

**MAHARASHTRA ECONOMIC DEVELOPMENT COUNCIL,
BOMBAY.**



**REPORT ON
TRANSPORT PROBLEMS
IN MAHARASHTRA**

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IMPORTANCE OF TRANSPORT

Transport constitutes a very important sector of a nation's economy and is consequently of primary importance in a nation's economic planning. Adequate facilities for movement of goods and people are absolutely necessary for attaining a high stage of economic development. Well-developed transportation system facilitates movement of raw materials, fuel, finished products, people, etc., and thereby accelerates industrial and economic growth. By transforming organisation of a country it raises its standard of living. Efficient transportation system is thus indispensable for a country's economic progress and its industrial and agricultural development. In fact, the availability of adequate transportation facilities can be regarded as an index of the degree of economic and industrial development of a country.

Transportation facilities are also very important from the viewpoint of social and cultural development. They bring together people from distant areas and encourage their emotional, intellectual and cultural integration. Efficient transport system is, therefore, of vital importance to a big State like Maharashtra where there is an urgent necessity of accelerating economic development and fostering a feeling of brotherhood in different areas which have been integrated quite recently.

ROAD TRANSPORT

1. Importance of Road Transport

Roads are indeed the blood streams of civilisation and progress. Mr. Bentham, a famous philosopher, stated many years back that "road are the veins and arteries of a country through which channels every improvement circulates". Among the various modes of transport, road transport is becoming very important day by day in most of the advanced countries and even in Maharashtra. The motor vehicles in operation in Maharashtra have increased from 84,072 in January 1959 to 1,00,144 in January 1961 and to 1,23,907 in January 1963 and the public carrier lorries have

increased from 13,680 in January 1959 to 22,750 in January 1963. Motor-transport is becoming increasingly important because as compared to the other means of transport, it is extremely advantageous in some respects and particularly in respect of speed, door-to-door service, capital requirements and handling charges. These advantages of road transport and its high employment potentiality (which is as high as seven times that of railways) clearly indicate the desirability of expanding road transport in Maharashtra.

Moreover, there has been an increasing demand for internal traffic generated by the accelerated industrial and agricultural development in Maharashtra. Railways owing to their inadequate rail-mileage and inflexibility have not been able to meet the increasing demand for transport and consequently it has become necessary to develop road transport for meeting the additional traffic requirements even on the main roads parallel to the railway-lines. In fact the acute shortage of transport at the beginning of the Third Plan created almost a crisis and thereby adversely affected the momentum of growth achieved earlier. The demand for transport has been increasing at a substantially faster rate and if the present transport shortages are allowed to persist they will seriously jeopardize the achieving targets of industrial production in the Third Five-Year Plan. Well developed network of roads in Madras has played a very important role in her rapid industrialisation during the last five years or so. It is obvious that process of economic growth in our State will be accelerated only if the development of transport precedes and is not forced to follow the development in other fields. Well developed network of roads is also necessary for ensuring uniform distribution of industries throughout the State as desired by the Government. It is urgently necessary not only to reduce the present strain on the transportation system but also to augment the transportation—facilities in the areas having very great industrial potentialities in the near future. In particular it would be necessary to develop road transport in the region extending from Bombay-Panvel, Poona to Ratnagiri-Kolhapur which will be highly industrialised and agriculturally developed due to various irrigation, hydro-electric and other projects. The present emergency has added a new dimension to the problem. Road transport has a very great capacity to expand within a very short time and with least investment and, therefore, needs effective measures and adequate incentives for its development.

2. Road Mileage in Maharashtra

One of the most significant features of the road system in Maharashtra is its lopsided development. The network of roads in Maharashtra has been directed towards Bombay and there has been an inadequate development of inter-area communication in certain areas like Marathwada which are very rich in agricultural production and have very great industrial potentialities.

Existing road mileage in Maharashtra, which is a highly industrialised State in India, is also very low even as compared to that in many other less industrialised States. This fact would become clear from the following table :

Road Mileage Per 100 Square Miles of Area and Per Lakh of Population
(as on 31.3.1961)

STATE	Road mileage per 100 sq. miles of area	STATE	Road mileage per lakh of population
West Bengal	.. 119	Mysore	166
Kerala	.. 82	Assam	153
Bihar	.. 75	Rajasthan	.. 127
Madras	.. 59	West Bengal	.. 115
U.P.	.. 54	Orissa	.. 110
Mysore	.. 52	Bihar	.. 108
Punjab	.. 40	Andhra	.. 93
Assam	.. 39	Punjab	.. 93
Andhra	.. 32	Madhya Pradesh	.. 91
Orissa	.. 32	Madras	.. 88
<i>Maharashtra</i>	.. 27	U.P.	.. 83
Gujarat	.. 21	<i>Maharashtra</i>	.. 80
Rajasthan	.. 19	Gujarat	.. 74
Madhya Pradesh	.. 17	Kerala	.. 72
Jammu & Kashmir	.. 8	Jammu & Kashmir	.. 18

We understand that Great Britain, France, U.S.A. and Ceylon have road mileage of 3.24, 3.03, 1.00 and 0.38 miles per square mile respectively. All these figures, in our opinion, clearly indicate the extent of the inadequacy of road mileage in Maharashtra and the scope for its expansion in future.

Nagpur-Plan targets of road construction have been attained in India as a whole and in many States in India and a new Road Development Plan has been sketched for the years 1961-81. The objectives of the Nagpur-Plan were that in a highly developed agricultural area no village should be more than two miles from a road and more than five miles from a main road; and in non-agricultural area no village should be more than five miles from a road and more than twenty miles from a main road. The objectives of the 1961-81 plan are that in a developed agricultural area, the maximum distance of any village should not be more than four miles from a metalled road and 1.5 miles from any road; in a semi-developed area eight miles from a metalled road and three miles from any road; and in an undeveloped area twelve miles from a metalled road and five miles from any road. Even though the Nagpur-Plan targets of road-construction have

been attained in India as a whole and in many States in India, there has been a substantial shortfall in their attainment in Maharashtra.

The following figures indicate road mileage targets, actual achievements and the extent of the shortfall in the achievement of the Nagpur-Plan targets in Maharashtra :

Category of Roads	Nagpur Plan targets	Achievement by the end of 1961	Shortfall	1961-81 Plan targets
National Highways ..	1,542	1,428	114	3,250
State Highways ..	6,857	6,216	641	7,250
Major District Roads ..	11,466	6,797	4,669	17,664
Other District Roads ..	11,686	4,363	7,323	19,846
Village Roads ..	16,748	5,063	11,685	21,050
Total ..	48,299	23,867	24,432	69,060

The shortfall in the achievement of Nagpur-Plan targets in Maharashtra is as high as 50%. We understand that the shortfall is as high as 86% and 83% in case of Marathwada and Vidarbha respectively.

The following table indicates the distribution of road-mileage in the four important parts of Maharashtra :

Region	Road mileage in 1961
Konkan	4,411
West Maharashtra (excluding Konkan) ..	12,340
Marathwada	2,042
Vidarbha	5,074
Total ..	23,867

We understand that road mileage for 100 square miles in West Maharashtra, Vidarbha and Marathwada is 33, 13 and 13 miles respectively and that road mileage per lakh of population in West Maharashtra, Vidarbha and Marathwada is 96, 62 and 59 miles respectively. Some M.L.A.s from Marathwada have explained to us that large quantities of agricultural produce like vegetables and fruits are wasted in absence of adequate roads and transportation facilities in some parts of Marathwada. The importance of road-construction in such areas, wherein absence of adequate roads has adversely affected potential income from economic activities, can hardly be over-emphasized.

In the course of our investigation we have been informed that the following roads are urgently required and should be, therefore, constructed at an early date :

Poona District

1. Dapodi Lohgaon Wagholi Wadebolai Ashtapur Dahitane-Rahu Pimpalgaon Pargaon road.
2. Urali Devachi Pursungi Loni Kalbhor Theur Kolwadi Wadebolai road.
3. Dhond Alegaon Multhan Chincholi road.
4. Saswad-Kodit-Garde-Khed Shivapur Kondhanpur (Sinhgad) road.
5. Saswad Sonori Gurnali Shindon Bharatgaon Yawat road.
6. Baramati Tandulwadi Ravangaon Boribial Alegaon road.
7. Amboli Aptale Khamgaon Junnar road.

Nasik District

8. Niphad Saikheda road.
9. Peint Waghare Trimbak road.
10. Kalvan Borgaon Surgana road.
11. Pimpalgaon Dindori road.

Ratnagiri District

12. Redi Vijaydurg road.

Aurangabad District

13. Ambad Ghansawangi road (joining the Parbhani district to Aurangabad district through Aurangabad Shahgad road).
14. Rahatgaon Naugaon Sashtpimpalgaon Shahgad road (joining the two State Highways namely Aurangabad Paithan road and Aurangabad Shahgad road).
15. Paithan Gangapur road (joining the two State Highways, Aurangabad Ahmednagar road and Aurangabad Paithan road).
16. Rajur Akola road.
17. Ghat Nandra Pachora road (providing transport facilities for the northern part of Aurangabad district with the Jalgaon district).

Parbhani District

18. Eldari-Phalegaon road (near new irrigation project).
19. Hingoli-Resad road (near new irrigation project)

Nanded District

20. Himayatnagar-Hatgaon road (near mineral deposits).
21. Kuti-Kinwat road (near mineral deposits).

Osmanabad District

22. Paranda-Bhoom road.

3. Condition of Roads in Maharashtra

Roads in Maharashtra are not merely quantitatively less but also qualitatively poor. Bulk of the road mileage is unmetalled and unsuitable for all-weather traffic. There are some unbridged river crossings and weak bridges and culverts which create serious bottlenecks and adversely affect the traffic in rainy season.

The following figures indicate the condition of roads maintained by P.W.D. and Local Bodies in Maharashtra as on 31.3.1961 :

	Surfaced mileage				Un-surfaced mileage	Total mileage
	Black topped	Cement concrete	Water bound macadam	Total (surfaced)		
Public Works Department* ..	3,471	527	7,326	11,324	1,664	12,988
Local Bodies† ..	97	5	3,774	3,876	6,926	10,802
	3,568	532	11,100	15,200	8,590	23,790

* P.W.D. data provisional.

† Local bodies mileage provisional.

(Source: Road Facts India 1961).

Most of the roads in Maharashtra are of a very poor quality and need considerable improvement. Some M.L.A.s from Marathwada have explained to us that even some taluka-places in Marathwada are not properly connected by all-weather motorable roads to their respective district centres. The condition of roads in Konkan area is also far from being satisfactory and consequently quite a large number of villages in Konkan are completely isolated during the rainy season.

