6 to 7 people including the conductor and driver and other part time employed people also. That was another estimate made by another witness.

Shri L. P. Misra: Washers, cleaners and fitters. We found in the case of one aeroplane, for one pilot on the plane during the last war, they had to employ 13 ancillaries.

Chairman: Loading and unloading itself would generally take about 4 to 6 people.

Shri L. P. Misra: An average of 10 men per lorry over and above the driver will be quite reasonable. After all, these are guesses.

Shri T. B. Vittal Rao: Today, in the whole road transport system—the whole thing is nationalised—the number of employees in buses as well as taxis and lorries come to about 3,50,000. By putting one lakh lorries, you say that 11 lakh employment potential is there. How is it calculated by you?

Chairman: It may be that many of the owners themselves act as part of the employees and they do not register themselves as such.

Shri L. P. Misra: My idea of development of road transport in the country is that it should be developed into a small scale industry. Before the Act came into existence, there were many owner-drivers and they used to bring their relations in the lorry and some remained outside and they looked after the lorry. The

only difficulty which the Krikness and Mitchell Report found and which was taken up by the other Committees of Railways in 1936 was that they had not bothered about the repair and the safety of the trucks which they were operating. To a certain extent that opinion was correct. Because they were men of small means, they did not bother about it. But if you put a large number of lorries in the district, I have no doubt that the demand will create the supply and people will come up to open workshops to repair them. There will be repairing and other facilities opened up. It is the demand which creates the supply. There will be no difficulty; probably the only thing that we will have to do is to stiffen our inspection and see that the lorries are roadworthy. But here too my experience has been that the treatment meted out to private operators, where nationalised transport is in operation, has been very stepmotherly. I came across cases—I won't mention names—in the States where the lorry that came for inspection had to wait for 8 or 9 days before it was attended to. There are some places in which instructions had been given to the Enforcement Squad not to take up cases of breaches of rules of the nationalised transport, but to concentrate their attention on others. The whole trouble arises from the fact that the Motor Vehicles Act, with some restrictive clauses, like other Government measures, is intended to be worked as capable of being worked satisfactorily—and it did work satisfactorily up to a limit. The licences refused were only in cases where they were actually competing with the traffic that is likely to be taken away by them from Railways. But unfortunately once the nationalised transport came in, they did not want to create more interest. Every possible human ingenuity was exercised to keep down the operators, to deprive them of what they had and discourage them in all possible ways, which had a very very serious effect on the intending purchasers and operators of lorries at large. If you

want that the road transport development should help you in the Second Plan, this matter will have to be taken up. My suggestion is that if you feel so handicapped by the Constitution that you cannot possibly have some Central direction, it is absolutely necessary, rather urgent, that the person who is to administer the Motor Vehicles Act must not be under the Ministry of Transport in that State. I apologise for saying this, but my reason is this. The development of this traffic is vital for the development of industries and commerce in the State. If the administration of the Motor Vehicles Act is put under a new Ministry, the Ministry of Commerce and Industry, for instance, the viewpoint of that Ministry will be quite different on the controls over nationalised transport. What we want is that as the nationalised transport has come to stay—whether we say good or bad about it, it has come to stay—it should not be worked in such a manner as to lead to a dog in the manger policy, particularly when such a policy leads to a very serious dislocation of the State economy. If this has to be done, and if the Constitution is such that nothing else can be done, then I would submit for your consideration that this work should be put under the Ministry of Commerce and Industry or the Ministry of Agriculture which may be primarily interested in the development of transport in that part of the area and which may not be guided by the pound, shilling and pence which the nationalised transport may earn. It is necessary not only that justice is done but justice should appear to be done. The general impression is that the Transport Commissioners in the States have to look at it and there is a different atmosphere and a different angle of vision. Therefore, the issue of licences should as far as possible be done in such a manner that the Centre has some hand in it, but if the Centre cannot have a hand in it, it must belong to a Ministry where it is completely judged on the merits of the case.

Shri T. B. Vittal Rao: I was not quite clear about what he said on high-rated and low-rated traffic. He said that only about 10 to 12 per cent. of the high-rated traffic of the Railways may be taken away by the road transport. But today, the position is that on account of the subsidy the cost of haulage of coal is less than the cost of coal. Will it be economical for the road transport to haul the coal from the collieries over small distances like 100, 200 or 300 miles?

Shri L. P. Misra: I am very grateful to the hon. Member for raising this question because I could not elaborate it earlier. There is a serious apprehension among people that the development of road transport will carry away much of the high-rated railway traffic. Even now, when the taxes are almost two annas per ton mile, coal is being taken by road from Asansol area to Calcutta daily. If anyone of you happens to be there, you will see that it is not an exceptional phenomenon—coal is being carried, cement is being carried by road. The general impression is that once you remove the restriction, practically all the people will flock to Calcutta for conveying piecegoods, umbrellas, etc., and distribute them all over the country. There could not be a greater misapprehension than this. This shall not happen for the obvious reason that people will try and secure the maximum traffic they can in the nearest places rather than venture far out. I told you that the total diversion that the Railway Committee found was about Rs. 4 crores. With greater development of road traffic, it may be a little more, but the Railways have got no cause for apprehension. Even in respect of coal and low-priced articles, there are certain kinds of traffic for which the Railways cannot be a substitute. If it is a distance of, say, 150 miles from the colliery to the factory, there might be many persons who would prefer to have their coal sent out by road. I may give you one instance. There was a large accumulation of diesel engines and Aurangabad want-

ed a very large number for agricultural operations and no wagons could be had. I was in Poona and I knew this. There was an enterprising firm which went up and secured a licence and it booked for one month all the useful diesel engines right from Poona to Aurangabad, and it came to about Rs. 6 extra per engine. All the people gave that amount most willingly because they could get the engines in time for the crops. The result of it was that both were happy, and the work was done to the satisfaction of both. Occasions may arise when there is a railway block and cement may have to be carried by road, and other things may have to be carried by road. We have hundreds of commodities to be carried by railways. A truck working in a particular area—particularly in an undeveloped area—will have to concentrate on traffic which is readily available. My submission is that the Railways are providing livelihood for one in sixty today, that one million are directly employed and half a million indirectly employed in the purchases which are made by the Railways. Providing three dependants per head, it means that we have got about 60 lakhs directly depending on Railways. No person interested in the welfare of his country will ever recommend a scheme which is likely to interfere with well-being of Railways. If I have the slightest fear that this sort of thing is likely to arise, I will not have put it up to you. Therefore, you should have no apprehension whatever in this matter. As I said in reply to the hon. Railway Minister, when your earnings have increased from Rs. 115 to Rs. 345 crores and are likely to be Rs. 500 crores now, a few crores this way or that should not matter much. But what is the alternative to this? If you do not give adequate facilities for the development of road transport, you know what will happen to your Plan. Would you like to say "Take so much and do this, and come back afterwards" or would you let the Plan fail on account of transport bottlenecks?

Shri T. B. Vittal Rao: Out of the 10 million tons of coal produced in Bengal, how much is transported by you?

Shri L. P. Misra: Whatever is urgently required is transported by us. Coal is transported by trucks not because they would like to do it but because they have to do it. You will come across instances all along the Railways when necessity arises at which money is no consideration when a thing has to be transported...

Shri T. B. Vittal Rao: I just want to have an idea of the coal carried by road transport. If the figures could be given, it would be better.

Shri Lal Bahadur Shastri: It must be very small. Mr. Misra does not say that the quantity would be much.

Shri L. P. Misra: We are watching progress from year to year.

Shri Lal Bahadur Shastri: You will be surprised to know that during the last two months they were not able to load about 800 wagons. In fact, for two months about 800 wagons were kept idle. Then I drew the attention of the Production Ministry to the fact that these wagons could have been utilised elsewhere.

Shri L. P. Misra: These are bound to occur when you are dealing with three lakhs of wagons. 800 wagons or 200 or 300 wagons are at times bound to be kept idle. We could never have hundred per cent efficiency. This will happen and I am even prepared to go further and say that there may be greater diversion than what may be apprehended. But are you going to jeopardise the success of the Plan?

Shri Lal Bahadur Shastri: You have to keep another thing also in mind. I do not know what the recommendation of the Rail-Sea Co-ordination Committee is going to be. But, suppose the rates were made reasonable by that committee—they suggest certain rates—by which the carrying of coal through sea becomes cheaper or more economical than most of the

coal will be carried by ships. In that case the trucks will have less of heavy goods to carry and the fear, which has just now been expressed, that it is just possible that the high rated commodities would be carried more by the trucks than by the railways will be there.

Shri L. P. Misra: I am glad that this question has been put to me because at present we are carrying about 39 million tons of coal. Your programme is to increase the production by 23 million tons more. If you feel that the 23 million extra will not be sufficient burden on railways even if they are carried by sea, then I am afraid there is a miscalculation.

Shri Lal Bahadur Shastri: I am prepared to accept that when we carry coal by sea the railways have still to function because from the port to the destination the railways have to carry it. Suppose it is unloaded at Visakapatnam or Madras and if you want to take it to Bangalore or other places, then railways have again to carry whereas if trucks are to carry heavy goods, they will go from one city or one market to the other market.

Shri L. P. Misra: There is a definite limit to the motor transport because of the taxation. That is your best safeguard. If you are charging an average cost of 11.1 pies per ton mile the tax on one ton mile of road is 23 pies, so, it is in your pocket. It is such a good deterrent to the dispatcher of consignments that he is not likely easily to just come up and say: here are the goods, you just carry them.

Shri T. B. Vittal Rao: The railways are transporting coal for their own use by sea and because of that they are losing Rs. 2 crores. Otherwise, they could have carried the coal by themselves....

Shri L. P. Misra: ... and starve the country generally.

Shri T. B. Vittal Rao: But just to assist the industrialists with a low

price, they are themselves foregoing nearly Rs. 2 crores annually.

Shri L. P. Misra: My reply to that is when you nationalise the transport organisation, the nation assumes a very serious responsibility on its shoulders. Now what is happening on the railways? It cannot be one way traffic. If you nationalise the railways, you have to assume the responsibilities of the welfare State because it carries more than 96 per cent of the ton miles in the country. After the First War, Germany lost all its coal mines. But they said: we are guaranteeing to each consumer the same calories which they were getting before the war. The railways were nationalised and arrangements were made by the State, irrespective of the loss or gain, to provide each consumer with the same calories that he was getting before. The railways cannot function like a commercial enterprise when they have been nationalised. They must be prepared to lose if it is in the interest of the development of the country, the long-term development of the country, and there is no harm in doing so. You are making so much money over this and it will not matter if you make a little less. But the point at present is this. The railway earnings are increasing and they shall continue to increase and as such it gives you no cause for anxiety whatever. But if it does not and my anticipation turn out to be wrong, in 1958 you can bring up another Bill. But would you jeopardise the Plan?

Shri T. B. Vital Rao: We want a co-ordinated plan.

Shri L. P. Misra: I have heard this word "co-ordination" for about 50 years of my life and I tell you, the less we talk of this, the better it would be, particularly in the matter of transport because what we want is precise figures, precise statistics that will help the industry. If there is no problem in the country, there will be no need for Government, no need for police and no need for enforcement squad. But that is not the

state of affairs. Therefore, for the time being, we have to take things as they are, provide for the needs of the country in the best manner possible.

Shri T. B. Vittal Rao: We are planning for 130 to 140 million tons of coal. Our major difficulty in stepping up the production of coal is the transport. So, could you suggest some way of co-ordination?

Shri L. P. Misra: Why do you feel that railways will always be failing? As a matter of fact, the way the railways have worked during the last year or two is a very great encouragement and we can hope that they will deliver the goods, if you provide them with sufficient facilities. What is the position of loading today? Today we are loading 19,000 wagons in the whole of India—I am speaking subject to correction by the hon. Minister. In Germany, in one division, the Eastern Division, on the Christmas day, 27th 27,000 wagons were loaded 25 years back and their average loading is 42,000 wagons a day and we load in the whole of India about 19,000 wagons. Now, are our railways under the impetus given by the Second Plan, with a popular Government at the Centre, going to continue to work in the old grooves. What is our work at present on railways? What we are doing is not a flea bite compared to what the railways are capable of achieving and what they shall do if you give them sufficient facilities. The great mistake that our legislatures are making at present is—it has been the experience in Russia and other countries—though we have to find at least 40 per cent of the expenditure on total development for transport, the amount required for transport has not been adequately realised. We put up a plan for Rs. 1,450 crores. That has been reduced to Rs. 1,125 crores. Now the railways retaliated and said we will carry 165 million tons. But they are making a very desperate effort—and I hope a successful effort—to give you not only 160 million tons but 190 or 200 million tons. But

what is 200 million tons for a country like India?

Shri T. B. Vittal Rao: We are prepared to develop our rail transport. But we cannot spend so much money on it. Not only the money, but we have to depend on foreign countries for many parts. We want to restrict that. Suppose we spend an equal amount on road transport. Suppose Rs. 100 crores are spent on road transport, how much of it will go to foreign countries?

Shri L. P. Misra: I am glad you put this question because this is a reflection on what was said some time back that the railways will need. My submission is that when the improvement that the railways are making in the efficiency of their organisation, if it persists for two years, they will be able to give you at least 30 to 40 per cent increased earnings with the same equipment and this amount will carry very much further if you allow the railways to retain this. But my fear is that you will not allow them to retain this. Our country should take a chance for becoming self-sufficient. Suppose their income goes up by Rs. 100 crores it will go a long way and now out of the purchase of Rs. 100 crores, only Rs. 80 crores are spent here and Rs. 20 crores goes outside. But that is not going to continue for ever. So, let us not think so. Let us have expansive ideas on the subject and see how much other countries, small countries like Great Britain, are spending. We are working the whole Plan with 370,000 wagons. You shall read by the end of 1960 for railways to deal with normal traffic about 500,000 wagons and 500,000 wagons is nothing for a country like India. Therefore, don't despair and be optimistic. Our transport has got a very bright future before it as long as the Government continues to provide the inspiration that is being given in the Second Plan.

Shri R. P. Sinha: Do you think that in the near future there will be a

possibility of reduction in the price of commercial vehicles?

Shri L. P. Misra: If you develop it well, the cost will definitely come down. There are two reasons. There has been a very great misapprehension about the cost of motor vehicles. When the pound was devalued the cost of an American article became 50 per cent more. India deals with only American trucks and naturally the cost of a truck which was less before devaluation has increased.

Shri R. P. Sinha: I am talking of Indian trucks.

Shri L. P. Misra: I would not like to blow my own trumpets but I would like to tell you that 66 per cent of the parts of a truck are already being manufactured in the country and in the course of another year you will see that so far as a truck is concerned, 80 to 84 per cent will be manufactured in the country. The Swadeshi content will be 80 to 84 per cent.

Shri R. P. Sinha: Will the prices come down?

Shri L. P. Misra: Naturally. The firms which are producing 2000 and 2500 vehicles, if they produce 20,000 or 25,000 vehicles, the overheads and other incidental charges are bound to go down.

Shri R. P. Sinha: Our target is 40,000.

Shri L. P. Misra: I don't believe in it. You will not be able to reach your Second Plan targets with 40,000 extra vehicles.

Shri R. P. Sinha: What is your suggestion?

Shri L. P. Misra: I have suggested from house tops 100,000 trucks. That is the minimum.

Shri R. P. Sinha: Have you the capacity to manufacture 100,000 trucks?

Shri L. P. Misra: If you read the report of the Tariff Commission of the Development Wing, they say there is capacity for 59,000 trucks with one shift in the country. With a second shift, from 59,000 to one lakh is nothing.

