

[Secretary.]

be limited to the period specified in this behalf by the Central Government by general or special order.'

Clause 18

(15) Page 8,—

(i) lines 4 and 5. for 'the Chairman' substitute 'the President'; and

(ii) line 9, for 'the Chairman' substitute 'the President.'

Clause 20

(16) Page 9, line 7, for 'and' occurring for the second time substitute 'or'.

Clause 33

(17) Page 12, lines 24 and 25, for 'the Chairman and Vice-Chairman' substitute 'the President and Vice-President.'

The First Schedule

(18) Page 14, lines 29 to 33, omit 'This qualification shall be a recognised medical qualification only when granted after the 20th May 1952.'

(19) Page 14, lines 58 to 61, omit 'This shall be recognised medical qualification only when granted after the 1st April, 1954.'

The Third Schedule

(20) Page 18, after line 43, insert:

East Punjab State Medical Faculty.

Licentiate in Medicine and Surgery.

L. M. S., East Punjab. This qualification shall be a recognised one only when granted on or after the 15th August, 1947, to a person other than any person referred to in the entry relating to East Punjab State Medical Faculty in the First Schedule, provided he had passed the premedical examination.'

I am, therefore, to return herewith the said Bill in accordance with the provisions of rule 158 of the Rules of Procedure and Conduct of Business in Lok Sabha with the request that the concurrence of

Rajya Sabha to the said amendments be communicated to Lok Sabha."

I lay the Bill, as returned by the Lok Sabha, on the Table.

THE MOTOR VEHICLES (AMENDMENT) BILL, 1956

THE DEPUTY MINISTER FOR RAILWAYS AND TRANSPORT (SHRI O. V. ALAGESAN): Sir, I beg to move:

"That the Bill further to amend the Motor Vehicles Act, 1939, as passed by the Lok Sabha, be taken into consideration."

Sir, I would like to say a few words about the changes made by the Joint Committee in the Bill as originally introduced. These changes related mainly to the development and regulation of inter-State transport, period of validity of permits for operation of transport vehicles, payment of compensation to operators in case of nationalisation and some other matters. I am glad to say that the Committee, realising the need for developing and expanding road transport facilities in the country, proceeded to make changes so as to produce the desired result.

The Committee felt that the development of inter-State transport is not such as can be taken care of solely by the State Governments as was the case hitherto, and the time has come for the Central Government to step in and take powers to develop, co-ordinate and regulate the operation of transport vehicles in respect of areas or routes common to two or more States. They accordingly endorsed the principle contained in clause 57 for setting up a Central authority for this purpose, but considered that, instead of two separate authorities as proposed in the original Bill, there need be only one, namely the inter-State Transport Commission which should have powers to associate with itself representatives of the concerned State Governments as and when considered necessary. This is a distinct improvement

over the previous arrangement envisaged in the Bill. The Committee also amended clause 52 and decided to remove the mileage restrictions for grant of public carriers' permits between places connected by Railways. This will give greater freedom of movement to vehicles for inter-State operation.

As regards the period of validity of a permit, the Committee was generally of the opinion that as the prices of vehicles had gone up, the operators needed security of business if they were to invest large amounts of money for providing transport facilities to the general public. One method of ensuring this, it was thought, would be by increasing the period of validity of permits and another, by retaining the present provision of giving preference to applications for renewal of permits over new applications. Clause 52 of the Bill was accordingly amended so that a permit for a stage carriage shall be effective without renewal for a period of three to five years and a public or private carrier's permit will be effective for a period of five years. It was also decided to retain the original proviso in section 58 of the Motor Vehicles Act that, other conditions being equal, an application for renewal shall be given preference over new applications for permits.

In this connection, I may mention that the Committee also made a provision in the Bill that, other things being equal, the co-operative societies running transport services should be given preference over new operators.

This preference for co-operative societies will, to some extent, help the policy of Government to encourage the formation of viable units which, it is considered, can promote operational efficiency and better utilisation of vehicles, leading to general economy.

The question of payment of compensation to operators displaced as a result of introduction or expansion of nationalisation of road transport services was discussed by the Commit-

tee at great length. It was generally felt that the amount of compensation provided in the original Bill was far from adequate. It was also urged that compensation should be paid for non-renewal of permits and that the amount payable for the cancellation of a permit or the modification of the terms thereof should be fixed with reference to the earnings of the individual operator concerned. A view was also expressed that it should be obligatory on a State transport undertaking to acquire all the assets of a private operator in whose case permits were cancelled or the terms thereof were modified in implementation of an approved scheme for introduction or expansion of nationalised road transport services.

After careful consideration of all these points, the Committee decided that the amount of compensation originally proposed under clause 68-G should be doubled. The Committee thought that there was no question of compensation so far as non-renewal of a permit was concerned as it did not involve any loss of business. Compulsory acquisition of assets was also not favoured as it was feared that a good deal of unserviceable vehicles would be passed on to nationalised transport undertakings and that would involve loss to the tax-payer. The question can very well be left to State Governments who would be willing to take over serviceable vehicles and other useful equipment from private operators by negotiation.

The Committee also amended clause 37 to provide for directions being issued by State Governments to the State Transport Authorities to grant permits for alternative routes or areas to operators displaced as a result of nationalisation. This will help in rehabilitation of displaced operators and also lead to opening of more routes.