The adverse condition of roads in Maharashtra has led to a colossal national waste. The Indian Roads Congress in a series of experiments found that good roads save 25% on fuel and 60% to 70% on wear and tear of parts and tyres and that the State Transport, Bombay, and all the vehicles in Bombay State lost about one crore rupees and Rs. 9 crores respectively in 1954 on account of bad roads. It is, therefore, absolutely necessary to ensure that all the important roads have a surface of at least of waterbound macadam and that all the main roads are cement-concreted or asphalted. In our opinion, the problem of modernisation of roads should be tackled in the perspective of the new developments and changes which are taking place in our transportation system. The vehicles of heavier capacities and diesel-engined lorries are being increasingly operated in Maharashtra and consequently there has been a considerable deterioration of road-crusts. The national waste on account of bad roads is, therefore, bound to increase unless they are modernised to suit the traffic-intensity.

The modernisation of roads in Maharashtra, however, does not seem to have received due attention of the authorities concerned. The amounts allocated for modernisation of roads are, in our opinion, extremely inadequate considering the necessity of upgrading the surface of most of our roads and making them suitable for all-weather and heavy traffic. In view of this, we recommend the Government to increase the allocations to such an extent as would enable the effective execution of the desired modernisation of all the roads in Maharashtra. We also recommend that due consideration should be given to the intensity of wear and tear in each area due to rainfall or climatic conditions while allocating the funds for repairs to roads transferred to Zilla Parishads. Immediate steps should be taken to modernise and improve important feeder roads to the ports like Musakaji-Rajapur road and Achre-Kankavali road; important roads in developing agricultural areas like Shirala-Petlond road (near Warana Dam Project area); important roads in developing industrial areas like Karad-Kirloskarwadi road; important linking roads like Khamgaon-Chikhali road (in Buldhana district); important feeder-roads to railway stations and important towns and the roads connecting sugar factories to the neighbouring villages and their bridges and culverts.

We further recommend that adequate incentives by way of loans and subsidies should be given for encouraging the use of rubber-tyred wheels by bullock-carts in sugarcane areas around sugar factories.

As regards the construction of new crossings and bridges, we suggest that the following and similar other crossings and bridges should be constructed as early as possible :

Ratnagiri District

1. Crossings and the nallas of Achre-Kankavali road.

Satara District

2. Bridges on road portion between Lonand and Shirwal of Mahad Pandharpur road.
3. A bridge across Dhuldeo Nalla of Satara Pandharpur road.
4. Dhamner bridge to connect Satara and Rahimatpur.
5. Humgaon bridge on Kudal-Panchagani road.
6. Karhar Nalla on Kudal Panchagani road.
7. A bridge at Katarkhatav on Mayani Pangli road.

Dhulia District

8. The bridge at Prakasha on Tapti river (for connecting Taloda and Akkalkuwa to Nandurbar Market Place).

Aurangabad District

9. A bridge across Godawari river near Paithan.
10. A bridge on Purna river on the existing Jafarabad Deolgaon Raja road.

11. A bridge on Bhokardan Jafarabad road across Khelna river.
12. A bridge on Purna river on the existing Jalna Bhokerdan road.
13. A bridge across Purna river at Boregaon on the Sillod Nagpur road.
14. Bridges and culverts on Gangapur Vaijapur road.

Buldhana District

15. A bridge on river Khadak-Purna (for shortening the distance between Jalna and Akola and ultimately Poona and Nagpur).

4. National Highways and Cross-Roads

The main object of road-development should be to ensure such a judicious combination of different types of roads like National Highways, State Highways, Major District roads and Other District roads and village approach roads, as would facilitate speedy movement of goods and people among all the important places of the State. At present, the important National Highways running through Maharashtra are Bombay-Agra road, Bombay-Poona-Bangalore road, Dhulia-Edlabad-Nagpur-Calcutta road, Poona-Sholapur-Hyderabad road, Poona-Nasik road, Bombay-Ahmedabad road and Jabalpur-Nagpur-Hyderabad road. The Chief Engineers in their Road Development Plan (1961-81) have recommended that Bombay-Belgaum road (West Coast road), Nasik-Jalna-Bhopalpatnam road, Surat-Dhulia road, Nagpur-Sholapur-Belgaum road, Nagpur-Malkapur-Jalna-Sholapur-Hospet road, Nagpur-Bhopalpatnam road and Nagpur-Bhopal road should be upgraded as National Highways. It is necessary to upgrade these roads as national highways for ensuring an adequate highway mileage in under-developed areas in Maharashtra like Konkan and Marathwada and for connecting them properly to Bombay and other important places in the State. We, therefore, request the Government of Maharashtra to make the necessary recommendations in this behalf to the Central Government.

Apart from the necessity of increasing the mileage of National Highways, it is necessary to augment their carrying capacity and also to ensure that they are suitable for carrying loads greater than the permissible limits. Carrying capacity of roads depends on the capacity of their weak portions and, therefore, steps should be taken to carry out the necessary repairs and modernisation of the weak portions of the national highways and their bridges. In particular, Poona-Nasik road, which is an important national highway link connecting Bombay-Agra road and Poona-Bangalore road, should be provided with sufficient number of bridges and either the existing bridge on Koyna river near Karad on Poona-Bangalore Highway should be modernised or a new bridge should be constructed in lieu of the same. Similarly, ghat portion and particularly the Katraj ghat on Poona-Bangalore highway should be improved and modernised. For increasing the carrying-capacity of the National Highways and increasing the speed of the traffic we further recommend that the width of all the national

highways in Maharashtra should be increased to two traffic lanes for their entire length and their busy portions like Bombay-Agra Road upto Nasik and the Bombay-Bangalore road in Satara and Kolhapur districts should be widened to at least 38 feet. Necessary steps should be also taken to ensure that slow-moving traffic is segregated and thereby its interference with the motor transport is prevented. Similarly, private parties should be encouraged to construct adequate number of truck-terminals and parking places in towns, taluka headquarters and bigger villages. We further recommend that the national highways passing through important cities and towns like Malegaon should be diverted outside such cities and towns and that the construction of the proposed diversion road to bypass the steep gradient on the existing ghat portion of Bombay-Poona Road should be expedited.

Construction of sufficient number of cross-roads is necessary for increasing the utility of National Highways and State Highways to the neighbouring areas. In particular, West-Coast Highway should be linked by cross-roads to intermediate and minor ports and by ghat-roads to the area to the east of the Sahyadri. Once the ports are properly connected by feeder roads with the important towns in the hinterland, they will encourage the coastal steamer traffic as well as the traffic on the roads and thereby the economic development of Southern Maharashtra. The construction of such cross-roads will also reduce appreciably the pressure on Bombay Port and the major roads joining the areas in South Maharashtra to Bombay. We understand that some of the ghat-roads like Bhorghat, Thalghat, Ambaghat have been well modernised, some ghat-roads like Bavdaghat, Karulghat, Ane-mal-shej ghat are being modernised and some other ghat-roads like Varandha ghat and Amboli ghat etc. are still to be modernised. It is obvious that apart from the modernisation of the existing ghat-roads it will be necessary to construct new ghat-roads for ensuring a proper road development in Maharashtra.

5. Resources for road-development

Even though planners have emphasized from time to time the vital bearing of road-development on economic progress, the provisions for road-development in the plans have been kept at an extremely low level as compared to those for the other aspects of development. Out of the Maharashtra's total plan-outlay of Rs. 350 crores and Rs. 390 crores during the Second and Third Five-Year Plans the provision for roads has been only Rs. 24 crores and 27 crores respectively. The expenditure on roads and traffic in 1961-62 was Rs. 7.93 crores and the budget-estimate of 1963-64 is only Rs. 5.58 crores. Provision of funds for road-development, we understand, has been considerably slashed down by curtailing expenditure on new works. The extent to which these allocations are low would become clear when they are compared with the total expenditure of Rs. 500 crores on road-construction in Maharashtra envisaged in 1961-81 Plan.

More surprising fact is that as against the amount of Rs. 27 crores required for completing spill-over works in Maharashtra started during the Second Plan, the actual provision in the Third Plan is only Rs. 16 crores. All these facts and figures clearly indicate that the allocations for road-development are extremely inadequate and will have to be increased considerably for ensuring adequate road-development in Maharashtra and achieving the targets of road-construction envisaged in the 1961-81 Plan.

It is also not very difficult to increase the allocations for road-development because they are much less than the total revenue collected from road transport. We understand that the amount of taxes collected in 1961-62 from motor transport in Maharashtra was more than Rs. 12 crores (Motor vehicle taxes Rs. 5.86 crores, Sales tax on motor spirit Rs. 2.75 crores, Taxes on Passengers carried by road Rs. 1.10 crores and Sales tax on vehicles and accessories at 10% of the sales value [estimated] Rs. 3.00 crores). The tax revenue will increase further in future as a result of the increase in the number of motor vehicles and traffic and the new tax on road freights levied on goods vehicles. We, therefore, recommend the Government of Maharashtra to take the necessary steps for effecting an appreciable increase in their yearly expenditure on the development of roads as well as road transport.

There is also a great scope for increasing the yearly expenditure of Government of India and the State Governments on the development of road and road transport. This would become clear from the following table :

INCOME FROM ROAD TRANSPORT AND EXPENDITURE ON ROADS IN INDIA
(Estimates in crores of rupees for 1963-64 without making an allowance for the under-estimation of the revenue expected by the Government from the new taxes and the increase in the number of motor cars and the consumption of their spare parts and fuel subsequent to 1961-62)

<i>Expected Income</i>		<i>Expected Expenditure</i>	
(1) Revenue from motor transport:		(1) Road construction:	
(i) Govt. of India's revenue from Motor Transport (1961-62):		Central Govt. ...	42.5
Import duties on motor vehicles ...	1.70	State Govts. ...	34.2
Excise duties on motor vehicles ...	10.30	(2) Maintenance (1960-61)	39.5
Import duties on motor parts	12.81	(3) Establishment, transport, administration & traffic control ...	9.0
Import duties on petrol ...	4.29	(4) Tax collection	2.0
Excise duties on petrol ...	45.51		
Import duties on diesel oil (2/3 of total) ...	8.00		
Excise duties on diesel oil (2/3 of total) ...	29.00		
Import duties on tyres and tubes ...	1.16		
Excise duties on tyres and tubes ...	14.50		
Excise duty on asphalt and bitumen	2.52		
	<hr/>		<hr/>
	129.79		127.2
			<hr/>
	129.8		

