CHAPTER II

EXTENSION OF BUS OPERATION

FACTORS OF NATIONALIZATION

The second half of the 20th century witnessed a steady growth in road transport system. Private and public bus services were operated in different major routes. Attempts were made to nationalize most of the routes in Tamil Nadu. But, side by side, licenses were given to private owners to operate mini buses to remote villages. However, contrary to the expectation of the government, the private owners operated mini buses according to their whims and fancies, collected over and above the actual fares from the passengers. Moreover, the fare differed from private and public bus services and they quarreled with the passengers frequently. It created frequent confrontation between bus operators and the passengers. This permanent tussle was reported to the government for which seems no action to have been taken to stop this practice. Further, to protect the public interest, the Government too concentrated on the development of the vital sectors like passenger transport on healthy lines. Actually, the private sector is oriented towards profit motive. Therefore, the Government has attempted to operate more services against the private operators. Besides, the Government thought of the need for connecting the entire village in the state not only by laying extensive roads but operating frequent long route bus service too. This enabled the rural people to move freely and reach their destination easily including markets and other centers.

Not only that if proper transport facility is extended to rural areas it will facilitate the labourers reach the workspot easily to eke out a honest living, and to develop trade and commerce which in turn world boost the economic mobility.⁵

In addition, without developing a proper transport system, the government cannot implement social welfare schemes such as family planning, health education and construction works. Added to this, there existed a stiff and wasteful competition between the private and public transport services. The private bus operators preferred to get license to ply buses in developed areas where mobility of population was more than in rural areas. As a result, the rural areas remained further rural still.⁶

Above all, there has been an ideological difference between the private bus operators and the political party in power. The party in power never has any obligation towards the influential private transport operators, who were not ideologically aligned to them which prompted the Government of Tamil Nadu to undertake speedy nationalization. So nationalization of bus operation provided a good opportunity to reach out to remote areas and win the support of the people there to the party in power. After independence, realizing the importance of road transport in accelerating socio-economic development, a national policy was adopted to nationalize road transport operations progressively from the private sector into public sector. Most states set up road transport corporations under the Road Transport Corporation Act of 1950.⁷ As and when private bus operations were notified and taken over, they were entrusted to these State Road Transport Corporations, resulting in large and unwieldy monolithic organizations. In Tamil Nadu, however, a conscientious and strategic decision was taken to set up a number of State Transport

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⁵ Ibid., pp.98-95.
Corporations, each with operational limit to a couple of districts. That not only introduced the possibility of yardstick corporation, but also paved the way for more cohesive management. While most road transport corporations in other states have over the years accumulated deficits and have not been able to meet the increasing transport needs, the organizational setup in TamilNadu Road Transport Corporation has helped in achieving its objectives.  

When Tamil Nadu adopted the policy of progressive nationalization of passenger road transport business, its first step was to take over the Madras City Bus Transport System in 1947. Since then, there were regular bus services in the city as well as special excursion services to places of interest like Mahabalipuram and Kanchipuram, but they failed to cover all the places in the city. Therefore, to augment the need for the city dwellers in all places of the city, bus operation in the city was extended periodically. With this motive, a separate wing was set up under the transport department not only to deal with matters relating to the nationalization but extension of the passenger road transport too. Subsequently, the importance of road transport system was felt too. In view of the importance of road transport in the State, a separate State Transport Department was set up in the same year itself. Subsequently, in 1956, the bus services already nationalized in the Kanyakumari District were also brought under the control of this department. However, all the bus routes nationalized were limited to a distance of 192 kilometers. This created a lot of inconvenience to the passengers who wanted to reach long destinations. They were to carry the luggages and kith and kin in different buses which not only wasted their time and energy but also their money. Realizing the difficulties

10 Sankar, S., op.cit., p.572.
of the passengers, in 1956, a historic decision was taken which made it obligatory on the State Government to run express bus services over distances exceeding 192 Kilometers. When all these measures were implemented, step by step, nationalization of the Road Transport System received a shot in its arm in 1967 – 1968 when the Government decided to take over all routes plying 120 Kilometers and above all the routes connecting Madras with other areas irrespective of the distance, and all the routes in the Kanyakumari District. This enabled the Government to take over all the vehicles and other assets of the fleet operators with more than 50 vehicles under the Tamil Nadu Fleet and Stage Carriage (Acquisition) Act, 1971.\textsuperscript{12}