It will be seen that the Bill as amended by the Joint Committee and passed by the Lok Sabha would substantially help in the overall development of road transport. It provides

[Shri O. V. Alagesan.]

for both the public and private sectors to play a co-ordinated and complementary role in handling the traffic that will be generated as a result of the Second Plan. This Bill; I venture to claim, paves the way for road transport to play an increasing part by ending all the uncertainties that were operating in this field.

Sir, I commend my motion.

MR. CHAIRMAN : Motion moved :

“That the Bill further to amend the Motor Vehicles Act. 1939, as passed by the Lok Sabha, be taken into consideration.”

SHRI RAJENDRA PRATAP SINHA (Bihar): Mr. Chairman, the Bill as now reported by the Joint Committee is no doubt a great improvement and the Joint Committee have introduced some very good provisions which will go a long way to help the development of road transport. I particularly invite your attention to the clause which was referred to by the hon. Minister for the creation of an inter-State Transport Commission, but this measure still falls short of the requirements of the day. Today there is an imperative need to develop our road transport. You know that under the impact of the First and the Second Five Year Plans our production is increasing in geometrical proportions and transport must keep pace with this increase in our production. Otherwise the entire Plan will be put into jeopardy.

Now, Sir, you may be aware that it is estimated that there would be a gap of 30 million tons between the capacity offered by the Railways and the demands on the railway transport by the year 1960-61. In spite of the fact that we are probably spending about Rs. 1,125 crores—maybe some more money on our railway development, there will be this gap of 30 million tons. I am very doubtful whether the community will be in a position to spare more money—and, if so, to what extent—in order that this gap may be filled by the Railways.

Now, the second important consideration that weighs with us today is this that by the end of 1960-61 we shall have spent about Rs. 700 crores on our roads alone. The figures are that during the course of the First and Second Five Year Plans we shall be spending about Rs. 400 crores and the investment on roads before the year 1950-51 was Rs. 300 crores. Now, are we getting adequate returns on our investments on the roads which amount to about Rs. 700 crores? That is a very pertinent question that can be posed at this hour. If you see the density of traffic in other countries on the road and in this country, you will see that the return that we are getting from our roads is very meagre. In the U. S. A. we have got 17 motor vehicles per mile; in the U. K. 22 motor vehicles per mile; whereas in India we have got only two motor vehicles per mile—mind that, this ‘two’ includes the truck equivalent of bullock carts in India. Therefore, it is quite clear that there is a very big room for the development of our road transport, because there is enough capacity for our roads to carry them.

Now, there is another very important question that must be borne in mind while considering this Bill and it is this that our road transport today can provide as cheap transport as Railways themselves. With the improvement in the technology, with the coming in of improved types of vehicles and with the articulated vehicles the trailer and truck combination the cost of operation has been considerably brought down and we can now have practically at the same rate both the road and rail transport. A very interesting study of this question was made by one of the transport experts in an article—“the economics of goods transportation by road” by Mr. B. V. Vagh. Now, I find from this that under a set of conditions, under which road transport operates in other countries, the cost of carriage of goods on long distances in India will work out to from about 29 pies to 42 pies per ton mile in the case of trucks; and from 22 to 33 pies per ton mile in the case of truck-trailer

combinations. These figures compare well with the figures of railway freight given by Mr. K. B. Mathur, one of the Members of the Railway Board, on page 14 of the 'Indian Railways' of the 16th April 1956 wherein he has said that the cost of rail transport including incidentals ranges from about 20½ to 38 pies per ton mile in the case of certain raw materials and about 21½ to 40 pies per ton mile in the case of certain other commodities. Therefore, my submission is that we should go all out of our way to encourage road transport.

There is another very pertinent question that has to be considered and it is this. What would be the amount of money required to be invested in rail transport and road transport if we want to fill up this gap? It is estimated that we shall require about Rs. 150 crores in order to fill this gap of 30 million tons by road transport. This question is under examination, and there is a great deal of controversy going on in this country as to what will be the cost of lifting this gap by the road and the rail. But from my study of the question I would not like to bore the House with the different sets of figures and the different kinds of controversies that are going on—I have come to the conclusion that the lifting of this gap by the road will be very much cheaper than by the rail. I hope the hon. Minister will be able to clarify and confirm whether what I am saying is correct or not. Therefore, we must give all assistance in order that the road transport may develop.

Now, Sir, having given that background I would like to examine the provisions of the Bill to see whether we have done all that is necessary in order that the road transport may develop to meet this requirement. Sir, as I said, the greatest contribution that the Joint Committee has made to this Bill is the composition of this inter-State Transport Commission. But, Sir, I would like that this Commission should be given more powers than what it is proposed to be given. They should have similar powers and res-

possibilities as are assigned to the inter-State Transport Commission of the United States of America. Therefore, Sir, I think that this Commission should be particularly asked to see that so much quantity of road transport is provided during this limited period of four years. Therefore, it is not only enough to ask the Commission to prepare a scheme, but the Commission should be empowered to implement the scheme that they may formulate, of course, after obtaining the sanction of the Government. Sir, the United States' inter-State Transport Commission has these powers—I am reading from my note of dissent itself:

“In the U. S. A. a similar Commission has powers ‘of the procurement thereof and of the provision of facilities therefor’ in respect of ‘the regulation of the transport of passengers and property by motor carriers in Inter-State or foreign commerce’.”

Therefore, my first submission is that this Commission must be given under section 63A(2) powers to implement its own scheme.