Sardar Iqbal Singh: May I know the reasons why there is only little shortage of some of the makes and why the prices of some makes have gone so high, for instance, Mercedes truck?

Shri L. P. Misra: I would not say that the price of Mercedes has gone up. What is happening is this. At present there is a very serious and heavy tax on petrol. Diesel oil and petrol are imported at Rs. 1-3-6 and Rs. 2-11-6. So, there is a difference of Rs. 1-8-0 in petrol. The result is that the owner of a public carrier with a diesel engine finds that he can save about Rs. 25/- per day. Naturally, there was a great demand for diesel trucks.

Now, in the case of diesel trucks, there are two companies permitted to manufacture them. One is in Bombay and the other in Madras. These two companies were told in the beginning that they should prepare themselves to manufacture 2,000 to 2,500 diesel engines. We find that 30 to 70 per cent of the trucks must have their diesel engines. So the reason for the scarcity of trucks was the scarcity of diesel engines. Government did not permit us to import them. Now they are permitting and after some years the shortage will disappear.

Sardar Iqbal Singh: Some diesel trucks which have fixed prices of about Rs. 26,000 are now selling in the market at Rs. 31,000 or Rs. 32,000.

Shri L. P. Misra: This is to a certain extent not correct. But there were some occasions when there was a little black-marketing in these trucks because the other American trucks with diesel engines were not

available and the Commerce and Industry Department went into this question and they are trying to give free import licences for these diesel engines and therefore this difficulty will shortly disappear.

Chairman: Thank you.

(witness then withdrew)

IV. The West Bengal Lorry Syndicate, Calcutta.

(Please see their memorandum at Appendix VII)

Spokesmen:

- (1) Shri S. K. Banerjee
- (2) Shri S. K. Chatterjee
- (3) Shri Ajit Singh Dhamrait.

(Witnesses were called in and they took their seats)

Chairman: We have with us your memorandum and everything you have stated therein will be carefully examined. But if you wish to add anything that is not contained in that memorandum, you are welcome.

But, I may just bring to your notice that we have been discussing the broad aspects connected with this affair with a number of witnesses so far and the general atmosphere and the real situation in the country, the need for improvement of road transport and all such things no longer require to be argued because they have been argued. That has been practically the whole weight of the argument. What is required now is this: On the proposed amendments if you have any particular suggestions you may offer them whether they are for further amendment or for adding some portions to them.

Shri S. K. Banerjee: What we have stated in our memorandum is very concise. We have also submitted to you our Brochure for circulation clause by clause which we think is absolutely necessary to be discussed in the interests of the transport, especially goods transport. I believe you have with you a copy of this.

Chairman: Yes. It is, therefore, I say that anything that is contained therein need not be re-stated. If you want to add anything more, you may do that.

Shri S. K. Banerjee: The first thing that I want to impress upon the Committee is that the existing restrictions that are in force should be done away with. We say this especially in respect of the clauses which we have referred to in our memorandum. clauses 37, 42, 48, 49, 50 and 56 are the most dangerous ones and clause 38 dealing with the composition of the authorities for guiding and controlling the transport should be recast. First, this is the only thing at least of our primary concern.

Chairman: How should this recasting be done? We would like to go into that aspect.

Shri S. K. Banerjee: We have suggested also measures. We have suggested that operators should have a voice in the formation of these authorities including the Transport Advisory Council.

Chairman: That has already been placed before the Committee.

Shri S. K. Banerjee: Our next point is this: Transport being a concurrent subject, even what is contained in this Amendment Bill is unfair and unless there is a specific command from the Centre—or the Centre takes it as a central subject, which we also hold has a special bearing on this point—States cannot proceed with nationalisation...

Chairman: There is a limitation. This is a State subject and therefore, except with regard to the inter-State transport, the Central Government cannot step in. Therefore, it must be done persuasively and with the co-operation and co-ordination of the States. Therefore, we cannot scrap the State agency and then substitute the Central Government in that place. That is the Constitutional difficulty.

Shri S. K. Banerjee: But the difficulty has been that they are passing laws. Some States, I think most of

the States, have nationalised some of their transport and in Bombay they have nationalised even a part of the goods transport. But we say that the whole Act should be repealed in the sense that the Centre should take away all the powers from the States and bring in legislation themselves because we feel that the States are not competent to utilise the Act because, as it is, transport is a concurrent subject. They cannot do anything according to their liking.

Chairman: As I told you the transport within the States is the State's responsibility and the question of nationalisation—when it does come—comes exclusively within the province of the States. Therefore, all that we may consider now would be about the safeguards that can be suggested to the States and not taking away their powers.

Shri S. K. Banerjee: Again I appeal to you that though transport matter is a concurrent subject, the Act which was enacted by the Central Government, its preamble, its aims and objects can be twisted according to their own liking....

Chairman: So long as the Centre gets into the province of the States, it has to be done with their consent. You cannot ask us to take over every power of the State Governments.

Shri S. K. Banerjee: What we mean is that in the present context of the Act which is now being worked, the position should change. The hon. Minister has stated that this Bill is being introduced only to safeguard the cause of nationalisation that has already been done in phases by various States. If that be the case, then the existing Act, I say, is not competent to administer.

Chairman: There is some misapprehension. The Statement of Objects and Reasons does not say that the Act is amended only to safeguard nationalisation although nationalisation is a fact because that is being undertaken and the Constitu-

tion is also amended accordingly. Therefore, the Motor Vehicles Act must also contain some provisions regarding the same. Not that the Act is amended only to safeguard nationalisation. In the existing Act certain provisions are contained about nationalisation also and State Governments have been exercising that power. They have put some strings, because it has now to be done with the consent of the Central Government.

Shri S. K. Banerjee: Again the same question comes up. If that is the object of this amendment Bill, then there must be some instrument or something for this. Chapter IVA does not say specifically that they will have the power to nationalise transport. What will be instrument through which this nationalisation will take place?

Chairman: Do you mean to say that Chapter IVA that is now sought to be added, does not specifically say anything about the powers for nationalisation? It only provides for certain agencies that arise out of the nationalisation. That is your point?

Shri S. K. Banerjee: Yes.

Chairman: I would only ask you to consider this matter. Nationalisation is a policy. It is a power vested in the State Governments also. No policy will be legislated upon. Policy will be put into action. The question is when a particular thing is to be nationalised, if anybody is thrown out of employment or if anybody is injured what is the compensation to be paid? Such things require legislation. Therefore, this Chapter is added.

Shri Lal Bahadur Shastri: By implementing nationalisation in a State what we want to achieve by means of a legislation is that the private operators should get a fair deal, a square deal. That is our purpose. In fact, this amendment should lead to private operators getting a square deal as far as possible, in regard to the passenger service. As regards goods transport, we announced that

no State will go in for nationalisation in the next five years. Therefore, the private operators or companies or co-operatives, whatever they may be, are being given full latitude to carry on their trade or business and if the State Governments want, they can issue larger number of permits.

Shri S. K. Banerjee: You have said that there should be a fair deal to the passengers. There also, you have done injustice. You have mentioned only the unexpired period and that period will be compensated in the shape of Rs. 100 per mensem.

Shri Lal Bahadur Shastri: You can say that compensation is inadequate.

Shri S. K. Banerjee: It is no compensation at all.

Shri Lal Bahadur Shastri: You can then say that it is no compensation at all and that it is a mockery! You can deal with point after point, one after the other.

Chairman: The idea is this. The attempt is to legislate certain principles, because the Constitution requires it. It is open to you now to urge that the compensation proposed is inadequate or it is not sufficient and that other aspects also must be taken into consideration in fixing the compensation. All that is certainly within the scope of the discussion.

Shri Lal Bahadur Shastri: Will you suggest any other rate of compensation? If you have got some idea in your mind, you can suggest it.

Dr. R. P. Dube: You have said in your memorandum that under item 4 also, the compensation is inadequate "in consideration of the following facts", etc. Would you like to give us an idea about it?

Shri S. K. Banerjee: In matters connected with the decision of compensation, the death duty also must first be taken into consideration. If a man dies leaving a car, according to death duty, his property should be assessed and the value of the property should

be taken into consideration in deciding the compensation.

Chairman: You point out that death duty can also be an item of compensation and that we should consider it.

Shri S. K. Banerjee: Perhaps the Members have misunderstood me. You have to consider what should be the fair compensation. If you have to judge what a fair compensation should be, then you will have to take certain data into consideration.

Chairman: So, your point is that something like the death duty payable should also be taken into consideration.

Shri S. K. Banerjee: How much income-tax one pays should also be taken into consideration.

Chairman: How can income-tax come into the question of fixing compensation? You mean that income-tax that a person pays on the strength of a particular route will give you an idea of the income that he was earning and that therefore it may be taken into consideration in fixing compensation.

Shri S. K. Banerjee: Yes, Then, the method in which compensation is to be decided is not by the Department but by a tribunal or the question should be referred to a body consisting of eminent persons such as judges and businessmen.

Chairman: So, it is not the executive body but it must be a judicial body that must go into the question. That is your suggestion.

Shri S. K. Banerjee: Then there is the question of licence. The licensing policy should be considered.

Chairman: That must be liberal—that is what you mean to say. That is how you have put in the memorandum.

Shri S. K. Banerjee: But there are many restrictions which have been put. The first and foremost thing, especially if road transport is to be saved, is road haulage.

Chairman: What do you fix?

Shri S. K. Banerjee: No limit.

Chairman: Without limit, you want that the trucks must be permitted to ply.

Shri R. P. Sinha: Have you considered the competition that is coming from the railways? What have you to say on that point?

Shri S. K. Banerjee: There is no need to consider the competition from the railways. The railways are big things, and their godowns are so full that they cannot carry even one-third of the whole merchandise. At present they carry something like 34 per cent, or so.

Shri R. P. Sinha: Will you carry low-rated traffic by road?

Shri S. K. Banerjee: Even big-rated traffic, if there are facilities such as good roads, etc. We never say that we shall take only low-rated traffic. We take also the high-rated traffic.

Shri H. P. Saksena: Are you prepared to take low-rated traffic.

Shri S. K. Banerjee: We are prepared to take it up.

Chairman: If you have got any specific scheme by which without restriction on the mileage limit, you are prepared to carry low-rated commodity like coal and other things, you can give us some details of the scheme, and the Ministry will be prepared to consider it very sympathetically and give you all facilities to carry that commodity. The idea is that you are anxious that the country's interests must be served. The Government are also of the same anxiety. Only it must not injure some other thing, and when everybody is permitted to take the lorry anywhere he pleases the operator himself will be the first man to complain! So far as restrictions are concerned, do you want to take away the limitation on road mileage? By all means, it has been urged before us. You are also commodity. So, your organisation

might give certain details and the Committee will consider them.

Shri H. P. Saksena: Your syndicate is in charge of lorries and has nothing to do with buses?

Shri S. K. Chatterjee: Perhaps, my friend has failed to make an impression on you. What he means to say was this. He referred to chapter IVA regarding compensation, which do not contain sections corresponding to the sections provided in the United Kingdom Act of 1947. In fact, in 1946, another Bill was introduced in Parliament. That passed through a Select Committee and in that Committee, it was suggested that reference should be made in certain sections to the U.K. Act as well, when you want to fix compensation.

There is no thing added in this Act, but I am not going into those details. What I mean to say is that compensation should be considered and judged and weighed by a Tribunal. That Tribunal must be headed by a judge, with two other persons—one of them being a man specially trained in Finance and one being a representative from the operators' side. There must be the right to appeal in case of dissatisfaction about the compensation.

Chairman: There is one thing which you will please remember. The principle which should guide the measure of compensation cannot be left to a tribunal or any executive body. It must be decided only by the legislature under the amended Constitution. Therefore, the principles must be embodied in an Act. The application of the principles and the amount to be determined in a particular case may be a subject-matter to be dealt with by an independent judge and appeal may be provided. There is nothing against such a provision being made.

Shri S. K. Chatterjee: Unfortunately, we see from this Bill that no

appeal has been provided. It has been clearly put there. We are speaking against that provision.

Chairman: So, you say that an appeal should lie. When you say that the compensation must be determined only by an independent judge or a tribunal, do you mean to say that the principles must not be laid down in the Act itself?

Shri S. K. Chatterjee: Some clauses must be added at the end of this Bill, providing for the tribunals defining the constitution of the tribunals, their functions and any other relevant matter. We want that provision to be embodied in this Act.

I would now invite the attention of the Members to clause 56 of the Bill, that is section 63 of the original Act.

Chairman: They have now dispensed with the counter-signature. I think it is a distinct improvement in your favour.

Shri S. K. Chatterjee: It is detrimental in this way. When you have a Motor Vehicles Act which is an all-India Act, why should there be a necessity for counter-signature which depends on the sweet will of the regional transport authorities of the particular area concerned?

Chairman: That is a fundamental principle of the Constitution. It is said in the Constitution that the State can permit or refuse to permit any vehicle to move about within certain limits. If you say that it should not be so, because this Act is called an all-India Act, and that the States cannot have jurisdiction, it would be very difficult.

Shri S. K. Chatterjee: Unfortunately, our hon. Minister in charge of Transport has said in the preamble to the Bill that this is intended to result in uniform legislation throughout India, and that for that reason he has brought forward this Bill.

Chairman: That is so far as inter-State trade and traffic are concerned.

Shri S. K. Chatterjee: He has not clearly said that.

Chairman: If you will read it, you will know it. It is made clear.

Shri H. P. Saksena: No Central Act can take away the powers of the States.

Chairman: Nor did the Minister intend it. So far as the States are concerned, it is merely recommendatory so that matters like the inter-State tribunals may not be put. So far as inter-State trade is concerned, the Centre has taken more powers.

Shri S. K. Chatterjee: In my assumption, they have proposed to take powers. But then, I must say that this is permissive legislation. Only when the States so desire, the Centre can interfere. Otherwise not.

Chairman: It is a matter of principle in the administration. When a particular State is autonomous, the Centre cannot over-ride, but may persuade it. It cannot be made a measure of strength. In the matter of inter-State trade, the Centre has absolute power. That is what they have said here.

Shri S. K. Chatterjee: What is the position of the railways? In respect of railways, are not the States consulted?

Chairman: The railways are not a Central subject. If you go to the fundamentals of the Constitution and put questions to me, it is difficult. Simply because the railways are a central subject, it does not follow that roads also should be central.

Shri Chatterjee: Therefore, the Constitution has got to be changed, and road transport has to be declared a Union subject.

Chairman: That is beyond the competence of the present Committee.

Shri Chatterjee: If it is the real intention of the hon. Minister that the Act should be given effect to in all corners of India, then it has got to be a central subject. The States have promoted separate legislation to serve their own purposes. Where is the guarantee it will be uniform?

Chairman: I do not wish to go into all these questions because it is half-truths that you are mentioning. The Minister has simply said that in the absence of legislation about nationalisation, different States have taken and exercised their power under different Acts and now he wants to have a uniform policy for all the States so far as the principles that should guide nationalisation and compensation are concerned. That is what he has said. He has not said that the Bill will be administered by us.

Shri S. K. Banerjee: In clause 56(a) of the present Bill a discrimination is made which is not in the original Act. Private carriers are given certain privileges and rights over the public carriers.

Chairman: Private carrier permits are within the competence of the State.

Shri S. K. Banerjee: In the existing Act there is not this difference.

