

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

five years and I submit that five years is too small, because as Mr. Narayanan Nair pointed out, even if you want to nationalise after five years, you want a hundred crore of rupees and you have provided only Rs. 27 crores, which is only a little more than 25 per cent. Therefore, even if you want to do it, you cannot do it. Therefore, to put in such a short period, when you are not in a position to nationalise it, is to create a sort of adverse psychology in those who want to invest their earnings in this particular business. Therefore, the minimum that you can do is to extend it to about ten years at least, so that the other owners can come in and fill the gap.

Then, there is this point with regard to compensation. In case it is decided to nationalise any particular line, it is only fair that those who have invested money into this business should be compensated. My hon. friend, Mr. Saksena, said that somebody had suggested that even the junk should be paid for. He was quite right. The junk has to be paid for, not for the junk but because the price of the permit is more than the price of the lorry.

SHRI H. P. SAKSENA: Now, my hon. friend has been repeatedly making mention of something which he terms as price of the permit. I would like him to enlighten me on this point.

SHRI J. S. BISHT: I am surprised that a Member, who was a member of the Joint Select Committee, is still in the dark about the price of the permit which is prevalent throughout India- and most Regional Transport Authorities. My friend, Mr. Rajagopal Naidu, is not here. He was telling me just now that in Madras the price of a permit goes up to Rs. 50,000.

{Interruption}

MR. DEPUTY CHAIRMAN: Order, order.

SHRI GOPIKRISHNA VIJAI-VARGIYA (Madhya Pradesh) : If that price is unlawful, it should be stopped.

SHRI J. S. BISHT: That is what I say.

DR. R. P. DUBE (Madhya Pradesh): It differs from State to State.

SHRI J. S. BISHT: Even in my own area I can say that the price is in the neighbourhood of about Rs. 15,000 and that is the price of a truck. Therefore, I submit that you must find ways and means of limiting this bad practice, and the only way to do it is to freely grant permits and licenses so that they have no market value at all, so that anybody who wants to run a bus can go to the Regional Transport Authority, satisfy the conditions and then get the permit. If you limit the number, the demand is greater and naturally the price goes up. The remedy is in your hands and you do not adopt the remedy at all. Therefore, I submit that if you want to nationalise any particular route, you must compensate them properly for all that they have invested. One famous labour leader of England came to India—I think it was Mr. Morrison, he was perhaps flying from Australia to England—and somebody asked him this particular question about nationalisation. The Labour Government in England is a socialist government and their objective is socialism, the same as ours, and Mr. Morrison said that their position was very clear, viz., when they wanted to nationalise a particular undertaking, they took two points into consideration: firstly, that it must be demonstrably in the public interest to nationalise that undertaking. They do not do it merely for the sake of nationalisation or merely for theoretical or doctrinaire reasons. The first condition is that it must be demonstrably in the public interest. Secondly they compensate it at full market rate. That is quite fair, and we should not indulge in legalised loot in any form. If a man has invested his money in any form of undertaking and if we want to take it for the sake of the community, let us pay the full price. That is quite right and fair.

With regard to the zonal areas, inter-State areas, I would submit to

[Shri J. S. Bisht.] the hon. Deputy Minister to see whether it would not be desirable to form inter-State Commissions on zonal basis, as they have certain zonal areas under the States Reorganisation Act. Could we not make use of those Zonal Councils, as they are called, and form inter-State Commissions to cover those particular areas ? But there will be certain difficulties. For instance, U.P. is put in the North Zone, that is to say, it is bound with Madhya Pradesh: whereas U. P.'s main trade, commerce and industry are on the western side with the Punjab and on the eastern side with Bihar. In forming these Commissions these complications are likely to arise and, therefore, I submit that there should be certain special permits which should enable the permit-holder to operate in particular regions in different States without going to a particular Regional Authority for a special permit to operate on a particular line.

SHRI H. P. SAKSENA: On an all-India basis.

SHRI J. S. BISHT: So much the better, although in practice nobody is operating from the U. P. to Travan-core-Cochin. They will operate in a particular locality—western U.P. and eastern Punjab or western Bihar and eastern U.P. This is all very necessary.

With regard to the goods transport, the goods route should be left entirely to the private operators for a period of at least ten years. There is a certain misapprehension in certain minds that these private operators are some sort of big capitalists who are running big fleets. There may be here and there one or two such people who are running such fleets, but ordinarily, at least in Uttar Pradesh, we know that they are mostly small people.

SHRI RAJENDRA PRATAP SINHA: In 95 per cent, of the cases.

SHRI J. S. BISHT : 95 per cent, of them are very small owners, people

who themselves drive the motor vehicle and themselves own it and the cleaner or somebody else is one of their relations. Sometimes they have got two or at the most three vehicles, one of which a brother is running or a son is running. All these questions that Mr. Narayanan Nair raised about the hours of work are not applicable at all. It is merely a family concern. If they want to work ten or fourteen hours, why should you prevent them at all. If they want to earn more money, as some of them are very hard working, there should be no obstacles placed in their way. Sir, if this particular point is accepted, I have no doubt that it will serve a very good purpose. As I submitted before, if the national highways, the shipping yards, the coastal shipping traffic, the riverways and the roadways are all put under one particular branch of the same Ministry, the Railways being in a different branch and the Railway Ministry merely coordinating them, then the transport by road and river will develop simultaneously with the development of the Railways, and there may not be any sort of suspicion that the Railways try to discourage or hamper the development of these alternate routes lest they should at some distant future suffer from the consequences of such development.

With these words I conclude my observations.

DR. R. P. DUBE: Mr. Deputy Chairman, Sir, I want to draw the attention of the Government to one point, and that is with regard to payment of no compensation in those cases where the permits are not renewed. I have stressed this point during the meetings of the Select Committee as well, but somehow I could not succeed. I am going to have my last try here because I think the Deputy Minister told me a little while ago that he did not think he could change anything now. He realises it is a hardship, still he cannot help it.

SHRI H. C. DASAPPA (Mysore): Has he admitted the fact?

DR. R. P. DUBE: He should admit it. If he does not admit it openly, it does not matter. I personally think that it is a hardship. A man is deprived of his livelihood and he gets nothing for being deprived of that, and on the top of that the Government ask, "What is he going to do with his vehicle?" Since the public will know that he has not got any route to work on and as all these trucks are with him, they will ask them for very very low prices. I personally think that if the Government do not want to give him any compensation, at least they can take his assets which are worth taking. As I said in the Select Committee, they could make a schedule something like this, *i.e.* for buses that have run for a year the depreciation will be so much, for two years the depreciation will be so much, for three years so much, and so on. Let the man get something. After all we are taking away his livelihood and we are also not paying anything to him. The man has lost his livelihood and he has trucks lying with him which he cannot sell in the market at the proper price. He cannot also get a reasonable price because people know that he has not got any route to work, and naturally he will have to dispose them of for a song. I do not say that Government will have to take junks as they have been passed over by some companies. But who forces Government to take junks? Government themselves close their eyes. They have taken junks in other cases and paid compensation, fabulous compensation. Here I am asking for a reasonable compensation. I am saying, let the Government open their eyes, depute a man who can value things and then at least pay the man something. I am not asking for anything unreasonable. If the Government do not want to pay, then I have nothing to say.