<i>Expected Income</i>	<i>Expected Expenditure</i>	
(ii) State Governments existing revenue from Motor Transport (estimated from 1960-61 figures):		
Vehicle taxes ...	32.40	
Sales tax, motor fuel ...	18.91	
Passenger and goods-tax ...	12.45	
Sales tax on vehicles and accessories, etc.	10.95	
	74.71	74.7
(iii) <i>New Central Taxes:</i>		
Customs surcharge of 10% on motor vehicles, components, petrol & high speed diesel oil ...	4.78	
<i>Special Excise Duty:</i>		
On petrol at 10% ...	5.75	
On high speed diesel oil at 10% ...	5.02	
On tyres at 20% ...	3.40	
On motor vehicles (20% on commercial vehicles and 33½% on cars) ...	2.60	
<i>Increase in Basic Rate of Excise Duty:</i>		
Petrol ...	12.00	
Refined diesel oil ...	11.04	
Countervailing import duty on motor vehicles ...	0.09	
<i>Increase in Basic Import Duty:</i>		
High speed diesel oil ...	5.55	
Petrol ...	1.14	
Motor vehicle components	3.44	
	54.81	54.8
(2) Fines, Penalties, Income-tax, etc.		5.0
	Total	264.3

As usual the Government have been conservative in estimating the revenue from the new taxes and during the recent years there has been a trend towards the increase in the number of motor cars and consumption of their spare parts and fuel. We are, therefore, of the opinion that the total expected revenue from the taxes during 1963-64 would be much more than Rs. 300 crores and that the difference between the revenue from and the expenditure on road transport would be as high as Rs. 200 crores. In view of this fact and in view of the heavy burden of taxes on motor transport we recommend the Government of Maharashtra to impress upon the Union Government the desirability of devising all the possible measures for reducing taxes on motor transport and increasing the expenditure on the development of roads and road transport. It is also necessary to ensure that the maximum possible portion of the sugarcane cess is utilised for road-construction around sugar-factories and that the necessary steps are taken to levy additional taxes on direct beneficiaries like

betterment levy, road-cess on land-revenue, tax on vehicles other than motor-cars and tolls on big projects. The Chief Engineers in their Road Development Plan (1961-81) estimated that additional road cess of 3 to 4 annas per rupee on land revenue would yield Rs. 20 to Rs. 25 crores and betterment levy at the rate of Rs. 2 per acre per year would yield Rs. 70 crores. There is such a great scope for tapping the resources from direct beneficiaries as would not only enable the Government to provide adequate tax-incentives for the development of motor transport but would also enable them to allocate substantially greater amount for the development of roads and road transport.

6. Taxation on Road Transport

There is an urgent necessity of reducing heavy burden of taxes on automobile manufacturing industry and motor-transport and of providing certain positive incentives for encouraging their growth. Taxation on motor vehicles in India, we understand, is more than double of that in most of the wealthier European countries. The taxes imposed during the manufacturing operation constitute about 30% of the cost of new vehicle in addition to which operators have to pay during the operation various taxes like excise/import duty on fuel, excise duties on tyres and batteries, sales tax on vehicles, sales tax on fuel to State Government, tax on passengers or goods, octroi on goods, etc. The heavy burden of taxes on motor vehicles has jeopardized automobile manufacturing industry and crippled the growth of motor transport and, therefore, it is absolutely necessary to take immediate steps for reducing all the taxes on motor-transport. In particular the surcharge of 50% of the vehicle tax subject to a maximum of Rs. 530 per vehicle, which was imposed in 1952 on diesel-driven vehicles in Maharashtra on the ground that the diesel oil was duty-free, should be abolished altogether from Maharashtra because it has never been levied in other States in India and from 1956 the Central Government have been levying an import-excise duty on diesel oil which is now 44 nP. per litre (i.e. Rs. 1.99 per gallon), i.e. practically the same as that on petrol. A reduction of about 25% in the total burden of taxes on motor transport, in our opinion, will not have any adverse long-term effect on the total tax-receipts from motor-transport. This is so because the demand for motor-cars and motor-transport being very elastic a reasonable reduction in tax would increase the demand to such an extent as would fully compensate the initial loss in the tax-revenue and would bring tax-proceeds more or less to the present level in the long run.

Taxes on motor-transport are not merely heavy but are also multifarious in nature. The operators have to pay various types of taxes to Central Government, State Governments and even to Municipalities. They have to pay certain taxes like octrois and terminal taxes which hamper the swift movement of vehicles and thereby result in their under-utilisation.

The necessity of abolishing such taxes, which unnecessarily increase the costs of transport and result in colossal national waste, can hardly be over-emphasized. In this connection we understand that octroi charges in Bombay City, known by the name of town duties, are to be extended shortly to a large number of additional commodities. We would point out here that the State Government is already committed to the abolition of octrois and as such no increase in the scope of the octroi or town duties now in force should be permitted. It is also necessary, pending the abolition of the octroi, to remove motor vehicle parts, tyres, accessories and raw materials for their manufacture, from the list of commodities attracting octroi in various municipal areas included in Bombay.

There is also an urgent necessity of rationalising motor-transport taxation and of evolving a procedure for rational allocation of the proceeds so collected. For this, we request the State Government to suggest the Union Government that only three taxes should be imposed on motor-transport in India: (i) import and excise duties on motor vehicles and their accessories; (ii) a Central fuel tax (including State sales tax to the State in which they are registered); and (iii) a State vehicle tax (including sales tax on vehicles and accessories, octroi and wheel tax, passenger and goods tax). After allowing collection charges, interest at reasonable rate of about 5% on the investment on roads, a reserve not exceeding 10% and a reasonable contribution to the general revenue (percentage to be fixed in consultation with the Chambers of Commerce and interested parties concerned), net proceeds should be made available for the development of motor transport. Such net proceeds of import and excise duties on motor vehicles and their accessories should be distributed according to the number of vehicles among the States. The net proceeds of central fuel tax should be utilised for the construction and maintenance of national highways and inter-State and other important routes and their bridges, etc., and the balance should be distributed amongst the States according to the consumption of fuel in the previous year. The net proceeds of the State vehicle tax and the share of import and excise duties on motor vehicles and their accessories and a central fuel tax received from the Central Government should be spent for the construction and maintenance of State Highways, district roads and village roads and their bridges, administration of Motor Vehicles Act and traffic and safety regulations, subvention to local bodies in lieu of octroi and wheel tax and contribution of State revenues on an agreed basis as passenger and goods tax.

7. Restrictions on Road Transport

Apart from the heavy burden of taxes and delays at checkposts, the development of motor-transport has been adversely affected by other antiquated laws and cumbersome procedures laid down by them. In particular, the permits prescribe restricted areas of operation (of about three-

four revenue districts). There is also some delay in issuing permits and considerable inconvenience and delay in getting them countersigned for extending their area of operation. We understand that Madras Government have decided to make public carrier permits valid over the entire State and that several other States have liberalised their policy in this behalf. In view of these facts, we recommend that wherever desired, public carrier permits should be given State-wise validity immediately instead of requiring the operators to get the permits countersigned by different regional authorities and that Masani Committee's recommendation in this respect should not be held in abeyance at the instance of the railways.

As regards inter-State traffic, there are reciprocal agreements between neighbouring States and the Inter-State Transport Commission has recently directed the issue of 320 permits over routes moving through more than two States. The number of permits issued over routes traversing more than two States is extremely inadequate and has consequently adversely affected the inter-State traffic. We, therefore, recommend that Inter-State Transport Commission should remove the hindrances in inter-State traffic and in particular should issue sufficiently large number of regular permits on long distance trunk routes at an early date. In view of the adverse effects of the regional and political considerations on road transport, we further recommend that the status of Inter-State Transport Commission should be raised and it should be given adequate powers for the effective regulation and development of road transport.

8. Motor Vehicles and their Capacity

One of the greatest handicaps in the development of road transport in Maharashtra is the small size of the motor vehicle population which has resulted in the under-utilisation of a big portion of our road mileage. There has been also an extremely inadequate supply of new motor vehicles, spare parts, garage tools and truck-tools as a result of import restrictions and non-availability of foreign exchange allocations in time or in adequate amounts. India has on the average 1.4 vehicles per mile of road as compared to about 33 vehicles of U.K., 27 of West Germany and Japan, 21 of the U.S.A., 12 of Viet Nam, 9 of Ceylon, 8 of France and 6 of Philippines. The production of automobiles in India has not merely failed to reach planned rate of progress but has actually registered a declining trend during the last two-three years. As against the target for production of 60,000 commercial vehicles in India in 1965-66 the production in 1960, 1961 and 1962 was 27,100, 26,721 and 26,044 respectively. This sharp rate of decline in the face of emergency, which has necessitated a considerable increase in the plan-target itself, needs immediate attention. Heavy burden of taxes on motor vehicles, paucity of foreign exchange allocations and inadequate credit facilities to the operators have seriously

jeopardized automobile manufacturing industry and motor-transport and, therefore, it is absolutely necessary to devise adequate measures for removing all these handicaps of the industry. Hire-Purchase legislation should be such as would provide adequate incentives to Hire-Purchase Corporations for augmenting credit facilities to the operators and in particular should not impose unreasonable restrictions on the owner's right to re-possess goods in the event of hire-purchaser's failure to reimburse the credit.

Apart from the necessity of encouraging the automobile production, there is a necessity of encouraging the use of larger capacity vehicles for developing road transport and reducing its transportation costs. The fact that the use of larger capacity vehicles reduces the transportation costs has been well emphasized by Indian Productivity Team on road transport industry in its report by stating that cost per ton mile of 6 ton truck is 13 nP. per ton whereas the same of 9 ton truck, 15 ton truck and 21 ton truck are 7.18 nP., 4.40 nP. and 3.12 nP. per ton respectively. In most of the advanced countries, truck-trailer combination has been used effectively for augmenting the carrying capacity of their roads within their truck manufacturing capacity and also for reducing their transportation costs. The use of trailers and semi-trailers would enable our State to avail of all these benefits and also to effect an appreciable saving in our foreign exchange resources. We recommend that all the possible incentives in taxation and other matters should be given for encouraging the use of larger capacity vehicles and particularly the use of truck-trailer combination in Maharashtra.

9. Nationalisation

In the Industrial Policy Resolution, road transport has been included in the list of the industries in which Government will take initiative only in providing additional facilities and not necessarily in taking over the existing ones. However, in most of the States nationalisation of road transport has been carried on for replacing the existing services and thereby reducing the utility of the private cars used before for the purpose. Moreover, in most of the cases, we understand, remunerative routes have been nationalised and un-remunerative routes have been left to the private enterprise. The un-remunerative nature of these routes and the fear of nationalisation have very adversely affected the efficiency of the private enterprise.