Chairman: So far, we have heard other witnesses. Everybody has welcomed this, has appreciated this additional privilege so far as private carriers are concerned. They only wanted the same privilege to be extended to public carriers also within the State.

Shri S. K. Banerjee: Yes, that is what we want.

Chairman: Then, say so and do not object to this provision.

Shri S. K. Banerjee: Then there is the question of the penal sections.

Chairman: You are against the enhancement?

Shri S. K. Banerjee: Yes.

Chairman: That will be considered because other people also have urged rather strongly about it.

Shri B. K. Das: In the memorandum in page 11 it is said that the provisions for the formation of the regional, State, and inter-State authorities as also the Transport Advisory Council do not contain a provision for the representation of the transport operators. Is there a definite scheme about that as to how they can be given representation? Is there any specific proposal?

Shri S. K. Banerjee: In all these organisations there should be proportionate representation. I cannot give the actual number, because I do not know the strength of these bodies, but

at least one-third must be the representation given to them.

Shri B. K. Das: Will it be done by nomination or by election?

Shri S. K. Banerjee: There are associations of the operators recognised by the Government. They will be taken into confidence.

Shri B. K. Das: But there are associations and individuals also. How can that be done? Is there any scheme about that?

Chairman: This question will be always there. We shall discuss it.

The evidence that you have given is a matter of confidential. You please do not publish anything you have said here. The whole matter, if it is decided to be published, will be available to Parliament.

(Witnesses then withdrew)

(The Joint Committee then adjourned.)

APPENDICES

Memorandum

by

The Indian Roads and Transport Development Association Ltd., Bombay.

In presenting our views on the above bill we like to confine ourselves to Chapter IV which deals with restrictive provisions on motor transport and its nationalisation.

Background

2. In regard to its restrictive provisions on road transport the Motor Vehicles Act of 1939 was largely the result of the depression during the thirties from 1931/32 to 34/35 when the railways suffered a loss in their earnings. The Wedgewood Committee of 1936/37 estimated that a part of this loss (about Rs. 4½ crores p.a. out of an average of about Rs. 13 crores p.a. in the railway peak earnings during the period 1922/23 to 30/31) was due to road competition and, therefore, it was natural that in the circumstances this aspect should have influenced substantially the regulatory provisions of that Act.

3. However, today the conditions have changed entirely. As a result of increased production during the period of our 1st Plan more freight is now offering than can be handled by the railways, who, therefore, are in need of relief. The per cent increase in production in the 2nd 5-Year Plan is estimated at over 3 times that in the 1st and it has been estimated that by 60/61 the railways will be short of capacity to the extent of about 33 million tons. The Planning Commission are unable to provide for the railways more than Rs. 1,125 crores, which by itself is a substantial allotment being about 25% of the outlay on the Public Sector of Rs. 4,800 crores and while the need to expand water transport is undoubted the extent to which it can relieve the railways is limited since its 54/55 capacity was only about 5 million tons and, therefore, even if its capacity is doubled the extra capacity available will be only about another 5 million tons. This will be offset by a number of additional imports since decided upon and in addition there is a proposal to increase our food production. Therefore, the estimated gap of about 33 million tons in the railway's capacity will still stand, if not actually increased by 60/61.

4. On the other hand, our investment on roads is not being fully utilised and including the truck-equivalent of our bullock-carts we have only about 2 vehicles per mile on our roads against a density of from 3½ to 22½ vehicles per mile in other countries. Thus, there is room for at least twice the present number of vehicles on our roads. The pre-plan investment on our roads is estimated at about Rs. 300 crores at old rates of materials. During our two Plans over Rs. 400 crores more will have been spent making in all about Rs. 700 crores, of which at least half the amount lies unutilised at present. There is no doubt that before incurring any additional expenditure on any other transport service steps will have to be taken to make the maximum possible use of our investment on roads.

5. Fortunately, the country is in a position to do this as we have now our automobile industry which is developing progressively and for which the Planning Commission has set a target of quadrupling its truck output from about 9,500 in 1955 to 40,000 vehicles in 1960. The industry has a capacity to

exceed this output if a demand is created. Then, the development of the road transport industry does not need any special technique and the industry is more labour-intensive than other forms of transport.

6. Therefore, whereas the position in 1939 may be said to have been such as to require measures to restrict road transport to a certain extent (not practically whole-sale as happened after the M. V. Act of 1939) the 1956 position definitely requires measures to expand it and we feel that this position is bound to continue in our subsequent Plans also since production will increase more in geometric than in arithmetic progression. However, it is necessary that this expansion is carried out without creating conditions of unhealthy competition with other forms of transport, principally the railways, which are our largest single nationalised undertaking. In the proposals we are submitting we are bearing in mind this important point.

Laden Weights

7. Our first suggestion is that the limits of laden vehicle weights should conform to practice in other countries, the recommendation of the Indian Roads Congress, and the specifications of vehicles authorised by Government to be manufactured in the country and which are being actually manufactured. In 1949 the Indian Roads Congress evolved a specification for road vehicles for use in this country, after taking into consideration current practice in other countries and our own conditions and among other things it recommended an axle-load of 18,000 lbs. and certain speed limits. (P. 32 to 34, I.R.C. paper No. 138, Specifications and Standards Committee.) The suggestion about speed limits has been incorporated in the Eighth Schedule of the Amending Bill but that about the axle-load has been altered to a "laden weight" of vehicle in the proposed clause (9) in section 2 of the original Act.

8. We request that this should be corrected since a laden vehicle weight of 18,000 lbs. as proposed in the Bill means a rear axle-load of only 12,000 lbs. against 10,600 in the 1939 Act, which is no great improvement in the light of developments in automobile technique during the past 15 years. Also this limit is uneconomical as the greater the load carried the less is the cost of operation of a vehicle. Further, it will affect the use of trucks which have been authorised by Government to be manufactured in the country and which have an axle-load of 18,000 lbs. We may mention that the Indian Roads Congress specification for vehicles has given a range of from 32,000 to 73,000 lbs. of maximum laden weights and has also visualised the possibility of permitting by a special certificate "weights in excess of the maximum limits herein specified" (App. 1, I.R.C. paper No. 138) while the laden weight of a vehicle with an axle-load of 18,000 lbs. is about 27,000 lbs. Therefore, our suggestion to classify under heavy motor vehicle's trucks of axle-loads of above 18,000 lbs. is in conformity both with the I.R.C. recommendation and the specification of vehicles manufactured in the country and should therefore be accepted.

9. We may mention here that the adoption of our suggestion will not automatically lead to the unrestricted use of vehicles of axle-loads of 18,000 lbs. everywhere irrespective of the conditions of some of the old bridges in the country since section 74 of the old Act confers on States an overriding power to "prohibit or restrict" the driving of motor vehicles or any specified class of motor vehicles, etc., in a specified area or on a specified road". We are in favour of retaining this overriding power till all old bridges are strengthened but to ensure that such prohibition or restriction is based on one uniform standard of design in all States we are of the opinion that there should be a provision for prior consultation with the Centre which is responsible for standard designs and suggest the addition of the words "with the approval of the Government of India" after the words "prohibit or restrict" in line 6 of this section. The effect of our suggestion will be that except where the bridges are

weak all the types of vehicles produced in the country will be normally free to ply anywhere but not everywhere while the effect of limiting the laden weight to 18,000 lbs. as proposed in the Bill will be normally to preclude vehicles above that limit even where the bridges are capable of carrying them. The difference between the two, from the point of view of cheapening transport, is obvious.

Restrictions

10. Our second suggestion is that constantly with the present background of our transport position the import of Chapter IV should be so altered as to emphasise the need to develop road transport and not to restrict it by using such words as "prohibition", "restriction", "limit", etc., and by referring to the need of "preventing the deterioration of road surfaces". As we have mentioned earlier the country's need from now onwards is not to prohibit, restrict or limit road transport but to expand it without harming other forms of transport. Hence, the use of these words as also a differentiation between long-distance and other traffic is not in tune with the times. Secondly, the experience of the past 15 years has shown that a liberal use of these words has created a very unhealthy atmosphere for the proper development of road transport. During discussion on this Bill in the Lok and Rajya Sabhas most of the members who participated in it emphasized that the need of the moment is to expand road transport while the Deputy Minister of Transport has mentioned on the floor of the House that competition between the railways and roads was now a closed chapter in the country. Against this background any provision for prohibiting or restricting any form of transport is not only inconsistent with the consensus of opinion in the country and the declared policy of Government but definitely injurious to the successful implementation of our 5-Year Plans. We also suggest that the period of a permit under section 58(1) of the new Act should be not less than five and not more than eight years. Vehicle prices today are about 4 times their pre-war level while the purchasing power has not increased in the same ratio. Hence, a longer period is now necessary than in 1939 (when it was from 3 to 5 years under the old Act) to spread the depreciation allowance of vehicles.

Road/Rail Competition

11. As between road and railway transport the main points are two:—

- (a) Possibility of road transport taking away from the railways any of the traffic which they are capable of handling.
- (b) Possibility of such diversion being mostly in railway's high-rated commodities.

All the restrictions in the 1939 Act have arisen from these two points but the experience of the past 15 years has shown that their effect has been to so cripple road transport that it is not in a position to meet demands even when the railways are unable to cope with them. This is most injurious to national development. In our opinion it is possible to meet both the points mentioned above without producing the present conditions. Our suggestions are as follows:—

- (i) The Planning Commission may so fix the targets of production of trucks that after meeting the requirements of feeder and passenger traffic and the estimated normal renewals of old trucks in the country the balance available shall be adequate for the anticipated traffic without prejudicing other modes of transport. This will automatically ensure that without having any recourse to any restrictions on motor transport no form of transport will suffer from unhealthy competition. Side by side, there should be a provision in the proposed Bill that the fares and freights to be fixed for road

transport under the proposed section 43 (1) (i) should be such that in the case of railway's low-rated commodities carried by road, the minimum shall in no case be below the average railway freight. Such a course will ensure an orderly development and a balanced co-ordination between the two forms of transport based on the country's overall requirements. The procedure of putting in restrictions as in the M.V. Act of 1939 throws too much responsibility on State Transport and Regional Transport Authorities, who, by the nature of their work, will not be in a position to assess the country's overall transport requirements.

- (ii) In regard to high-rated commodities we suggest that an all-India schedule of such commodities should be drawn up in consultation with all transport interests concerned and their carriage by road outside a State should be proportionate to the overall capacities of railways and road transport at railway rates. This also will have the same effect as No. (i) and meet the railway's point of view. We are of the opinion that these measures will ensure the development of principal forms of transport on healthy lines commensurate with the country's requirements not only during the 2nd but during all subsequent Plans without creating conditions of unhealthy competition and without requiring any restrictions on any form of transport.

Road Surfaces

12. In regard to road surfaces in 1939 when the M. V. Act was framed our main source of income for road development and improvement in addition to such small amounts as could be spared by States was a 2½ anna tax on motor spirit which yielded in 1939/40 only about Rs. 0.258 crores. Against it we shall have spent between 51/52 and 60/61 over Rs. 40 crores annually on development and improvements, i.e., the amount available now is nearly 150 times that in 1939/40! The extent of improvement now is on such a scale that during the 1st Plan about 14,000 miles of existing hard-crust roads were improved against about 10,000 miles newly constructed. An appreciable mileage of modern surfaces has also been provided and a further mileage has been projected till 60/61. Therefore, the condition of our roads today is definitely incomparably better than in 1939 and needs no protection against deterioration. Lastly, a road surface is not an end in itself but a means, the end being the transport requirements of our successive Plans. Hence, to prevent the necessary transport development of our country by saving roads is like, for instance, not utilising a steel or any other factory for fear of its deterioration! We submit humbly that this phrase "preventing the deterioration of road surfaces" is most uncomplimentary to our enactment and should be removed from it and further that no permit should be refused on the ground that a certain road is not fit for traffic. In extreme cases where this may not be possible a permit having to be refused should be automatically valid after six months which period, excluding the monsoons, should be sufficient for a road authority to put it in order.

The Code

13. Lastly, we would like to refer to the Code of Principles and Practice which is believed to have been prepared to define the various restrictions on motor transport imposed in Chapter IV of the M. V. Act of 1939. The provisions in this Code in regard to the regulation of motor transport by distances are such that so far no State except Madhya Pradesh has accepted them. Nevertheless, it is believed that the principles underlying the Code have been to a large extent influencing the States in practice. In 1950 the Motor Vehicles Taxation Enquiry Committee found it necessary to recommend the suspension of the Code for 3 years. After the experience of transport shortage in the country during the

1st Plan this Association pressed for the withdrawal of the Code during the 2nd Plan in a deputation to the Hon. Transport Minister on 9th September, 1955. At the next meeting of the T.A.C. in February 1956 Government asked States whether they would like the Code to be suspended. They have asked for time to consider this and that is where the matter stands at present. According to our information Bombay State is not in favour of enforcing the Code and Madhya Pradesh which was the only State to have accepted it so far has been reconsidering the issue. Other States may not have sent in their views. All this shows that the Code is still in the consideration stage. Yet we notice in the Amending Bill provisions for regulating motor transport by distances, which provision did not appear in the 1939 Act but which was sought to be imposed by the Code, whose suspension is under consideration by States and which, according to the statement of the Deputy Minister, Transport, the Centre is prepared to withdraw, if necessary. Apart from the fact that in our humble opinion it is not proper to include in a legislation a matter which is still under consideration we humbly submit that these provisions are inconsistent with the statement of Government's policy and the country's present requirements. We respectfully but emphatically request the Committee to remove from the Bill these provisions which have been proposed in sub-section (1) (ii) of section 43 of the old Act, in the second proviso to the proposed section 56 (1) in the new Act and in sub-sections (3), (4) and (5) of the same section in the new Act.