As a result of nationalization and extension of bus services throughout the State, the number of Government owned buses as well as the crew members (drivers, conductors and technical staff) increased enormously. To cope up with the situation, a number of transport depots and workshops were established at various important places for steady bus operations. In course of time, there were strikes among the labourers demanding higher wages, bonus, risk allowance and various other benefits, under labour union laws. The constant occurrence of strikes and lockouts became a perennial problem to the administrators. As a whole, road transport system was under one unit and one administration and whenever there was a strike in a particular place, all the transport workers throughout the state struck work, paralising the entire movement of buses.\textsuperscript{13} Similarly, the Government too found it difficult to manage the administration under a single State Road Transport System. Perhaps these problems motivated the Government to find out a suitable remedy to this malady. The Government of Tamil Nadu took a strategic decision at this stage to devise the nationalized road transport operations into a number of compact State Road Transport Organizations, each with a

\begin{itemize}
  \item \textsuperscript{12} Sudarsanam Padam, \textit{op.cit.}, p.27.
\end{itemize}
jurisdiction over a couple of districts and normally with less than 500 buses. Each one was placed under the control of a Managing Director, assisted by an official establishment. Consequently, during the period 1972 – 1990, there were fifteen Road Transport Corporations ushered in Tamil Nadu.  

**MOTOR VEHICLES ACT**

Motor transport is regulated by the State in all the countries in the interest of a healthy development of road transport. Effective motor carrier regulation should prevent unhealthy discrimination in ratemaking, assure the shipper and the passenger with a regular and dependable transport service, avoid needless duplication of services on account of competition between road carriers and consequent wastage in service, secure that the public shall be charged reasonable and stable rates, make carriers responsible to public for any injury or damage caused to their person or property by compulsory third party insurance and protect the national investment in railways, within the reasonable limits, from unfair inroads by competing motor transport.  

However, motor regulation in India has been slow and haphazard, lagging far behind the trend of development of motor transport. The Indian Motor Vehicles Act of 1914 was the first All-India enactment to regulate motor vehicles traffic. The Act did not differentiate between different types of carriers. Before 1914, Bombay, Bengal, Uttar Pradesh, Punjab, and Madras had their own Provincial Acts. But, conditions changed radically after 1914-18 when surplus military vehicles were used on road on a large scale and in the absence of effective regulations resulted in intense internal competition which necessitated passing of acts by states supplementing the Central Act. This legislation did not distinguish between different types of motor vehicles and

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imposed no restrictions on their movement.\textsuperscript{16} As motor transport began to grow, the need for greater control over motor transport began to be felt from the point of view of the safety and convenience of the public as well as the development of a coordinated system of transport. When road competition began seriously to affect railway revenues, legislative action on an All-India basis was taken in 1939. This led to the passing of the Motor Vehicles Act, 1939. This Act is the result of a slow consolidation of the various Provincial Acts and of the recommendations of the various committees which studied Indian Transport System during that period.\textsuperscript{17} The main objects of the Motor Vehicles Act of 1939 are, to regulate the motor transport; to create a co-ordination between the road and rail transport; and to provide compulsory insurance of motor vehicles in respect of third party risks in case of accidents.\textsuperscript{18}

Motor vehicles in India are classified by the Act into Stage Carriage and Contract Carriages (buses and taxis, respectively for example) in relation to passenger traffic and public and private carriers in relation to goods traffic. All motor vehicles are regulated by the issue of permits by Regional Transport Authorities or Provincial Transport Authorities, which were authorized to grant permits to stage carriages and for public and private carriers, and to provide rules concerning routes, timings, specifications of vehicles, standards of maintenance and other conditions under which holders of permit were expected to operate.\textsuperscript{19} The Regional Transport Authority will consider the general interest of the public, the advantages afforded to the public by the services, and the effect of the new service on the existing services and the condition of the roads when it issues permits. Normally, long distance traffic will be left primarily to railways. The Regional Transport Authority has the power to fix

