WHITHER INDIA'S TRANSPORT?

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"People must come to accept private enterprise not as a necessary evil, but as an affirmative good."

—Eugene Black

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By

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The dominant objective of economic planning is the initiation of a process of development wherein the opportunities for a richer, fuller and more varied life are thrown open to all sections of the community. Aiming at the achievement of overall advancement, developmental planning is essentially an all-embracing process, wherein the functioning of different economic sectors need to be co-ordinated, not compartmentalised. Transportation perhaps, more than any other structural element in the economy, needs to be well integrated in the general developmental framework. It needs carefully to be planned at each stage, in advance of the actual requirements of industry and trade. It has to provide a very important element of the infrastructure on which the industrial edifice can be raised.

For transport, efficient, and inexpensive, will be needed at every stage of the country's build-up—whether it is for haulage of machinery to the factory site, transport of men and building materials thereto, for carrying raw materials to the plant after it is installed, or for delivering the manufactured product to the consumer. The question may well be asked, whilst our planners have with meticulous care laid on a colossal superstructure of industries, heavy, medium and light, during the three Plan periods, and are busy laying it for the fourth, how far have they planned and provided the basic elements of its infra-structure—

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the foundation, the columns and beams—adequately to support the weight of these industries and ensure their efficient operation to the capacity level.

That our economy has been exposed periodically to grave stresses and strains in the past quarter of a century through inadequacy of transport facilities is a matter of common knowledge. The most serious perhaps of these shortages was not long ago—in 1960 and 1961 when transport bottlenecks led to closure of some factories for several weeks, production had to be curtailed, workers thrown out of employment and essential supplies had to be denied to many areas. True, the railways came to our rescue as soon as they could by augmenting their capacity and catching up heroically with the demands. However, such experiences serve only to underscore the need, through correct planning, to obviate similar situation in future.

What are the demands made by our economy on the transport system in the carriage of goods and how are they met? I shall deal initially with the position at the end of the First and Second Five-year Plans and that expected at the end of the current (Third) Plan :

(Figures in million tons)

		End of 1st Plan 1955-56	End of 2nd Plan 1960-61	Expected at the end of 3rd Plan 1965-66
Goods carried by—				
Railways	..	115	154	230
Inland water	..	1	2½	3½
Coastal shipping including sailing vessels	..	4	5½	8½
Roads	..	6	20*	64†
Total transport capacity provided		126	182	306
Estimated gap in availability	..	..	10	24
Total demand	..	126	192	330

* Inter-city. † Estimated.

At the end of the current Plan, that is within the next few months, it is estimated in informed quarters that the transport capacity will fall short of the demands by about 24 million tons. This is because the traffic demand calculated on basis of national income projections, it is felt, will amount to **330** million tons as against about **300** million estimated by official sources. Our experience was that during the ten years of the first two Plans, traffic increased by 115 per cent against a rise of 42 per cent in the National Income.

This shows that each one per cent rise in national income is accompanied by an increase of 2.74 per cent in traffic. This proportion may decrease slightly when the economy progresses. But indications are that a ratio of 2½ to 1 should nevertheless be assumed. During the Third Plan the target of increase in our National Income is 31 per cent which calls for 78 per cent increase in transport facilities. 78 per cent above the 192 million tons of traffic offering at the end of the Second Plan will give us a figure of 342 million tons. It is true that the national income target aimed at by the Third Plan may not be fully achieved. But against that we have to take into account the traffic expected from our increased defence preparations which were not in sight when the Third Plan was formulated. In any case, with a view to keep my estimates on the modest side and not to exaggerate, I am estimating the traffic demand at the end of the current Plan at 12 million tons less, that is **330** million tons only.