Other Suggestions

14. Other suggestions are as follows:—

- (i) *Fitness Certificate*: In the proposed sub-section (2) of section 38 of the principal Act the effective period of the certificate of fitness of a vehicle is proposed to be reduced from "not more than 3 years or not less than 6 months" to "not more than one year or less than three months". While admitting the need for frequent inspections of transport vehicles we are of the view that the proposed intervals are both unnecessary and impracticable. They are unnecessary as more new vehicles are now available than before and also the number of 'disposal' vehicles now available in the country is small. Therefore, hereafter, the country's fleet will consist of more and more new vehicles not requiring frequent inspection. Secondly, with an appreciable increase in the number of vehicles in the country, as is bound to arise, it will be impracticable to inspect them oftener than 6 months. Therefore, we suggest the retention of the present period but if this is not found acceptable then the maximum should be reduced from 3 to 2 but the minimum should be retained.
- (ii) *Light Delivery Vans*: It has been mentioned in the Notes on Clauses (P. 649) that "In principle there is no great justification for denying to the private lorry-owner the freedom that is enjoyed by the owner of a private motor car" and, therefore, the Bill provides that a private carrier's permit shall be valid throughout a State without counter-signature. We suggest that for the same reason a private carrier should be exempted from the need to take out a permit if the gross laden weight of his vehicle is the same as that of a car carrying 7 persons and a trailer with a laden weight of 1,700 lbs. as proposed in section 42 (3) (i), so that the two will be the same in all respects and, therefore, one should be free to travel anywhere in India like the other without a permit. We feel that this will encourage a greater use of private carriers in the country, a desideratum stressed by the Study Group. We may mention here that in 1947 the then Select Committee recommended the

exemption from permits of all light goods vehicles but we are suggesting that it should be confined to private carriers only with a laden weight not exceeding 6,000 lbs. This will mean that permits will be necessary for private carriers with a laden weight of over 6,000 lbs. Therefore, we suggest the following two amendments:

- (a) In the proposed clause (i) in sub-section (3) of section 42 of the principal Act, add (i) "and any light motor vehicle not plying for hire or reward".
- (b) After the word "one or more vehicles" proposed in line 2 of section 52 of the principal Act add "not being a light motor vehicle".
- (iii) *Private Carriers:* Section 53 (1) of the Principal Act provides that the vehicle or vehicles for which a private carrier's permit is applied for shall not be used "except in connection with the business of the applicant". While the intention of this condition is clear cases have arisen in the past and may arise in the future as to the meaning of the term "business of the applicant". For instance, the carrying of building materials or stores or furniture for own use has been held as not constituting "the business of the applicant". This is a hardship since it means that a factory having its own transport cannot employ it for all uses in connection with its own business but has to hire transport for carrying certain materials. This is unnecessarily expensive and is one of the reasons preventing the development of private carriers. Consistently with Government's policy to encourage private carriers we suggest that the present ambiguity about the expression "the business of the applicant" should be removed by substituting the word "for carrying goods for hire or reward" for "except in connection with the business of the applicant" in the last two lines of section 53 (1) of the principal Act.
- (iv) *Special Permits:* The proposed sub-section (6) in section 63 of the principal Act provides for the issue of special permits for public service vehicles for the use of a vehicle as a whole without stopping to pick up or set down passengers along the line of routes, such permits being valid in any region or State. In our opinion this most welcome improvement is necessary both in the case of contract carriages and goods vehicles.
- (a) *Contract Carriages:* At present taxis are not available outside specified regions and further they cannot be hired for a whole day or a part of a day. This has led to the unauthorised use of private cars to a certain extent. To cater for this demand and thus avoid unauthorised use of private cars the Bombay Government has created a type of permit like the special permit proposed in this sub-section. This fact will show that there is need for such permits for contract carriages and that unless it is met it will not be possible to check effectively the use of private cars for hire. The remedy suggested in the proposed clause (ii) of sub-section (1) of section 33 of the principal Act, viz., to suspend the certificate of registration is only a palliative. The real solution is to include contract carriages in the proposed sub-section (6) of section 63.
- (b) *Public Carriers:* In regard to the inclusion of goods vehicle in this section the case is still stronger as the main congestion is in goods and it is most essential to have Goods Expresses by Road like

Railway Goods Expresses. That there is a demand for such services is proved by the fact that applications for long distance travel are being made and rejected. If this is the case at the beginning of the 2nd 5-Year Plan conditions by 60/61 can be easily imagined. Therefore, in our opinion, inclusion of goods-vehicles in the category of special permits is absolutely essential. We suggest the addition of the following words in this sub-section:

Add "contract carriage and public carrier" after the word "public service vehicle" in line 5, and Add "or goods" after "passengers" in lines 6 and 9.

Nationalisation

15. In regard to nationalisation our suggestions are:—

- (i) that in view of the Dy. Ministers' statement in Lok Sabha no such scheme should apply to the transportation of goods unless it is approved of by the Government of India.
- (ii) that in regard to passenger transport the basic aim of nationalisation should be to extend transport facilities and not to restrict them.

The railway's inability to cope with the estimated passenger transport has been admitted and the 2nd 5-Year Plan mentions specifically that passenger transport by road will have to be used to a greater extent than before. In keeping with this objective our suggestion is that all new State schemes of nationalised passenger transport should first commence with those areas only where there are no services at present and that none of them should be extended to the other areas till the permits of present holders expire. In effect this will mean that the nationalised and non-nationalised sectors will be complimentary and will lead to an expansion of facilities.

16. According to the Deputy Minister of Transport about three-fourths of passenger transport is at present in the hands of private operators. Naturally, these people will be most interested in developing this line wherever there is demand. But that does not mean that no demand can be created in other places, since the bulk of our population has at present practically no means of transport. Considerable mileages of earth roads are being constructed under our 5-Year Plans and they are bound to be metalled sooner or later. It is here where there is considerable scope for the development of cheap services which it should be the primary duty of our States to provide as the limited resources of individual operators will be insufficient for that purpose. Therefore, our suggestion is to add the words "in areas where there are no transport services at present" after "road transport service" in line 3 of the proposed section 68C. We also suggest the addition of the following proviso to this section: "Provided that no such scheme shall apply to the transportation of goods unless it is approved of by the Government of India".

17. Where it becomes necessary to take over any of the existing services after the expiry of their periods of permits the Regional Transport Authorities should refuse applications for renewals as provided for in section 68 F(2)(a) but shall have no power to cancel or modify any permit or to curtail the area or route covered by a permit. Therefore, we suggest the deletion of sub-clauses (b) and (c) of section 68 F(2) and sub-section (3). In regard to compensation wherever due our view is that it will not be fair to fix it by specified amounts as contemplated in section 68 G(4) and (5). It should be referred to a tribunal to be set up under the Act for this purpose. Our reason for this suggestion is that matters like compensation affecting the livelihood of individuals should not be disposed

off in the same manner as, for instance, fines but should be based on the merits of each case as assessed by an independent tribunal. Sub-sections (4) and (5) of section 68G should be amended accordingly.

18. We enclose a summary of the above and a detailed list of our suggestions.

SUMMARY

In summary our suggestions are as follows:—

(i) In view of

- (a) our rapidly changing economic development
- (b) consequent need for transport facilities on a large scale
- (c) the impracticability of providing funds for the railways on a scale disproportionate to allotments on productive projects
- (d) the paramount need to avoid even the slightest congestion in the free movement of passengers and goods, particularly the latter, and
- (e) the need to develop a healthy Automobile Industry the objective of the Motor Vehicles Amendment Bill should be to encourage a free development of road transport and its co-ordination with other forms in such a manner that there will be no unhealthy competition either among the various operating units of road transport or among various forms of transport. (paras 3, 4, 5 and 6).

(ii) Unhealthy competition in transport arises primarily from two causes:—

- (a) Vehicle production, whether of the railways, road or water transport in excess of requirements.
- (b) Lack of co-ordinated fares and freights particularly in regard to high-rated commodities.

If steps are taken to avoid these causes, no restriction of any kind will be necessary on any form of transport.

(iii) In regard to (a) our suggestion is that the Planning Commission should assess the transport requirements of each Plan, in consultation with the transport interests concerned and fix the number of railway rolling stock—other than that required for renewals—within the allotment it can spare for the railways in each Plan. To the extent to which the carrying capacity of this number falls short of the country's over-all requirements (and it is bound to fall short as there is a limit up to which funds from the Public Sector can be spared for one service) traffic should be allocated to roads and water transport in addition to their respective requirements of feeder traffic and renewals. This will determine the number of their vehicles and ships. [para 11(i)].

(iv) In regard to (b) our suggestion is to draw up in consultation with the interests concerned an All-India schedule of rates of high-rated railway commodities and regulate their traffic by each form of transport according to their respective carrying capacities as per (a). [para 11(ii)].

(v) Subject to these provisions, there should be no restriction of any kind on motor or any other form of transport.

(vi) Other suggestions are:—

- (a) Vehicles with a rear axled-load of 18,000 lbs. and under should not be classified as Heavy Vehicles. (paras 7, 8 and 9).

- (b) Deterioration of a road surface should not be a condition for granting road permits. (para 12).
- (c) No provision based on the Code of Principles and Practice should be embodied in the Bill. (para 13).
- (d) The tenor of the Bill should be to create a desire among State Transport and Regional Transport Authorities for encouraging the development of road transport and not restricting it as at present. (para 10).
- (e) Present high prices of motor vehicles require a longer period for spreading depreciation allowances; hence the period of a road permit should be for not less than 5 and not more than 8 years. (para 10).
- (f) Minimum period of the certificate of fitness should not be less than 6 months. Maximum may be reduced to 2 years if 3 years are considered too long.
- (g) Private carriers under 6,000 lbs. should require no permit.
- (h) Like public service vehicles, contract carriages and public carriers should be given Special Permits for Express Services.
- (vii) No State should embark on a scheme for nationalised goods transport except with the concurrence of the Centre. (para 14).
- (viii) Nationalised passenger services should be started first in undeveloped areas and then extended to others, if necessary, but only after the operator's permits expire. (para 15).
- (ix) Till an operator's permit expires it should not either be cancelled or modified or altered in any way to make room for nationalisation. (para 15).
- (x) Compensation should be decided by a tribunal. (para 16).

SUGGESTIONS

NOTE: Figures in brackets refer to paragraphs in the *Memorandum*.

Section 2(9) New: Substitute "axle load" for "laden weight" (paras 7 and 8). Please see also section 74.

Section 38(2) New: Substitute "Two years" for "one year" and "six months" for "three months" (14).

Section 42(3) (i) New: Add "and any light motor vehicle not plying for hire or reward" (14).

Section 43(1) Old: (c) Delete.

- (i) Substitute "regulate" for "prohibit or restrict" and delete "long distance goods".

N.B.: The object of these suggestions is as follows:—

- (i) To delete reference to road surfaces (para 12).
- (ii) To eliminate the words "prohibit, restrict" etc. for reasons mentioned (para 10).
- (iii) To avoid differentiation between long-distance and other goods traffic as it is unnecessary in today's conditions and also in the future (para 10).

Section 43(1) New: (i) After "public carriers" add "in such a way that in the case of railway's low-rated commodities carried by road the minimum shall in no case be below the average railway freight" [para 11(i)].

(ii) Should read as follows:—

"regarding the development of road transport and its co-ordination with other means of transport" (para 10).

(iii) Add after the word "the" in the 5th line, "Co-ordination of motor transport with other means of transport" (para 10).

Section 47(1) New: Either delete (f) or if it be necessary to retain it, add after "area" in (f) the following:—

"provided that a permit refused on account of the condition of roads shall be automatically valid after a lapse of six months after the monsoon" (12).

Section 47(3) New: Substitute "increase or decrease" for "limit" in line 2. (10).

Section 52(2) New: After the words "one or more vehicles" in line 2, add "not being a light motor vehicle" (14).

Section 53(1) Old: In line 3, substitute the words "the requirements of the area to be served" for "the condition of the roads to be used" (12).

Also in the last 2 lines, substitute the words "for carrying goods for hire or reward" for "except in connection with the business of the applicant" (14).

Section 55(1) New: Either delete (f) or if it be necessary to retain it, add after the word "area or route" "provided that a permit refused on account of the condition of roads shall be automatically valid after a lapse of 6 months after the monsoon" (12).

Section 55(2) New: In line 2, substitute "increase or decrease" for "limit".

Section 56(1) New: Delete the second proviso. This proviso does not appear in the case of stage carriages in Section 48 indicating the acceptance of the need to develop passenger transport. The need for the expansion of goods transport also has been accepted. Therefore, this proviso is unnecessary. Moreover from the point of view of the implementation of the second plan, goods transport is more important than passenger transport (13).

Section 56(2) New: In (iii) add "beyond specified quantities when railway facilities are available".

Re-word (iv) as follows:—

"That specified goods shall not be carried outside a State at rates below corresponding railway rates". The railway argument has always been that unless road transport is restricted it will carry all their traffic in high-rated commodities. To avoid it they want all sorts of restrictions like prohibiting road transport beyond 150 miles and prohibiting the carriage of goods of specified nature except at specified rates. But these suggestions over-look two facts:—

(i) That there is a certain amount of low-rated traffic which the railways cannot move. Therefore, a distance regulation will lead to congestion.

- (i) That there have been occasions and there will certainly be more when on account of more pressing demands due either to imports or the needs of basic industries the railways will not be able to move high-rated commodities on account of priorities. This also will lead to congestion. These contingencies have to be considered and have been provided for in the three suggestions we have made above, viz., the deletion of the second proviso in Section 56(1) and the amendment of sub-sections (iii) and (iv) in Section 56(2) [see para 11(iv)].

Section 56(3), (4) and (5) New: Delete. These sub-sections introduce regulation by distance like sub-section (1) and also define the places connected by railways. Both are provisions of the Code which being still under consideration should not be incorporated in the Bill. (para 13). Moreover the stipulation that in the case of a continued line a mile-and-a-half of a railway should be considered as equivalent to a mile of road is thoroughly undemocratic as it will force people to travel 50% more than necessary.

Section 57(3) New: Delete the proposed proviso. We have suggested under Section 47(3) and 55(2) that the word "limit" should be replaced by "increase" or "decrease". Consistently with that suggestion the proviso to sub-section (3) should also be deleted. (para 10).

Section 58(1) New: Substitute "five" for "three" and "eight" for "five". Vehicle prices today are about 4 times their pre-war level while the purchasing power has not increased in the same ratio. Hence, a longer period is now necessary to spread the depreciation allowance. (para 10).

Section 60(3) New: In line 6, specify the sum in terms of permit fees instead of saying "a certain sum of money".

Section 63(6) New: Add "contract carriage and public carrier" after the word "public service vehicle" in line 5 and also add "or goods" after "passengers" in lines 6 and 9. (14). It is necessary to extend to taxis and goods vehicles the same facility as to passenger vehicles. In respect of goods vehicles in particular to have two classes of permits one regional and the other throughout a State since with an increase in production the demand for transport in both areas will increase and a special State-wise permit will facilitate the free flow of goods throughout a State. [para 14 (iv), a and b].

Section 63A, B and C New: Provision should be made in the composition of Inter-State and Central Transport Authorities for a representation of recognised transport interests as according to a recent statement of the Deputy Transport Minister about three-fourths of passenger transport and nearly all goods transport is in the hands of private interests. It is obvious that the exclusion of a large body like this from the deliberations of these Authorities will deprive them of opportunities to see where the shoe pinches. Moreover, in a democratic age, it is very desirable to provide for as wide representation as possible. At present such representation is granted on State Transport Authorities.

Section 68C New: After the word "transport service" in third line, add: "in areas where there are no transport services at present".

After the Section, add the following proviso:—

“Provided that no such scheme shall apply to the transportation of goods unless it is approved of by the Government of India” (16).

Section 68F(2) New: Delete (b), (c) (i), (ii), (iii) and (3). (17).

Section 68G. New: Put in a new Section referring to a tribunal all questions relating to compensation arising out of non-renewal of a permit.

Section 74 Old: Add “with the approval of the Government of India” after the words “prohibit or restrict” in line 6. (para 9).

II

Memorandum

By

The Motor Vehicles and Allied Merchants Association, Madras.

Section 2(3): Explanation is deleted. This deletion will entail hardship. From the reasons given for such deletion it appears that there is consideration of a car being used as a taxi. We submit that the other aspects flowing from the existence of this explanation are lost sight of. For example, (1) a special purpose vehicle like a Grader, a Tipper etc., may be hired for temporary use in Construction Projects etc. (2) A public carrier may be hired for house construction, for brick and sand transport for a specific period. (3) People who travel by train to hill stations and places of pilgrimage may require the use of car for such hill stations and pilgrimage.

In the above items, (1) and (2), it is not economically possible to buy these very costly vehicles or even a lorry at about Rs. 25,000 for a specific period and for a specific purpose. As such, we recommend that the specific purpose vehicle usage must be legalised by retention of this explanation. We also submit that the misuse of a car, as a taxi, is well taken care of in the subsequent amendments by which the registration certificate can be cancelled for such misuse.

Section 2(18): The words, "or used solely upon the premises of the owner" are now deleted. In their place the words "a vehicle of a special type adapted for use only in a factory or in any other enclosed premises" are substituted. We submit that this substitution is unfair.