\textsuperscript{16} Act VIII of 1914, The Indian Motor Vehicles Act, 1914 and Rules, Reprint corrected up to 1\textsuperscript{st} March 1928, Rangoon, 1928, pp.1-2.
\textsuperscript{17} The Madras Motor Vehicles Taxation Act 1931, Madras, 1932, p.1915.
\textsuperscript{18} Ibid., pp. 1916-1917.
\textsuperscript{19} Committee on Transport Policy and Coordination Final Report, Planning Commission, Government of India, New Delhi, 1966, p.78.
the number of vehicles on a route by the issue of permits to regulate timings as well as rates and to impose speed and weight limits as well as other conditions in issuing permits. The authority consists of officials and non-officials appointed by the provincial government. For the purpose of co-ordination and regulation of the activities and policies of the various Regional Transport Authorities and for hearing appeals against their decisions and settling disputes arising between them, a Provincial Transport Authority is constituted for every province. The Provincial Transport Authority for Madras in 1952 consisted of a person appointed by the State Government as Chairman, the Chief Engineer (Highway), the Inspector General of Police and two non-officials representing the northern and southern districts respectively. In May 1952, the Government of Madras eliminated the non-official membership from the constitution of the Transport Authorities to remove possibilities of political and other influences in the administration of transport.

The Act requires the permit-holders to observe certain well recognized conditions such as satisfactory maintenance of vehicles, the observance of prescribed speed limits and rules of the road, avoidance of overloading, over crowding and over working of the drivers. The Act also provides for the licensing of drivers and for registration of motor vehicles. It also stipulated that an insurance policy is necessary for every vehicle, issued by an authorized insurance company against any liability which may be incurred by the operator in respect of the death or bodily injury to any person caused by or arising out of an accident in which the vehicle is involved.

20 For example the District Magistrate (Chairman), the District Superintendent of Police, the President of the District Board is the three non-official members holding office for a year.
From the aspect of coordination between rail and road transport, the Act empowered the Provincial Government to prohibit or restrict long distance movement of road transport in specified classes of goods by public or private carriers. Under the provisions of the Act, goods vehicles were not allowed to operate outside the region in which they were registered. By 1945, the question of eliminating ‘wasteful competition’ between rail and road transport had come into active public discussion and there were pleas from the Railways for adoption of suitable principles and practice was drawn up at the instance of the Central Board of Transport and circulated to State Governments with the suggestion that its provisions should be implemented. The important provisions of the code were State Governments should organize public passenger transport and from substantial undertakings in which the railway or railways concerned should be offered on reasonable terms a financial interest of not less than 20 percent, State Governments should invite the railways or railways concerned to co-operate in setting up a Joint Committee or other suitable machinery for mutual consultations in matters affecting road-rail coordination and the recommendations of such Committee should be given due weight by State Governments and the Railway Administrations concerned. A public carrier permit should normally be valid, with due regard to geographical conditions, flow of traffic and marketing centers for compact areas, within a radius of 75 miles, The Regional Transport Authority should not, except in accordance with the general or specific instructions of the State Transport Authority, grant, countersign or renew any carrier’s permit for a distance exceeding 75 miles between places connected by rail. Apart from this the Regional Transport Authority should refer to the State Transport Authority any application for a permit or for renewal of a permit for a distance exceeding 150 miles between places connected by rail.

A number of State Governments did not formally accept the Code in practice. In the middle of the fifties, it began to be felt that these restrictions were impending the growth of road transport. In 1957 Transport Commissions from the States made a series of recommendations and suggestions. The main suggestion was that permit should be given to those whoever produced a serviceable vehicle or good transport vehicle should be allowed to operate freely within the State and the Code of Principles and Practice for the regulation of motor transport should be suspended for a period of five years, after which the matter could be reviewed.  

These recommendations were considered in the Ministries of Transport and Railways and the Planning Commission and the proposals were conveyed to the State Governments in June, 1959. The provisions or permits for public carrier may be issued freely for distances of 300 miles or for regions within a radius of about 150 miles. Then in respect of Inter-State permits for distances beyond 300 miles, if the local railway administration objected to the issue of such permits, the matter should be referred to the Inter-State Transport Commission. Even in respect of permits for inter-state routes exceeding a distance of 300 miles, State Governments should consult the Inter-State-Transport Commission.  