Then, Sir, as has been stated by my hon. friend, we have provided that the life of a permit will be from three to five years with regard to buses for passenger traffic and five years with regard to vehicles for goods traffic. As I told you, the requirement of Rs. 150 crores is there in order that the road transport may be made available to meet the gap. If the period of the permit is limited to five years, I am very doubtful whether this amount of money will be forthcoming from the private sector for investment even for the goods traffic. We know the mentality of our businessmen. As a matter of fact it is the human psychology that ‘they do not want to invest money if there is no certainty of the business being permanent. If there is no continuity in it, then nobody would like to invest—I am not talking of individuals or limited companies—no body of persons would like to put in Rs. 150 crores just five years. What is going to happen after

[Shri Rajendra Pratap Sinha.]

that? There must be some guarantee that they will be continuing in business after five years; that is very important. You cannot expect that people will come forward with Rs. 150 crores when there is no certainty about that.

Then I may also state here, Sir, that this amount of money cannot come from the private sector alone. Loans of all types will have to be arranged—I understand that the Government is considering this matter—from the I.F.C. and international organisations. I am told that even the International Monetary Fund and other international finance organisations are willing to advance the necessary funds to acquire the number of trucks required. They are willing to advance about Rs. 100 or 150 crores. All these organisations, whether it is the Finance Corporation of India or the International Finance Corporation, would not like to advance loans unless there is a permanency of the business, unless they are assured of the fact that people who take the loan will remain in business for a certain number of years till their money at least is returned. You cannot get back all the money in five years' time. Therefore, what I suggest is that I am prepared to let this remain so far as inter-States traffic is concerned. Let us try that period of five years or whatever that may be, although I am not satisfied with that. But at least for the inter-State traffic if they feel that it is necessary that the period of the permit should be raised, if the Government is empowered, then on the recommendation of the inter-State Transport Commission the Government can authorise the Commission to issue permits for a longer period. I do not say that you should do that straightaway. I say let the power be there. If the Commission feels that it is not possible for it to attract enough investment in road transport, industry then let the permit period be extended. What I have suggested is I have also given an amendment that the Government be given this power in order to take this course in case of

necessity. In case the Government find that enough money is not forthcoming, that road transport is not expanding to the desired extent, they may raise this period. I am prepared to trust my hon. friend sitting over there.

Now, Sir, with regard to compensation, I would like to submit that we are suffering from very wrong notions. I would put it in that way. It is not a question of renewal of permits involved in this business of compensation. If you don't take those assets, what are the operators going to do with them? My suggestion is this: do not nationalise unless you provide them with an alternate route. This will create a psychological atmosphere, a climate in which investment will be forthcoming on the part of private operators in the transport industry.

SHRI B. K. P. SINHA (Bihar): That is not socialism.

SHRI RAJENDRA PRATAP SINHA: You have vague notions of socialism. What I say is that there is enough room for expansion. Does socialism mean that you waste national assets? You want operators to invest money. Poor operators! Ninety-five per cent. of the operators own not more than one to five vehicles. You want them to invest money and at the end of five years you say 'good-bye' to them. You cannot pay them compensation. Is this not a national waste?

SHRI P. S. RAJAGOPAL NAIDU (Madras): They are poor people indeed.

SHRI RAJENDRA PRATAP SINHA: A man owning one vehicle is a poor man indeed. I am not talking of big people who are owning a fleet of buses. You are not considering poor people who are owning a few vehicles. My suggestion is this: provide them with alternate routes. Apart from this, scramble for permits leads to all kinds of corruption. Give the man who is in the business the chance to open up new routes. If you want to nationalise a particular route,

by all means do it, but there are still other routes available which you can pass on to displaced operators.

You have made a provision also in the Bill that the State Government can give a direction that alternative route will be provided to them. When an alternative route is provided, that will create a proper atmosphere and climate. Now, in case you cannot do it, why can't you take over the assets? In England also, this was done. There was a Labour Government, a Socialist Government. What have they done? They have provided that the assets must be compulsorily acquired. What have you done here? Take the case of the Air Transport Corporation. I know—and my hon. friend knows—that the Air Corporation was owned by Birlas, Dalmias and Tatas. When acquiring the assets of big people, they have provided that even a junk will be taken at the scrap price. I have got the Air Corporations Act before me. They will value the assets and even the junk aeroplanes or parts will be taken over at a scrap value. Take these assets at a scrap value if they are junk, and show that you are not discriminating between the Dalmias and the truck owner. You have nationalised the Imperial Bank. I spoke on that Bill and proved that the original investors had got back about 400 or 500 times over the investment by way of dividends. Even to them you have paid compensation at the market value. Where was your socialism then?

I say, "Have a tribunal. Give the displaced person what may be the worth of his asset. If it is a junk, give the value of the junk. If it is worthy of operation, take it at the market value." That was done by a Labour Government in England also.

Then, this question was gone into in very great detail by the Select Committee on the Road Transport Corporations Bill of 1949 and I have quoted in my note of dissent from their unanimous report. I would like to read it out to you. This is what the Select Committee of the Road

Transport Corporations Bill, 1949, says :—

"We note that this clause does not specify the principles which should be taken into account in assessing compensation to be paid when an undertaking is acquired under this Act. Such principles have been laid down in Section 47 of the U. K. Transport Act, 1947.

"We, however, feel that the matter is of such importance that the Central Government should take necessary steps to lay down the principles of compensation either by rules under this Act or by separate legislation.

"There may also be cases in which certain routes at present operated by private parties 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 operators. We note that such a provision exists in the U. K. Transport Act, 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 that no unfair use is made of the Motor Vehicles Act, 1939."