SHRI R. M. DESHMUKH (Bombay): Compensation is paid only to those organised.

DR. R. P. DUBE : Organised or disorganised, I cannot say. I know a man who had a permit and who was

running a route. Because he was running the route, because he was looking after that particular route, he was organised—I do not know what my hon. friend means by organised and disorganised. I am taking the specific case of a man who has been permitted to ply his vehicles on a certain route. His permit has not been renewed. What would be the fate of that man? Did the Minister talk about co-operatives? But there are certain people who are single-handed and they have been doing business. They have got not one, sometimes ten vehicles.

SHRI AKBAR ALI KHAN
(Andhra Pradesh): They live on it.

DR. R. P. DUBE: And if you are not renewing the permit those ten vehicles with his little workshop, all will remain idle and who will take them? And even if anybody takes them, he will take them for a song. Let the Government pay proper compensation for his livelihood. It is guaranteed in the Constitution that nobody's livelihood will be taken away. But if you want to take it away still, give him some compensation at least in the shape of taking over his assets.

This is my last request, because the Bill is going to be passed now. I have tried my level best, but I could not do much. The hon. Minister was not there at that time; now he is here. He is a very kind man. I know he is always kind and he will do something for them.

SHRI P. N. SAPRU (Uttar Pradesh): Mr. Deputy Chairman, Sir, I would like, while supporting this Bill, to point out that the clauses regarding compensation are unsatisfactory. I am not one of those who think that nationalisation is bad. In fact, my opinion is always in favour of it—more and more nationalisation—and I am not very much interested in the question of compensating big men when we acquire properties from them. But most of these transport men are comparatively poor people—men of moderate means. 95 per cent. of them are owners of one or two or three trucks. In 1939, I think, we

[Shri P. N. Sapru.] could get a truck for Rs. 5,000 or Rs. 6,000. Now, you cannot get a truck for less than Rs. 20,000 or Rs. 25,000 or Rs. 30,000. Now, it is certainly true that they will be paid compensation if their licence is cancelled. But if the licence or the permit is not renewed; they will not be eligible for any compensation at all. My feeling is that this is not fair. There is an express article in the Constitution to which I would like to draw the attention of the Minister pointedly. That article is 39. It is to be found in the chapter on "Directive Principles of State Policy". It is true that these directive principles cannot be enforced by a court of law. But they indicate the policy which Government must observe and follow. They lay down the moral precepts which it is under a constitutional obligation to follow. Take this article : —

"The State 'shall, in particular, direct its policy towards securing—

(a) that the citizens, men and women equally, have the right to an adequate means of livelihood".

Here, on the renewal of the licence, the principal livelihood of the person depends and if you deny him the licence, he will not be able to have a proper livelihood. I think, therefore, that it is contrary to the spirit of the Constitution when we deny the applicant any compensation on the ground that we are nationalising the route and it is no business of ours whether his business is carried on or not. The suggestion that I would like to make is that, in such cases, as far as possible, alternative routes might be provided for these transport people. There is a vast scope for the development of transport in this country if a particular route has been nationalised, then some other route may be given to him.

SHRI H. P. SAKSENA: That is what the Bill provides for.

SHRI P. N. SAPRU: No, it does not provide that; it may be done or may not be done and the Regional

Transport Authority will be an autonomous body. Therefore, what the Minister says will not be necessarily binding on that body. I should have preferred, therefore, for this reason, that some specific provision is made in the Bill to the effect that if a route is nationalised and the permits of those people are not going to be renewed, they will be provided with alternative routes as far as possible. Where you cannot provide that alternative route, give them some compensation, I think that is only fair. No principle which is opposed to socialism is involved in this. Socialism is a means of achieving social justice and I think it is social justice that these men who are not big capitalists, who are doing business in a small way, should not be deprived of perhaps their only means of livelihood. That is all that I wanted to say in regard to this measure which I generally welcome.

SHRI O. V. ALAGESAN: Sir, I am thankful to the hon. Members who have participated in this debate and generally welcomed the measure before the House. This amending measure of the Motor Vehicles Act, as hon. Members may perhaps recollect, has had a very chequered career and in fact, this amending process started 10 years back. It went to the Select Committee stage and a certain finality was given to it at that time. Then it could not be pushed through. Later events made it necessary for further changes to be made in the amending measure and I should think that this amending Bill has come at a very opportune moment before the House when the whole emphasis in the context of our planning is on the development of more and more transport capacity. I should like hon. Members to view this question in that aspect and if they do so, they will find that this Bill provides for, and enables, various steps to be taken so that transport capacity can be fully developed.

There was some mention about nationalisation and I thought the opposition to it, if any, was very mild and had become thoroughly modified in the course of these few months. It

has come to stay and that has been very well realised by hon. Members who were not perhaps so happy as others regarding this question of nationalisation. So, let us consider what is the task that is to be done by the various transport systems in the country—rail, road and so on.

There is a huge task to be performed by all these. They have to go hand in hand and perform this huge task. It is well known that the rail transport capacity that will be generated in the course of the next few years will not be able to move all the traffic. We have said so on several occasions. The allotment of resources for the purpose of railway planning and development falls very much short of the requirements. Even as per the original targets, Railways have to expand their capacity by about 42 or 43 million tons and the additional traffic that will be generated was calculated as 60 and odd million tons. So, even as per the original targets, there was a gap of 17 to 18 million tons. Now, certain targets have undergone an upward revision. For instance, cement production has been revised and the increase target has now become, I think, 8 million tons instead of 5 million tons. So also is food production. It is a vital factor of our economy. It is proposed to be increased by another 10 million tons.

The gap, as calculated by hon. Members, is about 30 million tons. The Railways have calculated the gap at about 25 million tons. We want to develop the transport capacity to the tune of 50 million more tons but even to do that, the cost of the Railway Plan will very well have to go up. It is roughly calculated that the cost of the Railway Plan will have to go up by another Rs. 100 crores to move these additional 50 million tons. So, when there is so much to move and when there is so much traffic offering, there is no question of conflict between rail and road transport. Railway and road transport have to join hands and lift the traffic that will be generated. Viewed from this angle, it will be found that there is no conflict.

