

TECHNICAL SUBCOMMITTEE'S REPORT ON  
FUTURE OF ROAD TRANSPORT AND ROAD/RAIL  
RELATIONS

THE INDIAN ROADS AND  
TRANSPORT DEVELOPMENT  
ASSOCIATION LIMITED.

27. BASTION ROAD, FORT.

BOMBAY 14TH OCTOBER 1944.

*Ref. 1151/44.*

The Secretary to the Government of India,  
Department of War Transport  
New Delhi.

Dear Sir,

**TECHNICAL SUB-COMMITTEE'S REPORT ON FUTURE OF ROAD  
TRANSPORT AND ROAD/RAIL RELATIONS.**

I am requested by the Council of the Association to forward you the Association's views on the above Report.

We welcome this excellent report which makes such an important contribution to the study of the country's transport requirements and of the problems connected therewith. The authors deserve the heartiest congratulations on their lucid exposition of the problems involved. We think their analysis of the road/rail problem is as instructive as is their earnestness in seeking a solution to it. It is to be fervently hoped that the time and labour the authors have devoted to this report will lead to India's transport being placed on a sound and healthy foundation in the very near future.

The attached detailed notes (Appendix I) will show that we agree with the great majority of the statements and recommendations made in the report, but there are still a few points on which our views are at variance with those of the authors.

To deal with the main points on which we find it reluctantly necessary to disagree with the Report, it may be mentioned that it concerns the following principle quoted by the authors on page I of the report. We are in agreement with the authors that this principle should guide the transport policy, but we feel that in some of their recommendations, the authors have not succeeded in adhering to it.

"The function of the State is not to maintain the status quo or to favour one means of transport at the expense of the other, but to create the requisite conditions for securing the maximum efficiency of all means of transport and to further their evolution in the interests of the general welfare of the community and of technical progress."

The recommendation that ordinarily goods transport by road should be limited to 50-100 miles is an instance in point. We feel that the monopoly of long distance transport which this would confer on railways would be most harmful to the interests of the country, more especially as "short haul" to-day is much longer than the distance indicated.

We believe in the need for fostering healthy competition which alone can create that incentive for constant improvements in transport services on which the future prosperity of the country so largely depends. Such competition is a basic principle of the transport policies in England and the U. S. A. For example the Transport Advisory Council in England has laid down that :

"The best line of approach to achieve co-ordination is to aim at securing for traders adequate alternative facilities, care being taken that the resultant competition is on fair terms, and there should be an unfettered right on the part of the trader to select the form of transport which he approves and which is most convenient and economic for his purposes".

As regards the U. S. A., a communication from the U. S. Government to the League of Nations on the subject of 'Co-ordination of Transport' said in 1936/37:

"It is a fixed policy of the United States Congress to preserve competition, not only between the different forms of transport, but also within a given form of transport. Thus while consolidation of the Railways into a limited number of systems (which may be regarded as a partial solution of the problem of co-ordination) is encouraged by legislation, it is provided that competition shall be preserved as fully as possible and wherever practicable the existing routes and channels of trade and commerce shall be maintained."

It is further understood that the United States, even after the development of its road system, used to spend roughly 100 million dollars annually on waterways which fostered competition with other means of transport.

Perhaps it is not a coincidence, but the result of such a policy that the average ton mile charge for goods traffic on the U. S. Railways (as quoted on page 12 of the Report under consideration) is the lowest in the whole world except Japan. The charge made by Indian Railways is 36% higher although with labour so cheap in India, one would have expected the reverse to be the case.

With a return to freedom from competition and consequent absence of stimulus to improve services to the public, we venture to think that it is hardly likely that India would fare better in point of Railway efficiency if competition is suppressed as the authors recommend.

At the same time it would be a folly for us to ignore the advantage that roads goods transport possesses by reason of its having to observe no rate schedules while railways are governed rigidly by a rate structure which ordinarily requires them to charge for the carriage of certain commodities rates several times higher than the actual cost of their carriage, so as to enable them to carry certain other commodities at less than cost price. Here in a nut-shell is an important factor which acts to the disadvantage of railways in competing with road transport. The removal of this disadvantage is simpler than prohibition of motor competition. When the cost of motor transport is estimated at about 18 pies per ton-mile and the average charge of railways is only about one-third of that, it should not be very difficult, we feel, so to adjust the railway rate structure that no rate of freight will exceed that paid for the equivalent road transport. This will, as Sir Andrew Clow said in his address to the Indian Railway Conference Association in October 1940, mean that "The advantage given by our rating schedules to heavy traffic may have to be reduced". Surely this is the most equitable way of dealing with the situation. Coal, for instance, we consider, is charged too little and a slight increase in its rate would permit a decrease in the rate of a commodity such as cotton which is said to be carried by road.