What is happening, Sir? We are merely making an unfair use of this.

Sir, I hope that the hon. Minister in charge will take note of what I have said and at least have the powers which I am pleading for.

Thank you, Sir.

SHRI H. P. SAKSENA (Uttar Pradesh): Mr. Chairman, Sir, till a short time ago, my hon. friend, Mr. Sinha, and I were on the same Select Committee on the Motor Vehicles (Amendment) Bill, and so far as I recollect, there was almost complete agreement in our views.

SHRI RAJENDRA PRATAP SINHA: My views are also there in the Minute of Dissent.

SHRI H. P. SAKSENA: Yes, it was at the eleventh hour and at the last minute, and that too, in a surreptitious way, in conspiracy with another Member, my friend, Mr. Sinha, manipulated to append a note of dissent to the Select Committee's Report which I was pretty sure and certain would be a unanimous one. But whatever it may be, during the short time that has elapsed since then, I find no ground for changing any of my opinions and views that I formed at that time.

Sir, I was startled to hear my friend Mr. Sinha, recommending the taking over of the junk vehicles by the Government. I wonder what philosophy it was—was it a socialist philosophy or a Praja-Socialist philosophy? The representative of which party could recommend to the Government the taking over of junk vehicles and wasting the precious money of the nation on the purchase of things which are only intended for *kabadis*.

Sir, the Bill aims at the development, expansion and co-ordination of road transport. That is admitted on all hands and all conceivable, thinkable and possible efforts have to be made to see that this purpose is achieved so far as road transport is concerned. There are two important means of transport in our country—road as well as rail. The two are complementary or even supplemental and in the interest of both, they have got to be taken care of. Neither are their interests to be ignored, nor the one is to be given preference over the other. Happily enough, the same gentleman happens to be the Minister of Transport as well as Railways and therefore, it is of the greatest necessity that the two should be interlinked and intertwined and there should be no rivalry between them. There is such a great scope for the expansion of transport by rail as well as road that there is no apprehension of any rivalry. But the two have got to be adjusted in such a way that the interest of both of them are safeguarded.

My friend, Mr. Sinha, very strongly recommended the inter-State Transport Commission being empowered

for making its own rules and laws, casting to the winds all other considerations which handicap us. There are the autonomous Road Corporations of the State Governments and the fields of activity of the Central Government as well as the State Governments are separately mentioned and yet, he wanted this inter-State Transport Commission to be given additional powers. Of course, it is for others to say that the one very important thing that this Select Committee has done is to include the formation of an inter-State Transport Commission. I hope that the Commission will justify its formation and will help co-ordinate the development of road transport. But I may tell you that I was never even for a moment swayed from my national duty which was to sit like a watch-dog on the finances of the country, while there were other friends who had a soft corner for the conductors, for the motor-vehicle owners and for the firms that were carrying on this sort of transport.

Then, Sir, I was simply surprised to find the hon. ex-Minister for Railways one morning in a meeting of the Select Committee in a very very generous mood and granting money like waste to the conductors and owners. I think they are called conductors. If Rs. 100 had been provided in the Bill of 1949 or in the draft Bill, it was put at Rs. 200. If Rs. 50 were provided, they were put at Rs. 100. He was in a very generous mood. We allowed him to have that generous temperament. Sometimes it is good to be in a very generous mood. Now, the question of compensation which was troubling the owners of vehicles has been satisfactorily and happily settled and there is nothing more to be done.

Then, the other thing that troubled the owners was the period of the permit which my friend, Mr. Sinha, described as insufficient. It was unanimously agreed that five years was quite a sufficient time for a permit for a passenger bus and eight years for a goods bus, and yet I find that my friend, Mr. Sinha, has appended a Minute of Dissent. We came to the

conclusion that three years are quite sufficient for recouping the cost involved in going in for a passenger bus and eight years for a goods bus.

SHRI J. S. BISHT (Uttar Pradesh): Did they calculate the cost of the permit also ?

SHRI H. P. SAKSENA: The permits do not cost anything except a licence fee.

SHRI J. S. BISHT: They are a costly affair.

SHRI H. P. SAKSENA: Now, my friend Mr. Bisht will see, if he cares to examine the provisions, that the whole picture will be changed beyond recognition, and there will be very very little, if any, of corruption, or race for the acquisition of permits. This will change the entire complexion in the old state of things.

SHRI P. D. HIMATSINGKA (West Bengal): What is there to change ?

SHRI H. P. SAKSENA: It can only be judged by experience. The renewal of permits was again a debatable point, and the owners of vehicles put up a very tough fight. There is no doubt about that, but then they could not succeed, because permits could be granted only on those routes which are not to be nationalised; and if the Government in public interest is thinking of nationalising some of the passenger routes, there should be no difficulty in the way of that nationalisation. Goods traffic has been exclusively and entirely left to be managed by them, and that is a very paying proposition. They were questioned at length as to whether they would be agreeable to taking over coal transport from one place to another, but they said 'No'. They wanted only those varieties of transport which are easier to be managed and which bring in more money.

So, this amending Bill has been looked at from various angles of vision, and it has been made as perfect as is humanly possible.

Now, Sir, so far as this inter-State Transport Commission is concerned, I am not prepared to give it any such powers which will weaken the hands of the Central Government in that important transport business, and therefore I think that this inter-State Transport Commission should enjoy only those privileges and powers that are given to it in this amending Bill.