Because (1) a tractor-trailer used solely on the private firm, (2) Fork Lift Truck used solely in the premises of a private factory, (3) a tipper truck used solely in a private farm of large acreage etc., will come under the definition of motor vehicle and hence come under the obligation to be registered under Section 23 of the Motor Vehicles Act. This necessity for registration, and hence perhaps taxation, is unfair when the vehicle is used on private property and *does not operate on public roads*. Hence, we submit that the original words must stand in order to ease the position of vehicles operating in private premises, or on private land.

Further we submit that there is no vehicle which is "adapted for use only in a factory or enclosed premises". Such a type of vehicle is not made.

In all these definitions, running to nearly 35 items, there is even now no definition of Caravan, special-purpose vehicle, articulated vehicle, pick-up etc. What we mean by Caravan is a type of motor vehicle with body enclosed and fit for travelling with personnel luggage and towed by a tractor or any other motive power. In these days of pilgrimage to the great projects of India—Projects which are called Temples of prosperity by our Prime Minister—the usage of such Caravan must be supported by the least confusion in definitions and taxation. There is also much confusion about articulated vehicle, tractor-trailer etc. These types of vehicles should be classified properly under proper definitions. We hope to take this up when we tender personal evidence.

CHAPTER II(A)

Section 21(j)(2)(e): We suggest that for the words "their function and the conduct", the following words "their functions, DUTIES and conduct" may be substituted. We suggest the inclusion of the word "DUTIES" because we feel that it is the duty of conductor to ensure that the vehicle is properly loaded as per the permit condition and not over-loaded.

CHAPTER III

Section 24(3): We suggest the following amendment. At the end of that sub-section, substitute 'five' for 'four' and add the words "in serial order". This we suggest, because the population of motor vehicles is increasing, especially in cities and in areas contiguous to Project areas. For example, the city of Madras is now running from MSC, MSP, MSZ and MSY meaning that more than 3x9,999 vehicles have already been registered. That is why we suggest that the number should be of 'five digits' and not 'four'.

We also suggest that, for statistical purposes, these registration numbers should be in serial order. But if the owner is desirous of having some fancy number, like 2222, 4444 etc., such number can be allotted only on payment of extra fees, provided such number is not ahead of the running number by more than 100.

Section 25: Since "other prescribed authority" may register a motor vehicle, there should be proper provision for rule making powers under Section 41, so that the "other prescribed authority" may maintain correct and complete details of temporary registrations.

Section 32(a): This Section empowers the State Government to enter particulars of the colour of body, wheels, front end of any clause of motor vehicles. We are not quite sure if the colour of the vehicles and front end will serve any purpose. We submit that it is enough if the colours of the body and bonnet alone are entered in the registration certificate.

Section 36: This section [under sub-Section (1), proposed] dispenses with form 'F' as well as schedule VII of the Motor Vehicles Act.

We are very much in doubt if it will be possible to specify in relation to each make and model of a transport vehicle the maximum laden weight of such vehicle and the maximum axle weight of each axle of such a vehicle. If it be a problem of fixing such laden weight of the makes now manufactured in India, then we will have to confine ourselves to less than 10 makes of transport vehicles.

But Section 36(5) commands a revision of details of the already registered vehicle under sub-Section 3. Hence it will be a laborious task for the State Government to specify the laden weights and axle weights of more than 100 makes and of more than 15 years of manufacture.

Further if the State Governments are given the freedom to specify such laden or axle weights, there may be 14 different kinds of such specified weights, for 14 States, from 1-11-1956. These different weights will cause confusion in the case of inter-State operation, an operation which is attempted to be eased by the institution of Section 63 in the amended bill.

Hence we suggest that, so far as the registration of new vehicles are concerned, the form 'F' may be retained for purposes of reference and also because, it is essential that the Government and the consumers must be aware of the limitations imposed by the vehicle manufacturer on laden weight as they are the people who should certify what their chassis can bear in laden weights. If this fixation, of responsibility on the manufacturer, is deleted by the deletion of form 'F' then

the consumer will not have the benefit of the warranty as the manufacturer may turn round and say that the vehicle was over-loaded and the chassis or the axle broke because of such over-loading.

In order to obviate this escape from warranty of the manufacturer, it is essential that form 'F' should be retained.

Regarding Schedule VII, it is correct to note that it was codified nearly 16 years ago. During these 15 years and more the size, ply, quality and make of tyres have changed and improved. So it is necessary that the Schedule VII should be recast in consultation with the tyre manufacturers, the vehicle manufacturers, Associations and consumers, so that there may be a uniform schedule of laden and axle weight as per tyre size. Such a codification of schedule VII will assure an All India Policy of laden weight and axle weight and obviate any inter-State confusion in such weights. We hope that the Select Committee will approve of our suggestion and retain form 'F' and recommend a recodification of schedule VII.

Section 41 (1): This clause of hire contract should be retained in view of our remarks to Section 2 (clause 3).

CHAPTER IV.

Section 42(3) (i): This clause is now amended to confine the non-necessity for permit to a two-wheeled trailer with a registered laden weight not exceeding 1,700 lbs., drawn by a motor CAR.

First such a trailer of the stipulated laden weight is not possible, as even a Jeep Trailer with 600/16 tyres on single axle has a laden weight of 2400 lbs., as per the present schedule VII.

As we pointed out before there should be room for a tractor or any other motive power to draw a Caravan without the necessity of obtaining permits under Chapter IV. As such, this suggested amendment, should be deleted and the original clause must stand.

There should be an addition of clause (j) which will exempt pick-ups and other types of vehicles whose unladen weight is less than 6,000 lbs.,—the types of vehicles now classified as light motor vehicle.

We suggest such exemption because these light motor vehicles and pick-ups are powered by motor car engines. If legislated for increasing the usage of such vehicles, it will help foster the automobile industry in the first instance and secondly will help the quick movement of goods as also help use of break-down vans in the case of fleet owners, electrical undertakings, Project areas etc.

We feel sure that this should be done even if it be to assure an increasing market to the incipient automobile industry.

This classification should be clear, as otherwise the State Government, in their fiscal distress, will bring these vehicles under heavy taxation if there is a necessity for permit.

Section 47(e): This clause is now amended, deleting the stress that is laid on "the operation of unremunerative services." We feel that this deletion is harmful because it should be the declared objective of the Government to open up new routes and prevent crowding, round the so-called paying routes.

If this deletion stands, then there will be no incentive for operators to operate on the unremunerative routes, thereby leading to a sizeable gap in the provision of road transport. Hence we suggest that clause (e) should be amended to include the consideration, in particular, of the operation of unremunerative services.

Section 48 (ix): At the end of the proviso, it should be added "in consultation with the operators or any association, representing persons interested in the provision of road transport facilities recognised in this behalf by the State Government". Under the same Section in sub-Section (xv)—it should be made clear that the conditions to be specified are conditions imposed by Regional Transport Authority and not by Postal Department.

This is essential because the Postal Department have refused to redraft their agreement for such carriage of mail even though the draft of such agreement is more than 70 years old.

Section 5 (1) (h): After sub-clause (h) and the narration thereafter, there should be provision to consult associations, representing road transport operators, even as it is in Section 47.

Section 56 sub-Clause (1): Here the length of the route is restricted to 150 miles. In our vast land, the route mileage should not be less than 400.

Section 56 (5): This sub-Clause attempts to define places served by railway.

We feel that this is an unfortunate definition, especially sub-clause (b) which will automatically eliminate all urban centres from being connected by road transport operation. Hence we plead that this sub-clause (b) is entirely deleted.

In addition, it is said that where two places are connected by different gauges and rail distance is equal to the road mileage, then those places are deemed to be served by railways. This does not stand to reason as there is loss in handling, when the gauges differ, leading to transshipment by human or mechanical means. In this connection, it should be observed that Sections 49, 51, 54, 56 are amended to permit free flow of operation of public carriers, a severe restriction is imposed by Section 56(5). We strongly urge that this element of introducing railway transport as one of the causes leading to restriction of road transport, is not fair in the light of the Second Five Year Plan which demands more of all forms of transport. It is accepted on all hands that railways cannot carry all the traffic generated by the progressive implementation of the Second Plan. That is why we suggest that this Section 56(5) shall be deleted, restricting operation to 400 miles only.

Section 58(8): In proviso to this sub-section there should be room for operator who operates the major number of trips on a particular route, without confining this proviso to only the monopoly operation of a route.

Section 58 sub-Clause (2): The proviso to this sub-Clause is now deleted. This proviso confers a preference to the already existing operator, PROVIDED OTHER CONDITIONS ARE EQUAL. Now it is attempted to delete this provision. We submit that this is unfair as it is the purpose of the present amending bill to build up viable units throughout the country for better serving the public. Even if the permit is granted for a period of five years, the enormous amount of money laid out for vehicles, servicing equipment, garages etc., cannot be paid for in a period of five years. Hence it is that this proviso shall stand and not be deleted.

Section 59(2): Should be amended to suit the present type of motor vehicles for replacement. As it stands, the words, "nature and capacity" are wide of the mark, as "nature" has altered because of dieselisation and "capacity" is increased because of longer wheel-base.

Hence we suggest, "nature" is deleted and for "capacity" read "a capacity of not more than 175 per cent of the replaced vehicle."

Section 63(A)(1): We feel that an inter-State Transport Authority should be constituted, whether there is any request on this behalf from a State or not. Then only it will be possible to ease the flow of inter-State operation as now India is divided only into 14 States.

Section 63(B): Here again we feel that the Central Government should constitute a Central Transport Authority to co-ordinate and regulate the activities of inter-State Transport Authorities.

CHAPTER IV (A)

Section 68: This Section comprehensively deals with the acquisition of routes for efficiency, adequacy, economics and co-ordination.

Nowhere is there any mention of the taking over of the assets of the displaced operator. We feel that the absence of this provision is highly dangerous as the road transport operators, without the permit, will be left with vehicles on which they have sunk a lot of capital. Such a capital loss will be a national waste as these vehicles were bought at considerable foreign exchange expense. That applies equally well to the quipment. It is not beyond the wit of the Government to formulate a plan by which these assets, provided they are serviceable, can be bought over in the event of nationalisation. We feel that one of the fair methods of such taking over of assets is by a reference to the audited balance sheet, of the displaced road transport operator.

Section 106: This section is amended by addition of a sub-Section (2-A), wherein it is mandatory for the driver of a TRANSPORT VEHICLE to carry the certificate of insurance. This, we feel, is hard on the driver because insuring the vehicle is a responsibility of the vehicle owner, especially in the case of transport vehicles.

Sections 102, 121, 122, 123, 124, 125 have been amended to intensify the penalty. We submit that this increase, in the quantum of fine, is very rigorous and should be toned down.

Section 127: Another clause 127(a) is added to take care of offences by companies. We feel that this is too sweeping in sub-clause (1) in fixing the responsibility on the driver, the conductor or the legal manager and in sub-section (2) in fixing the responsibility direct or indirect on the Director, Manager, Secretary or any other officer of the Company.

We feel that this two sub-sections of 127(a) should be amended to fix the responsibility on the specified officer of the company—an officer who shall be specified by the Company for answering and be responsible for such contravention of the provisions of the Act.

FORMS

The driving licence application forms, under Section 7(2) in form 'A'

There are three sections and the third section of declaration compels a minimum standard of education to understand the provisions of sections 81 to 85 and the tenth schedule of the Motor Vehicles Act. But we do not find any insistence on a minimum educational qualification for obtaining a driving licence. We feel that such a minimum educational qualification should be insisted on, if form 'A' is to be true and honest.

III

Memorandum

by

The Regional Motor Operators' Union, Kanpur

With reference to the Motor Vehicles Act (Amendment) Bill 1955 (No. 57 of 1955) which has been referred to you for consideration, we have to say as under for favour of your sympathetic consideration and request that an opportunity may kindly be given to us to represent our case before you personally before you finalise your report.

Apparently the Bill has been drafted to facilitate all the States to take up the so called nationalisation of Road Transport by ousting the private operators as early as possible. We may submit for your kind information that in the next Five Year Plan, numerous new routes will be opened and the Country will need passenger and goods traffic in a far greater number. But the proposed bill does not contain any clause which may bound the States to offer an alternative route to a private operator when the existing route is taken over from him under the gazetted scheme. As such it is necessary to provide a clause in the bill according to which vacancies on all the new routes may go to the displaced operators first.

2. In the interest of goods transport, it is obligatory for the Government to make such provisions in the proposed bill so as to discourage different unauthorised transport companies in the Country who are responsible for the failure of goods transport on the whole. We suggest that some hard and fast rules may be made for these transport companies so that they may not extort as much freight as desired by them and as much commission as they like from the truck owners. Each transport company should get a licence from Government, should deposit sufficient amount of security to safeguard interests of traders and should charge prescribed rates of freight from the traders and commission from the truck owners. Only a limited number of licences should be issued for this purpose in each town and no individual truck owner should be allowed to pick up goods of his own accord from the market other than from the licenced transport company.

CHAPTER IV(A)

Clause 3 of section 68F. This clause should be omitted as there is no justification in snatching away the rights of appeal.

Principles & method of determining compensation

Section 68 (G) (1): This section should be as under:—

“Where, in exercise of the powers conferred by clauses (a), (b), or (c) of section (2) of section 68F, renewal of any existing permit is refused, a permit is cancelled or the terms thereof are modified, there shall be paid by the State Transport undertakings to the holder of the permit compensation the amount of which shall be determined in accordance with the provisions of sub section (4).

Sub-section (3): It should be omitted.

Sub-section (4): It should be as under:—

“Where, in exercise of the powers conferred by clause (a), (b) or sub-clauses (i), (ii) and (iii) of clause (c) of section 68F, renewal of any existing permit is refused, a permit is cancelled or the terms thereof are modified the compensation* payable to the holder of the permit for each vehicle affected by refusal to renew, cancellation or modification shall be computed as under:—

- (a) For every complete month or a part thereof.—Rs. 100.
- (b) In the case where renewal is refused.—Rs. 1,800 in all.

Provided that the amount of compensation shall, in no case be, less than Rs. 1,200.

Clause (5).—The proposed clause should be replaced with the following clause:—

“That the State Government will constitute a Board represented by a representative of the Private Operators, to calculate the value of the assets of outgoing operator. At the recommendation of the Board, the State Transport undertaking will be bound to purchase all the assets of such operator on payment of the cost proposed by the Board in addition to the compensation of permit admissible under clause (4).

Using vehicle without registration or permit.

123(1)

The words punishment may be deleted from this section. The second paragraph of this section which is an encroachment on the Judiciary should not be retained.

The clauses (a) and (b) of sub section (3) of section 123(1) may also be omitted.

A perusal of amendments in other sections of the principle Act would reveal that punishments have been enhanced to great extent which is sure to make the private operators impossible to run their business in a peaceful atmosphere. We would therefore request that the Committee may kindly consider over it as well before accepting the proposed amendments.

Chapter IV A of the proposed bill is giving vast powers to the States to snatch away the business of the private operators and it would be great injustice and hardship to the poor operators if provisions are not made for the purchase of their assets and payment of adequate compensation.

IV

Memorandum

by

The All India Motor Unions' Congress, New Delhi

The All India Motor Unions' Congress represents the private road transport interests of the country. It is a federation of various State and/or Regional Motor Unions, which in turn are autonomous bodies, each looking after the interests of its member-operators within the State and/or Region. The Central organisation, as such represents only on matters of specific importance which have a country wide bearing on development of road transport in general.