Later, road transport was regulated under the provisions of the Motor Vehicles Act, 1939, as amended in 1956. This was a Central Act, and it was administered by the State Government with the concurrence of the Central Government. This act provided the issue of permits to the licensing authority and it gave priority to the Regional Transport Authority. The functions of the State Transport Authority are to coordinate and regulate the activities and policies of the Regional Transport Authorities and to settle all disputes and

decide all matters on which differences of opinion may arise between Regional Transport Authorities.\textsuperscript{28}

The State Transport Authority has the power to issue directions to Regional Transport Authorities. It was bound to carry out the directions issued to it by the State Government in matters listed in the interest of development of motor transport, co-ordination of road and rail transport, preventing the deterioration of road and an economic competition among motor transport operators. Besides, the fixation of fares and freights for stage carriages, contract carriages and public carriers; grant of permits for alternative routes or areas to persons in whose cases the existing permits are cancelled and nationalized, undertaking to operate road transport service in accordance with a scheme approved by the State Government and giving effect to any agreement entered into with the Central Government or any other State Government or the Government of any other country relating to the regulation of motor transport were assigned to Regional Transport Authorities.\textsuperscript{29}

State and Regional Transport Authorities are expected to ensure that transport vehicles are plied so as to serve the interest of the public and not merely that of the permit holders. Under the Motor Vehicles Act 1939, the Inter-State Transport Commission has been set up for the purpose of developing, coordinating and regulating the operation of transport vehicles in respect of any area or route common to two or more States which are dealt in detail in the ensuing pages.

Though the Motor Vehicles Act laid down elaborate rules and regulations, it was substantially modified according to the requirements of the changing scenario. This is evident from the amendments made in the Motor Vehicles Act of Section 47 for providing concessions and preferential treatment to the scheduled castes and scheduled tribes in the operation of bus services.

\textsuperscript{28} Act VIII of 1939, The Indian Motor Vehicles Act 1939, Delhi, 1940, pp.32-33. \textsuperscript{29} Ibid., pp.34-35.
Instructions should be issued to the Regional Transport Authorities to give preference to the Co-operative Societies proposed to be organized by members of scheduled castes and scheduled tribes for running stage carriages and thus implement the 10 percentage increase in the issue of route permits by giving encouragement to such Harijan Cooperative Societies.  

The question of grant of preferential treatment to scheduled castes and scheduled tribes in the matter of grant of stage carriage permits was considered as early as in June 1956. The Government considered that one of the methods by which their economic position could be improved was by the grant of permits to suitable persons or union of three or more persons belonging to Scheduled Castes and Scheduled Tribes to run stage carriages. Section 47 of the Motor Vehicles Act which lays down the principles to be followed does not allow any preferential treatment being given to applicants belonging to Scheduled Castes and Scheduled Tribes in regard to the grant of stage carriage permits. Nor has that section been amended so as to give any such preferential treatment after the commencement of the constitution although Article 15(4) of the constitution enables State Governments to make any specific provisions for the Scheduled Castes and Scheduled Tribes.  

Under section 43-A (1) of the Motor Vehicles Act introduced by the Motor Vehicles (Madras Amendment) Act of 1948, the State Government may issue such orders and directions of a general character as it may consider necessary in respect of any matter relating to road transport, to the State Transport Authority or Regional Transport Authority; and such Transport Authority shall give effect to all such orders and directions. The question was considered whether, in view of articles 15(4) and 46 of the constitution, the State Government can, under section 43-A (1) of the Act, give directions to the

31 G.O.Ms.No.2392, Home Department, dated 26th August 1967, pp.3-5.
Transport Authorities in the State to give preferential treatment to the applicants belonging to the Scheduled Castes and Scheduled Tribes in the matter of grant of stage carriage permits. The Government were advised that if any direction is to be given under section 43-A(1), the legality of it will have to be justified as falling within the scope of section 47(1) of the Act and that the issue of a direction under section 43-A giving preference to applicants belonging to Scheduled Castes and Scheduled Tribes cannot be brought within the scope of clause (a) of section 47(1) which speaks of the interest of the public generally, since public interest which has to be taken into consideration in regard to road transport, cannot be said to consist in giving such preference although the giving of such preference by a specific provision in this behalf may be justifiable under the constitution. The Government are also advised that if the object in view is to be achieved the desirable course would be to amend section 47(1) of the Motor Vehicles Act suitably and that a more direction under section 43-A (1) of the Act in the behalf cannot be sustained in the face of the language of section 47 of the Act as it stands at present. It was therefore suggested to the Government of India that the provisions in the Motor Vehicles Act might be amended for the purpose of giving preferential treatment to the members of the Scheduled Castes and Scheduled Tribes in the matter of grant of stage carriage permits. The Government of India replied that the suggestion was considered by the Joint Select Committee of the Parliament and that it was decided not to amend the Motor Vehicles Act so as to provide for preferential treatment to members of the Scheduled Castes and Scheduled Tribes in the matter of grant of stage carriage permits. They have also pointed out that the general opinion was that the operation of road transport is a specialized field and that a preference of this nature, might go against the interests of public. However, in view of the decision now taken in the cabinet room, the Government of India may be requested to reconsider the question of amending Section 47 of the Motor Vehicles Act to provide for preferential treatment.