That a small increase in coal rates would not be felt is evident from the fact that railway coal rates vary tremendously from year to year and, as between railways, the average charge on some railways is over 200% more than others (2.25 pies on the N. W. R. broad gauge as against 8.47 pies on the narrow gauge of the B. B. & C. I. in 1942/43), and variations from year to year on the same railways are as much as 15%.

Many Authorities on economic questions have come to the conclusion in recent years that the railway rate structure is based upon conditions and considerations which no longer prevail. It may also be added that in the same way as Railways complain about road transport—because of the rate structure—so also can coastal shipping complain of the so called advantage obtained by the railways in that their higher freights on special commodities enable them to compete with coastal shipping on coal freight at an uneconomic rate.

While on the subject of goods transport by road we must mention that the extent of such traffic in competition with railways has hitherto been so small that we feel its effect on railways has been over-rated. We believe that in the pre-war years, the total long distance traffic by road was no more than 0.4% of the total railway goods traffic or 1% of the total coal traffic moving by rail.

We would also point out in this connection that the number of motor trucks per hundred thousand of population in pre-war years was barely 5 in India as against 1,200 in the United Kingdom and 3,300 in the U. S. A.

Under the circumstances we feel that the only step to be taken to reduce any wasteful competition between road and rail is the revision of the railway rate structure as mentioned earlier. We are totally opposed to any zoning.

The other main point on which we disagree with the report is the recommendation that railways should ultimately acquire a commanding interest in passenger road transport. A commanding interest would easily lead to the usual abuses of a monopoly and we feel it is undesirable. There must be no monopoly, because competition is the incentive which results in good service.

It can be easily imagined that the railways would, if they could, naturally aim at eliminating competition even if the competition be healthy and serving the public needs.

The Government of India have undoubtedly seen how public opinion in the whole country has been uniformly hostile to this suggestion. Every reference seen in the press to this proposal has been a vehement condemnation of it. Enclosed are extracts from two press editorials (Appendix 3). The whole community of bus operators and bus companies has been stirred by the proposal which, they fear, amounts to depriving them forcibly sooner or later of the business they have so patiently built up. We consider the Government of India should immediately issue a notification to the effect that they have no intention of accepting the suggestion.

We would repeat that the criticisms which we have felt impelled to offer on the above points do not detract from our high appreciation of the excellent work done by the authors in preparing this report. The emphasis placed on:

- (a) the suggested desirability of a Central Transport Budget,
- (b) the need to get motor transport into the heart of the countryside,
- (c) the expansion of motor transport to provide employment for demobilised drivers,
- (d) the need for a road/rail policy,
- (e) a scientific review of motor vehicle taxation,
- (f) the amendments to the Motor Vehicles Act,
- (g) the need for the maintenance of additional statistics, and
- (h) last, but not least, their recommendation for a ROAD BOARD, are all worthy of commendation.

We note that no announcement has yet appeared about the creation of the Road Board which the report recommended should come into being in April and we would urge that no avoidable delay should occur in its formation.

We would also strongly urge that business interests—particularly road transport interests—should be represented in an advisory capacity on all bodies constituted to determine the policy affecting road transport or for implementing the same, such as the Road Board, Transport Advisory Council and Provincial & Regional Transport Authorities.

## APPENDIX I.

### REPORT ON THE FUTURE OF ROAD TRANSPORT AND ROAD/RAIL RELATIONS.

*Detailed views of the I. R. T. D. A.*

**Summary of Report as given at the end of each chapter.**

**Comments of the I. R. T. D. A.**

#### CHAPTER I.

1. The object of any transport policy must be to provide and develop cheap and efficient transport for all by the means best suited for the kind of traffic involved.

1. Agree; but some clarification is necessary as regards the criteria which will determine the means best suited for the kind of traffic involved.