One hon. Member referred to this matter and said that the Railways should not adopt a dog in the manger policy. I have no difficulty in agreeing with him. The Railways do not propose to follow a dog in the manger policy. Perhaps the hon. Member does not know that we have taken various steps towards relaxation of restrictions on inter-regional transport which he was mentioning. He spoke from experience and said that he was a member of one Regional Transport Authority. Even as far back as 1954 this subject was considered and State Governments were advised to relax the restrictions that they were having both on private carriers and public carriers. They were asked to give the utmost freedom to private carriers. Perhaps the position is not very well realised that in our country the majority of the trucks are only public carriers. In other advanced industrialised countries the majority are private carriers. It has been brought out in the report of the Study Group which went into this question that perhaps 70 or 80 per cent, of the total number of trucks there are in private hands. Here also in our country the various industrial establishments, new and old, can really go in for owning and operating more and more private carriers. They can own a large fleet and can have workshop facilities also and they need not complain against the Railways for not carrying things. So, the indication is that private industries and new plants and new units that are going to be set up can very well go in for owning a large fleet of private carriers which can carry goods over small distances. Of course, over very long distances it may not be possible to operate private carriers, though even there it will be possible to operate over long distances to some extent. So, there is no question of any conflict, as I said, between railway transport and road transport.

Coming to road transport itself, let us see whether the nationalisation policy of the State Governments really comes in the way of expansion of private road transport. I should

[Shri O. V. Alagesan.] very respectfully submit to hon. Members who spoke on this subject that all the difficulties that private operators have been experiencing have been sought to be removed by this Bill. All the uncertainties have been removed. If they thought that there" were many hindrances and factors retarding their expansion and progress, all those factors have been now sought to be removed by means of this measure. It is not the intention of the State Governments to go and nationalise every route in every area. It is just not possible. Resources are not available. It has been stated very clearly in the Planning Commission's Report that only a sum of Rs. 27 crores has been set apart for this purpose, and if the existing holdings of private operators have to be nationalised, it will cost not less than Rs. 100 crores; perhaps it may cost even more. So, there is no question of the State Governments pursuing a policy of nationalisation for the sake of nationalisation, without reference to other conditions. As my hon. friend, Mr. Himatsingka pointed out it is not a question of nationalisation for nationalisation's sake. We have to render better service to the public at large, and we have also to see that in the process we do not incur any loss. From that point of view. I would like my friends to see that nationalisation has been forced upon the State Governments. What about road transport service in such hilly areas like Him-achal Pradesh, Manipur, Tripura etc. where there are no private operators coming forward to operate on those hilly routes ? We have spent large amounts of money making roads. Mention was made about the huge amounts that have been spent on road programmes and about the capital invested on them not being allowed to go waste. We have to make the best use we can, get the best return we can, out of that. When we have spent huge sums of money in the hilly areas like Himachal Pradesh, Manipur, Tripura, etc., on road making, who are there prepared to come forward and put vehicles on these roads ? So, it was a question of nationalisation

being forced upon the State Governments. So also the question of better service. I should venture to say that but for nationalisation the quality of service to the public would not have improved. You can take the case of the capital city of Delhi itself. Mr. Himatsingka spoke on this. I remember the conditions here some ten years ago when he and I came into the Constituent Assembly, when a company known as the G. N. I. T. was running buses, and I have not seen worse vehicles in any part of the country. That is common knowledge, and hon. Members who were here at that time know that very well. Now, even though there are still very many improvements to be effected in the organisation of the D.T.S.—there is certainly room for improvement in the service of the D.T.S.—I suppose that the service the D. T. S. renders to the public is vastly superior to the service that was rendered by the old G. N. I. T. So, from both these points of view—to serve areas where private operators are not prepared to venture and also to raise the quality of the service that is being rendered to the public—nationalisation has become inevitable for the Governments to undertake. So, I do not think there will be any quarrel with reference to that, and I need not say anything further in justification of the process of nationalisation.

Then, several points were raised, especially with reference to the cost of railway transport *vis-a-vis* road transport. Various calculations have been made in this regard. The suggestion was made that Railways should refuse to carry goods over short distances. I do not know how far that will be feasible, because the question of the cost of transport would immediately come in. It is recognised that road transport is more feasible over short distances, but it becomes prohibitive if it is operated over long distances. So, subject to these factors, there is no objection—there could be no valid objection that could be raised—to allow road transport to operate. I have got the figures about railway and road transport, but

I do not think I should take the time of the House by quoting them. I would quote only a few figures. In the year 1954-55 the cost of carrying one ton by broad-gauge per mile was 8 • 37 pies and that by metre-gauge was 16 • 1 pies. For the same one ton of goods, if it is carried by road, the cost per mile comes to three annas, *i.e.*, more than twice of what it would cost even on metre-gauge. But the Study Group has estimated it at even 44-2 pies.

SHRI H. C. DASAPPA: Are the railway figures the latest?

SHRI O. V. ALAGESAN: I said they are for 1954-55.

SHRI H. C. DASAPPA: But you are talking of the present value of road transport as compared to the transport charges of 1954-55.

SHRI O. V. ALAGESAN: No. These relate to the same year. So, the question of the cost of road transport has to be taken into account when we say that road transport should be allowed to play its full part.

SHRI J. S. BISHT: Is it not a fact that the motor vehicles are subjected to very heavy taxation?

SHRI O. V. ALAGESAN: There are various factors, not only heavy taxation. The initial cost of the vehicles, the condition of the roads —there are so many things which go into the cost of road transport. But all that will have to be taken as a whole. We can lighten the taxation. We can see that the initial cost of these vehicles gets considerably reduced. We can improve our routes. We can take all these steps. Still the fact remains that the cost of road transport is bound to be higher than the cost of railway transport per ton mile. So, subject to that factor there should be no objection to allow road transport to play its full part.

Then it was said that the inter-State Transport Commission that is sought to be created should be clothed with more powers. I think they

4—55 Rajya Sabha/56

already possess the necessary powers. The Bill provides for it. If hon. Members will turn to the relevant clause they will find that under the new section 63A(2)(c) and (d), powers have been given to them to grant, revoke or suspend permits etc. It is on page 38 of the Bill. It gives all the powers that will be needed by the Commission and there should be no difficulty for the Commission exercising its powers in the interest of developing and promoting inter-State road transport.

Then the question that was very much debated was the question of the period of permits, whether it should be five years or more. Here I should like to say that hon. Members overlooked one factor that we have provided for in the Bill. There is a provision now that preference should be given for renewal permits over grant of new permits. This Bill provides for its continuance. If a man, after having worked his vehicle on a particular route for five years, comes and applies and another new operator wants to enter the field, then naturally it has been provided for in the Act and we have not omitted that provision in the amending Bill that the Transport Authority has to give preference to this man who wants to renew his permit over the person who wants to apply for a new permit. That provides for the continuity of the operation of these permits. There should be no objection. It may be five years to begin with. When the permit is renewed a second time, it is ten years and when it is renewed a third time, it is fifteen years. So it is not as if this preference for renewal is a small matter.