32 Ibid., pp.7-9.
treatment to Scheduled Castes and Scheduled Tribes in the matter of grant of permits for stage carriages.\textsuperscript{33}

**DISTRICT- WISE BUS OPERATION**

Since 1956, the Government of Madras never attempted to operate bus services within the district to facilitate the internal requirements of the people. As such, every year new routes were formed and bus services were operated. Records reveal the fact that a number of routes were opened every year to cope up with the movements of the people. As a result, internal bus service operation considerably increased and every nook and corner of the district is connected with various centers by introducing new bus services including private buses before nationalization.

**Nagercoil to Thoothoor**

The Madras State Transport Department published a scheme for running a passenger transport service on the route Nagercoil to Thoothoor via Thottiyode, Thuckalay, Kuzhithurai, Kaliakkavilai, Mangad and Viravillai.\textsuperscript{34} This route was already in possession of a private operator, P.P.M. Bus service. Therefore, the private operator objected to the scheme of the Madras State Transport Department. Hence, it raised the objections on the ground that it could operate bus service on the route Thoduvetty to Thoothoor to the satisfaction of the public doing 26 singles per day and that there was no need for opening the new route by the Madras State Transport Department. If the proposal of the Madras State Transport Department was approved by the Government, it would cause hardship to P.P.M. Bus Service as well as to a large number of employees working under them.\textsuperscript{35}

But, the Director of Madras State Transport Department pointed out that the proposal to open the new route

\textsuperscript{33} G.O.Ms.No.1298, Law Department, dated 28\textsuperscript{th} April 1956.
\textsuperscript{34} G.O.Ms.No.4076, Home Department, dated 30\textsuperscript{th} November 1966, p.19.
\textsuperscript{35} Letter from the P.P.M. Bus Service, Marthandam, Objection Petition No.6, dated 23.06.1966.
Nagercoil to Thoothoor arose out of numerous representations received from the public as well as from public bodies like Vilavancode Panchayat and from the citizens of Methukunnel, Kulapuram and Kaliakkavilai for providing direct transport facilities between Nagercoil to Viravillai. This necessitated the need for opening the route. Accordingly, since 1967 the State Transport Bus Service was operated to Thoothoor in the midst of objection.36

Nagercoil to Kuzhithurai

The Madras State Transport Department published a scheme for the purpose of varying the approved route Nagercoil to Kuzhithurai via Thottiyode, Monday Market and Karinkal, as Nagercoil to Kaliakavilai via Thottiyode, Monday Market, Karinkal, Thoduvetty and Kuzhithurai and after complying with the provisions of the Motor Vehicles Act, 1940.37 P.P.M Bus Service, which was plying buses on the route and the Vice-Chairman of Municipal Council, Kuzhithurai gave a written representation to the Government objecting to the scheme stating that the route after extension only a short route of about 26miles and the opening of the short route would be opposed by the Government’s announced policy that Madras State Transport Department could take over only routes of over 120 miles that there was no public need for extension of the route from Kuzhithurai to Kaliakavilai as the sector covering these two places were adequately served by their buses and those of the State Transport Undertakings of Madras and Kerala; and that any additional services on the sector by the Madras State Transport will adversely affect their earnings.38 The objection of the Vice-Chairman of the Kuzhithurai Municipality that Kuzhithurai being an important place should not be denied

38 Letter from P.P.M. Bus Service, Marthandam, Petition No. 27, dated 19.01.1963.
the terminal facilities which the public of that place would loose if the extension was granted.  