Nationalisation of passenger transport is almost complete in Western Maharashtra and has been completed to about 34% and 52% in Vidarbha and Marathwada respectively. During the Third Plan period there is a provision for an outlay of Rs. 6 crores in the State Plan and Rs. 2.50 crores in the Central Plan for achieving the complete nationalisation in Western Maharashtra and 53% and 76% nationalisation in Vidarbha and Marath-

wada respectively. We understand that the complete nationalisation of the passenger transport in Maharashtra would cost the Government about Rs. 19 crores. It would be unwise, in our opinion, to spend such a large amount for the nationalisation of the existing passenger transport when there is a considerable dearth of finance for the modernisation of the existing roads and construction of adequate number of new roads. The extension of the orbit of nationalisation has also little justification because the Motor Vehicles Act is very comprehensive and has been successful in regulating effectively road transport in Maharashtra. Moreover, the State Transport Corporation in our State could not run goods service profitably and had therefore to give up the same. In view of these facts we recommend that there should not be any further nationalisation of the passenger transport and support the recommendation of the Masani Committee that the existing moratorium on nationalisation of the goods transport should be extended for a period of at least 10 years from the end of the Third Five-Year Plan.

10. Administrative set-up

Buildings and Communications Department of Maharashtra State not only looks after the development of roads but also deals with various other portfolios. Some other States like Madras and Andhra Pradesh, we understand, have separate departments for looking after the maintenance and development of roads. It is well known that such special departments by encouraging specialisation in construction technique can effect economy in costs and efficiency in execution. In view of this, and also in view of the vital bearing of road development on the accelerated economic progress of Maharashtra, we recommend that Maharashtra Government should create a separate department for looking after exclusively to the matters relating to the development and maintenance of roads in Maharashtra and should also create a special branch in such a department for planning, encouraging and watching the progress of development programmes and thereby expediting the construction of roads in Maharashtra.

RAIL-ROAD CO-ORDINATION

In their efforts to seek a suitable co-ordination between road transport and railways, the Government have been inclined towards development of railways and have positively discouraged development of road transport by imposing various types of taxes and restrictions. Government's policy of co-ordination has hindered the most effective utilisation of the available and potential capacity of road transport and has aggravated thereby the shortage of transportation facilities in Maharashtra. It has caused a serious damage to the interest of Maharashtra and her industries by adversely affecting free choice of consumers and thereby jeopardizing the efficient allocation and exploitation of various resources in the State. In

view of these facts, we feel that it is absolutely necessary to evolve such an effective policy of co-ordination as is fundamentally based on the principle of free choice of consumers and allows both these means of transport to develop without hindrance as long as they eliminate technically inefficient methods and render an efficient service at a minimum price to the consumers. There is also a considerable scope for the development of both road transport and railways in an orderly manner for meeting the increasing demand for transportation in Maharashtra State which is very big and highly industrialised as compared to other States in India and yet lacks considerably in adequate transportation facilities.

For obtaining the maximum benefit from both of these means of transport it is necessary to encourage such a fair competition between them as would ensure that each of them is allowed to concentrate on that traffic for which it is most suitable. We have already pointed out that as against the expected expenditure of Rs. 127.2 crores on the development of road transport in India during 1963-64, the expected burden of taxes would be much more than Rs. 300 crores and that various types of additional taxes amounting to more than Rs. 54.81 crores are being imposed on road transport during 1963-64. The expected burden of taxes on railways during 1963-64, however, would be only about Rs. 22.50 crores (payment in lieu of tax on passenger fares Rs. 12.50 crores and cess on coal, import duty, excise and import duty on diesel and lubricants and sales tax, etc. Rs. 10.00 crores). We understand that the total levy during the year 1963-64 in terms of the goods carried in road vehicles, which will amount to around 6 nP. per ton-mile, will be almost equal to the average rate at which goods are carried by railways and that in case of petrol-driven vehicles the levy will exceed the freight-rate of the railways. The discriminatory taxation policy of Government of India and State Governments has indeed seriously hampered competitive capacity of road transport and has made it extremely difficult to create healthy competition between the two.

Moreover the railways are more inclined towards charging what the traffic can bear irrespective of cost of carriage and consequently it has become extremely difficult for these modes of transport to know clearly the traffic for which each of them is more efficient and economical. In particular it has not been possible to know clearly the extent to which railways are really economical for long distance traffic and carriage of bulk items like coal, ores, etc., and the extent to which motor-transport is really economical and efficient for short-distance traffic and carriage of costly articles. In the absence of such accurate information and free competition it has been extremely difficult for each of these modes of transport to concentrate on that traffic for which it is most suitable and thereby obtain the maximum benefit from its service.

Absence of free competition, in our opinion, has more adverse effects on road transport than on railways. We understand that inland traffic

carried by road transport all over the world has increased substantially during the recent years and that as against the road traffic of over 60% and 52% in U.K. and Australia and similar very high percentages of inland traffic in many other highly industrialised countries, traffic carried over by road transport in India does not exceed even 20% of her inland traffic. Fast development of road transport in most of these advanced countries is also due to its certain advantages over the railways. The consumers in many cases prefer motor-transport to railway transport because it is very advantageous in some respects and particularly in respect of speed, door-to-door service and handling charges. Motor-transport by virtue of its being highly competitive in nature has become highly efficient and, therefore, renders better service to the consumers than a monopolistic organisation like railways. The consumers' choice in India, however, has been adversely affected by the hindering restrictions and extremely heavy burden of taxes on motor transport and the reluctance of the Indian railways to base their freight-structure on the cost of service principle. It is obvious that unless the rail-road co-ordination policy in our country is fundamentally based on the principle of free choice of consumers, it will be very difficult to utilise in the most effective way the available capacity in these means of transport and thereby promote the total interest of the community. In view of these facts, we earnestly request the Government of Maharashtra to recommend that the railways should aim at basing their freight rates mainly on the cost of service principle within a reasonable time and that the procedure for carrying out the desired change should be discussed with the Chambers of Commerce and the interested parties concerned.

RAILWAY TRANSPORT

1. Importance of Railway Transport

Railways have played an important role in the movement of goods and people in Maharashtra and have encouraged development of certain industries in certain parts of Maharashtra by facilitating the movement of raw materials and finished products over long distances. During the ending years of the Second Plan and beginning years of the Third Plan, however, they have not been able to meet quite a large portion of demand for movement of goods arising out of the rapid industrialisation and consequently there were complaints from many quarters regarding shortage of transport facilities. In his presidential address in May 1961, the President of the Nagardbha Chamber of Commerce stated that due to the scarcity of wagons transportation-facilities has hindered the development of certain areas in Maharashtra particularly in Konkan and Marathwada which have very great potentialities for agricultural and industrial development. It has, therefore, become necessary to devise certain suitable steps for effecting an adequate development of transportation-facilities with a view to enhance

the movement of bulky raw materials over long distances mainly for reducing the losses caused by the under-utilisation of capacities in existing industries and encouraging the industrial and agricultural development of under-developed areas in Maharashtra.

Railways have also a very great strategic importance. They facilitate expeditious movement of troops and essential supplies during the war and warlike situations. They have, therefore, become very important under the present emergency.

2. Rail-mileage in Maharashtra

Rail-mileage in India and in Maharashtra is very low. We understand that India has rail mileage of 2.8 miles per 100 square miles of area which is very low as compared to that of 20 miles of U.K. and Germany and 6.6 miles of the U.S.A. The fact that the rail-mileage in all the three important parts of Maharashtra is very low would become clear from the following table giving a comparative picture of the rail-mileage in three important parts of Maharashtra :

Section	Railway mileage on 31-3-1961	Percentage	Railway mileage on 31-3-61 per million of population	Railway mileage on 31-3-61 per 100 sq. miles
Western Maharashtra ..	1,530	45.74	80	2.6
Vidarbha	1,063	31.78	139	2.8
Marathwada	752	22.48	113	2.4
Total ..	3,345	100.00

The low rail-mileage in Maharashtra and the lack of uniformity in gauge of some of the railway-lines is, in our opinion, a reflection of under-developed nature of our national economy which has adversely affected the demand for railway-transport during the last several years.

In the following paragraphs we suggest some schemes for the development of railways in Bombay City, Western Maharashtra, Vidarbha and Marathwada. It is, however, necessary to bear in mind that these schemes involve bulky investments and considerable drain on foreign exchange resources. We strongly recommend that the schemes of extension and improvement of the railway-lines should be taken in hand only after a thorough investigation of the traffic potential of the areas involved and only after it is ensured that the rate of return on the investment would more than outweigh the opportunity cost involved. We also support the recommendation of Messrs. K. G. Mitchell and L. H. Kirkness in their

report on Rail-Road Co-ordination that where good roads could be constructed and maintained the justification of a branch line must rest largely on amount of merchandise which it would be required to carry and which could in no circumstances be carried economically by road.

Even though the railways are entirely under the jurisdiction of the Union Government, it is in the interest of the State Government to ensure that the railway development in the State is carried on in such a way as is beneficial to its community in the long run. We, therefore, request the Government of Maharashtra to impress upon the Central Government all our recommendations in connection with the development of railway transport in Maharashtra mentioned in this paragraph and in the subsequent paragraphs.

3. Railways in Bombay City

There has been an increasing congestion of population in Bombay which has extremely adverse effects like extreme housing inadequacy, shortage of open spaces, traffic delays and congestion and deterioration in public utility services like water-supply. It has, therefore, become necessary to develop transportation-facilities for dispersing the population and facilitating quick movement of passengers. Among the different means of transport, railways are very useful and efficient in the movement of passenger-traffic in big cities because they have a very great carrying capacity and are also more speedy than motor-cars in big and crowded cities. It is desirable to construct a tube-railway by the cheapest method (i.e. cut and cover method) for joining Bombay Island to the mainland and thereby reducing appreciably the traffic congestion in Bombay. But the costs of construction of a tube railway line for such a long distance would be very high and, therefore, such a programme of railway development could be undertaken only after a long time. It would be, however, desirable at present to explore the possibilities of constructing a short distance tube railway line for connecting important places in the Fort area like Secretariat, Museum, Ballard Pier, Crawford market, Dhobi Talao to Churchgate and Victoria Terminus railway stations. Suburban railway transport in Bombay City could be further developed on the lines suggested by Messrs. R. N. Joshi and N. V. Joshi. They have suggested that a big railway station by name "Bombay Junction" should be created at Dharavi after clearing unhealthy slums and reclamation of the Mahim creek and that all the trunk railways should be terminated at this station for enabling the railways to utilise all the trunk and local lines to the south of the station exclusively for local traffic at least during peak load periods. It is also desirable to explore the possibilities of widening some of the important roads and bridges and of constructing suitable tunnels and express ways over railway tracks at some places for reducing traffic congestion in crowded localities.