Another factor also should not be forgotten. Here the question of compensation for non-renewal was raised. Dr. Sapru, the constitutional expert that he is, raised the question that we should not take away the livelihood of the person concerned. Here once a person holds a permit, it does not entitle him to have the permit in his possession for all his life. He has to work it, he has to operate the road transport service satisfactorily as per

[Shri O. V. Alagesan.] rules and regulations and then if he still proves that he is capable of carrying on the business for another five years, it is extended. It may be that a person may operate for five years and he may not be in a position to operate in an efficient or satisfactory manner the road transport service for the next five years. When a man gets hold of a permit, it cannot be argued that he should always have the permit.

SHRI AKBAR ALI KHAN: But if he does fulfil the conditions ?

SHRI O. V. ALAGESAN: Certainly he gets it. Certainly it is renewed. The preference for the renewal is already provided for. So continuity is that way' taken care of.

Also it was said that alternative routes should be found for those who are displaced as a result of nationalisation. That has been provided for in the Bill. The State Government can issue directions to the State Transport Authorities to grant alternative routes to people who are displaced as a result of nationalisation. In fact apart from the quantum of compensation,—the question of whether it is liberal or not liberal, whether it is sufficient or not sufficient was raised—I should like the State Governments not to have recourse to this provision for payment of compensation. When they notify a route or area, there is going to be sufficient notice and they can think of other routes wherein they can provide for the displaced operators so that there is no question of compensation. It will enable the State Government to open more routes and to serve areas hitherto unserved. So they need not pay any compensation and the question of the compensation being on the liberal side or otherwise will not at all arise.

Then the question relating to acquisition of assets at the time of nationalisation was also raised. That also forms the subject-matter of the dissenting minute that has been append by two hon. Members. Here we leave this question of acquiring

the assets to the practical good sense of the Government concerned and the private operator concerned. It may be that the private operator does not want to part with vehicles which are in a good condition because he may like to convert them into goods vehicles or he may like to get alternative routes. It is assumed that the private operator, as soon as he is displaced as a result of nationalisation, will be willing to hand over his assets. It may not be. The private operator may like to have it converted and put to other use or may like to go and operate his vehicles on an alternative route. He may not be willing to part with it. So compulsory acquisition may not be such a blessing as hon. Members assume to the private operators. Now, we have not vetoed the thing. We have not said that there should be no acquisition. When vehicles are found to be in a useful condition and in an efficient condition, certainly the State Government will, by means of private negotiations, acquire those vehicles.⁸ But as soon as you provide for it in an Act, it becomes rigid.

Certain rules have to be followed and certain conditions have to be met and nothing more can be done but here it becomes an open market where the private parties can freely negotiate with the transport authorities whereby the latter could take over the vehicles at a proper price. That is not ruled out. Such of the private operators whose vehicles are maintained in a proper condition and who want to hand over their vehicles to Government can certainly do so by means of private negotiation.

I think it was Shri Himatsingka who said that the nationalised undertakings were losing. I do not have the figures with respect to the nationalised undertakings in West Bengal, Bihar or Assam. I shall collect those figures and then find out whether they are really losing or are making a profit. I have got the case of the Bombay State Transport Corporation before me and I find that over a number of years they have been making sizable profits but then they are one of the

best run undertakings. With respect to the other corporations, the Railways have put in money in several of them and they have been getting returns, either in the form of interest or dividend whatever may have been agreed to at the time of investment.

SHRI AKBAR ALI KHAN: The same is the case in the old Hyderabad State.

SHRI O. V. ALAGESAN: Yes, it was a very well-run organisation.

Then, Sir, the question of legislation for workers was raised. I had occasion to point this out in the other House also. I can only say that the Labour Ministry is having this question under consideration. Certain proposals have been circulated to the State Governments and they are going to be discussed in the tripartite machinery also. As soon as this consultation is over, that Ministry will be bringing forward a measure which will provide for the service conditions of the transport workers.

I think, Sir, I have covered almost all the points and I hope that my motion will be accepted.

MR. DEPUTY CHAIRMAN: The question is:

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

The motion was adopted.

MR. DEPUTY CHAIRMAN : We shall now taken up clause by clause consideration of the Bill.

Clauses 2 to 51 were added to the Bill.

Clause 52—Amendment of Section 58.

SHRI RAJENDRA PRATAP SINHA: Sir, I beg to move:

1. "That at page 34, line 2, for the words 'three' and 'five' the words 'five' and 'eight' respectively, be substituted."

2. "That at page 34, line 6, for the word 'five' the word 'eight' be substituted."

MR. DEPUTY CHAIRMAN : The clause and the amendments are now before the House.

SHRI RAJENDRA PRATAP SINHA: Mr. Deputy Chairman, I have suggested in my amendments that the period of the permits should be raised from three and five years to five and eight years respectively in the case of passenger buses and in the case of a goods truck from five to eight years. Sir, I concede that in case there is no nationalisation of a particular route, there will be continuity to the permit-holder and that he need not be afraid on that score but, Sir, the only reason which impelled me to move these amendments is that since we are not providing for any compensation in the event of nonrenewal of permits when a route is nationalised, the least that we could do is to provide, for the period of the permit as such, that the man will at least get whatever investment he has made over the transport vehicle. That is number one. Number two is that we should make the fullest use of the transport vehicle. That is to say, let us make the maximum use of it in running it. If we do that, even if it is not of any further use, it will not be a national waste ; otherwise, it is a national waste. If you had provided that it would be mandatory on the transport authorities to provide such a displaced operator with an alternative route, I would not have minded even if the period were short but here the period is short without that advantage and hence I have submitted these two points for your consideration.

SHRI O. V. ALAGESAN: I have already dealt with this point in my reply. I see the hon. Member's point. We have provided for alternative routes being granted only to such operators who are displaced as a result of nationalisation.

SHRI RAJENDRA PRATAP SINHA: Are you providing that ?

[Shri O. V. Alagesan.]

SHRI O. V. ALAGESAN: Yes, those who are displaced as a result of nationalisation can be granted an alternative route and the State Governments can issue instructions to the transport authorities. We cannot make it mandatory because the right of an operator to continue for ever is not recognised. He has to stand in the queue along with others. It is not as if he earns a right for life to operate.

SHRI RAJENDRA PRATAP

SINHA : Other things being equal, he gets it automatically in every case. It is only in the case of a nationalised transport undertaking coming in that he does not get it and his right is taken away. The State Government may not choose to issue such an instruction to the transport authorities, in which case the man will not get anything.