There was a lot of debate about private and public sectors also. Regarding this matter, I have always felt that there is enough scope, there is enough room, for both sectors to work harmoniously in the national interests and both could live.

[MR. DEPUTY CHAIRMAN in the Chair.]

We took all possible care to give a patient hearing to the representatives of the motor vehicles transport industry. Representatives came from Calcutta, from Madras, from Delhi, etc., and they were given a very patient hearing. Their case was fully heard and very sympathetically treated, and then at the end we have brought forward this amending Bill which in my estimation is complete in every respect and should receive the approval of this House.

SHRI PERATH NARAYANAN NAIR (Kerala): Mr. Deputy Chairman, there are some really welcome features in this Bill which will go a long way in developing the motor transport industry in our country. For once in some form a judicial authority has been created to handle applications for permits and we can hope that hereafter at least the corrupt practices which all of us had associated with the issue of these permits would be less, and that the inordinate delays which have been occurring in the grant of these permits would also be avoided to a great degree. Preference also is to be given to co-operatives in the matter of permits. That is also a welcome feature.

I am inclined to accept and generally agree that no compensation need be paid on non-renewal of permits, and I am not convinced that there

[Shri Perath Narayanan.]

should be any statutory provision in this Bill for the compulsory acquisition of assets. After all, road transport in our country, as the previous speakers have emphasised, has not reached the saturation point. There is so much scope for development; and so, even without having any statutory provision for the compulsory acquisition of the vehicles of owners, even without the obligation to provide an alternative route, I think it is possible in the present set-up in our country to accommodate these small owners. After all, it must be to the interest of the country also that this new authority we are creating must pay heed to the interests of the real small owners. The request to have a statutory provision for the compulsory acquisition of assets and for the provision of an alternative route, I do not think, will be in the real interests of the development of our road transport.

I agree with Mr. Sinha's arguments that some consideration must be shown and it is possible also, because after all, in the immediate period ahead, we see the possibilities of our motor transport expanding like anything. In case we decide to take over and nationalise particular routes, important routes, other alternative new routes can be found and even without a statutory provision, that is possible. That is my attitude regarding that.

Regarding the quantum of compensation to be given in case of cancellation or modification of permits, I find that an increase has been made. The provision in the original Bill was for about Rs. 100 per vehicle. That has been increased to Rs. 200. My feeling is, I am definite, that it is quite unjustified. Regarding this quantum of compensation to be paid in case of non-renewal of licences, I want to know on what basis, scientific or otherwise, it has been agreed to. Some enquiry has been made into this aspect. People have been heard, but after all, in the coming period the State Governments and even to a certain extent, the Central Government will depend for their finance so much on the nationalisation of road transport. That

being so, why, without even a scientific basis to go upon, the Committee has been called upon to increase the quantum I am not in a position to understand. I think, even if there was no scientific basis for Rs. 100 per vehicle, at least that must be retained and I have given notice of an amendment on that because, after all, we cannot put a strain on the very slender resources of our State Governments and even the Central Government. This transport nationalisation will increasingly become a source of revenue and to come by that right, if we are to pay additional compensation, I cannot understand it. So, though I welcome this question that no compensation will be paid on renewal, this quantum paid in case of modification or cancellation of the permit is too much.

Again I cannot understand why there has been this statutory assurance given that there will be no nationalisation of goods carriers, lorries and other things in the next five years. After all, if I remember correctly, the allotment for this road transport under the Second Five Year Plan is just about Rs. 27 crores and if we are to nationalise all our transport, one calculation was that it would require a minimum of Rs 100 crores. That was worked out some time ago and we have made a provision for only Rs. 27 crores. That means, the very fact that we have made such a poor allotment shows, that even if we want, we cannot go all out to nationalise the whole transport. At best 25 per cent. may be nationalised and, therefore, the facts being like that, why should we go out of our way and give an assurance that freight carriers will not be nationalised? It is quite unjustified. It was not necessary. After all, the authority must be left to the State Governments to nationalise as much as possible. The only difficulty is that they are suffering from want of funds. So, I think that provision is not called for. After all only 9 per cent. of our road transports. If I remember correct, is nationalised. So, we have to go a long way in further nationalising this parti-

cular sector and so, to go out of our way and give this assurance is not called for, and is unjustified. That is my criticism of that aspect.

Then there are certain omissions and I wish to make some general observations on them. After all about 350,000 workers are there in this motor transport business. There are certain labour legislations in force. It is a fact that many of the owners don't conform to those healthy labour practices. They don't observe these various provisions of the labour legislations in the matter of minimum wages etc. A nine-hour working day has been the case in regard to these transport workers. Even this has not been observed. So, in regard to such of the operators who don't conform to these provisions of the labour legislation that must be made a ground for cancellation of the licences without compensation. If such a provision could have been included in this, it would have been a very salutary provision and I think it is a serious omission which I would like to bring to the notice of the hon. Minister.

SHRI J. S. BISHT: Would that apply to a factory also?

SHRI PERATH NARAYANAN NAIR: One other thing. Mr. Bisht has raised the question and I would like to tell him that in regard to plantation, factories and mines, we have got certain statutory labour legislations governing those workers. If you would go through the report of the Planning Commission, in the section relating to road transport, you will find that the Commission has recommended that so far as the motor transport is concerned, there must be a comprehensive legislation brought forward giving healthy conditions of service for the workers. In this particular road transport sector, we have not got them and it is a serious omission and that particular aspect should be borne in mind by the hon. Minister. After all more than 350,000 workers are involved. They have absolutely no statutory regulation regarding their service conditions now.