What about the Fourth Plan? Final estimates of the National Income target for this Plan have yet to emerge, but the intention appears to be to raise it from Rs. 14,500 crores at the end of the Second Plan to Rs. **25,000** crores at the end of the Fourth, representing an increase of 79 per cent over that of the Second Plan. At the ratio of 2½ to 1, the increase in transport capacity has to be of the order of 198 per cent. If we reduce the ratio to 2¼ : 1, since the economy is progressing, the increase is 178 per cent. On this basis, the transport capacity reauired at the end of the Fourth Plan is 534 million tons. The present indications are that no more than 488 million tons are likely to be provided for as under :

Railways	...	355	million tons
Inland water	...	4½	"
Coastal shipping and sailing vessels	...	12	"
Roads (I.R.T.D.A. estimates for all inter-city traffic)	...	116	"
		488	
Leaving a gap of	...	46	million tons

Against the above background, let us examine the means we possess for meeting our transport demands.

It is natural that the railway should occur almost instinctively to us as our carrier par excellence. Such a claim would be justified in the transport climate that obtains in the country. In our railway system which exceeds 57,000 kilometers we have the second largest railway network in the world and **the** largest in Asia. After independence our railway track has been lengthened by about 3,000 km. In 1962-63 the railways lifted 180 million tons of originating traffic, twice the quantity they lifted in 1950-51. During 1964-65 they are expected to have lifted 200 million tons and their capacity is geared to carry 230 million tons by the end of Plan III. This indeed is a creditable achievement. The railways achieved this capacity by appropriating Rs. 424 crores under Plan I, Rs. 1,122 crores under Plan II and are expected to spend Rs. 1,477 crores under the current Third Plan, a total of Rs. 3,023 crores. Under Plan IV, the allotment to railways is again expected to amount to the staggering figure of Rs. 1,400 crores. They are being equipped to carry 355 million tons out of a total long-distance traffic of 388 million tons, i.e., 73 per cent.

Whilst we salute the railways for thus stepping courageously forward lo bear the brunt of our rapidly increasing transport demands, we must take into account the fact that today we live no longer in the Victorian or the Edwardian era. In the post-World War I era, another

agency of land surface transport has made rapid strides. Indeed in post-World War II days it has developed into a full-fledged alternative instrument of transport which has threatened gravely the erstwhile monopolistic position of the railways. I refer to road transport. As a matter of fact, in the advanced economies of Europe and America, road transport has attained a position of dominance in the total transport picture of the country compelling railways in several areas not only to curtail their operations, but even to pull out their tracks and plant, leaving the transport field open to alternative agencies presumably more capable of meeting the requirements of the economy.

In the U.S.A., railways carried 64 per cent of total traffic in 1939, measured in ton-mlles and only 44 per cent in 1961. Similarly in the six years ending 1961, the share of railways in the inland traffic has decreased from

38 to 32 per cent in	Belgium,
61 to 59	France,
50 to 42	West Germany,
31 to 27	Italy, and
59 to 39	Great Britain.

Road transport has correspondingly increased and now accounts for 72 per cent of the total traffic in Italy, 61 per cent in Great Britain and 52 per cent in Australia.

Further, in these countries railway haulage tends increasingly to get confined to bulk commodities such as coal and mineral ores. In U.S.A. these two items accounted for 53 per cent of the total originating traffic on the railways. In France their share came to 54 per cent and in U.K. 72 per cent. What, on the other hand, is the picture in India? The railways predominate the scene and carried as much as 86 per cent of goods traffic in 1960-61. Moreover, going further contrary to world trends they make a bid to carry not only the heavy bulk commodities, for which they are considered specially suitable, but additionally, every variety of manufactured goods. As a matter of fact, those who have followed the Railway Budget may have noticed that the railways are trying desperately to capture the traffic in some of the high-rated manufactured goods from road transport, by lowering their freight rates on them. There is little doubt therefore that in India we are doing our best to go contrary to world trends in the development of transport. Is it not essential that we take stock of the situation and ask ourselves what our overall long-term transport policy is, what it is going to develop into, and what its significance is going to be from the point of view of the overall social cost imposed on our economy?

