

A TRANSPORT RATING PROBLEM IN A DEVELOPING ECONOMY

(An Economic-cum-Legal assessment) *

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PART I

THIS essay is in five sections, the last three of which are *apparently* contradictory but, in fact, each has a distinct objective. While the first section provides a factual background, the second analyses two important implications of the floor area basis. The third section discusses the feasibility of the basis for a commodity like firewood; the next one takes as given the current operation of the basis and indicates desirable changes to make it more acceptable, while the fifth section doubts the wholesale applicability of the principles enunciated by the Inter-State Commerce Commission in the context of a competitive well-developed economy such as U. S. A. to a controlled under-developed one like India and suggests an alternative set of values and principles. This analysis takes firewood merely as an illustration of the problem, difficulties and solutions of the floor area basis of charging.

I

Transportation in general and railways in particular carry a variety of goods and adopt different bases for charging freight. Considerable use is made of the actual weight basis but also, for various reasons, charges are made, for instance, according to accepted weight, estimated weight, presumed weight and so on.¹ Volume by itself may

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¹ Classification of goods is the foundation on which the rate structure is built up and the following factors among others influence classification :—

“Whether commodities are crude, rough, or finished; liquid or dry; knocked down or set up; loose or in bulk; nested or in boxes, or otherwise packed; if vegetables, whether green or dry, desiccated or evaporated: the market value and shippers' representations as to their character; the cost of service, length and direction of haul; the season and manner of shipment; the space occupied and weight; whether in carload or less than carload lots; the volume of annual shipments to be calculated on; the sort of car required, whether flat, gondola, box, tank, or special; whether ice or heat must be furnished; the speed of trains