In regard to factories and plantations and mines, at least to a certain extent, these conditions have been secured and that has not been secured in the case of motor transport workers. The Planning Commission has been obliged to...

SHRI J. S. BISHT: I don't differ from the hon. Member on that point. What I am saying is, you are suggesting complete confiscation of their property without compensation merely for a breach of certain labour laws. I ask: would a factory be confiscated also if the factory commits breach of labour laws?

SHRI PERATH NARAYANAN NAIR: I don't suggest that there must be confiscation. It may not be to the extent of confiscation, but then these operators day in and day out, never observe the labour laws. They go scot-free and I don't find any provision to keep them in proper check. That is my point. That is very unhelpful from the point of view of the workers. All-out confiscation and other things, however much I would personally like to have, because it is a primary duty of every operator at least to conform to labour practices which have been accepted by the Parliament and which have been embodied in the pieces of legislation and any breach of such regulations must be considered a very serious thing in all conscience, but I may not go to that extent now.

These are the points which I have to raise in this. Regarding the quantum of compensation, I have given notice of certain amendments and I think I will have an opportunity to speak later.

SHRI P. D. HIMATSINGKA: Mr. Deputy Chairman, I agree with the previous speakers that there have been considerable improvements made in the recommendations of the Joint Select Committee on the Motor Vehicles Bill and certain provisions will go a great way in removing a lot of difficulties that are at present experienced by persons who want to ply between two States and who want to

[Shri P. D. Himatsingka.]

apply for a licence. At present, this needs the counter signature of the two States and sometimes it has been found impossible. Now that the recommendation is for the setting up of an inter-State transport authority that special difficulty that used to be felt, I hope, will be removed and that will also enable the licences to be issued rather quickly.

Sir, I had been following the speech of the hon. Shri Saksena and Shri Nair and I am rather surprised at the ignorance that I feel they are suffering under. Nationalisation is very good; nationalisation is intended, I think, mainly for two purposes, that is, one, the income should go to the coffers of the State and, two, there should be better service. These are, I think, the two principal objectives that we should have in view when we think of nationalisation. There is no charm in this word 'nationalisation' unless these two conditions are fulfilled, but let us see what the position is so far as this question of nationalisation of transport is concerned. Unfortunately, the State Governments which are running transport vehicles do not keep any separate accounts. Whatever they pay for the vehicle is shown as expenditure in the year of purchase and subsequently whatever income is earned goes to the income side. Therefore, there is no check.

SHRI PERATH NARAYANAN NAIR: Is the hon. Member sure that no separate accounts are kept in Tranvancore-Cohin or Madras.

SHRI P. D. HIMATSINGKA : I do not know of Tranvancore-Cochin or of Madras. I know of Bengal, Bihar and Assam. They do not show the value, the depreciation, the income and the expenditure separately to enable one to judge whether the transport services are being run at a profit or whether the State is losing. Suppose you buy a vehicle for Rs. 20,000 and it becomes scrap in two years while you have been able to earn a gross profit of only Rs. 10,000.....

SHRI PERATH NARAYANAN NAIR: I would like to inform the hon. Member that that experience is not true of all States.

SHRI P. D. HIMATSINGKA: I am talking of the States about which I have experience. I am confining my remarks to the eastern part of India. Unfortunately, as I said, no separate accounts are kept and, therefore, it is not possible to point your finger definitely to show what amount is being lost in running these transport services. In Bihar, before the Government started the State Transport, the rate was six pies per mile. That was the maximum that a transport operator could charge. Since Government introduced their own vehicles, they have raised the fare to 7½ pies. The same thing happened in Assam. There was a company running a monopoly service between Shillong and Gauhati and that company used to pay a lakh of rupees as monopoly fee to the Government. Now, the Government are running their own services and the fare has been considerably increased. The same thing is happening in Calcutta also. The fare now charged by Government is more than the fare charged by the owners of private vehicles. It would be, Sir, very good if these vehicles run parallel to certain private vehicles so that we may be able to know and judge the difference between the two services. As I was trying to point out, nationalisation will be welcomed if it serves the two purposes. So far as I can judge and so far as I know from the working of certain transport services in the eastern part of India, Bengal, Bihar and Assam, I do not think we are making any profit. On the contrary, they are perhaps a source of definite loss. Therefore, the main ground on which we are talking of nationalisation, I feel, is not there; but if the Government feel that they can make money and large revenue could be expected by operating these vehicles, well. I certainly support it wholeheartedly because we need funds for all kinds of things, for our Five Year Plan and for other various improvements. As

I said, this is far from the correct position and, therefore, I think that Government should take steps to have separate accounts from the States, where such services are being operated by the States, in regard to the cost of the vehicles, the income that they have got, and then come to a decision as to whether it is giving any money to the State or not. Then it will be appropriate for us to say that we ought to support nationalisation of transport and so on.