SHRI O. V. ALAGESAN: I need not travel the ground that I have already covered in my reply. If his vehicle is in good condition and if he is displaced from a route which has been nationalised, then certainly he can go and apply before the transport service authority and his experience in having run a transport and also the fact that he is one of the displaced operators will be taken into account by the regional or the State transport authority concerned.

DR. R. P. DUBE: These are all pious hopes.

SHRI O. V. ALAGESAN : To that extent he will be provided for, but if I were to increase the period from five to eight years or from three to five years, there will be some little compensation paid to him. Barring that, his right to operate a route is not recognised. If the period of the permit is raised from three to five years statutorily, then what happens if the route is nationalised at the end of three years is that he gets some compensation calculated for two years. That does not mean that he gets the right, but here is an opportunity for the man to get an alternative route. This is much better than getting some compensation.

DR. R. P. DUBE: The profitable route has been taken away from him and you give him some route which may be rotten.

THE MINISTER FOR REVENUE AND CIVIL EXPENDITURE (SHRI M. C. SHAH) : He will be given a, profitable route.

SHRI O. V. ALAGESAN: We cannot be going into the merits of the routes.

SHRI H. P. SAKSENA: Why should it be assumed that his request before the authorities concerned will not be accepted ? Why should it be assumed that the request for an alternative route being provided to him will be rejected ?

MR. DEPUTY CHAIRMAN : The question is:

1. "That at page 34, line 2 for the words 'three' and 'five' the words 'five' and 'eight', respectively, be substituted."

The motion was negatived.

MR. DEPUTY CHAIRMAN: The question is:

2. "That at page 34, line 6 for the word 'five' the word 'eight' be substituted."

The motion was negatived.

MR. DEPUTY CHAIRMAN: The question is:

"That clause 52 stand part of the Bill."

The motion was adopted.

Clause 52 was added to the Bill.

Clauses 53 to 56 were added to the Bill.

*Clause 57—Insertion of new sections
63A, 63B and 63C*

SHRI RAJENDRA PRATAP SINHA: Sir I beg to move:

3. "That at page 38, line 10, after the word 'prepare' the words 'and implement' be inserted."

4. "That at page 40, line 29, after the word 'permit' the words 'and its period' be inserted."

5. "That at page 40, after line 34, the following be inserted, name-ly.—

Qih) regulation of fares and freights on inter-State traffic;

hhh) system of accounting, and the submission of returns by the operating units on the inter-State routes;

hhhh) safety measures to be adopted by the operating units."

MR. DEPUTY CHAIRMAN: The clause and the amendments are now before the House.

SHRI RAJENDRA PRATAP SINHA: Sir, by my first amendment I want the inter-State Transport Commission to be armed with the powers to implement its own schemes and I have already explained the reasons why this authority should be charged with the responsibility of seeing that adequate transport facilities come forth from the private sector. What I would suggest is that we should not be content by merely asking the Commission to draw up schemes which cannot be implemented by them. Let them be given the power to see that their schemes are implemented because time is of great essence in this matter. We have to provide for the gap of about 25 or 30 million tons. The hon. Minister who happens to be also the Minister in charge of the Railways knows about this and the Transport Commission should be charged with this responsibility of seeing that within five years this gap of 25 million tons is filled by the transport available in the road sector. This can be done only if we provide that the Transport Commission should be charged with the responsibility of implementing their schemes. I told you, Sir, that a similar Commission functioning in the United States of America had been given such powers and authority that they implemented their own schemes.

3 P.M.

Now I have also suggested in another amendment that the Government be empowered to make regulations with regard to the period of permit. Now, the chief objection, as far as I remember, to increase the period of the permit is from the State Governments and as far as I know, the Central Government is not very much opposed to it. This is what I could gather as a member of the Joint Committee. Let them not increase the period of permit generally; let the period three to five and five years remain as provided. I only want that power may be given to the Central Government to make regulations in respect of period of permit to be issued by the Commission and if the Central Government consider that the period of permit on inter-State routes which are under the control of the inter-State Transport Commission should be more than five years, they should be able to make regulations saying that this would be the period of permit. What I say is this. Herculean effort is needed in order to put on road all the transport to fill the railway gap and to draw from the private sector Rs. 150 crores in a period of four years. It is very important that they should have this power.

Not only that; I have also suggested that the Government should have powers for regulating fares and freights on the inter-State traffic. Such a power is with the State transport authorities and such a power should be with them as well. That is why I have suggested this and I have copied this from the inter-State Transport Commission of U.S.A.

Then they must have powers to make rules and regulations regarding submission of returns by the operating units and the system of accounting to be maintained by them. Lastly, I have suggested that they must have powers to make rules with regard to safety measures that these operating units must adopt to ensure safety on these routes.

[Shri Rajendra Pratap Sinha.]

Then there is another point that I would like the hon. Minister to consider. This Commission should also be given enough powers to arrange for finances for the operating units. Operators must be able to get loans and in this connection I may point out to the hon. Minister that the various Acts—the Industrial Finance Corporation Act, the Reserve Bank Act etc., should also be suitably amended. The powers of the Industrial Finance Corporation, for instance, will have to be revised in order that they may be able to advance money to private operators against transport vehicles, I can give an example. Previously, these Industrial Finance Corporations were not permitted to advance money to the shipping companies but later by suitable amendment they were permitted to do so. It is very important that the Transport Ministry should take up this matter with the Finance Ministry and get the Act governing Industrial Finance Corporation amended just as they did previously on the recommendation of my friend, the Transport Minister himself, as a result of which the Corporations could now advance loans to shipping companies. The Corporations should be empowered to advance loans to the transport companies.

Then it is a very good thing that the co-operatives are to be encouraged. There also the Reserve Bank Act had to be amended in order that the Reserve Bank could advance money to the different co-operative banks for advancing funds against different purposes of co-operation. They had to revise the Act in such a way, that small industries working on co-operative lines could take money from the State co-operative banks. For agricultural operations the Act had to be revised so that the banks could advance money and provide facilities for agricultural purposes. Similarly, the Transport Ministry must see that the Reserve Bank Act is so amended that the State co-operative banks could advance money to the transport co-operatives, just as they were enabled to advance money to cottage in-

dustries run on co-operative lines and for agricultural operations on cooperative lines. These are the powers that must be taken by the Government. They may not be taken in this very Bill but I think the Government should move in this matter so as to strengthen the hands of the Transport Commission.

SHRI H. P. SAKSENA : Sir, I heard my friend, Mr. Sinha, very attentively and I admire the vehemence and enthusiasm with which he advocated the cause of the inter-State Transport Commission which would be formed under the provisions of this amending Bill. It is a very laudable object, but then what I apprehended was that he was going to suggest the formation of a rival Central Government because he was giving it such vast powers that one day the transport business may have to be transferred from the Central Government to the inter-State Transport Commission.