With a view to reducing congestion of population in Bombay, the Study Group of Greater Bombay and Communications and Traffic Panel have in their reports strongly recommended that the highest priority should be given to the building of rail-cum-road bridge across the Thana Creek connecting the island to the mainland. Another proposal that has been advanced in this connection is that of constructing a bridge for connecting Bombay to Uran. It would be desirable to have a railway tract on either of these two bridges and to connect thereby Bombay to Uran and Palasdhari by railway. It might be also advantageous for the railways to explore the practicability of constructing a suburban link line from Belapur to Thana establishing a complete suburban circuit linking Kurla, Chembur, Belapur and Thana as suggested by the Study Group on Greater Bombay or of constructing a suburban link-line from Uran to Thana establishing a complete suburban circuit linking Victoria Terminus, Uran and Thana. Development of railways on these lines would not only reduce the congestion of population in Bombay but would also reduce the distance between Bombay and Poona by about 34 miles and the great pressure of traffic on the existing trunk lines.

4. Railways in Western Maharashtra

We congratulate the Government for starting the construction of Diva-Panvel-Kharpada railway line with a branch line for Uran and suggest that this line could be extended to Mangalore with suitable cross-railway connections like Karad-Chiplun, Karad-Sangameshwar, Kolhapur-Ratnagiri, Kolhapur-Kankavli-Achre and Belgaum-Savantwadi-Vengurla. Railway construction on these lines would be useful for meeting transportation demand of Ratnagiri and Kolaba districts which are very rich in various types of horticultural products like cashew-nuts and mangoes, forest products and minerals like bauxite, iron ore, asbestos, silica, chromite, mica and felspar and whose industrial potentialities have increased with the availability of electric power from the Koyna project. The branch-lines like Kolhapur-Ratnagiri line would connect important ports like Ratnagiri to interior parts of Maharashtra comprising of South Maharashtra, Marathwada and Vidarbha and thereby reduce traffic congestion at places like Bombay and Poona.

As regards the Northern part of Western Maharashtra, the Railways may investigate as to whether it would be advisable to construct Manmad-Malegaon-Dhulia railway line for connecting Malegaon, an important industrial town and powerloom centre to Manmad and Dhulia and Dhulia-Amalner line for joining Dhulia-Chalisgaon line and Bhusaval-Surat line and thereby improving the transportation among the big cities like Jalgaon, Dhulia, Amalner and Surat. They may also investigate the advisability of the construction of Malegaon-Taharabad-Mulher-Surat line for facilitating transportation particularly of timber and forest products

from Dang and other areas and of conversion of Pachora-Shendurni-Jamner line into broad gauge line for facilitating transportation of fruits from Jamner and wood from Ajanta range and accelerating the development of Pachora and Jamner talukas. The traffic between Bhusaval and other important business centres and Bombay, we understand, is very great and is increasing rapidly and consequently it would be advisable for the railways to take the necessary steps to ensure that Igatpuri-Bhusaval electrification project is completed by the end of the Third Five-Year Plan. Similarly, in view of the rapid industrialisation in the area around Khopoli and Karjat it might be advisable if the railways double and electrify the railway line between Khopoli and Karjat for meeting the increasing demand for transportation and for running direct trains from Bombay to Khopoli.

It is a matter of great pleasure to note that the Government have decided to convert the present Poona-Miraj metre-gauge line into broad-gauge line for accelerating transportation and meeting the increasing demand for transportation from various industries which are being started at Satara, Karad, Kirloskarwadi, Ogalewadi, Sangli, Kolhapur and Ichalkaranji. There may be, however, a great scope for carrying out a further improvement in the railway transport in South Maharashtra. We have been informed that there is a demand for the transportation of minerals like bauxite, plaster of paris, etc., and for providing adequate transportation facilities to Ichalkaranji, centre of yarn and powerloom cloth, and some sugar factories at important places like Phaltan and Malshiras. The Railways may investigate into these requirements and consider the advisability of converting Kolhapur-Miraj, Miraj-Belgaum, Miraj-Kurduwadi lines into broad gauge lines, doubling Poona-Miraj and Poona-Sholapur lines and constructing some new broad gauge lines like Satara-Satara Road, Lonand-Phalton-Malshiras-Pandharpur, Madhavnagar-Sangli, Hatkanangle-Ichalkaranji, Kolhapur-Nipani.

5. Railways in Vidarbha and Marathwada

The development schemes in Vidarbha and Marathwada have accelerated their agricultural and industrial development and consequently, we understand, there has been an increasing demand for quick transportation of the produce to the marketing centres like Bombay in Western Maharashtra. The Railways may, therefore, explore the advisability of converting Manmad-Aurangabad-Parbhani-Secunderabad, Mudkhed-Bhokar-Adilabad, Parbhani-Parli-Vaijanath and Latur-Kurduwadi lines into broad gauge lines and of constructing new railway lines like Latur-Latur road-Nanded and Latur-Parli-Vaijanath. It would be possible for the railways to reduce the burden of heavy traffic on important cities like Bombay and Poona and the routes leading towards them by moving quite a large amount of traffic (particularly pertaining to international trade) in the Southern part of

Marathwada and Western Maharashtra towards developing ports like Ratnagiri. Railways may also explore the advisability of creating a network of railways and joining important places in Marathwada to important industrial and marketing centres by constructing new broad gauge railway lines like Bhusaval-Jamner-Buldhana-Jalna-Bhir-Osmanabad-Sholapur line, Jalamb-Khamgaon-Buldhana line, Aurangabad-Paithan-Bhir line and Parbhani-Bhir-Dhond line.

Railway improvement in Marathwada on these lines would also benefit some parts of Vidarbha and particularly those which are on the border of Marathwada and Western Maharashtra. Railways may, however, convert some narrow-gauge and metre-gauge lines into broad-gauge lines and construct some additional lines for augmenting transportation-facilities in Vidarbha. In particular, Chanda-Gondia line could be converted into broad-gauge line and Chanda could be connected to Adilabad by a broad-gauge line for facilitating the marketing of wood, forest and agricultural products from Chanda district. Similarly, Umrer could be connected to Bori by a broad-gauge line for facilitating transportation coal and a broad-gauge line connecting Amla Junction, Warud, Morshi, Chandur and Amravati could be constructed for facilitating marketing of various types of products and particularly horticultural products like oranges and plantains.

6. Operational Efficiency

Railway transport can be developed and made more efficient not only by increasing railway mileage and converting the existing narrow and metre-gauge lines into broad-gauge lines but also by devising suitable measures for obtaining the maximum possible service out of the existing capacity of the railways. In our opinion, there is a great scope for improvement in this behalf and particularly in respect of increasing their operational efficiency. It is a common knowledge that goods trains in our country are extremely slow in their movement and particularly in the absence of improved methods of signalling, they are detained in the yards for a long time. We understand that as against the target of average detention of 18 hours at marshalling yard of Nagpur (Ajni) the average detentions in March 1961 and March 1962 were 26.2 hours and 31.2 hours respectively. There has been also an increase in delay at terminal goods stations. We understand that average total detention per wagon at Nagpur station from arrival to despatch increased from 32 hours in December 1961 to 49.3 hours in March 1962. The increase in detentions at marshalling yards and at terminal goods stations has caused considerable delays in transportation and considerably less utilisation of assets of railways in general and their wagons in particular. The following table shows that there has been a declining trend during the recent years in the

percentage of loaded wagon-miles and speed of goods trains on broad-gauge lines :

Year	Percentage of loaded to total wagon Kms.	Average speed of goods train Kms. (steam traction only)
1955-56	.. 72.0	15.8
1956	.. 71.6	15.4
1957	.. 73.3	14.9
1958	.. 71.6	14.8
1959	.. 70.0	15.3
1960	.. 69.6	15.6
1961-62	.. 67.9	15.3

The absence of adequate operational efficiency together with the shortage of wagons has made it extremely difficult for the railways to meet adequately increasing demand for wagons from the industry and trade and, therefore, it is necessary to improve the operational efficiency of the railways and particularly to increase their line capacity by all the possible means. For this, we recommend that railways should take immediate steps for increasing the speed and size of their goods trains, capacity of their wagons and the number of wagons and to improve signalling and working in marshalling yards and transshipment points at large terminal stations. They should also try to introduce on a larger scale diesel and electric locomotives and heavy steam engines and reduce the empty haulage by all the possible means. We further recommend that all the possible measures like using larger capacity wagons and increasing loco-shed facilities and workshop capacities should be devised immediately for effecting substantial saving in rolling stock of railways and increasing their operational efficiency.

7. Operational Planning

We are of the view that there is a great scope for effecting an improvement in the present planning of movement of railways by collecting more elaborate data about the expected movement of goods, their type, destination, quantum, etc., and by preparing accordingly an elaborate programme of the movement of railways for a certain period. We understand that in Russia movement of all the railways at all the destinations is planned on the basis of daily, weekly, monthly and yearly plans in such a way as would facilitate the utilisation of all the capacity of the railways in the best possible manner and meet expeditiously all the possible traffic requirements of the industries. They have been also, we understand, making a considerable progress in running their goods trains according to time-tables like passenger trains. While we fully appreciate that our Planning is not as regimented as that of Russia, we are of the view that some efforts on the part of Indian railways on these lines are neces-

sary for making their operational planning more perfect and efficient. In particular, our railways should collect from their consumers more particulars about their expected wagon requirements for every quarter and prepare in advance a suitable programme for the supply of wagons and movement of railways. They should also take the necessary steps on the basis of such programme for meeting the anticipated wagon requirements of the industry in time and moving the traffic expeditiously. In view of the vital bearing of the movement of raw materials for industries and finished products of basic and key industries on the national economy, we further recommend that it should be given the highest priority in the operational plan.

8. Administrative Set-up

Railway is essentially a commercial organisation and needs quick decisions at times for its efficient functioning. In India railways are subject to considerable Government interference and departmental delays which have adversely affected not merely their daily working but also their long-term plans for development. Moreover they have become too big for one central authority to manage and operate efficiently. We, therefore, recommend that each of the railways should be given an independent statutory status and should be formed into a corporation. This will encourage healthy competition among the different railways and will thereby increase their efficiency and improve their service to the consumer.

We further recommend that there should be two high level advisory committees at the top consisting of railway officers, members of Parliament and representatives of the consumers. One of these committees should be concerned mainly with the planning and execution of long-term development of the railways in the changing perspective of the national economy and the other should be concerned mainly with the preparation and execution of operational planning and maximum utilisation of the existing resources of the railways.

COASTAL TRANSPORT

1. Importance of Coastal Transport

Importance of coastal transport in a State like Maharashtra having a large coast-line of about 320 miles and maritime trade can hardly be over-emphasized. Water transport requires less investment, as compared to railways. It is the cheapest form of transport particularly in respect of the commodities in bulk carried over long distances. Many countries in the world have become prosperous and powerful by the effective use of inland, coastal and international water transport. Water transport has also a very great strategic importance. A powerful mercantile marine is a

second line of defence in that it facilitates expeditious carriage of essential supplies during war or warlike situations.