Another factor so far these vehicles are concerned is—I do not know much about Travancore-Cochin or Madras and, therefore, my friend will excuse me; I am talking about Bihar, Bengal and Assam—that most of these are operated by persons who own one vehicle or at the most two. They take the vehicles on hire-purchase and just make a living. To nationalise such vehicles means that you throw the man out of his business, you throw him out of employment. In the provisions that we have made there is no question or obligation of any assets being taken over when the permit is not renewed. If the permit is cancelled during the currency of the permit, a provision is made for the payment of certain compensation but if the period of the permit is over and if it is not renewed, no compensation is paid and there is naturally no question of taking over the assets. Just imagine the fate of such a person who had spent money in procuring the vehicle. It remains in his hands but he cannot use it because he has not got any permit; it will not be taken over by the State and, therefore, he gets no money. He loses his job and is out of employment. Is it not necessary for the State to see that persons who depend for their living and for their employment on the running of these vehicles are not ousted from the field simply because we have a charm for nationalisation and unless the other objectives, as I said, are also fulfilled? That is the main aspect, Sir, that I wanted to touch and I feel that Government should take steps to have separate accounts so that they may be able to know how things are moving.

There are one or two more points that I wish to speak about. So far as compensation is concerned, I find that Mr. Nayar has given an amendment about reducing the compensation that has been proposed, that is to say, a payment of Rs. 200 for every month of the outstanding period of the permit. That was the figure that had been agreed to by the Committee at the instance of the hon. Minister in charge of the Bill. On the contrary, Sir, I feel that there should be some provision—when a route is nationalised and when certain permits are not allowed to be utilised, there should be some arrangement whereby those assets also may be taken over by the State. Pay them whatever is reasonable; if they are not of much value, don't pay them anything at all, but certainly the national assets which are there should be taken over and reasonable compensation or even less than reasonable compensation should be paid so that those vehicles may be utilised.

With these remarks, Sir, I support the Bill.

SHRI J. S. BISHT: Sir, this Bill is welcome in so far as it goes because it tries to improve upon the old Motor Vehicles Act, but we in this country today are faced with a much more difficult task. It is not possible to implement the Second Five Year Plan unless we are able or we are in a position to remove the transport bottleneck and that is one of the important points on which there has been correspondence and controversy between the President of the World Bank and our Finance Minister. The President of the World Bank himself has laid great emphasis on this transport bottleneck; and at such a moment when we are anxious to implement the Second Five Year Plan, it becomes our paramount duty to remove every obstacle in the way of free transport or movement of goods.

Now, Sir, the old Motor Vehicles Act was passed at a time when the circumstances were different. That was the age when our Railways were

[Shri J. S. Bisht.]

run more or less on deficit and the deficit on the Railway Budget had to be made good by subsidy from the general revenues. And I remember very well that the then Finance Minister—I think it was Sir James Grigg—took a very strong stand on this point. He said that the Railways must pave their way and that the general revenues would not be able to subsidise the Railways for ever. That was the position then; the Government of India was very anxious that the competition from the motor vehicles on the road should be minimised, and I remember that the Provincial Governments were told that motor vehicles should be allowed to operate only on routes that were a sort of feeder routes to railway stations and not on those routes that were running, so to say, parallel to the railways. Those were the circumstances under which the old Motor Vehicles Act was passed and we find there so many checks made against the free flow of traffic by motor vehicles. Sir, I do not know when this amending Bill was drafted and whether the draftsmen had this particular point of view or whether they only wanted to correct certain defects that had crept into the working of the old Act. So far as those anomalies and irregularities are being removed, this Bill is very welcome because they have to be removed, but the larger question still remains. Are the Railways still there to see that there is no competition from road transport or will the Railways allow the road transport to develop as early as possible? Sir, in a country like the United States of America which has a highly developed transport system—it has, I think, two lakh route miles of railways—even there, if I remember correctly, more than 25 per cent of the goods load is lifted by road transport. Now, is there any reason why, in a country like India with an area of nearly 12 lakh sq. miles and with only 34,000 route miles of railways, it should not allow road transport to develop as early as possible? I would, therefore, strongly urge that this bottleneck should be removed if not in this particular Bill, at least

soon after this. Steps should be taken soon, so that all these anomalies and all these implements in the free flow of traffic by road should be removed and so that it may not be said that the Railways are standing in the way of the development of road transport. In fact, I am personally of the opinion that it would be to the good of this country if the Railway Ministry were separated from the Transport Ministry altogether, because then the suspicion in the public mind that the Railways come in the way of the development of other forms of transport like river transport, road transport, etc., could be removed. I do not think that there is any substance in that particular suspicion but there it is. It remains in the public mind that somehow the Railways do not want that there should be any sort of competition from the road. It may be cut-throat competition or any sort of competition. Even if there is cut-throat competition why should the Railways be afraid of it, if they are run efficiently, properly and in a commercial way? In fact, they should welcome such competition because that will put them on their test.

So, I submit that there are some provisions here which are welcome no doubt, as far as they go. For instance, take clause 39. It says:

“Every application for a permit shall be made to the Regional Transport Authority of the region in which it is proposed to use the vehicle or vehicles:

Provided that if it is proposed to use the vehicle or vehicles in two or more regions lying within the same State, the application shall be made to the Regional Transport Authority of the region in which the major portion of the proposed route or area lies, and in case the portion of the proposed route or area in each of the regions is approximately equal, to the Regional Transport Authority of the region in which it is proposed to keep the vehicle or vehicles”.

SHRI H. P. SAKSENA: Page and clause please.

SHRI J. S. BISHT: I am referring to clause 39 on page 22—23. It goes on to say :

“Provided further that if it is proposed to use the vehicle or vehicles in two or more regions lying in different States, the application shall be made to the Regional Transport Authority of the region in which the applicant resides or has his principal place of business.”