The present amendments to the Motor Vehicles Act of 1939 had long been promised. As has been stated in the statement of objects and Reasons for the Bill, a reform in the M. V. Act of 1939 was thought necessary soon after it had come into operation. The introduction of the Bill was, however, delayed for various reasons. We understand that the initial draft of the Bill had to be revised probably three times, if not more. Thus it would seem that the question of a comprehensive study of the Motor Vehicles Act in order to bring about the desired changes had been constantly engaging the attention of the Government of India. The matter had also been discussed at three or four consecutive meetings of the Transport Advisory Council. These discussions as we are told were to win an agreement as large as it was possible on the broad principles underlying the amendments with the governments of the States. The agreement which it has been possible to achieve at, is only one sided, as we will presently see that even some of the basic principles have been compromised. In view of the foregoing, there can be little doubt about its importance. The changes which have now been proposed will have a far-reaching effect on the future development of road transport in the country. As persons directly affected by this, we respectfully request that we may be given an opportunity to present our views fully by appearing in person before the Committee, because we find it otherwise difficult to place the whole material before you in this Memorandum.

2. The M. V. Act of 1939, it has been admitted, could not be given a trial under normal conditions because soon its enactment the war broke out. Nevertheless it did succeed in bringing about an improvement in the standards of driving and road-safety; and also in achieving some degree of co-ordination among the competitive small owners of transport vehicles. The necessity to bring forward this Bill has been felt more urgently, as we are told, because of the operation by some of the State governments of road transport services. We would have been happier to be told that the Act was being amended also to foster further development of road transport or to increase the efficiency and economy of the existing road transport services. Again it has been said that with the completion of the first Five Year Plan, and with the second Plan now in hand, the trend of the development of road transport in the country has become more clear. Unfortunately we cannot subscribe to this, because we find there is much of a confused thinking about this trend.

3. The speech of the Deputy Minister for Railways and Transport, made in the Lok Sabha while piloting the Bill did not quite clarify the position, although he is reported to have said, "that with this clarification of the Government's policy, all uncertainties and doubts will be removed". He has expressed a hope that the private operators who "even now provided almost entire goods transport and about three-fourths of the passenger services," "will expand further with confidence and enthusiasm". We have tried to read into his speech and in the provisions of the present Bill as well, for this clarification, but, permit us to say, we find ourselves unable to share his views, much though we would have otherwise liked to do.

4. There is a definite situation prevailing in the country at the present moment which calls for a more realistic approach to the problem of transport. There are hardly two opinions about the fact, that the existing transport facilities available to the people are hopelessly inadequate. They fall far short of our present day requirements, not to speak of the great increase in the traffic offering, both of men and material, which may be expected as a direct result of the activities under the second Five Year Plan.

5. By comparison, we find that India is not only behind most of the countries in its road development but its development of motor transport is much more backward. We find that in addition to a very low total road mileage, the number of motor vehicles in India for a given one thousand miles of road is comparatively much less than what is in other countries. Two things follow directly from it, namely, that where there is a great need for constructing new and more roads, there is an equal, if not greater need for bringing about an increase in the number of motor vehicles on the roads. Unfortunately this number in the past has not been going up at the desired speed, on the contrary the position has been more or less static. It has been estimated that whereas general production in the country increased by 35.3 per cent. between 1951-53, the registration of motor vehicles increased only by 4.1 per cent. The annual growth in the number of motor vehicles since the start of our first Five Year Plan has been less than half of what it was in the fifteen preceding years, and almost one fifth of that for the period 1920-36. These are dismal figures, but the story which these figures reveal is perhaps more tragic.

6. The causes for this stagnation in road transport are too well-known. The Motor Vehicles Taxation Enquiry Committee; the Tariff Commission (in the course of its report on Automobile Industry); and more recently the Study Group appointed by the Planning Commission, are just a few of the many bodies of experts (not to name the earlier ones) which have gone into the question and have, with an astounding degree of unanimity, diagnosed the various ills from which road transport was presently suffering. We wonder if there could be any other similar situation where so much unanimity of findings had resulted in so little action by the Government. We all know the fate which the Report of the Motor Vehicles Taxation Enquiry Committee met. Let us not forget that the Report was greatly hailed both by the public and the press when it was first published. Reverting once again to the exigencies of the present situation, it is admitted in all hands that although the railways have been doing remarkably well in the past, yet they cannot, left to themselves, deliver the goods. The present allocations made to them, envisage a 5 per cent. increase in capacity annually but we are told there is going to be a 75 per cent. increase in the load which will have to be carried over them at the end of the second Five Year Plan period. To tide over the difficulty it has been suggested in many quarters that road transport should be expeditiously developed to serve as complementary to the Railways. Doubling of the existing number of motor vehicles (approx-

mately 1,50,000) within the Plan period is the minimum task assigned if any serious dislocation arising out of a shortage of transport is to be averted. Looking about the whole affair in this perspective (and where is any escape from it) one can fully realise the gravity of the present situation. The effect which the provisions of the present Bill have both on the future development of road transport in the country and on the existing road transport services cannot be ignored without peril. It is in this context that we may examine some of the broad principles underlying the Bill.

7. NATIONALISATION OF TRANSPORT as the term has loosely been applied to running of road transport services by State transport undertakings in some parts of the country, regardless of some of the basic principles characteristic of this philosophy of management has, we are told, 'come to stay'. We wish to make it clear once for all that we have no quarrel whatsoever with the principle of nationalisation, and on this score we only wish that there were no misgivings about our stand. However, the question is not so much of nationalisation as it is of development of road transport in the country to tide over the present difficulties arising out of inadequacy of transport. The State Governments in the past 10 years or so, have been able to provide, only about one-fourth of the existing passenger transport services. Perhaps they had their own limitations, which limitations may exist even today. The whole affair has been more like a race in a blind alley. The private operators were prevented from expanding their services, because the nationalised transport undertakings had contemplated to set-up a monopoly in the long run. "Where was the need", as some would say, "of continuing to give new permits to the private operators and then to pay them compensation out of the State funds when the time came to take them over." If the logic still holds good, as we are afraid it does, how can we go about without much needed expansion. At this rate, the nationalised transport undertakings would probably need another decade or two to completely take-over just the existing services of private operators. Is all further progress therefore to be stopped till then? What will become of, the rather pressing needs for additional transport which confront us today? In a dynamic economy, we cannot think of blocking all further progress. Must we, in order to help the State Transport undertakings, freeze the people's initiative and take any whatever little incentive which exist today! In our opinion, these and similar questions must inevitably present them to you over and over again during the consideration of this Bill.

8. If, as the Deputy Minister has called upon the private operators who to quote him again still provide almost the entire goods transport and three-fourths of passenger transport services, to expand further with confidence and enthusiasm "necessary climate" will have to be created for it. And such a climate may not be created just in words, but in actual practice.

The private road transport operators are at times greatly pained to see that of all they alone are chosen for a discriminating treatment. Not even one instance can be given where the Government would have nationalised anything without paying reasonable compensation. On the contrary sometimes the Government are accused of being too liberal on the score; but in the case of road transport, it remains a fact that quite a large number of private operators had been thrown off, simply by refusing to entertain their applications for renewal of their permits. How simple, and inexpensive too, with no moral sting? The Government can say and in fact have always said that where no property had been acquired the question of compensation did not arise. However, the matter is not so simple as it apparently may seem. What shall a man do with his bus and his other assets out

of which previously he was earning his livelihood when he was stopped to bring it on the road, by refusing him the permit?

9. In the present Bill Government have fixed the compensation which will be paid in the case of cancellation of a permit. This is a ridiculously low amount. Not only this, even this amount shall not be paid if a permit is not renewed. We would like to quote here the predecessor of our present Deputy Transport Minister who had said in this connection on the floor of the House.

"It is not a question of merely cancellation of a permit. As a matter of fact, there have been very few cancellations, as such. The real problem is non-renewal of a permit."

We are sorry to say that the way in which the payment of compensation was circumvented in the past will henceforth continue to be adopted. In our opinion that what this Bill seeks to give by one hand in the form of compensation is taken away by the other in refusing to pay it for non-renewal of permits, even where such refusal to renew is with the object of giving the routes over to the nationalised transport undertakings.

10. There is yet another important question directly connected with compensation. No provision has been made in the present Bill about acquisition of the assets of the displaced operators. It had been urged on the Government times without number to make it obligatory on the nationalised undertaking to take over the assets of the private operator whose routes were nationalised. We are informed that in one of the earlier drafts of this Bill, some provisions had been included, but during subsequent discussions in the meetings of Transport Advisory Council some of the State governments through their representatives insisted on their deletion. We are constrained to refer again and again to the proceedings of the Transport Advisory Council, but we are sure if a careful study of these proceedings is made your good selves will come to your own judgment on a number of issues relevant to our submissions. We wonder if the object of present Bill is to facilitate the introduction nationalised transport services without any payment of compensation and with no obligation whatsoever to take over the assets. In that case, we cannot think of anything more unfair because when the Constitution was being amended making the issue of compensation unjustifiable by the courts, it was held out that the common man would not be denied justice rather he would continue to receive it now at the hands of the legislature, though previously it was from the judiciary. May we quote here from the Report of the Select Committee which reported on the Road Transport Corporation Bill (now an Act) in the year 1950.

".....there may also be cases in which certain routes operated by private parties at present may be handed over to a Corporation by refusal to renew their permits. We feel that even in such cases fair compensation is due to the displaced operator. We note that such a provision exists in the U.K. Transport Act of 1947. We recommend that the Government should take necessary steps to examine this question with a view to see that such cases are suitable dealt with and no unfair use is made of the M.V. Act....."

11. The Government of India have definitely declared that there will not be any nationalisation of goods transport services during the second Five Year Plan period. The present Bill however seeks to give powers to the 'State Transport undertakings' to prepare schemes for operation of goods transport services as well. In the definition clause in Chapter IVA, goods transport is included in the definition of transport services about which a monopoly can be set-up in the favour of a State transport undertaking by adopting a given procedure. Commenting on

the decision of the Government not to nationalise goods transport one of the leading newspapers had written:

“.....It is not just enough to say that goods transport would not be nationalised. We have to create a suitable climate for it.....”

In all fairness, a definite proviso in the Bill should be added that State transport undertakings will not be granted a monopoly in respect of goods transport services on any road or roads or else these words from the definition may be omitted, if we want to create a suitable climate.

12. Much has been made of the provisions regarding the setting up of inter-State transport authorities. May we draw in this connection your very kind attention to the financial memorandum attached to the present Bill which says that the powers sought are only enabling powers and may be used only if satisfactory reciprocal arrangements are not arrived at, between the State governments concerned. In our opinion, these permissive powers are not quite adequate. We suggest that the Government of India should have full control over the inter-State transport. Again to quote the Deputy Minister for Transport, who has said”

“.....from the point of the economy of the country on the whole, it is of the utmost importance that there should be maximum freedom of movement of traffic from one State to another.....the negotiations between the States have been generally of prolonged character and have often failed to produce any agreement.....”

We understand that a suggestion was actually mooted out at one of the meetings of the Transport Advisory Council by the Government of India to have full control of inter-State transport, but the State governments resented such a move. This is not a new suggestion in any way. The Technical Sub-Committee of the Subject Committee on Transport appointed by the Government of India had suggested as early as in 1943 that “goods transport on national highways should be controlled by the Centre”. The provision in the Bill regarding setting-up of inter-State transport authorities suggests that the Government of India would move only at the instance of one of the State Governments. What if no State Government was to move in the matter. Why not road transport operators or the public at large feeling that the existing arrangements between two states were not satisfactory represent to the Government of India if they fail in their efforts at State level.

13. The whole procedure of preparation of a scheme by State Transport undertaking and its approval by the State Government is unfair. Justice, it has been said, should not only be done but it should also be seen that it was being done. Some impartial tribunal in our opinion and not the State Government (Executive) should hear the objections against such scheme. Such an impartial machinery consisting of the representatives both of the Government and public, is likely to command more respect.

14. The mandatory nature of the Clause 68F (Chapter IVA) takes away whatever was left of the judicial or semi-judicial character of the Regional or State Transport authorities.

15. There was a demand made constantly in the past for association with the Regional and State Transport Authorities of representatives of road transport operators. The Technical Sub-Committee to which we have already made a reference had recommended that the existing transport authorities should include representatives of road, rail, and if possible, other forms of transport. Again according to our information, in one of the drafts of Bill a provision had been

made to this effect. But it has now been omitted. Almost in every trade and/or industry, the Government would seek the advice of its accredited representatives before taking any major decision. But perhaps it is the solitary case of road transport that even this basic democratic right had as well been denied to them.

16. The Planning Commission had, in course of their Report on the First Five Year Plan, recommended the formation of viable units of the existing individual small transport operators, in order to avoid unhealthy competition and achieve increased efficiency and economy of operation. The results of such an economy the Commission believed could be passed on to the general public. None of the State Governments however nor even the Government of India did anything so far in this matter. In the present Bill even, no provision has been made to bring about a co-ordination of the competitive small owners. At one of the meetings of the Transport Advisory Council, the matter was discussed and the spokesman of the Government of India had said that the suitable time for having any such powers would be at the time of amendment of the M.V. Act. May we draw your kind attention to this serious omission, which will result in great national waste in case the present uneconomic competition between the small owners is not stopped.

17. The study Group, appointed by the Planning Commission, had made a number of useful suggestions in course of their report for the development on proper lines of road transport. To implement all or some of them, there could not be any better occasion than the one offered now.

18. The regulation of the so-called "goods booking and forwarding agencies" has been left in the Bill for the State Governments to do by making some rules at a later date. It would have been better if in the Bill itself something had been provided for such an important matter affecting directly the public and the operators alike.

19. The period of validity of a fitness certificate under Clause 33 is sought to be reduced from a maximum of three years to one, and from a minimum of six months to three. The issuing of fitness certificates for less than six months would result in unnecessary hardship to the operators.

20. The concessions to be granted to the private Carriers under Clause 56 are welcome but the need is to extend the same to the public carriers as well because when the necessity of a free inter-State traffic has been recognised, the transport within the State should be absolutely free, whether it is on own account or for the public.

21. The various amendments to clauses relating to offences, penalties and procedure aim at increasing both the maximum and minimum fines and also awarding imprisonment as additional and/or optional punishment. In the statement of Objects and Reasons, it has been said that, "several State Governments have pointed out that the offences relating to the Motor Vehicles were on increase, mainly because the penalties provided in Chapter IX were inadequate." We respectfully submit that we cannot subscribe to this view. Any increase enhancement in the fines or enhancement of punishment would increase corruption and would absolutely fail to minimise the offences.

We respectfully pray therefore that these amendments are not desired being not quite necessary. In saying so, however, we wish to make it clear that we are no less anxious to see that offences relating to motor vehicles are reduced but it will happen when the State Governments and other public organisations including the operators interested in road safety concentrate on educating the drivers and public on road safety and road usage.

22. There are a number of other changes which are of equal and vital importance to us though they may be described only as procedural. As it would be appreciated, it is not possible to go on enumerating all such one by one or else this Memorandum will become too lengthy. Anticipating, however, that we would be given yet another opportunity to explain our view-point and maybe we are allowed to submit additional memoranda, we wish to conclude with a prayer that as we have already submitted, the provisions of the Bill need be examined *vis-a-vis* the social objective that we all have set before us, of development and expansion of road transport services throughout the country as rapidly as it is possible both by the nationalised transport undertakings and by private efforts.

V
Memorandum

by

The Western India Automobile Association, Bombay.

The Committee of this Association has gone through the Bill to further amend the Motor Vehicles Act, 1939 which is now before the Lok Sabha and submit to you the following observations for kind consideration.