We urge that business interests and industry be properly represented on any authority which is to implement this recommendation.

2. The interests of individual providers and users of transport must be subordinated to the interests of the whole community.

2. Agree; but it must not be forgotten that the providers and users of transport are members of the community.

3. There should be a Central Transport Budget, in which the Provinces should share, for pooling of revenues and balancing of capital expenditure.

3. Whereas we are strongly in favour of Central Control of all transport, we are not in a position to express any opinion as to whether the proposal for a central transport budget would meet this need.

4. A small expert Committee should be appointed immediately to make recommendations as to the structure of the Central Transport Budget, designed to remove the financial conflicts which were manifest before the war and which will otherwise recur. The consent and co-operation of the Governments concerned is essential.

4. Agree as above.

5. Our specific recommendations are intended primarily to cover the critical years after the war and to lay foundations for the future.

## CHAPTER II.

1. Transport should be cheap and accessible to all.

2. The main object should be to get motor transport into the heart of the countryside and to prevent undue overcrowding and competition on the better developed routes.

3. Motor transport should be used to a greater extent than hitherto by the Governments in India for administrative and "development" purposes.

4. The expansion of motor transport will provide employment for demobilised drivers.

5. Public need, convenience and safety should govern the regulation of passenger motor transport, the regulation of the carriage of goods should mainly be with reference to public or economic need only.

## CHAPTER III.

1. Few portions of railways are likely to escape road competition for passengers, but healthy competition is desirable.

2. The principle of maximum amalgamation of road transport operators to form substantial concerns on main routes and controlled monopolies on light traffic routes should be the basis of policy.

5. Agree.

1. Agree.

2. Agree; but it connotes a simultaneous improvement throughout the road system of the country.

3. Agree.

4. Agree; but the greatest care is necessary to ensure that the efforts in this direction are not wasted and are placed on really sound foundations.

5. We think that convenience is an important factor of economics in goods transport. We also think the considerations of safety must enter into the question of carriage of any form of transport.

1. Agree.

2. Agree; but we emphasize that the pioneer operator should not be in a position to find himself driven off the road by a more powerful organisation which is anxious to take advantage of the business

3. Railways should now develop closer co-operation with road transport and ultimately acquire a commanding interest. A beginning should be made now. There is no advantage in State Ownership divorced from railways.

4. Subject to certain salutary conditions, there should be no restriction on the range or numbers of passenger motor transport.

5. Minimum fares for both road and rail should be stabilised by agreement.

6. The early creation of an Indian Road Board is necessary.

#### CHAPTER IV.

1. While there is little prospect in the near future of motor transport being used for marketing crops and supplying village needs, it will develop gradually with a real improvement of roads and a reduction in its costs. Even now, it can assist special forms of agriculture, e. g. market gardening and fruit growing and should be encouraged to do so.

2. Local " trucking " will undoubtedly increase in industrial and urban areas.

he has built up, particularly during seasons of increased traffic. For the protection of the pioneer operator, it would appear that businessmen must be widely included in the authorities which control these quasi monopolies.

3. We are opposed to railways acquiring a commanding interest in road transport. It follows we do not agree that a beginning should now be made. We agree there is no advantage in State Ownership divorced from railways,

4. Agree.

5. We are reluctantly prepared to agree to the fixation of minimum fares provided they are stabilised by agreement between the railways and the road operators concerned. This should be stabilised at frequent intervals and should as far as practicable satisfy all concerned.

6. WE AGREE.

1. In agreeing with this statement, we would emphasize that in other parts of the world it has been established that there are perishable foodstuffs, particularly in the neighbourhood of urban areas which can only be carried by motor vehicles.

2. Agree.



3. An immediate urgency for action is in the field of general goods transport in which road/rail questions at once arise.

4. No improvements in operation or efficiency of the railways can sterilise road competition for the carriage of the higher rated goods traffic.

5. Motor transport can compete economically with railways only in respect of short-haul goods traffic; the transfer of such traffic to the roads would be an improvement of transport facilities and should be encouraged.

6. In the past, overloading and finance by bankruptcy enabled motor transport to compete uneconomically with railways for long distance goods traffic and impelled railways to resort to wasteful cutting. The recurrence of this should be prevented except where long distance traffic by road is in the public interest by a system of regulation combining expert judgment of the merits of each case on the basis of public and economic need and scientific zoning.