SHRI RAJENDRA PRATAP SINHA: My friend is mistaken. I was advocating that all these powers be given to the Central Government and not to the Commission.

SHRI H. P. SAKSENA: Yes; you were advocating for all these powers to be given to the Central Government and then in the same breath you advocated, if I understood you right, that this inter-State Commission should be empowered to raise finances by raising loans.

SHRI RAJENDRA PRATAP SINHA: He has not followed me at all. He has misunderstood me completely.

SHRI H. P. SAKSENA: I do not think my understanding of the speech of my hon. friend, Mr. Sinha, whom I listen almost daily, was so defective that I misunderstood him entirely and missed the entire point.

Anyway, so far as empowering the Transport Commission with additional powers is concerned, I believe that the Select Committee has thoroughly gone into the matter and has given those

powers that it thought were necessary to be given to the Transport Commission. No additional powers should, in my opinion, be given.

SHRI O. V. ALAGESAN: Sir, the hon. Member who has moved the amendments has assumed that at present there are not enough powers vested in the Transport Commission. I submit that it is not so. He has suggested that the Central Government may authorise the inter-State Transport Commission not only to prepare the schemes but also to implement them. The question of implementation has been taken up in sub-section (2) (c) and (d) of section 63A. Implementation will come in the form of granting permits. The inter-State Transport Commission will issue directions to the State Transport authorities or regional Transport authorities interested regarding the grant, revocation and suspension of permits and of counter-signatures of permits for the operation of transport vehicles in respect of any route or area common to two or more States. Then the Commission can not only issue directions to the State Transport authorities but they themselves can grant, revoke or suspend any permit and so on.

So, that is the way in which it is sought to be implemented. If my hon. friend thinks that implementation means that there should be another corporation formed for the operation of these vehicles, that is a different matter. I think he has been pleading for private operators who will be willing to come and take over these inter-State routes. What is being provided for the first time is that an opportunity is opened, a new opportunity is created, for the operation of vehicles on the inter-State routes. Now it is subject to all sorts of restrictions, subject to mutual agreements by the State Governments which do not very easily materialise in spite of our persuasion. So, here a machinery is created. Up till now there was no instrument in the hands of the Central Government to execute the policies it wanted to with regard to inter-State routes. Now, this inter-State

Commission has been provided for and that will be the instrument through which the Central Government will execute its policies. So, the implementation is already included in the powers that will be granted to the Commission. I do not think Shri Sinha suggests that when private operators do not come forward Government should come in. Certainly then the State Governments concerned may consider the question of having a nationalised undertaking for operation on these inter-State routes. That is a different matter. So, the question of implementation is already there and provided for.

Then, Sir, another amendment seeks to provide for three matters: (i) regulation of fares and freights on inter-State traffic; (ii) system of accounting, etc., and (iii) safety measures. These are all common to vehicles which will operate both within a State and on the inter-State routes. Safety measures have to be provided for not only vehicles that will operate on inter-State routes but on other routes as well— routes lying within a State. So, these are all common things which the Act as a whole takes care of and we need not provide separately for them.

The other two suggestions that the hon. Member made are very useful. We have already taken up the matter, that the road transport industry should be enabled to be assisted in the same way as other industries are assisted by the Industrial Finance Corporation. That matter is already under consideration. Of course, he brought in the question of granting loans to shipping companies also. I think the hon. Member will realise the difference between the two. The shipping companies are huge things. They cannot raise capital in the market to the tune of crores and so the Government has to come in. But here the small owner is supposed to put his savings, to use his savings in the purchase and operation of these vehicles and the loan assistance should be only very nominal, or it can be thought of in the case of bigger units which are more viable. That does not mean that I do

[Shri O. V. Alagesan.] not want the small operators to be helped. But the small operator, by his very nature, is expected to put his savings in the purchase of these vehicles and operate the routes. And so the question of aiding him directly does not arise. If there are viable units which will require such assistance, certainly it can be considered. It is already under our consideration. We would like them also to be entitled to assistance by the Industrial Finance Corporation.

SHRI RAJENDRA PRATAP SINHA: Co-operatives?

SHRI O. V. ALAGESAN :
As far as the co-operatives go, we would like to encourage them as much as possible. If they require any assistance, certainly that will be examined and we can also take appropriate measures.

SHRI H. P. SAKSENA : It is already provided there in the Bill that when application for a permit is made, preference will always be given to cooperatives.

SHRI O. V. ALAGESAN: He was referring to loans.

MR. DEPUTY CHAIRMAN:
So, you are not accepting any of the amendments ?

SHRI O. V. ALAGESAN: I am sorry, no, Sir.

SHRI RAJENDRA PRATAP SINHA : I beg leave to withdraw amendments Nos. 3 and 5.

•Amendments Nos. 3 and 5 were, by leave, withdrawn.

MR. DEPUTY CHAIRMAN : The question is:

4. "That at page 40, line 29, after the word 'permit' the words 'and its period' be inserted."

The motion was negatived.

*For texts of amendments, *vide* Cols. 2270-2271 *supra*.

MR. DEPUTY CHAIRMAN : The question is:

"That clause 57 stand part of the Bill".

The motion was adopted. Clause 57 was added to the Bill.

Clauses 58 to 61 were added to the Bill.

Clause 62—Insertion of new Chapter IVA

SHRI PERATH NARAYANAN NAIR:
Sir, I move:

6. "That at page 46, line 5, for the words 'Two hundred' the words 'One hundred' be substituted.

7. "That at page 46, line 8, for the words 'One hundred' the word 'Fifty' be substituted."

MR. DEPUTY CHAIRMAN:
The clause and the amendments are before the House.

SHRI PERATH NARAYANAN NAIR: Sir, these two amendments simply seek to restore the original quantum of compensation which was provided for in the original Bill. Now, I was a bit surprised to hear the hon. Minister when he said that the Government had not yet made up their mind as to the effect of this compensation provided being liberal or otherwise. It looks as though the Government are not prepared to take a definite stand on this question. I had occasion earlier to point out that the quantum of compensation has been fixed not on any scientific basis. The hon. Minister was pleased to say that there were several factors to be taken into consideration. But have they been taken into consideration and has this quantum been worked out on any understandable basis ? It was one hundred rupees per vehicle in the original Bill. Of course, through the collective wisdom of the Joint Committee it has been doubled. But I for one cannot understand why it has become necessary to enhance it to that extent. The hon. Minister was arguing that, after all this contingency of having to pay compensation might

not arise. If that is so, if there will not be anybody who would be losing, all the more reason why the original provision must be restored here. The fact is that the Joint Committee found it necessary to enhance this. It is because they could visualise certain contingencies wherein such compensation would have to be paid, and that is my view. Occasions would arise when during the period of the permit, modifications will have to be made, cancellations will have to be made and there will be a variety of reasons, which I need not go into. This quantum is unjustified, is far too liberal and so I want to press my amendments.