Item 2(e): The proposed new clause 9 defines a 'heavy motor vehicles' as a transport vehicle or omnibus the registered laden weight of which, or a motor car or tractor the unladen weight of which exceeds 18,000 pounds avoirdupois, whereas previously a transport vehicle whose registered laden weight exceeded 14,500 pounds avoirdupois was termed a heavy motor vehicle. While my Committee appreciate that from the point of view of meeting the increased transport needs of the country, a relaxation of the weight restriction would be warranted, they would like to point out some of the roads, bridges and causeways may not have the strength to withstand the increased weight.

Item 9: The new section 10 provides that a driving licence will be effective without renewal for a period of three years and such licence will continue to be valid for a period of 30 days after its expiry. My Committee welcome the change but would suggest that the period of validity be extended to at least five years as that would not only add to public convenience but also lessen clerical work at the office of the licensing authority besides contributing to a saving in stationery. At the same time the fee for the renewal of a five-year valid licence be fixed at Rs. 10/- as that would more than cover the cost of renewal. My Committee also suggest that where the renewal space in the licence is fully utilised, a new licence in continuation of the previous one should be issued free of charge and the holder should be asked to pay only the renewal fee.

Item 13(a) (ii): My Committee feel that the proposed proviso to be inserted after sub-section 1 of section 14 is ambiguous. Sub-section (1) of section 14 states that the licensing authority may grant licences valid throughout India to persons who have completed their 18th year to drive motor vehicles belonging to the Central Government but the proviso says that the section will not apply to vehicles used for any commercial purposes or in connection with any commercial department of the Central Government. Thus it might be construed that by virtue of the proviso the authorities can grant licences even to children under 18 if the vehicle be driven for a commercial purpose. It is therefore submitted that the amendment should be suitably revised so as to clarify the position.

Item 28: According to the new section 32, it is incumbent on the owner of a motor vehicle who wishes to carry out repairs or alterations to his vehicle likely to change the particulars contained in the certificate of registration to give notice to and secure the permission of the registering authority of the change or changes contemplated. If within a period of seven days after, the owner does not get the permission or an answer in the negative, he can thereafter go ahead with the work and give intimation of the changes so made to the registering authority within 14 days of their occurrence. My Committee are afraid that this amendment may lead to confusion and delay for the motorist, for he cannot carry out urgent repairs or alterations that may be necessary and urgent without

previous permission and a week's interval after giving notice to the registering authority. All these can be avoided if the owner is allowed to notify the changes within a specified period after they have been carried out.

Item 83: This amendment provides enhanced penalties for petty offences like parking in 'no parking' area, disobeying traffic signals, driving on the wrong side of the road, driving in the centre of the road, overtaking dangerously, driving without lights, etc. which frequently occur in the normal course of driving without at times the owner himself being aware of the infringements. Previously the maximum penalty was Rs. 20/- for a first offence and if it was repeated Rs. 100/- but now it is sought to be made Rs. 100/- and Rs. 500/- respectively. My Committee oppose the amendment for motorists come to know of such offences very often only when the authorities send intimations to them which is generally after the lapse of several days. At that distance of time the owner cannot recall whether or not the regulations had been contravened and in order to avoid trouble and inconvenience he often pleads guilty and accepts the punishment. My Committee hope you will appreciate that it will be unfair and a hardship to inflict drastic punishments in such cases.

Item 84, new Section 113 provides that:—

1. Anyone who wilfully disobeys any direction lawfully given by any person or authority empowered under the Act or
2. obstructs any person or authority in the discharge of functions which this person is authorised to carry out, withholds information asked for under this Act or gives information which he knows to be false or does not believe to be true,

shall be punishable with imprisonment for a term which may extend to one month or with fine which may extend to Rs. 500/- or with both. Although *prima facie* it would appear that offences such as those mentioned must be put down drastically, the scope of this section is so wide that even those who, due to some misunderstanding, are unable to comply with the directions or signals given by the persons authorised such as the traffic control sepoys may be brought within its purview. Further, notices sent to the owners of motor vehicles for the supply of information pertaining to the person or persons in charge of the vehicle at any particular time may or may not reach the persons concerned in time for them to furnish the particulars available. It often happens that in the case of motorists who go out of station on tour or business, they get such notices only on their return. If in the mean time they are to be prosecuted for failing to furnish the particulars that would place them in a very difficult position for it is difficult to recollect where their vehicles were on any given day, at a given time or the name or names of the drivers or persons in charge thereof. In such cases there is a genuine difficulty in the way of the owners being able to give the particulars asked for. Then again, certain information which they may have about their drivers, may or may not be correct and there is no way for the owners to verify whether the particulars especially the addresses in the driving licences are correct or not. Again it often happens that the owner engages a driver for a short period and if during that time any offence is committed by the said driver it would be difficult and even impossible for the owner to furnish particulars of the driver as he may not be in his employ when he gets the notice. In such cases when the driver is engaged for a few hours or a couple of days it is too much to expect the owner to know his particulars such as the driving licence number, date of issue of the licence, expiry date of the driving licence, etc. My Committee suggest that prosecutions for such offences should not entail imprisonment which should normally be reserved for criminals alone.

Item 87: Provides extremely drastic punishment for infringement of section 88 which is mainly concerned with the furnishing of particulars of the driver who is assused of "any" offence under the Act. The punishment provides imprisonment which may extend to three months, or fine which may extend to Rs. 500/- or with both or for a driver previously convicted under the same section, im-

prisonment which may extend to six months or with fine which may extend to Rs. 1,000/- or with both. One cannot appreciate the reason why such drastic punishment should be inflicted on the owners of motor cars in these days of enlightenment when even for murder and other heinous offences, capital punishment is being done away with. The motorist is not a habitual criminal and if unfortunately his vehicle is involved in an accident, it is usually due to an error of judgment or to reasons beyond his control and is neither deliberate nor wilful. Motor vehicle accidents now-a-days are due to a combination of circumstances and are not exclusively the result of any fault on the part of the driver. If an accident result of bad road conditions and other factors over which the driver cannot be said to have any control, how can he be held responsible for the accident and made to suffer drastic punishment which is normally to be reserved only for those who deliberately commit crimes? It is therefore a reactionary provision which should be modified suitably. Moreover sec. 88 covers a very wide range of minor offences occurring in the normal course of driving which the driver or the registered owner may not even be knowing of unless stopped, or may not be able to recollect after a lapse of some time when called upon by the authorities to furnish the driver's particulars or by that time the driver may have left the job and may not then be under his control. It is therefore very unfair to penalise the owner with such a drastic sentence as provided under the clause.

Item 88, section 121: Provides for punishment for using a vehicle in an unsafe condition. Generally, a motor car owner who knows driving has no knowledge of motor mechanism and is unable to ascertain defects even though he may be very careful. The usual practice adopted by the police is to inspect the brakes of a vehicle after an accident has occurred. If it is found that the brakes were defective it cannot be said that the defect had existed prior to the occurrence of the accident. When a driver has to apply the brakes suddenly, the brakes may go out of order and may have a pulling effect on one side resulting in an accident. It would therefore be wrong to charge the owner or the driver with driving the vehicle even though it was in an unsafe condition. The penalty provided is too severe and it is suggested that the whole of the existing section 121 should be retained as it is.

Item 90, section 123:—Provides punishment for using the vehicles without a permit. This covers all types of motor vehicles and it is likely that the clause may be misinterpreted to include motor cars used for carrying one's personal effects. It is noticed that of late many motor vehicle owners are prosecuted for using their cars for carrying personal effects or articles which are neither for sale or demonstration purposes under the pretext of carrying goods without a permit. The words "personal effects" have not been defined under the Motor Vehicles' Act and hence it is suggested that under the present Bill the words "personal effects" should be defined. Motorists have no knowledge of law and sometimes if they happen to carry goods thinking that small articles such as utensils, etc. required whilst on picnics or some other trips would not be construed as goods, they should be treated very leniently for the first offence which under the Bill is punishable with imprisonment extending to three months or fine extending to Rs. 1,000/- or with both.

Moreover the punishments provided in item 90 are also applicable to the contravention of section 22 of the principal Act which deals with the registration of the vehicles and the display of the proper registration marks. It is admitted that no vehicle should be allowed to ply in the streets without being properly registered but as regards the display of registration marks, there may be instances where the registration marks are not displayed in the manner in which they should be shown under the Act. Similarly in the case of a motorist going from one State to another, if he fails to display the registration mark of the State where the vehicle is kept for a period exceeding one year, he too can be

brought under the ambit of this all-embracing clause which prescribes imprisonment for the offences which may extend to six months or fine extending to Rs. 2,000/- or both. If this drastic punishment is meted out to persons who do not comply with the requirement regarding the proper display of the registration mark, it will certainly be a hardship for the offence involved is a purely technical one and does not warrant the harsh punishment.

Item 91, Section 124: Restricts the use of vehicles wherever it is felt necessary in the interest of public safety or convenience on certain days on certain roads and for certain periods. One can understand that the contravention of this section by heavy motor vehicles particularly on ghat roads or bridges from the point of view of safety, should be made punishable as provided but then this clause is so wide that even private motor cars can be brought under its scope. The restriction on the use of the roads on the basis of public convenience is common on festive and other occasions when they are likely to get congested but they are temporary measures introduced often at short notice. Contravention of the restriction seldom involves danger as it is only a technical breach of the rule, order or notification. My Committee do not agree that the punishments provided should be applicable in such cases.

Memorandum

by

Automotive Manufacturers' Association of India, Calcutta.

The regulation of motor transport on lines which will be conducive to the development of motor transport industry is important not only because it had been neglected in the past but also because of the useful part it can play in augmenting the present transport facilities in the country and its contribution to employment and national development.

Industrial progress is not possible without corresponding progress in the field of transport. The development of the transport system must precede and not follow industrialisation if serious bottlenecks in transport are to be avoided and industrial production maximised. The transport requirements of the Second Five-Year Plan work out over three times the increase in the First Five-Year Plan according to the targets of overall production visualised by the planners. The inadequacy of rail transport to carry all the traffic that will be offered needs no reiteration. The Committee has been constantly pointing out to Government that road transport can augment the existing facilities to a large extent. This view is also shared by Government and the Planning Commission. The Study Group (Transport Planning) had also suggested relaxation by State Governments of the code of Principles and Practice for the regulation of motor transport in order to achieve the objective in view, namely, adequate expansion of road transport.

The Committee appreciate the recognition by Government of the importance of road transport to the country but would point out that an examination of the restrictions imposed on it during the past 15 years clearly shows that the Motor Vehicles Act, the original object of which was to stop diversion of traffic from railways to road, has been chief obstacle to the development of road transport.

There is ample evidence to show that right from the early years of depression the railways in India had been far too concerned with the growing diversion of traffic to roads. Government appointed in 1933 and 1937 respectively the Mitchell-Kirkness Committee and the Wedgewood Committee to examine the question of road-rail competition. As a result of their investigations, the Motor Vehicles Act of 1940 was enacted so as to regulate competition and control the development of road transport. This Act as well as the Code of Principles and Practice which followed brought in a number of restrictions on road transport mainly to safeguard the interests of the Railways. However, the circumstances which necessitated the passing of the Motor Vehicles Act ceased to exist soon after its enactment. The Railway position started improving from 1936-37 and particularly with the outbreak of the Second World War. To-day the position is that Railways are not able to carry all the traffic offered. Therefore, if the success of the Second Five-Year Plan is to be assured, other forms of transport have to be geared to meet the demands particularly road transport.

The Committee understand that despite the change of circumstances, Railways have been asking the State Government not to give permits to private operators indiscriminately. Restrictions imposed by the various State Governments under

the Motor Vehicles Act which are continued to a great degree even in the Motor Vehicles Amendment Bill now before the Joint Select Committee reflects the same old anxiety of the Railway Administration to stop diversion of traffic to roads.

The Development of road transport has not been in keeping with the expansion of the country's economy. As against the average increase of about 12½% per annum in the number of vehicles in the country at the beginning of each 15 year period from 1920-21 to 1950-51 the average increase during the four years ending 1954-55 of the First-Five Year Plan has been only about 3·5% per annum. In this connection, the Committee would point out that this slow progress is regrettable, when all over the world, particularly in all advanced countries road transport is being developed at a fast pace. An important feature of America's economy is the extensive use of its highly developed road transport system. America's truck fleet has doubled in size during the last two decades. It is learnt that during the period 1939-53 goods traffic in U.S.A. increased by 118% and when railways could increase the traffic by only 83% road traffic accounted for an increase of 289%.

The Committee feel that this slow progress is mostly due to the policies followed by the Centre as well as by the States. The Working of the Motor Vehicles Act, particularly Chapter IV of the same which restricts the area of operation of the transport vehicles, nationalisation policies of the State Governments, the weight complexities, lack of uniform and intelligent system or principle in the taxation of motor vehicles are some of the major difficulties that the private operators had and have to contend with. The combined effect of these policies is that it has created a feeling of uncertainty and shied away many prospective transport operators from investing in road transport. The Committee regret to point out that even the amendments to the Act now proposed do not go far enough.

The Dy. Minister for Transport while referring the Bill to the Select Committee stated that as expansion of the nationalised sector in road transport was limited by the funds made available in the Second Five-Year Plan, all uncertainties and doubts should disappear and the private operators who are today providing almost the entire goods transport services in the country could go ahead with confidence and enthusiasm. This would mean that only during the Second Five-Year Plan period the development of goods transport is to be left to private operators and nationalisation of these services is not contemplated. The Committee would point out that this assurance is not new as the Planning Commission had two years' back issued a directive to State Governments to hold over nationalisation of goods transport till 1960-61. The Committee would point out in this connection that it would not be possible to have any return in any new venture in a short period of five years. Therefore, if assurance against nationalisation is to be restricted to the Second Five-Year Plan period along, private operators may not find it worthwhile to invest their capital in motor transport. During the first few years the operators will inevitably have to face with "teething" troubles and only after the initial period of difficulties is over they can look forward to their ventures paying their way. The Committee would, therefore, emphasise that unless a period of 15 year guarantee is given to private operators against nationalisation there will hardly be any incentive for private operators to invest in goods transport.

The present high cost of motor vehicle operation is a serious deterrent to increasing use of motor vehicles. The main factors responsible are high taxation and restricted laden weights.

The Motor Vehicles Taxation Enquiry Committee had some time back drawn attention to the onerous burdens placed on motor transport particularly commercial transport by haphazard levies by a multiplicity of authorities—Central, State and Local—and the failure to correlate road development with a scientific

policy of encouraging motor transport. That Committee's recommendations for the simplification of taxation by the adoption of a uniform system of vehicles taxation in all the States in place of the multiplicity of the levies imposed by State Governments and local bodies are yet to be accepted. According to the same Committee, India pays the highest tax on motor vehicles in the world. It is stated that about 34% of the revenue accruing to the road transport industry is taken away by Government as against the tax incidence of 4½% in the U.S.A. The Study Group (Transport Planning) also recommended a reduction in the present taxes on motor vehicles by 20%. The Committee would point out in this connection that the revision of the existing motor vehicles taxation is as necessary as the amendments of the Motor Vehicles Act for the development of the road transport industry.

Again, the present pay load limits allowed to the goods trucks are too inadequate. The present weight limits in various States range from 14,500 lbs. to 20,000 lbs. against the optimum of about 32,000 lbs. suggested by the policy memorandum of the Road Congress in 1949. Heavy duty vehicles are now being manufactured in the country and as such weight restrictions are bound to react unfavourably on their production also. The heavier the load carried by vehicles the lower would be the cost of its operation.