3. Agree; this is true in respect of public goods transport by road, particularly on routes parallel to railways. However, in respect of the private carrier class, i.e. motor transport operated by private owners for their own private purposes, road/rail questions should not arise, as was admitted by Government during discussions on the Motor Vehicles Act of 1939. The same applies to other vehicles performing functions which cannot be discharged by railways, such as traffic of specialised nature, including refrigerator vans, requiring 100% road transportation.

4. This may be so; nevertheless, it is the duty of the railways to improve their service for every possible article they can handle. We presume the statement in question does not connote that railways intend to stagnate. There is very great room for improved services.

5. Though we agree with the latter half, we do not agree with the first portion. Whereas on broad lines this statement may be correct, we take the view that the limit placed at 50 or 100 miles is far too low. We visualise short-haul traffic as being more in the neighbourhood of 250 miles.

6. Please see remarks on para 5. The best solution to road/rail problems seems to be to revise railway rates so as to bring the ceiling down to about the lowest level at which motor transport can compete. This will entail the raising of the rate for coal or similar low-rated commodities. The public should then have freedom to choose the method of transport to be employed. The means of transport best suited to any kind of traffic will then be indicated by the con-

7. A definite road/rail policy must precede any general revision of railway rates and tariffs.

8. There is, in general, no advantage in railways operating or participating in motor transport of goods on parallel routes. However, during the war and in the years immediately following, direct, joint, or co-ordinated use of motor transport by railways, on a short term basis will be necessary.

9. The control of traffic on the National Highway System should be central.

10. The early creation of the Indian Road Board is necessary.

#### CHAPTER V.

1. Motor Transport is paying adequately for the use of roads, in addition to a reasonable contribution to public revenues.

2. A scientific review of motor vehicles taxation is necessary.

sumers' choice, based on the service the various transport agencies are capable of rendering.

**WE AGAIN URGE THAT ON ANY AUTHORITY, BUSINESSMEN MUST BE REPRESENTED.**

7. As above. Our opinion is that the railway rate structure requires to be completely revised.

8. Even if it is of no advantage to the railway, it is of advantage to the general community to have parallel freight services not necessarily operated by the railways themselves.

That road motor transport of goods on routes parallel to the railways is in the public interest is shown by the recently inaugurated service between Mettupalayam & Ootacamund on the S. I. Rly. and similar new services elsewhere.

9. We presume this applies only to "through" traffic on the National Highway system.

10. AGREE.

1. We feel that motor transport is paying a disproportionately large share.

2. We agree that a scientific review of motor taxation is necessary, particularly with regard to reciprocal exemption for inter-provincial movements of vehicles.

We are of the opinion that taxation should be equal throughout India including the Indian States. We realise

the difficulties but suggest now is the time to start with a clean slate and remove the anomalies. This can be done all the more easily if there is to be a Central Transport Budget because the revenues received by the Provinces from the Centre will then require adjustment. Unless taxation is uniform, how can minimum fares be laid down and why should operators be favoured in one Province and penalised in another?

Please also see Appendix II on Inter-Provincial Transport.

## CHAPTER VI.

1. The existing Transport Authorities under the Motor Vehicles Act, 1939 are adequate for the regulation and control of passenger motor transport, but the Provincial Authority should have a whole-time Chairman and should include representatives of road, rail and, where necessary other forms of transport.

2. Goods transport on National Highways should be controlled by the Centre.

3. Subject to the above, the regulation and control of goods transport should be in the hands of a whole-time Provincial Transport Commissioner (who will also be the Chairman of the Provincial (Passenger) Transport Authority), to be nominated by the Central Government, and of the Chairmen of the Regional Transport Authorities under him.

4. An Indian Road Board should be created from April 1944, to examine in greater detail the complex problems involved, to prepare for the launching of the road plan, and to make a beginning in the regulation and co-ordination of

1. Agree.

2. We presume this is intended to refer to "through" goods transport on national highways.

3. Yes; but it is not clear whether the Provincial Transport Commissioners will be empowered to issue permits for "through" traffic on National Highways on behalf of the Central Government.

4. Yes; This should be done quickly. It is desirable that there should be a non-official representative of road transport interests on the Indian Road Board.

transport, even before the termination of the war. This Board should be responsible generally for the development of roads, of road transport and closer road/rail relation.