The second agency of transport is one which should have received during the Plan periods, if not before, a greater measure of attention than it has already done, namely, inland waterways. Our rivers and canals had their heyday in the eighteenth and early nineteenth centuries, when they were the principal carriers of goods. The rail era forced them into a decline, completely unjustified on economic considerations. Indeed, the only occasion one is jolted into awareness of their existence today is when one reads press reports about the frequent mass drowning tragedies resulting from overloading of boats ferrying passengers across rivers—without control or regulation. Whilst in North Western as well as Eastern Europe, as also in U.S.A., inland waterways enjoy a place of pride even in their ultra-modern scheme of transport, India insists on giving to inland waterways a step-motherly treatment. Although the mainland of Europe is already endowed by nature with navigable rivers, further inland waterways are being added, by cutting out new long-distance canals, such as that joining the Baltic and the Black Sea. So also in United States where canals have been cut along the Gulf of Mexico not long ago. Inland waterways carry 16 per cent of the total inland traffic in U.S.A., 27 per cent in Belgium, 11 per cent in France, 29 per cent in West Germany and 17 per cent in Yugoslavia. In India, on the other hand, though some consciousness of the usefulness of inland waterways has recently been witnessed on the part of the Transport Authorities, this very useful and economical agency of transport is being starved of finance and the allocations are much too meagre to give them any real scope. The Third Plan allocation was only Rs. 7.5 crores and even the

proposed Fourth Plan allocation of Rs. 20 crores is far short of the outlay of Rs. 50 crores recommended by the Gokhale Committee. This was the minimum calculated for their rehabilitation. The total length of navigable waterways in the country today is barely 5,000 miles, principally the Ganges and Brahmaputra, and their tributaries, the Godavari, Kistna and their canals, the backwaters of Kerala and the Buckingham and Mahandai canals on the East Coast. Only 1587 miles are navigable by mechanically propelled boats. the rest by sailing vessels. They carried just 2.5 million tons of cargo at the end of Plan II and are expected to carry a million tons more by the end of Plan III. They may carry a total of $4\frac{1}{2}$ million tons at the end of the Fourth Plan.

Let us turn next to Coastal Shipping. This agency of transport has recently shown some vigour in its growth, During the three Plan periods the policy of reserving coastal shipping to Indian flag vessels has certainly paid off. Today the gross registered tonnage stands at about 400,000 tons. Unfortunately our coastal fleet contains as many as 165,000 tons of over-aged and uneconomic units which need to be replaced as soon as possible notwithstanding the shortage of foreign exchange. The total traffic carried by coastal shipping at the end of the Second Five-year Plan came to about $5\frac{1}{2}$ million tons and is expected to amount to $8\frac{1}{2}$ million tons by the end of Third Plan. In the Fourth Plan the traffic may increase to $12\frac{1}{2}$ million tons.

This brings us to the next agency of transport, namely, air. Although indispensable in this jet-age and of growing importance, it can play, for obvious reasons, no significant role in satisfying the country's huge transport demands. Our airways carry a steadily increasing volume of passenger traffic with a rather stagnant volume of freight. 4.3 lakhs of passengers were carried in 1954. 7.4 lakhs in 1959 and 10.3 lakhs in 1962. On the other hand, the freight carried, including mail, was 44,000 tons in 1954 and 46,000 tons in 1962. It is gratifying that plans have been made for expansion of air transport in the near future and for replacement of over-aged parts of the fleet.

In the end we are thus left with only one agency of transport from which we can expect a significant contribution towards the carriage of bulk of our commodities, namely, 'roads and road transport. This is the only means of transport left to us which from the overall point of view of the country's economy can "deliver the goods" efficiently, inexpensively and in desired quantities. To quote from a speech delivered a few years ago by Mr. S. H. Turner, Chairman of Hindustan Lever Limited, at the annual general meeting of his Company on 6th April 1960 :

"In 1950, our normal method of despatch of finished goods was by rail straight to the dealer, and as far as possible, in full wagonloads. This meant that we tied up a great deal of our own capital, the goods spent an average of **21** days in the wagon, and in addition, at the end of 1949 we had Rs. 187 lakhs worth of manufactured goods at the 'factories because we got wagons very irregularly.