The Committee understand that Government themselves have been alive to many of the difficulties enumerated above and have been urging State Governments to take necessary steps to create the necessary climate that would be conducive to the development of road transport. The Committee, however, feel that the State Governments have not fallen in line with the policy indicated by the Central Government.

The Committee have carefully gone through the provisions of the Bill. They regret to find that the Bill beyond attempting within limits to deal with some of the problems has not fulfilled the expectations to lay down a proper and effective policy which would encourage road transport at a time when inadequacy of transport as a whole is a considerable impediment to economic development. The proposed amendments in the Bill do not give free scope to private enterprise in operating road services. The control of road transport by State Governments under the existing Act is being further tightened up under the Bill. Even the light weight motor vehicles of 6,000 lbs. laden weight are not exempt from the necessity of taking permits.

The Committee have given below their observations on some of the clauses of the Bill which particularly relate to the development of the road transport industry.

Clause 49 of the Bill makes it obligatory on a Regional Transport Authority to consider while granting permits the adequacy of not only existing road services but rail, river or any other kind of services or prospective services to be carried on. The Committee have pointed out earlier that road services are not competitor to railways but that the two systems of transport have been now admitted on all hands as complementary and as such there is no reason whatsoever why Government should be anxious to safeguard the interests of railways. In the circumstances, the Committee strongly feel that there should be no restrictions placed on the licensing of motor vehicles and would, therefore, suggest suitable modification of the clause.

The Committee have been of the view that on economic grounds vehicles should be allowed to ply longer distances than prescribed under the Act but under clause 50 of the Bill it is stated that no permit can be granted without the prior approval of the State Transport Authority for routes exceeding 150 miles and serving places connected by Railways. The grievances of road transport operators have all along been the distance limits. It appears to the Committee

that Government have based this limit of 150 miles on consideration that road transport is essentially suited for short hauls and that for most commodities it ceases to be economical beyond 150 miles. The Committee do not agree with this view.

Previous to the war, it was a common feature that goods were moved over a long distance of thousand miles and over through motor trucks. Road rates were also advertised for distances up to 1,500 miles. It was only after the existing Motor Vehicles Act was passed that long distance traffic was discouraged. The Committee, therefore, suggest that Government should remove the restrictions on distance of operation so as to allow operators to operate wherever they are able to find traffic. A private operator may not earn enough to defray his expenses if his limit of operation is restricted.

Transport authorities have been given powers under the same clause to restrict movement to specified routes or areas. The Committee have always favoured the issue of permits on an all-India basis so that operators may be allowed to move freely. Therefore, they are opposed to this provision.

The Committee are strongly of the view that State Governments should not issue permits for short periods. In the existing Act permits can be issued for a period of not less than 3 years and not more than 5 years. Government are aware that certain States have been issuing permits for a period of one year. It appears that despite many States insisting on a period of one year Government have re-enacted this provision under clause 52.

The average life of a motor vehicle is ten years and in normal conditions of working a private operator may expect to realise the capital expended on the vehicle. If a permit is given only for three years, the operator concerned would not have sufficient incentive to put up large capital expenditure which he may not be sure of recovering back.

The Committee are, therefore, of the opinion that a period of 3 years is too small to give confidence to an operator to have sufficient stake in his business. Further, operators will not be in a position to replace the old vehicles for such a short period. The Committee would, therefore, point out that this clause would be a limiting factor in bringing more vehicles on the road and would considerably hinder the development of road transport in future. The Committee would suggest that permits should be issued for a period of not less than 10 years and the clause may be amended accordingly.

The Committee find from clause 55 of the Bill that Transport Authorities continue to have the power to issue temporary permits. The Study Group (Transport Planning) set up by the Planning Commission to examine and make recommendations to the Commission on planning transport industry so as to meet the increasing demand pointed out that the number of temporary permits issued, were disproportionately large in some States. The chief reason for issuing such temporary permits is that it enables the State Governments to take over the routes for nationalised operation on the expiry of temporary licences without payment of any compensation. In this connection, the Study Group (Transport Planning) had observed that "in such circumstances it would not be possible for any operator to maintain an efficient service nor to have any stake in his business." They had further stated that the development of the motor transport industry "could have been much more substantial or that at least the replacement of old vehicles would have been more satisfactory but for the uncertainty caused by the issue of temporary licences." The Committee regret that in spite of such expert views Government intend continuing the issue of temporary

permits under the provisions of the Bill. The Committee feel that if such temporary permits are continued it would become difficult for road transport to expand. The Committee are, therefore, strongly opposed to this clause and feel that temporary permits should go.

The provisions of clause 56 provide that a permit issued by a Regional Transport Authority with the approval of the State Transport Authority shall be valid throughout the State. Further, the regulation to obtain counter-signature of permits originally granted in a neighbouring State is waived. These provisions are welcome as they would help free flow of inter-State traffic. But the Committee feel that too much discretion has been left to transport authorities in this matter. The Committee apprehend that in view of the past experience these relaxations may not be of much benefit to the operators.

The Committee understand that despite directives from the Central Government some State Governments are not very liberal in the issue of permits for inter-State traffic. For instance, it is learnt that under the reciprocity arrangements authorised by the Motor Vehicles Act the Bihar Government have permitted 250 lorries from Bengal to enter Bihar territories and on condition the same number of lorries from Bihar would be allowed to enter Bengal. In Bengal there are 23,000 lorries while Bihar has only 8,000 lorries with the result that they cannot get more than 250 lorries to come to Calcutta. Out of the 23,000 lorries a very large number would like to carry traffic to Bihar if permitted to do so. In view of such instances, the Committee would urge that the provision be suitably modified so as to enable the private operators to ply their vehicles wherever they can find traffic particularly between two or three States.

The Committee are of the considered opinion that generally in the matter of permits the law should be enacted in such a way that an operator is entitled to a permit to operate within a State as well as a permit to operate between two or more States without it being left to the discretion of the State Transport authorities as provided in the Bill. To ensure that bonafide operators alone are granted permits a higher fee may be charged in the case of inter-State permits.

The Transport authority at present is the one who issues the licences both for the private operators as well as for State transport undertakings. The Committee feel that if one and the same authority issues licences for both, the interests of the private operators are liable to be overlooked in the interests of the other. The Committee would, therefore, suggest that an independent authority other than the one controlling State Transport Organisations should be the permit issuing authority.

The Committee appreciate that Central Government under the Bill, have envisaged regulating measures that may be necessary for inter-State movement of vehicles. The provisions of clause 57 of the Bill empower *suo motto* the Central Government to set up, for this purpose, inter-State transport authorities for regulating the operation of transport vehicles on the inter-State routes and a Central Transport Authority to co-ordinate and regulate the activities of inter-State transport authorities. But from the expression used in the notes on the clause attached to the Bill, that "the powers are permissive in nature" it is felt that the Central Government will exercise the powers only on a request from State Governments. Such permissive powers may not be sufficient to meet the existing difficulties of restrictive transport between States. The Committee apprehend that such powers, permissive in nature, may not be effectively used. They are, therefore, of the considered opinion that the provisions in the Bill should be amended in such a way that Government would take the power to regulate inter-State movement where they themselves have reason to believe is unsatisfactory.

It is further provided under this clause that inter-State transport authorities would consist of a Chairman and such other members as Central Government may think fit to appoint. It is not clear from the provisions whether transport operators will be represented on these bodies. In the Committee's opinion in any body directing the road transport policy of the country there should be no exclusion of private interests in that body as that would affect its representative character. In regard to road transport, the bulk of the business is still in the hands of the private sector and it is felt that their exclusion from such bodies would deprive them of the benefit of the views of an important section of the industry.

The Study Group (Transport Planning) also suggested that "it should be recognised that road transport is a highly specialised problem and that men controlling the industry should be specialists on the subject." The Committee, therefore, trust in the composition of the transport authorities the Select Committee would recommend due representation to the private operators who have to build up the industry.

A new chapter—Chapter IV A—under clause 62 has been added in the amending Bill making provisions for State Government undertakings which did not figure in the original Act. This Section will invest upon the executive authorities arbitrary powers in the matter of administration of the Act. The Committee are opposed to this, even if the administration is liberal as it goes against the very principle of commercial undertakings. In their opinion these undertakings must have an opportunity to grow and develop through the practical experience obtained by those who are in the industry. The Committee, therefore, would suggest that Section 68B in this clause should be deleted.

The Bill facilitates nationalisation of routes developed and run by private enterprise. Again, in this chapter is laid down a formula for the determination of compensation due to a permit holder in the event of a permit being cancelled or modified as a result of nationalisation. This compensation does not extend to the acquisition of assets of private carriers by State undertakings. Further, no appeal is possible against any action or order passed by the Regional Transport Authority.

The Committee are of the considered opinion that the compensation proposed is too low. It has been stipulated at the same time that no compensation shall be paid where the routes of an existing operator are taken away by a State on the expiry of his permit merely for the fact that his permit has not been renewed. The Committee would point out that this provision is completely at variance with the recommendations of the Select Committee which reported on the Road Transport Corporation Bill, 1950, that fair compensation is due to the displaced operator. They stated, "there may also be cases in which certain routes operated by private parties at present may be handed over to a Corporation by refusal to renew their permits. We feel that even in such cases fair compensation is due to the displaced operator. We note that such a provision exists in the U.K. Transport Act of 1947. We recommend that the Government should take necessary steps to examine this question with a view to see that such cases are suitably dealt with and no unfair use is made of the Motor Vehicles Act."

The Committee are surprised that the Bill has not provided for taking over the assets of the displaced operators. This has been left entirely to be regulated by State Governments and this is hardly fair to those who had taken all the troubles to invest and develop new routes. The States are under no obligation to acquire the assets and in the event of the displaced operator being enable to

make use of it would mean so much of national waste. Such provisions can hardly be expected to infuse confidence in the minds of operators rather it would prevent their coming in. The Committee of the Association urge the Select Committee considering this aspect of the matter.

The Committee have all along been impressing on the need for Governmental support for the development of road transport industry. The amending Bill besides allowing freer movement of motor transport within a State as well as between States does not affect materially the problem of a proper transport policy.

The problem of the Second Five-Year Plan is the inadequacy of transport. It has been agreed on all hands that road transport can, if properly developed, help the railways. Government have allowed substantially larger resources for road programme during the Second Five-Year Plan and the target production of 40,000 trucks for passenger and goods vehicles by 1960-61 has also been envisaged. If the construction of new roads is to be justified, conditions should be created to enable the private operators to come forward and put more vehicles on the road otherwise the construction of new roads would be futile. This incidentally would help the establishment, on sound lines, of the automobile industry which is vital to the country for strategic as well as other reasons. The market for automobiles also depends a great deal on the development of road transport.

The Committee would emphasise that to encourage road transport industry both in the manufacture and in the operating stage it is necessary to create an atmosphere for its healthy development by removing the obstacles retarding expansion at present such as distance restriction on operation, threat of nationalisation, short duration of operating permits, unduly low permissible laden weights, etc.

The Committee, therefore, request the Select Committee to consider their views sympathetically and suggest suitable amendments to the Bill as would not hamper the expansion of road transport industry.

VII

Memorandum

By

The West Bengal Lorry Syndicate, Calcutta.

Chapter IV-A

This has been introduced in the Bill only to regularise Nationalised Transport Services by the Government. This is objectionable. If Nationalisation is the aim of the Government, it should have a separate legislation for guiding and controlling the Nationalised State Transport Services. It will not be out of place to mention here, the case of U.K. and U.S.A., in this connection. India is still an undeveloped Country at least so far as the key industries are concerned and far behind even U.K. Yet, the U.K. Government could not take the sole responsibility to entrust their administration with a further job of working Nationalised Transport Services through their existing machineries. Moreover the statement of objects and reasons as laid down therein says that the necessity to amend the Motor Vehicles Act 1939 is most urgent in regard to the operation of Road Transport Services by Nationalised Agencies, although the present Bill nowhere mentions the forms and procedures for forming these nationalised agencies. Moreover it is contradictory. The present Act contains no provision for the introduction and expansion of Nationalised Transport Services. It is thus clear the urgency for the amendment of the Motor Vehicles Act is not so much for the need which was felt for amending the Act with a view to remove the lacunas and defects revealed in practices for the development of Road Transport and ensuring better co-ordination of Rail and Road Transport. It is also curious why a Bill was introduced and passed through Select Committee stages for the very purpose and why it was sent to Cold Storage. The reason for all this may be found from the statement "that subsequent other developments like the Nationalisation of Road Transport by States necessitated reconsideration of the proposed amendment. But this is still no better position than what is stated above. The Motor Vehicles Act 1939 laid down its Aims and Objects that it would bring about improved standard of driving and road safety and great co-ordination among the competitive small owners of Transport Vehicles. It is nowhere stated that there is any scope for Nationalised Transport Services. It is difficult for us to understand as how the States were competent to amend the existing Act, for no other purpose but for Nationalising the Road Transport Services. The authors of the present Act did not contemplate the Nationalisation of Transport Services.

All amendments, therefore, to the existing Act must be within its Aims and Objects, as prescribed in the Act and any amendment contrary to that principle will be *Ultra-Vires*. It is true that Road Transport is a concurrent subject, still it is a common knowledge that unless the aims and objects of the original Act are changed, no State or States can have a Nationalised Road Transport Service.

Compensation.

Compensation as stipulated under Chapter IV-A of the Bill is also quite inadequate in consideration of the following facts such as State Death Duty, Succession, Assessment of Income-Tax, consideration of huge investments, payment of direct and indirect taxes etc.

Licensing Policy.

The next important factor that we like to place before the Joint Committee. is the question of Controlling and Licencing the Transport Vehicles. The following relevant clauses e.g., 37 to 57 of the Bill deal with the points. Although

in many cases we have accepted the clauses as stated therein but in respect to these clauses 37, 38, 42, 48, 49, 50 & 56 and some of their Provisos are considered by us as most objectionable in running Road Transport in proper and efficient way. It also affects financial viability and incentive to the business. All these clauses comprise Chapter IV of the Bill. The proposed amendments have been made to shut out the lacunas which during the course of the present Act have been found by the operators keeping an eye on the interest of the Government in the matter of controlling the Road Transport. The amendments which we like to replace will be put before you at the time of evidence.

Penal Sections.

Next to the question of licencing and controlling policy, the question of penal section of the Bill comes in the Chapter IX of the Act. Without going into details' in this Memorandum, although we like to adduce evidences before the Joint Committee in proper time, we want to express our objections about Clauses 83, 84, 85, 87, 88, 89, 90, 91, 92 & 98. The severity of the clauses over the existing Act will pinch heavily over the operators. Although we do not take the brief of the operators in matters of their delinquentments, yet, we can say that the increase of the harshness of the penalties imposed upon the offenders, will create troubles in the proper discharge of the Transport business in an effective way. In the present Bill penalties have been increased almost in all cases to an extent not less than 200 per cent over the original provisions of the present Act. The reason for enhancing the penalties are feeble and requires no justification. The one ground which appears to us, the cause for increasing the penalties is to put a stop to road accidents. Even in this matter also we do not see eye to eye with the Government measures for increasing the rigour of penalties. There have been increase in amount of fines and provision for imprisonment even in Paltry cases of breach of traffic regulations. While we agree to the strict obedience of traffic regulations, yet we do not subscribe that it should be the cause of depriving a man of the only means of his livelihood by taking his permit or driving licence.