In South Konkan region, there are no railways at present and there is an extremely inadequate road mileage. The region is mountainous and has heavy rainfall and, therefore, it is very difficult and costly to construct roads and railways and keep them in working condition. Consequently, coastal traffic has become very important. Passenger traffic on the Konkan coast and creeks which is about twenty lakhs a year, is said to be the highest in the world for such a short distance. Cargo traffic potential is also expected to rise from about 7 lakh tons per year to about 30 lakh tons when the proposed industrial units on the coast-line are established. The passenger traffic and the cargo traffic have been increasing gradually and have great potentialities for increasing in future due to the industrialisation of Konkan. All these facts clearly suggest the necessity of expanding the coastal shipping and carrying out effectively the development of all the ports on the coast-line.

2. Bombay Port

Bombay is a port of international repute. Various commodities like cotton, mica, manganese, timber, leather, groundnuts, etc. are exported from Bombay and various commodities like machinery, paper, medicine, kerosene, cloth, etc. are imported through Bombay. The port of Bombay, which has a very vast hinterland of Maharashtra and of the neighbouring States, enables all this area to import all the necessary products required and market its commodities in international markets. The commercial and industrial prosperity of Maharashtra depends to a very great extent upon the development of the port of Bombay, and therefore, this port should be utilised as effectively as possible and particularly working conditions at the port should be improved by all the possible means for ensuring quick movements and reducing running costs of the ships and the enormous national loss caused by increased freight-rates or surcharges as a result of undue delays to the ships.

The Bombay and Salsette Islands have various creeks and rivers like Dharamtar creek, Thana creek, Bassein creek and the Ulhas river and yet the inland water transport in this area is mainly confined to the passenger traffic between Bombay port and Rewas, Dharamtar and Mora ports. The inland water transport in this area will have to be developed appreciably for meeting the increasing traffic and for facilitating the industrialisation of this area in an orderly manner. Already severe transport bottlenecks have developed in Bombay as a result of population density and rapid industrialisation and there has been a considerable congestion in the docks of Bombay port. Unless, therefore, some effective steps like the development of inland water transport of Bombay are taken right now, these problems are bound to become very serious in the near future.

The Government have earmarked a combined provision of Rs. 5 lakhs for the investigation of Thana creek in the Third Five-Year Plan for inland water transport facilities. But the survey launch required for carrying out the hydrographic surveys, we understand, has been constructed quite recently and consequently there has been a delay in completing the work as recommended by the Gokhale Committee in their Report submitted in 1959. Now that the launch has been constructed, we have to recommend the Government to take the necessary steps to ensure that there is no further delay in carrying out hydrographic surveys and investigations in respect of the extent of rock cutting necessary and possibility of increasing head room under bridges.

3. Redi Port

Importance of Redi port is increasing with the increasing export of iron ore to foreign countries. The yearly exports of iron ore from Redi, we understand, are about 3,50,000 tons and the State Trading Corporation proposes to export about 50 lakh tons of iron ore per year through Redi during the next ten years or so. A large quantity of iron ore deposits of rich quality is found between Vengurla and Redi and the new mines having iron content of more than 60% are being constructed near the port.

In view of the importance of Redi, certain steps have been taken for its development and certain facilities have been provided at the port. We understand that pilotage facility, which is not available elsewhere on the coast, is available at Redi and has been proved to be advantageous to the traders.

The Intermediate Port Development Committee had recommended construction of wharf 400 ft. \times 50 ft., pucca approach road, dredging, provision of navigation aids, etc. costing about Rs. 10 lakhs for ensuring adequate development of the port and its traffic. The Government, we understand, are reluctant to construct the wharf of 400 ft. \times 50 ft. (cost Rs. 6 lakhs) as they feel that the need of the export trade will be fully met by carrying out special repairs to the existing jetties constructed by the mineowners and are now being taken over by the Government. We are of the opinion that the amount so saved should be utilised for the proper and fuller development of this and other important ports on the coast.

4. Ratnagiri

Ratnagiri handles annual passenger traffic of more than one lakh and has consequently become an intermediate port. It also handles goods traffic of about 25,000 tons every year. However, loading and unloading facilities in the port are extremely inadequate and the handling of cargo and landing of passengers is carried on through lighters and only during eight months in a year. Development of Ratnagiri port needs immediate

attention because its hinterland is very rich in various types of horticultural, mineral and other products and is capable of generating various types of industries including large-scale industries like steel industry. The traffic potential of Ratnagiri is thus very great and would increase further if it is joined to Kolhapur by a railway line as suggested by us before.

There are four bays near Ratnagiri : Kalbadevi bay, Mirya bay, Ratnagiri bay and Pavas bay. Out of these only Mirya bay needing one break-water 1,500 ft. in length has been considered suitable site for an all-weather port which has been also supported by the experiments carried on at the Poona Research Station. It has no siltation problems and 30 ft. draught is available without any dredging right on the coast. Break-water is, however, necessary for giving protection from south-west winds during monsoon and from north-west winds during the fair season. We understand that the National Harbour Board was convinced of the importance of the development of Ratnagiri as an all-weather port at its meeting held in November 1960 and accordingly it has been decided to provide all-weather anchorage facilities at Ratnagiri and to construct a break-water at Mirya bay. We understand that as against the total outlay of about Rs. 9 to 10 crores or so on the scheme, the outlay provided in the Third Plan is Rs. 50 lakhs only and that out of the three stages of the scheme, viz. reclamation of port bay, break-water and jetty even the first stage has not been started so far. There has been already a great delay in the development of Ratnagiri as an all-weather port and consequently the passengers have been put to considerable inconvenience and the industrialisation of the neighbouring area has been hampered. We have, therefore, to request the State Government to take the necessary steps to ensure that sufficiently large allocations are provided for the rapid development of Ratnagiri as an all-weather port and that the development is completed without further delay.

5. Shewa-Neva

In its Report, the Industrial Location Panel, appointed by Study Group for Greater Bombay, has dilated the possibility of relief being given to the Bombay Port as well as to the railways by the development of another port on the other side of Thana creek. We suggest that a big port should be created at Shewa-Neva (Sheva-Nhava) located only seven miles to the east of Bombay and situated on the Kolaba coast-line of Thana creek. The coast at Shewa-Neva has very deep water of about 25 to 65 ft. depth and even the Elephanta channel in the vicinity of this site is as deep as the main channel of Bombay harbour. Therefore, no dredging except of a very small portion off Elephanta Island should be necessary and the movement of large ships would be facilitated. Moreover, the harbour would be well-protected from the south-west monsoon and the soil of the area is extremely suitable for the building of wharfs, jetties, dockyards and sinking basins. In view of these facts, the site was selected after detailed

examination by the Grace Committee in 1947 which was appointed for the reorganisation of the Naval Dockyard, Bombay. The Shewa-Neva area, we understand, has been included in the Master Plan for the development of Bombay port through the Bombay Port-Trust Programme of expansion with the help of I.D.A. loan.

Shewa-Neva can be also well connected by railways and roads to the vast hinterland in the near future because it is very near to Panvel from where good road and railway connections would be available. Similarly, the port can be connected by road to the proposed Bombay-Goa National Highway, which is within twenty miles, and the present Mora-Panvel road which is proposed to be upgraded to a State Highway. The proposed Diva-Panvel-Uran broad-gauge railway which would be completed by the end of the Third Five-Year Plan would be about three miles from Shewa-Neva and would, therefore, connect to the port all the places in India served by the railways. We are sure that this port would serve as a big import and export centre and would thereby reduce appreciably the pressure on Bombay harbour.

6. Minor Ports

Even though the coast-line of Maharashtra extending from Dahanu in the North to Kirnapani in the South is very long, it has shallow draughts of water and inadequate shelter against south-west monsoon, and therefore, it is very difficult to develop major ports. There are 49 minor ports along the coast-line most of which lack in adequate facilities ashore for passengers (such as waiting rooms, drinking water, etc.), berthing facilities for ships, light-houses and some navigational aids, up-to-date navigational charts and communication facilities between different ports and also between ports and ships. All the minor ports have annual passenger traffic of 13 lakhs and goods traffic of 6 lakh tons.

Traffic potential of these ports is very great. The coastal area particularly in South Konkan is very rich in minerals like iron ore, bauxite, glass sand, mica, manganese, chromite and building stones and in various agricultural and horticultural products like rice, cashewnuts, coconuts, mangoes, etc. The Government are contemplating various schemes of setting up factories, fishing centres, cashew-nuts producing centres, mango canning schemes, coir industry, commercial exploitation of minerals, etc. In fact, some industries have been already started at Chiplun, Ratnagiri, Savantwadi, Jaygad and Vengurla. We understand that quite recently a licence has been given for starting an Aluminium factory at Jaygad which is one of the deepest and well-sheltered harbours on the west coast. In the near future, Pophli-Chiplun area has a very great potentiality for industrial development because of the availability of cheap and ample water and electricity from the Koyna project and would be, therefore, able to export the products on a large scale through Vashishti river.

In view of the great traffic potential of the coastal belt we recommend that the existing important minor ports on the west coast particularly Mandva, Rajapuri, Jaygad, Vijaydurg, Dabhol, Malwan and Vengurla should be improved in various respects and particularly in respect of loading and unloading facilities. The necessary steps should be taken to ensure that the important minor ports are well-equipped with modern equipment and amenities and Mandva, Jaygad, Vijaydurg and Dabhol are made all-weather ports at an early date. There is also an urgent necessity of linking the important minor ports to west coast highway and interior part of Maharashtra by all-weather pucca roads. We further recommend that quite a large number of ports should be developed as anchorage ports for catering traffic and thereby relieving pressure on Bombay and other important ports. Government should also explore the possibilities of using flat bottom barges propelled mechanically for movement of goods from the vessels lying far away in the sea to the wharf or jetty with a view to enable our State to utilise our several minor ports to the maximum possible extent.

With a view to ensure that our coastal shipping service is well organised and is able to provide fast service to the passengers and carry the mail, we recommend that there should be a faster steamer service touching Murud, Dabhol, Jaygad, Ratnagiri, Vijaydurg and Devgad connected by feeder launches touching the other minor ports on the coast, and the minor ports and important places in the navigable rivers and creeks like Kundalika river, Savitri river, Ulhas river, Bassein creek, Dharamtar creek, Jaygad creek, Vijaydurg creek, Devgad creek and Jaitapur creek.

It is a matter of great concern that the Government of Maharashtra have proposed to increase the rate of wharfage fees from 6 nP. to 10 nP. and to levy import and export dues on cargo traffic under Bombay Landing and Wharfage Fees Act. We understand that landing, shipping and storing goods, excepting certain specified items, imported into, exported out of, transhipped off and kept in transit in the ports administered by the State (except Bombay) will be subject to the new levies. At present, the only items that are shipped abroad from ports in Maharashtra other than Bombay are the mineral ores and that too from Redi and Shrivardhan only and no direct imports are unloaded in any of the ports except Bombay. Consequently the incidence of the proposed State dues will be mainly on the coastal cargo traffic and will together with the proposed increase in wharfage fees seriously impede the development of coastal traffic. In view of this fact, we strongly recommend to the Government of Maharashtra that they should not increase the rate of wharfage fees and should not also levy the import and export dues on cargo traffic of whatsoever nature.