Now, this is an improvement of course, but I do not see any reason why this cannot be simplified. For instance, if a person has got a radio permit he may use his radio in a particular station and if he moves on to another place he only submits an application within three months notifying the change and he can use his radio in the other place. Why should not a similar provision be incorporated here? If I have a permit from the Road Transport Authority of a particular region and if I get custom to carry some goods to another place, why should it be necessary that I should go to half a dozen bureaucrats to get my permit to move from this place to another place? I myself was a member of a Road Transport Authority for 15 years and it so happened that that particular Transport Authority was on the border of another Transport Authority and this sort of difficulty was cropping up almost every day. For instance, permit holders from Kumaon Transport Authority could not go into the region of the Rohilkhand Transport Authority although in the plains area the two met together. There was constant movement of goods from one region to another and the difficulty was that they had to disembark all the goods there and another person had to take it on further. This sort of impediment comes in the way of free flow of goods traffic.

There is another provision here which is quite welcome so far as it goes. It is clause 57, which relates to inter-State Transport Commission. I hope they will be liberal and will allow people to carry on their business and trade in different regions of the State; as for instance, between Delhi

and the particular portion of Punjab or as between Punjab and Western U. P. the traffic is always moving here and there. Why should there be any impediment in the free flow of traffic and business between Delhi and Meerut, Karnal and other places or between Madhya Pradesh and eastern part of U.P. or between portions of Bihar and Bengal? All sorts of impediments are there under the Motor Vehicles Act and I submit that they should all be removed. If there is any rule-making power it should be used liberally for this purpose so that goods may move very freely.

Now, we know that the Railways cannot move all the goods and, of course, production is increasing. Cement factories are going up; steel plants are going up and all sorts of productive industries are going up and all those goods have to be moved. We have seen difficulties cropping up constantly. For instance, only last year there was trouble about *gur*. There was demand for *gur* in certain areas. In fact, there were large quantities of *gur* in areas where *gur* was in production but there were no wagons available to move it. All such difficulties can be greatly mitigated, if not completely eliminated, by encouraging road transport and by removing all those impediments that stand in the way, whether they are procedural or whether they are as a result of the provisions of the Act, or in any other way. The Ministry of Transport and the Ministry of Railways are under the same Minister and it is an additional reason why these difficulties should be removed because there should be some sort of co-ordination so that every form of transport can be utilised for the purpose of free movement of goods. In fact, I would go further and say that the Railways should not lift goods except on long distance routes, say, exceeding 30, 40 or 50 miles, and they should encourage motor vehicles to lift goods on small distance routes except in the case of goods which are of a heavy nature and which cannot be moved by any other kind of transport.

Now, Sir, I come to another point.

MR. DEPUTY CHAIRMAN: You can continue after lunch. The House stands adjourned till 2 o'clock.

The House then adjourned for lunch at one of the clock.

The House reassembled after lunch at two of the clock, MR. DEPUTY CHAIRMAN in the Chair.

MR. DEPUTY CHAIRMAN : There is a message from the other House.

MESSAGE FROM THE LOK SABHA

THE ELECTRICITY (SUPPLY) AMENDMENT BILL, 1956

SECRETARY: Sir, I have to report to the House the following message received from the Lok Sabha, signed by the Secretary of the Lok Sabha :—

“In accordance with the provisions of Rule 133 of the Rules of Procedure and Conduct of Business in Lok Sabha, I am directed to enclose herewith a copy of the Electricity (Supply) Amendment Bill, 1956, as passed by Lok Sabha at its sitting held on the 11th December 1956.”

I lay the Bill on the Table.

THE MOTOR VEHICLES (AMENDMENT) BILL, 1956— *Continued*

SHRI J. S. BISHT : Mr. Deputy Chairman, before we rose for lunch, I was referring to certain difficulties with regard to the Regional Transport Authority. One of the difficulties that I find is that sometimes the number of licences issued to private carriers, private owners, is limited and sometimes it so happens that in certain regions all these licence or permit holders form themselves into a syndicate which is in the nature of a monopoly and then they have their

own rates and fares—a sort of monopoly over the lifting of passengers and goods. And the result is that when the number of licences or permits is limited, the market value of these permits goes up. In fact, the value of the permit in certain areas is higher than the value of the lorry or the truck that he has to purchase. Now, this sort of undesirable practice should be eliminated and I do not see any provision for eliminating such abuses as have crept in in the working of the Regional Transport Authorities and in the issuing of the licences. I suggest that in every Regional Transport Authority or an authority which is in the nature of an inter-State Transport Commission, etc., in those routes which are left to private owners or those sectors of road haulage which are left to private owners, there should not be any fixed maximum for these permits. That is to say, permits should be issued to all those people who are willing and able to carry on that business efficiently. After all, the Regional Transport Authorities have got ample powers to see that the vehicles that are put on the road are safe and that they meet all the demands and there are other powers which regulate all the requirements of safety and efficiency on the roads. Therefore, there is no reason why any sort of ring should be formed by these private owners or they should be allowed to form a ring. Therefore, it is desirable that the price of permits should not be allowed to go so high.

Now, Sir, there is another point. Personally, I am in favour of nationalising all the road transport in the same manner as the Railways are nationalised. But I know that our resources are very limited and that it is not possible even if we want to nationalise all the roadways. In the alternative, therefore, we should not adopt the policy of ‘dog in the manger’. We should allow this private sector, the private enterprise to fill up the gap and when we do that we must give them sufficient assurance and sufficient time to enable them to earn their living. Now, under this Bill the time that has been granted is about