"It was common experience in those days that for several days we got no wagons and then had sixteen on one day. We also had to tie up a good deal of our dealers' capital. The man in a small town who had to take a full wagonload of vanaspati, might well find himself with four or five months' requirements on his hands at once; and for this tying up of our dealers' capital, of course, we had to pay either in bigger discounts or in letting them make larger profits on stocks in their hands whenever we had to raise prices.

"Now we have become much more flexible. Last year about 50 per cent of our despatches were made by road; another 2 per cent were made by Quick Transport Service, a service the railways simply did not offer ten years ago. Our average transit time has been reduced from the 21 days of 1950 to five days now. At our present rate of sale, that means we are saving perhaps Rs. $1\frac{1}{2}$ crores of scarce capital. Moreover, we have much less damage. Road journeys normally involve no transhipment whereas rail transport involves transhipment whenever there is a break of gauge; and road journeys are door-to-door, whereas with rail, even though we have sidings, our dealers do not, so

that there is always an extra handling at their railway station. Finally, with road contractors we are usually able, at a price, to get them to accept responsibility for damage; the railways are very chary of accepting responsibility, and their employees are frequently correspondingly careless. When we make a claim on our road carriers, it is settled within days, and usually in full. When we claim on the railways, it takes an average of six months before a decision is obtained and we do not recover more than half our losses.

"From our Bombay Factory to Poona by road, for instance, is Rs. 6.50 per ton of Dalda cheaper than by rail; it is Rs. 3.25 cheaper to take a ton of Sunlight from our Delhi depot to Ludhiana by road than by rail. And we are endlessly looking for economies in packaging. Once upon a time, for instance, all our soap was moved in wood boxes. Now 70 per cent goes in cardboard containers, which are a quarter cheaper. If all this still had to go in wood boxes, it would cost us an extra Rs. 24 lakhs; you can see what **that** would do to your dividend.

"Our minimum toilet preparations order is Rs. 200. You can imagine that a dealer in Tirunelveli who had to wait for Rs. 200 worth of preparations to get to him by smalls from Calcutta would be out of stock most of the time; or else he would have to lock up an immense amount of capital by buying months and months of his requirements at a time; and if he does that, he had to put his margin up, which for the same consumer price means that **our** margin has to go down. If he has to add another 5 per cent to the price to make up for the fact that he is turning over his capital once in three months instead of once a month, the addition is equal to half our profits, even in a good year like the one just past; it would be equal to much more than half in a bad year."

You will see that an industrialist, closely concerned with numerous facets of running a successful unit, found road transport preferable to rail on every possible ground—speed, regularity of delivery, saving of interest on capital, lower price to the consumer, freedom from damage and pilferage, readiness to accept responsibility as a carrier, active use of scarce capital and its rapid turnover, eccnomy in packing—to sum up, higher profitability to industry consistent with lower price and better service to the consumer. If road transport from the point of view ot the country's overall economy confers all these benefits, it should certainly be the most cherished agency of transport at the hands of the authorities. On the other hand, what actually is its position?

Experience in all advanced economies has shown that as the production processes activated by increasingly large quantums of investment gain momentum, there is an unmistakable tendency for even the low-graded commodities and basic industrial raw materials to veer away from rails, in growing preference for speedier and more efficient modes of transport. Even in an underdeveloped economy like ours, perched as we are, let us hope, on the brink of the "take-off" stage—a commodity like coal requiring long-distance bulk haulage which till recently the railways and railways alone were expected to carry would gradually be turning to other modes of transport, at any rate within the short haul sphere.

In 1961, India had 440,500 miles of roads of which 146,500 miles were surfaced. Over the five years of the current Plan, 25,000 miles of surfaced roads are expected to be added, also some unsurfaced milleage. While in absolute terms the progress may seem satisfactory, in relation to the country's area and the needs of an ever-expanding population, the mileage continues to be abnormally low. Even after a decade and a half of planning, we are worse off in regard to our road density than other populated and underdeveloped Asian economies like Iran and Ceylon which have 55 and 96 miles of surfaced roads per lakh of population, as against the 34 miles obtaining in our country. Notwithstanding the undisputed advantages to trade and industry of transporting goods by road, the financial allocations during the three Plans have been much too meagre at Rs. 150, Rs. 250 and Rs. 450 crores during the First, Second and Third Plan respectively to make any impact on the roadless picture that the country presents.