None of the points urged by the private operator was conceded by the Madras State Transport Department. The extension was for a distance of about 3 miles and will be in the public interest as it will provide a connection to the shuttle services operated by the Kerala State Transport between Kaliakavalai and Trivandrum. On the particular point that terminal facilities available at Kuzhithurai would be deprived as a result of the modification. It is evident that there was public need for the extension. The Madras State Transport Department has agreed to allow the same terminal facilities which the public of Kuzhithurai have been enjoying hitherto even after the extension of the route upto Kaliakavalai. The proposal was in keeping with the Government’s policy to make special arrangements in Kanyakumari district where the majority of routes were short distance routes and where the need for more transport facilities was keenly felt. The modification scheme of the Department was therefore approved with the modification that two out of the maximum of 20 services proposed on the extended route Nagercoil to Kaliakavalai confined to be operated from Nagercoil to Kuzhithurai even after the extension of the route up to Kaliakavalai.

**Nagercoil to Melakrishnanputhur**

The Madras State Transport Department published a scheme relating to the route Nagercoil to Melakrishnanputhur as Nagercoil to Pallam (via) Beach Road, Melakrishnanputhur and Keezhakrishnanputhur (8.5 miles or 13.7Kms) and for increasing the maximum number of buses in this route from

41 *The Indian Express*, dated 2nd January 1963, p.2
3 to 20. But in this route P.R.Muthiah Nadar Sons, Joseph’s Transport was plying a bus on the route Nagercoil to Pallam via Parakkai. So, they objected to the scheme of the Madras State Transport Department as they are operating a mofussil bus of the route Nagercoil to Pallam via Parakkai and Thengamputhur for several years and that the road from Thengamputhur to Pallam was too narrow and there were several sharp curves which would not be suitable for several stage carriages to ply along that road and that he was the sole operator from Thengamputhur to Pallam. It would seriously affect their collections and they operated the service daily nine trips from 5 am to 11 pm to the satisfaction of the travelling public and all the villages were well served. These are the reasons quoted for the objection of the scheme against the Government by the private operator.

On the other hand, the Madras State Transport Department pointed out that the objector was of the misapprehension that the buses to be operated by the Madras State Transport Department on the proposed route touching Thengamputhur and this was not correct, the route Nagercoil to Pallam as proposed by the Madras State Transport Department was (via) Keezhakrishnanputhur and it would not overlap the route on which the objector operated bus except for a very short distance of 0.6 kilometers bear the terminus at Pallam; that the extension of the route upto Pallam has been proposed with a view to serve the villages lying in and around Keezhakrishnanputhur and Pallam. The public of this area gave a representation to the Government to ply buses on this route. Further, they

42 Letter from the Director of Madras State Transport Department to the Transport Commissioner, Kanyakumari branch, Lr.No.17629/p1/63, dated 04.04.1964.
44 Sri.P.R.Muthiah Nadar Sons, Joseph’s Transport Nagercoil, Objection Petition No.2, dated 18.06.1964.
45 Letter from the Director of Madras State Transport Department to the Transport Commissioner of Kanyakumari branch, Lr.No.17498/E1/64, dated 09.07.1964.
contended that Pallam is a densely populated area and there is a need to provide additional transport facilities to this place. Therefore, the Madras State Transport Department operated the service between Nagercoil to Pallam on a route which was entirely different from the private operators who operated the buses on the route.\footnote{46}{G.O.Ms.No.3283, Home Department, dated 21\textsuperscript{st} October 1964.}

Finally, the Director of the Madras State Transport Department published the scheme route Nagercoil to Pallam via Beach Road, Melakrishnanputhur and Keezhakrishnanputhur as mofussil service. The Director has subsequently stated that the scheme was treated as a “Town service” and it was implemented under the Motor Vehicles Act of 1939 in 1963.\footnote{47}{The Fort St.George Gazette, Part III, Madras, 25\textsuperscript{th} March 1964, pp.580-581.}