7. Hydrographic Surveys and Dredging

The rehabilitation of the west coast of Maharashtra, which has been neglected for the last several years, has become an extremely difficult task; and yet it is of utmost importance that the siltation from various creeks and ports, whose traffic potential is very great, is removed as early as possible. Silting is a problem which increases at a great pace when neglected and it becomes very difficult and costly to carry out dredging after the siltation is saturated. There is hardly any necessity of emphasizing, therefore, the urgency of carrying out hydrographic surveys systematically, extensively and continuously. The Inland Water Transport Committee in its report submitted in June 1959 had recommended hydrographic surveys of the rivers and creeks, dredging to improve depths, provision of navigation aids for marking shoals, rocks, etc., extensive afforestation measures of the foothills of the catchment areas, improvement of terminal facilities, etc. It had also suggested that hydrographic survey of Tapti river should be carried on and the necessary dredging should be done for improving the navigation. Konkan Coastal Shipping Services Committee, 1959-60, in its reports submitted in 1960 had recommended that the hydrographic surveys of the Konkan ports and particularly of Janjira, Dabhol, Jaygad, Vijaydurg and Malwan ports and the publication of up-to-date navigational charts in respect of them should be undertaken and completed as a top priority programme and that the construction of alongside berthing facilities at Jaygad, Vijaydurg and Devgad for the fair weather season should be designed for all-weather conditions and wherever possible for a draft of 15 feet. We, however, understand that even though three years have elapsed since then, most of these recommendations are yet to be implemented. Only one hydrographic survey party is working and the other one will start functioning when the second survey launch is ready. Dredger having 30 tons capacity is working at present. Dredgers of 30 tons and 140 tons capacity are being constructed and the Government proposes to purchase 500 tons capacity dredger costing about Rs. 20 lakhs. In absence of dredgers and trained staff the proposed dredging during the Third Plan at Bankot, Dabhol, Devgad, Jaygad, Malwan, Redi, Vengurla and Vijaydurg Ports has been held up. Removal of siltation from certain creeks in Konkan like Jaitapur creek and the Vijaydurg creek is essential for connecting by sea important cities and trade centres like Rajapur and Kharepatan and thereby encouraging trade and industry in this area. In view of these facts, it is necessary to provide suitable dredgers fully equipped with modern instruments and technically qualified personnel as early as possible and also to secure the necessary help in dredging operation from Dredger-cum-Survey-launch Pool formed by the Central Government for helping the maritime States. We further recommend that dredging of the ports and inland waterways should be carried out on a continuous and regular basis for enabling our State to utilise effectively the available port-capacities.

8. Sailing Vessels

Quite a large amount of coastal trade is carried on by country-crafts and ferries which provide the cheapest means of transport even for long distances. They are particularly useful in Maharashtra because there are many tidal inlets and creeks in her west coast. In view of these facts and in view of the great employment potential of country-crafts we recommend that the craftsmen should be organised on a co-operative basis and encouraged by all the possible means. In particular, they should be financed for effecting adequate modernisation and mechanisation of their vessels and constructing sea-worthy vessels and should be provided with certain facilities such as tugs, adequate cargo and ancillary occupations. We further recommend the Government to construct a shipyard near an important port like Ratnagiri for constructing and mechanising the country-vessels and utilising fully the skill and craftsmanship of local artisans. Apart from the construction of country-vessels there is a necessity of encouraging the manufacture of dredgers, propelling machineries and marine diesel engines and of taking the necessary steps for providing sufficient foreign exchange for the purchase and replacement of coastal ships, tugs, barges, boats, etc. For this we recommend that the Government should make efforts to secure the aid required for development from the International Organisations like I.D.A.

9. Financial condition of the Shipping Industry

Financial condition of shipping industry in India is extremely bad. There has been a very great rise in the prices of various items of expenditure of the shipping industry like fuel, stores, repairs, etc., and also in wages, victualling, stevedoring and port charges, etc. As a result of the increase in the expenditure on these items, it has been extremely difficult for the industry to have a fair return on the capital employed and even to provide for rehabilitation and a normal dividend of about 6% to the shareholders. This fact would become clear from the reports of the surveys published in the Reserve Bank Bulletin recently which pointed out that the gross profits of the industry as percentage of its main income decreased from 21.4% in 1956 to 0.5% in 1960. The adverse financial condition of the industry has affected the water transport in India and, therefore, for developing the water transport it is necessary to give adequate financial assistance to the shipping industry.

10. Plan Provision for Development

During the Third Five-Year Plan, an outlay of Rs. 48.5 lakhs in the State Plan and Rs. 20 lakhs in the Central Plan has been envisaged for dredging and providing navigation aids to the four main creeks, viz. Thana creek, Vasisthi creek, Bankot creek and Dabhol creek. Similarly, an outlay of Rs. 43.50 lakhs in the State Plan and Rs. 109.40 lakhs in the Central Plan has

been envisaged for providing all-weather anchorage facilities at Ratnagiri, the usual passenger amenities such as water supply, sanitary arrangements, passenger sheds, etc. at all the important minor ports, passenger-cum-cargo jetties and wharfs at Vijaydurg, Jaygad and Redi and extension of jetties at various other ports. We understand that as against the total outlay of about Rs. 9 to 10 crores or so required for developing Ratnagiri as all-weather port, the outlay provided in the Third Plan is Rs. 50 lakhs only. The provisions of funds for the development of the ports and water transport in the Third Five-Year Plan, in our opinion, are inadequate considering the urgency of improving existing waterways and exploring potential waterways and should be increased appreciably for ensuring an adequate development of water transport in Maharashtra.

11. Organisational Set-up

We warmly congratulate the Government of Maharashtra for taking over the administration of ports from the Collector of Central Excise and entrusting the same to the newly set-up Ports Organisation headed by Chief Ports Officer, who is a Mercantile Marine Officer. The Organisation has, apart from the administration section, three specialised sections, viz. Civil Engineering Works Section (including Design Sub-Division), Hydrographic Section and Marine Crafts Section and there is a separate Ports Section in the Buildings and Communications Department of the Secretariat to look after the port matters exclusively. It is, however, necessary to ensure that the efficiency of these departments is not hampered for want of experienced and qualified hands. Some operations like hydrographic surveys and dredging by their very nature need highly trained and qualified staff. Moreover, there has been a considerable progress in the science of Marine Engineering and our State has lagged far behind the advanced countries in the West and Japan. The Government should, therefore, devise all the possible measures for ensuring that the Ports Organisation is well equipped with experienced and qualified persons and in particular should see that their pay scales and service conditions are sufficiently attractive.

AIR TRANSPORT

Air transport has become very important nowadays because it has the highest speed among the various means of transport and it can ensure unbroken journey over land and sea. It has also a very great strategic importance. Advanced countries in the world have made tremendous progress in air transportation not only from strategic point of view but also from technological and commercial points of view. We understand that there is hardly an important town in Germany which is not connected by air transport services. Air transport in Maharashtra is still in infant stage as compared to the advanced industrial countries. There is however

a very great scope for its development in Maharashtra which is not only highly industrialised State in India but has also a suitable climate, good geographical position and good meteorological conditions. Development of air transport in Maharashtra, in our opinion, will accelerate her industrial progress and business activities. We, therefore, recommend to the Government to take early steps for connecting Bombay by air to important towns, important district headquarters and important industrial estates in Maharashtra. Government should also provide landing facilities for private aircrafts at all the towns, district headquarters and industrial areas in Maharashtra. We further recommend that adequate and effective measures should be devised for developing Air transport in Maharashtra and particularly private flying should be encouraged by all the possible means.

APPENDIX I

MAIN RECOMMENDATIONS IN THE REPORT

ROAD TRANSPORT

- (1) Programmes of road construction in Maharashtra and particularly in the areas of Maharashtra wherein the absence of adequate roads has adversely affected the potential income from economic activities should be expedited.
- (2) Immediate steps should be taken to increase the mileage of all-weather motorable roads by ensuring that adequate number of bridges are constructed and modernised and that all the important roads have surface of at least of water-bound macadam and all the main roads are cement-concreted or asphalted.
- (3) Priority should be given for the improvement and modernisation of important feeder roads to ports, railway stations and important towns, important roads in developing agricultural and industrial areas, important linking roads, roads connecting sugar factories to the neighbouring villages and their bridges and culverts.
- (4) Top priority should be given for augmenting the carrying capacity of the National Highways by carrying out effectively the modernisation of their weak portions and bridges and constructing adequate number of new bridges.
- (5) Width of all the National Highways should be increased to two traffic lanes for their entire length and their busy portions should be widened to at least 38 feet.
- (6) Bombay-Belgaum road (West-coast road), Nasik-Jalna-Bhopal-patnam road, Surat-Dhulia road, Nagpur-Sholapur-Belgaum road, Nagpur-Malkapur-Jalna-Sholapur-Hospet road, Nagpur-Bhopalpatnam road and Nagpur-Bhopal road should be upgraded as National Highways.
- (7) Adequate number of cross-roads to National Highways and State Highways should be constructed and the existing ones modernised for

increasing the utility of the Highways. In particular, West-Coast Highway should be linked by cross-roads to intermediate and minor ports and by ghat-roads to the areas to the east of the Sahyadri.

(8) National Highways passing through important cities and towns should be diverted outside such cities and towns.

(9) Construction of the proposed diversion-road to by-pass the stiff gradient of the existing ghat-portion of Bombay-Poona road should be expedited.

(10) Steps should be taken to ensure that slow-moving traffic on the National Highways is segregated and thereby its interference with motor-transport is prevented.

(11) Private parties should be encouraged to construct adequate number of truck terminals and parking places in towns, taluka headquarters and bigger villages.

(12) Adequate incentives by way of loans and subsidies should be given for encouraging the use of rubber-tyred wheels by bullock-carts in sugarcane areas around sugar factories.

(13) Allocations for modernisation of roads should be increased substantially so as to enable effective execution of the desired modernisation of all the roads in Maharashtra.

(14) Allocations for road construction should be also increased substantially for ensuring an adequate road development in Maharashtra and for achieving in time the targets of road construction envisaged in 1961-81 Plan.

(15) Due consideration should be given to the intensity of wear and tear in each area due to rainfall or climatic conditions while allocating the funds to Zilla Parishads.

(16) The maximum possible portion of the sugarcane cess should be utilised for road-construction around sugar factories.

(17) Steps should be taken to levy additional taxes on direct beneficiaries like betterment levy, road cess on land revenue, tax on vehicles other than motor cars and tolls on big projects.