Taking India's overall road network, there is much that remains to be done. Let us take as an illustration the National Highways which constitute the main arterial system of the country and should consist of the best in the shape of the country's roads. The existing network consists of some 14,900 miles. Towards achieving the target of 32,000 miles by 1981 set by the Chief Engineers, while 1.000 miles were added during the Second Plan, none whatever have been added during the Third. Starvation of funds has necessitated concentration upon patching up the existing system with improvements by way of providing missing links, bridging a few of the many unbridged crossings and up-grading small portions of sub-standard segments. It has been admitted officially that National Highways have mostly one-lane carriageways, also that many of the old existing bridges are not capable of taking the load of the present-day heavy transport vehicles. The surface of these roads also needs to be strengthened and upgraded. It is expected that the National Highway system consisting of 15,000 miles will continue to be deficient in the following respects even at the end of the Third Plan:

1. Fourteen major bridges will remain unbuilt. In fact the Third Plan made no provision even for their survey;
2. 209 miles of missing links will remain to be constructed;
3. Roughly 1,000 miles will continue to have single-lane, waterbound macadam surface. What was considered correct road surfacing for the pre-Victorian era is considered good enough for this country today;
4. Approximately 11,000 miles will have only a single-lane asphalted or cement concrete carriageway, Less than 3,000 miles will have a two-lane modern surfaced carriageway;
5. Hundreds of road-rail level crossings will remain to be replaced by over or under bridges; and
6. By-passes around most of the towns will still remain to be built.

It is not only in the Fourth Plan that larger allocations for roads are called for; they are in fact urgently necessary this very moment, in the final year of the current Third Plan. The reason is that despite official assertions to the contrary, transport bottlenecks are becoming part of our present economic life. Reports in the **Financial** Express of 17th February and 2nd April show that apart from shortage of wagons for coal, even the cloth trade has been hit. It is reported that cloth bales tendered for carriage in the first week of December at Bombay were in some cases unable to move till the last week of January. Bookings from Bombay to Buxar, Patna, Muzaffarpur, Dehre-on-Sone, Arrah, Jayanagar, Raxaul, etc., are said to be difficult. The same paper has reported acute shortage of rail transport for salt. This shortage ties in with our non-official estimates of transport capacity and demand. The total combined transportation media in the economy in the current Plan—railways, roads and waterways—are expected to lift just 306 million tons of traffic against the unofficial anticipated demand flgure of 330 million tons, representing a shortfall of **24** million tons. No agency other than roads can All the gap. It is therefore absolutely imperative that the allotment scheduled for road extension purposes in the current Plan substantially be raised without delay.

In sharp contrast to the parsimonious allotments made for road improvement works in our country, we have examples of numerous Western economies reaping the manifold benefits from increasing investments channelised towards road transport. In the United States, for example, which owes its phenomenal prosperity to development of the road transport industry more than any other single industry, under the Federal Aid Highway Act of 1956, the U.S. Congress has sanctioned a road improvement programme by authorising an expenditure of no less than $46.2 billion towards constructing an outstanding system of inter-State road network over a period of 13 years. This will be in addition to their existing system of Federal Roads. In U.K., public investment on roads which averaged £8

million a year a decade ago was raised to no less than £250 million during the current financial year. Admittedly, these economies are way ahead of us, nevertheless even measured as a percentage of the gross national product (G.N.P.), Public expenditure on roads is to increase from 0.8 per cent to 1.3 per cent during the 1952-62 decade.

There is sound economic wisdom behind augmenting investment in roads even in the already advanced countries. The incalculable economic and social benefits derived Prom the opening of the country-side, consequent on the road system of countries like U.S.A. and Germany, are unmatched in world history. Even Asian economies like Japan, which have fast advanced into the ranks of the developed world, owe a considerable degree of their progress to their significantly higher road densities and far superior road surfacing, than the standards obtained on India's deplorably inadequate roads..