SHRI O. V. ALAGESAN: This question of quantum of compensation was gone into in very great detail by the Joint Committee and it was felt, I should think, by almost all the Members—perhaps there may be a few exceptions—that the quantum of compensation provided for was rather on the low side and it should be at least doubled, to be fair and reasonable. As for the other methods of providing for compensation, you can calculate the earnings of the individual operator and two years' earnings or two years' profits can be given as compensation. In all these cases it presupposes certain enquiries, certain accounts being kept properly and audited and so on and so forth. It would have introduced all sorts of complications. It might not have enabled the displaced operator to receive his compensation quickly and in time. Disputes may go on. We may have a tribunal by which these compensations can be calculated, by certain complicated process. An award may be given. But it would not have helped the small operator to get his compensation immediately. It was with a view to having. I must say, an almost 'dispute-proof' system of compensation, that this was provided. It was true that the U. P. Government approached us for advice as to the quantum of compensation that should be provided. We tendered advice to them which was in conformity with the original provision of comoensation that was provided in the Bill as

it was introduced. Then we had to take the other factor also into consideration, viz., the higher cost of the vehicles, the higher cost of operation, etc. So, taking into consideration all these factors, I am not able to agree with my friend that the compensation that has been provided is far too much or is very liberal. So, I am sorry I am unable to accept these amendments to lower the amount of compensation.

MR. DEPUTY CHAIRMAN: The question is:

6. "That at page 46, line 5, for the words 'Two hundred' the words 'One hundred' be substituted."

The motion was negatived.

MR. DEPUTY CHAIRMAN: The question is:

7. "That at page 46, line 8, for the words 'One hundred' the word 'Fifty' be substituted."

The motion was negatived.

MR. DEPUTY CHAIRMAN: The question is:

"That clause 62 stand part of the Bill."

The motion was adopted.

Clause 62 was added to the Bill

Clauses 63 to 102 were added to the Bill.

Clause 1, the Title and the Enacting Formula were added to the Bill.

SHRI O. V. ALAGESAN: Sir, I beg to move:

"That the Bill be passed."

MR. DEPUTY CHAIRMAN: Motion moved:

"That the Bill be passed."

SHRI RAJENDRA PRATAP SINHA : Mr. Deputy Chairman, I am happy that this Bill will become an Act very soon and the two Houses will have given their consent to it, and I am sure that the road transport will draw the maximum advantage

[Shri Rajendra Pratap Sinha.] that we have now provided in this revised legislation. But, Sir, I would like to make one or two observations at this stage. Firstly, the Government should make every effort to bring down the prices of the motor vehicles. Unless this is done it will not be possible to encourage road transport in this country. Sir, cheap transport is very important for developing our economy, and the motor vehicle should not be merely looked upon by my friend, the hon. Minister—I am glad he is here—as a source of adding money to his exchequer.

SHRI M. C. SHAH: Why not?

SHRI RAJENDRA PRATAP SINHA: You can make money otherwise. Let our economy develop, let the national income go up, and then you can tax the people. Don't try to curb all those factors which alone go to develop our national income, and transport is one of the very important factors which will go to improve our national income. Therefore, I hope our Transport Ministry will keep this in view because the motor vehicle is one of the commodities which is taxed the highest in the country. Therefore, the Transport Minister should take it up with his colleagues to find out whether the cost of these vehicles could be reduced.

The other point that I would like to suggest is this that the transport industry should be brought under the administrative control of the Transport Ministry—I mean the manufacturing side of the trucks and their price. I may give you the example of the sugar industry and the *vanas-pati* industry; they are under the administrative control of the Food and Agriculture Ministry, not of the Commerce Ministry. Similarly, it is the responsibility of the Transport Ministry to develop the transport industry in this country. They will decide at what cost, how many vehicles, what variety and what types must be manufactured in order to meet the needs of the time. Therefore, I would like the Minister to consider this point very seriously whether it

is not desirable to bring this transport industry under the administrative control of the Transport Ministry itself.

Sir, the other point I would like the Transport Minister to consider is this. My hon. friend has mentioned that India is the only country where we have not got enough of private carriers and where we have got more public carriers. In other countries the private carriers are much more than the public carriers. It is quite correct. Now, we must provide the incentive so that the private carriers may develop, and I think that the private carriers will develop greatly if the inter-State Transport Commission, which you are going to have, is also empowered to grant private carrier permits in case the private carrier is operating on inter-State routes. Take the case of Bengal and Bihar.

The factories are on one side, the coal-mines are on the other side of the border; the consuming centres are in one State and the production in another; the raw materials are in one, the finished goods processing industry is on the other side—all these compelling factors are there, but still there is a good deal of hindrance on the part of the State authorities to give private carrier permits. Therefore, the Central Government will do well to empower the inter-State Transport Commission to issue private carrier permits on inter-State routes.

The other point that I would like to mention is this. My hon. friend was good enough to quote some figures regarding the cost of operation. He quoted, as far as I remember, the cost of operation for the year 1954, the rail cost of operation; and then he also quoted figures of the Study Group for the cost of operation of road transport. The figures that I have got are the latest. They are the railway figures from an article appearing on the 16th April 1956—which I presume must be the latest—by no less a person than a Member of the Railway Board. Then, Sir, with regard to road transport things have improved much more than what they were when the Study Group examined this ques-

tion. There is one aspect that has to be taken into account. This Bill has increased the laden weight of the vehicles. It will be very much more than what it was previously. There is a new element which is coming in road transport. The articulate vehicles, traik>>truck combinations, these two things were not taken into account by the Study Group.

Then, Sir, it was given to understand in the Joint Committee—now it is a published document—by the witnesses that the road transport would carry even such a low rated commodity as coal and that too with profit. They said that if a proper proportion of both the so-called high rated and low rated commodities were offered to the road transport, they would be in a position to carry them, provided they were allowed all these articulated vehicles or the trailer-truck combinations. Although the Study Group figure was 36 pies, now it is calculated that the road transport could offer to carry the goods by truck-trailer combination at 22 to 33 pies per ton mile, and in the case of the trucks with the increased laden weight that we are going to have, they can ply at the rate of 29 to 42 pies per ton mile. Mr. Mathur, a Member of the Railway Board, has given the figures in the Indian Railways Journal that the rail transport including of course incidentals, ranges from 20[^] to 38 pies in the case of certain raw materials and 21£ to 40 pies for certain commodities. So, it is a very heartening thing which the Transport Minister should welcome that we can provide cheaper road transport because of these technological developments.