(18) Immediate steps should be taken for reducing the taxes on motor-transport at least to the extent of 25%.

(19) The surcharge of 50% of the vehicle tax subject to a maximum of Rs. 530 per vehicle should be abolished immediately.

(20) Steps should be also taken to abolish taxes like octrois, terminal taxes and town duties and to remove in the meantime motor vehicle parts, tyres, accessories and raw materials for their manufacture from the list of the commodities attracting these taxes.

(21) All the possible incentives in taxation and other matters should be given for encouraging the use of larger capacity vehicles and particularly the use of truck-trailer combination in Maharashtra.

(22) Taxation on motor transport should be rationalised and a suitable procedure for the rational allocation of the proceeds should be evolved in the light of the suggestions made in our Report.

(23) Adequate steps should be taken for removing the hindrances in the development of automobile manufacturing industry, such as heavy burden of taxes on motor vehicles, paucity of foreign exchange allocations and inadequate credit facilities to the operators.

(24) Hire-Purchase Legislation should be such as would provide adequate incentives to Hire-Purchase Corporations for augmenting credit facilities to the operators and in particular should not impose unreasonable restrictions on the owner's right to repossess goods in the event of hire-purchaser's failure to reimburse the credit.

(25) Wherever desired, public carrier permits should be given State-wise validity immediately instead of requiring the operators to get the permits countersigned by different regional authorities.

(26) Inter-State Transport Commission should remove the hindrances in inter-State traffic and in particular should issue large number of regular permits on long distance trunk routes at an early date.

(27) Status of Inter-State Transport Commission should be raised and it should be given adequate powers for the effective regulation and development of road transport.

(28) There should not be any further nationalisation of the passenger transport.

(29) Existing moratorium on nationalisation of goods transport should be extended for a period of at least 10 years from the end of the Third Five-Year Plan.

(30) A separate department should be created for looking after exclusively to the matters relating to the development and maintenance of roads in Maharashtra and a special branch should be created in such a department for planning, encouraging and watching the progress of development programmes and thereby expediting the construction of roads in Maharashtra.

RAIL-ROAD CO-ORDINATION

(1) It is absolutely necessary to evolve such an effective policy of co-ordination as is fundamentally based on the principle of free choice of consumers and allows both these means of transport to develop without hindrance as long as they eliminate technically inefficient methods and render an efficient service at minimum price to the consumers.

(2) Railways should aim at basing their freight-rates mainly on the cost of service principle within a reasonable time and discuss the procedure for carrying out the desired change with the Chambers of Commerce and the interested parties concerned.

RAILWAY TRANSPORT

(1) Schemes for the extension and improvement of the railway lines in Bombay City, West Maharashtra, Vidarbha and Marathwada, suggested by us in the Report, and similar other schemes should be undertaken only after a thorough investigation of the traffic potential of the areas involved and only after it is ensured that the rate of return on the investment would more than outweigh the opportunity-cost involved.

(2) Where good roads could be constructed and maintained the justification of a branch line must rest largely on amount of merchandise which it would be required to carry and which could in no circumstances be carried economically by road.

(3) Railways should devise suitable measures for increasing their operational efficiency and thereby obtaining the maximum possible service out of their existing capacity. In particular, they should increase speed and size of their goods trains, capacity and number of their wagons, loco-sheds facilities and workshop capacities, improve signalling and working in marshalling yards and transhipment points at large terminal stations, introduce on a larger scale diesel and electric locomotives and heavy steam engines and reduce empty haulage by all the possible means.

(4) Railways should take the necessary steps for making their operational planning more perfect and efficient. They should collect from their consumers more particulars about their expected wagon requirements for every quarter and prepare in advance a suitable programme for the supply of wagons and movement of railways. They should then take the necessary steps on the basis of such a programme for moving the traffic expeditiously and meeting the anticipated wagon requirements of the industries fully and in time.

(5) Each of the railways should be given an independent statutory status and should be formed into a Corporation.

(6) There should be two high-level advisory committees at the top consisting of railway officers, members of Parliament and representatives of the consumers. One of these committees should be concerned mainly with the planning and execution of long-term development of railways in the changing perspective of the national economy and the other should be concerned mainly with the preparation and execution of operational planning and maximum utilisation of the existing resources of the railways.

COASTAL TRANSPORT

(1) Bombay Port should be utilised as effectively as possible and particularly the working conditions at the port should be improved by all the possible means for ensuring quick movements and reducing the running costs of the ships.

(2) Immediate steps should be taken to develop inland water transport in the area comprising of Bombay and Salsette Islands and particularly to carry out hydrographic surveys and investigations of Thana creek for inland water transport facilities.

(3) The amount saved by not constructing the proposed wharf of 400 ft. \times 50 ft. (cost Rs. 6 lakhs) at Redi port should be utilised for its (Redi Port) proper and fuller development and the development of other important ports on the coast.

(4) Sufficiently large allocations should be provided for the rapid development of Ratnagiri as an all-weather port and immediate steps should be taken for ensuring that the development is completed without further delay.

(5) A big port should be created at Shēwa-Nēva (Sheva-Nhāva) located only seven miles to the east of Bombay and situated on the Kolaba coastline of the Thana creek.

(6) Important minor ports on the west coast particularly Mandva, Rajapuri, Jaygad, Vijaydurg, Dabhol, Malwan and Vengurla should be improved in various respects and particularly in respect of loading and unloading facilities.

(7) Steps should be taken to provide modern equipments and amenities to all the important minor ports.

(8) Mandva, Jaygad, Vijaydurg and Dabhol should be made all-weather ports at an early date.

(9) A large number of ports should be developed as anchorage ports for handling traffic and thereby relieving the pressure on Bombay and other important ports.

(10) The State Government should explore the possibilities of using flat bottom barges propelled mechanically for movement of goods from the vessels, anchored far away, from the sea to the wharf or jetty with a view to enable our State to utilise our several minor ports to the maximum possible extent.

(11) There should be a faster steamer service touching Murud, Dabhol, Jaygad, Ratnagiri, Vijaydurg and Devgad connected by feeder launches touching the other minor ports on the coast, and the minor ports and important places in the navigable rivers and creeks like Kundalika river, Savitri river, Ulhas river, Bassein creek, Dharamtar creek, Jaygad creek, Vijaydurg creek, Devgad creek and Jaitapur creek.

(12) Government should not increase the rate of wharfage fees and should not also levy import and export dues on cargo traffic of whatsoever nature.

(13) Immediate steps should be taken to implement the recommendations of the Inland Water Transport Committee and Konkan Coastal Shipping Services Committee in respect of hydrographic surveys, dredging, provision of navigation aids, improvement of terminal facilities and other matters.

(14) Immediate steps should be also taken to acquire suitable dredgers of adequate capacities fully equipped with modern instruments and trained staff for carrying out in time proposed dredging during the Third Plan at Bankot, Dabhol, Devgad, Jaygad, Malwan, Redi, Vengurla and Vijaydurg ports.

(15) The State Government should secure an adequate help in dredging operation from Dredger-cum-Survey-launch Pool formed by the Central Government for helping the maritime States.

(16) Siltation from important creeks in Konkan like Jaitapur creek and Vijaydurg creek should be removed for connecting by sea important cities and trade centres like Rajapur and Kharepatan.

(17) Hydrographic surveys and dredging of the ports and inland waterways should be carried on extensively, systematically and continuously.

(18) Craftsmen of the country-crafts and ferries should be organised on a co-operative basis.

(19) The craftsmen should be encouraged by all the possible means to improve their vessels and in particular they should be financed for constructing seaworthy vessels and effecting adequate modernisation and mechanisation of their existing vessels. They should be also provided with certain facilities such as tugs, adequate cargo and ancillary occupations.

(20) A shipyard should be constructed near an important port like Ratnagiri for constructing and mechanising the country-vessels and utilising fully the skill and craftsmanship of the local artisans.

(21) Efforts should be made to secure aid from international organisations like I.D.A. for encouraging the manufacture of dredgers, propelling machinery and marine diesel engines and providing sufficient foreign exchange for the purchase and replacement of coastal ships, tugs, barges, boats, etc.

(22) Adequate financial assistance should be given to the shipping industry in view of its adverse financial condition and bearing on the development of water transport.

(23) The provision of funds for the development of ports and water transport in Maharashtra in the Third Five-Year Plan should be increased appreciably so as to ensure an adequate and rapid development of water transport in Maharashtra.

(24) Necessary steps should be taken to ensure that the efficiency of the various sections of the newly set-up Ports Organisation like Civil Engineering Works Section (including Design Sub-Division), Hydrographic Section, Marine Crafts Section, etc., is not hampered for want of experienced and qualified hands.

AIR TRANSPORT

(1) Early steps should be taken for connecting Bombay by air to important towns, important district headquarters and important industrial estates in Maharashtra.

(2) Landing facilities for private aircrafts should be provided at all the towns, district headquarters and industrial areas in Maharashtra.

(3) Adequate and effective measures should be devised for developing Air transport in Maharashtra and particularly private flying should be encouraged by all the possible means.

APPENDIX II

1. Appointment of the Group & Terms of Reference :

The Maharashtra Economic Development Council constituted the present Research Group consisting of

- | | |
|----------------------------|------------|
| 1. Shri Lalchand Hirachand | — Chairman |
| 2. Shri B. D. Garware | — Member |
| 3. Shri N. Balkrishna | — Member |
| 4. Shri A. D. Dhingra | — Member |
| 5. Shri C. S. Nair | — Member |
| 6. Shri J. E. Castellino | — Member |
| 7. Dr. S. G. Patwardhan | — Member |
| 8. Shri V. Y. Kamat | — Member |
| 9. Shri R. G. Mohadikar | — Member |

for studying and reporting on problems of transport in Maharashtra in general and those of road transport in Maharashtra in particular.

Dr. S. B. Sakhalkar, Secretary of the Council, acted as Secretary of the Research Group.

2. The Procedure followed :

The Research Group prepared a Questionnaire and collected thereby the information regarding difficulties in transportation and additional transport requirements from industrialists, Members of Legislative Assembly, Presidents and Executive Engineers of various Zilla Parishads and Executive Engineers of the Buildings and Communications Department of Maharashtra Government. In addition to this, the Members of the Group and the Secretary had discussions with industrialists, Members of the Legislative Assembly and others concerned. The information received from these sources as well as from available literature on the subject has been used in the preparation of the Report.

3. Acknowledgements :

The Research Group records its appreciation for the co-operation received from industrialists, Members of the Legislative Assembly, Presidents and Executive Engineers of various Zilla Parishads, Executive Engineers of Buildings & Communications Department of Maharashtra Government and others in the preparation of the Report.

The Group records its deep appreciation for the invaluable assistance received from its Secretary in the preparation of the Report.

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