The fact that road transport today has come of age as a full-fledged alternative and in fact more efficient agency of transport makes it imperative to allot to it its full and legitimate share of investment. The question of economic expediency apart, in absolute justice to the income earned by the State from this increasingly popular industry, roads ought to receive disbursements more in proportion to the income derived therefrom. This income is estimated at no less than Rs. 1,260 crores during the five years of the Third Plan and over Rs. 2,000 crores in the Fourth. Against this, the disbursements to roads including their ordinary maintenance, are only Rs. 670 crores in the Third Plan. It is feared they may not exceed Rs. 990 crores in the Fourth.

The revenue-earning capacity of the industry, despite the crippling level of taxation imposed, is phenomenal. This itself ought to be incentive enough to foster the accelerated expansion of roads as well as of road transport. Perhaps an even greater advantage to be derived from its development in an overpopulated, capital-scarce economy like ours, is the appreciable labour absorption capacity of road transport. Both the National Council of Applied Economic Research and the Labour and Employment division of the Planning Commission found roads to have a remarkably high potential for employment. It is estimated that every crore of rupees spent on roads generated an employment of about 10,000 man-years. Upon this basis with a minimum outlay of Rs. 1,150 crores on roads during the Fourth Plan additional employment for 115 lakh Persons could be generated. India's mammoth agrarian population—at present plagued with chronic unemployment and underemployment—represents the largest potential market for the country's goods. This vital by-product of road development, manifesting itself in increased purchasing power through increased work opportunities in productive. enterprise, can be a highly potent factor in triggering off nation-wide prosperity.

If the road needs of the country are insufficiently met, far worse is the position with regard to the transport moving thereon. The ubiquitous bullock-cart continues to grind its weary way in India's 5½ lakh villages. Though no systematic census has been undertaken in recent years to estimate the country's bullock-cart fleet, on the strength of past figures, one may safely conclude that over 10 million ply the rural districts of India, even today. What is more, in view of no alternative mode of transport being possible on the sub-standard road network available, their number is actually on the increase.

For short distance, **intra-mandi** movements of goods there is almost exclusive reliance on non-mechanised modes of transport - trucks having made not so much a dent in the traditional pattern. While outgoing traffic from markets is gradually being catered to by both road and rail, the bulk of the road-borne inward traffic to markets is handled by the bullock-cart. The reasons for this are not far to seek.

As most villages are connected to their respective **mandis** through a network of "kachha" roads which are invariably narrow, rough and uneven, the possibility of operating mechanised vehicular traffic thereon is completely ruled out. The bullock-cart in offering the only way out continues to act as a constant drag on the village economy. With its speed in travel averaging 3 m.p.h., it takes

approximately 3½ hours for a cart to cover a distance of 10 miles - which is just about the limit of its sphere of operation and in consequence, the average marketing limit of the goods it can haul. Thus, while the average cost of motor transport today is 18 paise per ton-mile, transportation by bullock-cart even under the most favourable conditions costs nearly 50 paise per ton-mile which renders this mode of conveyance wasteful in the extreme. Little wonder then, that in villages situated on or near "pucca" roads the frequency of transport by trucks is fast increasing.

Towards intensifying this trend, the obvious remedy lies in bringing about basic structural changes in the inadequate road network. Considering, however, that of India's total road mileage estimated at 5,53,364 today as many as 3,81,887 miles are unmetalled roads, the bullock cart will continue as a more or less permanent institution in the country's rural economic set-up - or at least till the basic road improvements are brought about, upgrading them to the metalled category. Until then, effort must be devoted towards improving the efficiency of existing carts. For example, in place of the widely used wooden wheel with iron rings - which both reduce speed in haulage and grind into the make-shift road surfaces, pneumatic tyres on wheels preferably with ball-bearing axles ought to be encouraged on a larger scale.

These, of course, are stop-gap measures; the salvation of the country lies really in more and better roads with extensive use of mechanised vehicles thereon.