The last point that I would like to emphasise is this that the Transport Ministry should formulate a national transport policy. Now, I find that there is a great unanimity of opinion among all those bodies and Commissions who have examined this question. They have all suggested that the Government of India should formulate a national transport policy as has been done in other countries like the United Kingdom and the United States of

America. You know, Sir, that the Government formulated their industrial policy which they enunciated in their Resolutions. Transport and industry go hand in hand and as a corollary to the Industrial Policy Resolution, they should have a Transport Policy Resolution enunciating their transport policy. Probably, transport is now under discussion everywhere, in every department of the Government. It will go a long way if the Government, after examining the various reports which have dwelt on this subject, will formulate their policy enunciating it in a Resolution. Then it will be very helpful to all those who deal in transport or all the authorities or Ministries concerned. They have got to take a decision on this matter.

I may point out to you that the Motor Vehicles Taxation Enquiry Committee, the Study Group of the Ministry of Transport and the Taxation Enquiry Commission have all unanimously recommended for this purpose that an inland transport policy should be enunciated by the Government.

In the end, I would like to quote to you what the Study Group, which, of course, was formed by the Transport Ministry itself and which was presided over by the Transport Secretary himself says. On this body, there was a representative of the Railway Board also. Now, this Study Group has very correctly stated on page 6 of their Report—

"We feel that unless the policy of co-ordinated development is embodied in a Statute, the comparatively weaker elements in the ~ transport system such as road and inland water transport, will not have proper scope for development ... Any legislation undertaken in pursuance of that recommendation can be used for incorporating a statement of policy on the lines of the one in the U. S. Act."

Sir, I do not say that they should be placing it on the Statute Book itself. I think the correct course would be, as I have suggested earlier, that

[Shri Rajendra Pratap Sinha.]

a Transport Policy Resolution may be formulated enunciating the Transport Policy of the Government and issued for the information of all concerned.

SHRI O. V. ALAGESAN: Sir, I shall take the last subject which the hon. Member has mentioned first. He read from the Report of the Study Group—"Transport Planning". As far back as 1951, the Transport Advisory Council which considered the recommendations of the Motor Vehicles Taxation Enquiry Committee adopted the following principles and they continue to operate still:—

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

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

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

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

Sir, this has been enunciated by the Transport Advisory Council. It is an advisory body on which sit also the Ministers who are in charge of transport and transport policy of the various State Governments; and that Council has adopted this policy governing all forms of transport and this continues to guide the actions of Government—both State and the Central. Of course, as the hon. Member himself pointed out, there is no very big advantage in embodying these in the form of a Statute. Certainly, it can be done and if it requires reiteration, certainly it will be put in the form of

a Resolution and perhaps highlighted. More than this, I do not think there is any need for a national policy enunciated on the subject. The policy is already there. What we are doing is to implement that policy and translate it into action. And I venture to claim that the Bill on which this House is just now going to put its seal of approval goes a long way in implementing and carrying out the intentions behind this national policy on transport.

The hon. Member also referred to the price of vehicles. It is a very big question. This has been, I think, recently gone into by the Tariff Commission. They have made certain recommendations and they are under the consideration of the Government. Certainly, in this connection, the number of units that should be permitted to manufacture road transport vehicles in this country has to be taken into account. The price that should be permitted, the policy of protection that should be pursued, all these matters have to be considered in this connection. Surely, any reduction in the initial capital costs of these vehicles will go to reduce the cost of road transport operation and that will go a very long way in reducing the burden on road transport. I think these matters relating to the price of the vehicles and the policy of protection are at present under the consideration of the Government and I hope that a decision will be taken which will enable the proper number of units to come into existence for the production of motor vehicles, lorries, etc. and which will also introduce an element of competition. It is not only the question of a sheltered internal market that the industries can enjoy. Certainly, they should enjoy a protected market. But there should also be an element of competition even among the units that will be permitted to operate in this field. So, I can only say that this question is just now under the consideration of the Government and appropriate decisions will be taken on this matter.

He also mentioned that the control of the transport industry as a whole

should be taken over by the Transport Ministry. Certainly, the industry, as a whole, is being taken care of by the concerned Ministry namely, the Commerce and Industry Ministry now. It is true that the Food and Agriculture Ministry are in a special way responsible for the sugar industry. But inter-Departmental consultations are held in regard to the motor transport industry and the manufacturing industry and the Transport Ministry certainly plays its part. I do not myself think that anything more than that is needed at present.

Sir, I have nothing more to add.

MR. DEPUTY CHAIRMAN: The question is:

"That the Bill be passed." The motion was adopted.

THE CENTRAL SALES TAX BILL, 1956

THE MINISTER FOR REVENUE AND CIVIL EXPENDITURE (SHRI M. C. SHAH): Sir, I beg to move :

"That the Bill to formulate principles for determining when a sale or purchase of goods takes place in the course of inter-State trade or commerce or outside a State or in the course of import into or export from India, to provide for the levy, collection and distribution of taxes on sales of goods in the course of inter-State trade or commerce and to declare certain goods to be of special importance in inter-State trade or commerce and specify the restrictions and conditions to which State laws imposing taxes on the sale or purchase of such goods of special importance shall be subject, as passed by the Lok Sabha, be taken into consideration."

Sir, this House has had the opportunity of discussing this subject when the Constitution (Sixth Amendment) Bill was discussed here some time ago. Hon. Members of this House are well aware that the Taxation Enquiry

Commission had gone into this question very carefully and in great detail. Hon. Members are also aware that that Commission after a good deal of care in examining the subject, recommended that sales tax must be a State subject. At the same time they added that the power and responsibility of the States to impose sales tax must end and the power and responsibility of the Centre must begin when sales tax in a State impinges administratively on the dealers and financially on the consumers in another State. That means that there should be control of the Union so far as inter-State trade and commerce are concerned. This House is also aware that certain States were imposing sales tax on inter-State transactions before the judgment of the Supreme Court in March 1953. The Supreme Court in March 1953 decided that the States, where the goods were delivered for consumption, were entitled to tax the non-resident dealer who sold the goods to a dealer in that State, according to the interpretation they placed on Explanation (2) to article 286 (1) (a). After that judgment, almost all the States except West Bengal began to levy sales tax on the goods delivered in their States for consumption by non-resident dealers. There was a good deal of furore among the business circles, because all the traders had to study the sales tax laws of the various States where they used to send their goods; they had to fill in certain returns to be sent to the various State authorities, had to appear before the various State authorities while cases of the levy of sales tax were being considered. The Central Government, therefore, had a provisional scheme whereby all these difficulties were minimised. We asked the State Governments to send one of their officers, the Sales Tax Officers, to go to the States where they had to levy and collect sales tax from those non-resident dealers. At the same time the matter was under the consideration of the Taxation Enquiry Commission, and the Government were awaiting their recommendations on this subject. Their recommendations were soon in the hands of the