5. The existence of a Member and Department of Transport is axiomatic.

5. Agree.

### CHAPTER VII.

1. Legislation may be required to give the Indian Road Board a constitutional backing and to provide for the adjustment of differences between the Central and Provincial Governments.

1. Agree.

2. The Motor Vehicles Act, 1939. needs amendment in a number of respects.

2. Agree. We would draw special attention to the recommendation to remove the bar which now exists against the representation of people engaged in—which means people having a knowledge of—road transport on the transport Authorities.

In Appendix II we refer, inter alia, to the need for a special class of permit for semi-goods vehicles such as Demonstration Units and the like—and also to other aspects of regulations. The Appendix contains specific examples of existing anomalies arising from present decentralised control.

3. The various Motor Vehicles Taxation Acts in force need amendment to rectify anomalies.

3. Agree.

### CHAPTER VIII.

1. The bullock cart will be the principal means of transport for agricultural marketing for some time to come.

1. Agree. It follows that the needs of bullock cart traffic should not be lost sight of in designing roads. Competition

2. The development of pneumatic tyred carts must be pursued. The tyres and the carts should be manufactured in India; a start might be made from the salvage available after the war.

between motor transport and bullock cart will be useful.

2. Agree. The suggestion to use post-war salvage is sound but it is considered that something should be done at once to prevent bullock carts from scarifying road surfaces. The Indian Roads Congress has been experimenting with a broad rimmed bullock cart wheel which differs very little from the existing wheel except that it is 5½" wide. These could be fitted with simple type roller bearings and made by village wheelwrights—a great point—and, while not being as satisfactory as pneumatic equipment, will reduce the wear and tear of road surfaces to a very marked extent. There is no need to wait for the end of the war to introduce this type of wheel. The amount of wood and steel required is almost exactly the same as that consumed in the existing narrow rimmed wheel.

## CHAPTER IX.

1. The use of producer gas should be encouraged.

No objection provided at all times the principle is maintained that no class of vehicles should be subsidised by inequitable taxation conditions. All vehicles should pay their share towards roads without discrimination. Since the report accepts the fact that the best method of taxation to deal with wear and tear of roads is a tax on fuel, it seems inconsistent to suggest that the producer gas vehicle should not be made to pay an equivalent tax to the petrol vehicle.

We would at the same time stress the need for reducing the duty on petrol, so that increased use may bring in greater return in tax revenue.

As regards the basis of post-war taxation of producer gas vehicles and

diesel engined vehicles, our view, as we said in 1938 when dealing with diesel fuel, is that the merits of the vehicles should be allowed to establish themselves.

A copy of our letter dated 30-3-1938 is enclosed—Appendix IV. Whatever we said therein in regard to diesel vehicles applies with equal force to producer gas. In short, as a direct tax on diesel fuel or charcoal is not practicable, the next best method is to fix a vehicle tax for diesel and producer gas vehicles, based upon an average annual vehicle mileage. The incidence of the tax should be such as to leave the comparative merits of petrol and diesel and charcoal vehicles as nearly as possible as they would be if they ran free of taxation so that none of them would be deprived, by taxation, of the opportunity of developing on its own merits.

2. The future policy regarding the closure or retention of branch line railways should be determined before the question arises of the replacement of those dismantled during the war.

3. The questions of the use of decked railway bridges by road traffic and the finance of combined road and railway bridges will be more easily resolved under the arrangements proposed in this Report.

2. Certainly.

3. The decking of railway bridges should only be regarded as a temporary expedient until funds are available for separate road bridges.

Even the decking of railway bridges to make them usable by road vehicles will probably take some time and may call for certain structural alterations. In any case the number of bridges which can be so adapted must be limited. It is suggested that temporary improvement can be effected quickly and cheaply in the crossing of rivers immediately after the war by the utilization of surplus landing craft and invasion barges. To a province like Bengal, where the roads

generally run at right angles to the many rivers, this would mean a considerable facility where no crossing at present exists.

4. For the proper study of transport questions fuller road/rail and other traffic statistics will be necessary.

4. Agree.

## CHAPTER X.

We agree that the question of Indian States is of primary importance.