Throughout the world today road transport implies the use of the motor vehicle. The figures of road traffic which I have given in reference to our four Plans all refer to long distance or inter-city transport in motor vehicles. It is necessary for us here to examine how far we are equipped with an adequate number of motor vehicles in the country. Per mile of road, India has 1.5 vehicles as against an average of over 20 and 23 obtained in advanced countries. Even Ceylon has 11.4 vehicles in the same relationship, while countries like the U.K. and Italy are far better off with 44 to 60.7 respectively.

In India today if one wants to buy a motor vehicle, in whatever category, it is just not available. The shortfalls in India's automobile production are pronounced. The capacity of the industry itself is pressed down to a meagre figure of 40,000 cars and jeeps and 60,000 commercial vehicles by the end of the Third Plan. Nevertheless, even this number is not permitted to be produced. Added to the normal handicaps suffered by an infant industry are the import restrictions and foreign exchange stringencies as well as the crippling burden of domestic taxation. These are the major contributing factors in hampering a more rapid rate of growth. Little wonder then that even the meagre Third Plan target of 100,000 vehicles is not expected to be reached and no more than 89,000 units would be produced in 1965-66. Even in the urgently-needed commercial vehicle target of 60,000, a backlog of as many as 6,000 vehicles is expected.

With the extremely limited prospects of augmenting motor vehicle fleets, the road transport industry in India as a whole is poorly organised. It is estimated that nearly 90 per cent of the operators have just one vehicle each and less than 10 per cent have between two and five. The operators being compelled to resort to a kind of "tramp trade." scheduled services are few and far between.

In addition to the problem of availability of vehicles, various other difficulties including financial stringencies and operational restrictions severely preclude the industry's expansion. Though the State Finance Corporation Act has long been amended to extend to operators credit and guarsntee facilities on reasonable terms, not much assistance has been forthcoming from this source. With additional hardships of procuring licences and the virtual impossibility of obtaining them freely for long-distance and inter-State transport, it is really a wonder that the road haulage industry in this country has continued to progress at all—at however miserable a pace!

One is inclined seriously to feel that the relentless burdens heaped on road transport from every conceivable angle are being deliberately imposed with the object of safeguarding the interest of the railways. The clash between roads and railways in India can be traced back to the passage of the Motor Vehicles Act in 1930, when in the wake of the World Depression, the latter first experienced the blast of competition from roads. Despite the fact our country has come a long way since then and that under existing developmental pressures there is sufficient room for their simultaneous expansion, the stepmotherly attitude to Road Transport—may be with the aim of safeguarding and protecting the Railways—has continued to this day. Let us hope the supposed conflict between the two interests is reconciled following the recommendations of the Committee on Transport Policy and Co-ordination expected in the near future.

it is gratifying to note that the Minister for Transport, has set up a high level committee to go into the various aspects of motor vehicle taxation, with a view to investigating whether the present pattern thereof impedes development of road transport in the country. This Committee would, inter alia, suggest all means—procedural, legal and constitutional—for the development of road transport. He was good enough to admit that the average yield of taxes per vehicle in the country in 1963 at Rs. 2,870.00 was "amongst the highest in the world" compared with, for example, Rs. 1,266.00 in the U.K. Let us hope that the appointment of this Committee marks a phenomenal turning point in the attitude of the Government of India and of the State Governments, towards the roads and road transport.

In the context of India's communications set-up hitherto, the railways, having dominated the scene for over a century now, will no doubt continue to play a major role for some time to come. While in the Western countries, railway lines are to some extent being uprooted and abandoned, it is not recommended that such a course should be adopted in India. At the same time it must be realised that no matter how vital the Indian railways are today, they are nonetheless an agency of a bygone era and certainly should not be pampered and expanded without a proper assessment of their merits vis-a-vis alternative agencies of transport,. With public preference overwhelmingly expressed in favour of roads, it is road transport rather than rail, that needs to be encouraged as a more efficient and inherently cheaper agency of transport. At present road transport does not get even an elementary square deal.

It is certainly no exaggeration to claim that the development of road transport has sufficient capacity to spark off almost explosive economic growth, if only given a fair chance. Its primary benefits of providing efficient and inexpensive transport and its revenue and employment potentials apart, the numerous secondary and tertiary benefits that follow in its wake, are incalculable. Entire economies including that of a country like the U.S.A. have been transformed out of recognition through legitimate development of road transport. Roads and road transport in fact were the two most potent factors at the root of its economic growth during the twenties and thereafter. If anything, in underdeveloped regions their impact is even greater. Even the cost-benefit analyses which have been completed on the Ramnad-Mandapam Road and show 57 per cent return from the fourth year do not do adequate justice to all the social and economic benefits that follow. If hitherto depressed regions in countries like Spain, Mexico, Uganda and Netherlands, to name a few, have taken off into self-sustained prosperity, there is no reason why the rural districts of India cannot be uplifted on a comparable scale, given, **inter alia**, an adequate network of roads. The tragedy, however, on our road development front is that planning has been viewed piecemeal without any attempt at integrating a road network in the developmental set-up. It is of the greatest necessity that development programmes district by district be integrally co-ordinated with road programmes building up to systems of State network and national network.

Despite the lack of co-ordinated planning, in keeping with world trends, road transport has already begun to challenge the dominance of the railways in India. Dealing out left-handed treatment to it will certainly defer its spontaneous development; it can never however keep it suppressed indefinitely. In our country unfortunately, as in every other sphere, so in road transport also, there is

far too exaggerated a faith in negative forces like controls and restrictions as instruments of growth. Restrictions there must be, but not those that tend to undermine the developmental potential of strategic industries and distort the economic picture at large. If the modern way of surface transport is by roads, living as we do in a rapidly changing world, one simply cannot compromise by settling for an agency of a bygone era—relatively less suited to the needs of our time and age. If we cut ourselves adrift from the interplay of fresh forces in world communication trends we can only set the hands of the clock back.

To quote from the statement of President Johnson on the occasion of the signing of the Federal Aid Highway Bill—1964 :

"For much too long, the man who owns and drives an automobile has been treated like a stepchild. We require him to pay the highways he uses, and we require him pay in advance. We divert his taxes to other uses, but we delay the building of roads that he deserves. We denounce him for getting snarled in traffic jams not of his own making. We complain about what he costs us but we never thank him for what he adds to the worth and wealth of our economy. We could not get along without him, but we often talk as though we cannot live with him.

"I hope and I believe that our attitudes are changing. Today, as never before, the Federal, State and Local Governments are working together to meet the highway needs of this nation on wheels.

"Eight years ago, in 1958, we set out on a 16-year programme to catch up with ourselves—catch up through the inter-State highways system. This has been described as the most ambitious highway programme since the days of ancient Rome. It was my privilege then to guide that programme to passage as Senate Majority Leader. In every respect, it has met our hopes. It has put more than one million Americans to work. It is already saving 3,000 lives a year and, by 1972, it will be saving 8,000 lives a year. It is saving dollars 6,000 million in user benefits last year; $11,000 million a year eight years from now; and the programme is not costing the General Fund of the United States Treasury a single cent."

Lastly, it would be as well to remember the words of our late Prime Minister who had an occasion to remark on his faith in the vital importance of roads. He said :

> "I have come to the conclusion that one thing to which we must give topmost priority is Roads—roads of all kinds, not only very up-to-date bitumenised or cement roads, but roads of any kind to open up vast areas of this country which are closed up today and which you cannot reach unless you walk or ride . . . . I give Roads first priority."

The views expressed in this booklet are not necessarily the views of the Forum of Free Enterprise.

> **"Free Enterprise was born with man and shall survive as long as man survives."**
>
> **—A. D. Shroff**

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The Forum of Free Enterprise is a non-political organisation, started in 1956, to educate public opinion in India on free enterprise and its close relationship with the democratic way of life. The Forum seeks to stimulate public thinking on vital economic problems of the day through booklets and leaflets, meetings, essays competitions, and other means as befit a democratic society.

Membership is open to all who agree with the Manifesto of the Forum. Annual membership bee is Rs. 10/- and Associate Membership fee is Rs. 5/- only. **Bona fide** students can get our booklets and leaflets by becoming Student Associates on payment of Rs. 2/- only.

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