---

## APPENDIX II.

*(Vide remarks against Chapter V, para 2, and Chapter VII, para 2).*

### Inter-Provincial Road Transport.

**Double Taxation:**—It is generally the case that a vehicle, used in more than one taxation area, incurs more than one tax for the same taxation period and this unfair double taxation introduces additional complications into the operation of motor fleets. The furtherance of national transport development and economic unity reasonably calls for a uniform system in which single registration and taxation would cover a vehicle wherever it may legally go. Without damaging provincial and state finance and without requiring major re-organisation, reforms are needed to remove these undesirable barriers against the free passage of goods and vehicles. Simplification of road law, particularly affecting taxation, would be equivalent to the removal of very substantial natural barriers to transport development.

The present system, by which each province and state is responsible for raising its own road revenue, creates a vested interest in the fragmentation of Indian Road transport. Reform could be effected by centralised taxation and the issue of bulk grants to each area according to its burden or, alternatively, the issue of a "general", as opposed to a restricted, permit would entail a division of the revenue from the relative licence amongst the areas in which the vehicle operates, the proportions to be based on information supplied by the holder. Such "general" licences would be at a higher rate than restricted ones to defray the extra cost of administration.

**Permit System:**—Further complications are caused by the system of permits designed to control the development of public carrier transport organisations, to improve their service and to prevent uneconomic competition. It could never reasonably have been the aim of legislation to resist the private operation of road transport for purposes for which rail services cannot cater. Whilst such a system is necessary to regulate public carriers, its obstructive effect could be reduced by instituting three forms of permits to cover vehicles used for goods transport as their main function or ancillary to other purposes.

1. For public carriers, demarking the area and conditions of operation.
2. For private goods carrying vehicles

Permits issued in the area of registration whilst prescribing their function should allow such vehicles to travel freely throughout all the provinces and States.

3. For specially registered semi-goods vehicles which are not used for the transportation of goods but which carry goods for special purposes.

Propaganda and demonstration units which carry limited supplies to facilitate their main function, comprise a typical class. Such permits would apply only to vehicles clearly designed for some purposes other than the carriage



3-04 of goods. Other vehicles in this category would include mobile clinics, cinema vans etc. The licensing and operation of these vehicles should be as untrammelled as ordinary private motor cars and they should not be subject to any of the orders restricting movements of goods vehicles on particular roads since (a) the vehicles, if they carry goods, are not primarily used for the purpose and do not compete with the existing transport services upon which they depend, and (b) they do not carry loads to make them in any way different from a private motor car of equal size.

**Road Laws and Regulations** :—The diversity of road laws and regulations in this country comprise another field of needed reform and they should be unified to fall within a national understandable pattern.

Local regulations are devised without any necessity to conform to generally applied principles, e.g. in respect of definitions, some roads are scheduled as fit for "light" vehicles but this term is not nationally defined and its application does not always accord with the national definition of heavy vehicles. An operator may thus break the law by interpreting local regulations on his experience elsewhere. This vagueness of definitions complicates the assembly of reliable road data and, in particular, seasonal road restrictions should be promulgated in a standard form.

**Local Procedure** :—Lacking complete uniformity throughout the country there is a greater responsibility on authorities to assist incoming traffic to keep the law. It is often necessary for those operating vehicles in certain States to make prior written applications for detailed permits, and replies are not always prompt. There is considerable room for improved information and rationalisation in respect of detached portions of States — which are many — crossed by 'through' highways. Maps are an inadequate guide to these instances and they are not usually indicated by frontier posts where legal formalities can be completed. This lack of helpful arrangements frequently results in a technical offence and a consequent dislocation of schedules whilst awaiting settlement in the courts — sometimes far distant.

**Action Required** :—Difficulties in the way of reform are obvious, some constitutional, which may delay complete realisation but success through Central legislation in respect of the provinces plus negotiated agreement by the Centre with States, should not be impossible. Continuance of the present conditions will prevent the full use by the nation of the expanded road systems scheduled for the post-war future.

Experience shows it is futile to regard progress as a matter of stimulating reciprocity arrangements between provinces, and between Provinces and States and, in addition to secure uniformity by tackling individual anomalies.

The underlying principles permitting the fragmentation of road law, taxation and administration are objects most requiring examination and improvement. Only the Central Government can tackle this and, as they have in many other problems in the past had no difficulty in securing general adherence to a national policy similarly they should have no great difficulty in putting over a radical change in respect of transport law.