**Nagercoil to Thengapattinam**

The Madras State Transport Department published the scheme for running a passenger Transport service on the route Nagercoil to Thengapattinam via Konam, Rajakkamangalam, Colachel, Karinkal and Enayam under the Motor Vehicles Act of 1939. But, the private operators who plied buses on the said route objected to the scheme.\footnote{48}{Letter from the Director, Madras State Transport Department to the Transport Commissioner of Kanyakumari branch, Lr.No. 2707/Tr.B1/65, dated 25.08.1966.} The private operators were Ganapathi Motor Service, Pioneer Motor Private Limited, P.T.S. Motor Service. The Ganapathi Motor Service mentioned the objections were the scheme was not properly coordinated or adequate and it was against the public interest. The divergence between the maximum and minimum number of buses and services was wide and it was against the public interest.\footnote{49}{Write Petition No.531/66, Sub-Court, Nagercoil, dated 13.07.1966.} Besides, a piecemeal taking over of buses on a particular route as and when permit expires could not be a scheme in law under the Motor Vehicles Act of 1939, for a scheme would be a properly coordinated and efficient scheme for
running of service of stage carriage on a particular route and not with reference to permits or various categories depending upon the duration of the permits. The objector has a well equipped workshop at Nagercoil whereas the State Transport Undertaking has no facilities except the one at Nagercoil. Further, the objector has invested a huge sum of money in the purchase of the vehicles and the objector would be completely ruined if the route was nationalized. The objector has been operating on the route very efficiently and satisfactorily. The service operated by the State Transport Undertaking was totally inefficient and an examination of the records of the State Transport Undertaking over the years would establish several lapses on the part of the state Transport undertaking in running the services. The State Transport undertaking would not be in a position to implement the policy of nationalization enunciated by Government which requires in addition over 1,500 buses in three categorizes of routes sought to be nationalized. Neither the reserves nor the availability of chassis or its capacity to build bodies would be able to cope with the scheme of nationalization if the scheme were to be approved.\textsuperscript{50}

The Madras State Transport Department has no intention to displace the private operator operating on the sector of the route. But the Pioneer Motors (P) Limited, made a writ petition in the High Court at Chennai to challenging the orders of the Government. Finally, the writ petition was dismissed by the High Court and the Government announced the policy of further extension of nationalization viz. that routes of 120 miles and less would not be taken over in this state including Kanyakumari District was not being implemented by the Madras State Transport Department and that the order of the Government in signing out Kanyakumari District for running state Transport Passenger Service on the four routes.

\textsuperscript{50} The Fort St.George Gazette, Part III, 1\textsuperscript{st} December 1968, Madras, pp.32-33.
Nagercoil to Thickanamcode

A scheme was prepared for running stage carriages on the route Nagercoil to Thickanamcode with shuttle trips between Nagercoil and Colachel by the Director, Tamil Nadu State Transport Department, Madras under section 68-C of the Motor Vehicles Act, 1939. K. Ganapathi Pillai, Ganapathi Motor Service, Nagercoil, made written representation objecting to the scheme. The scheme is not properly coordinated or adequate and is against public interest; the divergence between the maximum and minimum number of buses and services is very wide, and it is against public interest. The scheme does not propose to put up a workshop or Branch Office anywhere. A piecemeal taking over of buses on a particular route as and when permit expires could not be a scheme in law under Chapter IV - A of the Motor Vehicles Act, for a scheme would be a proper coordinated and efficient scheme for running the service of stage carriage on a particular route and not with reference to permits of various categories depending upon the duration if it permits. The objector has a well equipped workshop at Nagercoil; whereas the State Transport Undertaking has no facilities except that one at Nagercoil. Further, he has invested a huge sum of money in the purchase of the vehicle and the objector would be completely ruined if the route is nationalized. The objector has been operating on the route very efficiently and satisfactorily. The services operated by the State Transport Undertaking are totally inefficient and an examination of the records of the State Transport Undertaking over the years would establish several lapses on the part of the State Transport Undertaking in running the services. The State Transport Undertaking would not be in a position to implement the policy of nationalization enunciated by Government which requires in addition over 1,500 buses is the three categories of routes sought to be nationalized. Neither the reserves nor the availability of chassis or its capacity to build bodies would be able to cope with the scheme of nationalization if the scheme

52 Parthasarathy, S., Writ Petition No.52, Law Chambers, High Court, Madras.
were to be approved. The annual report and the balance sheet of the State Transport Undertaking for the past 5 years may be summoned. The objector may also be permitted to examine himself as witness and to produce witnesses to establish the inefficiency in the operation of the routes by the State Transport Undertaking; and the Director of the State Transport Undertaking or any other person belonging to the State Transport Undertaking who has knowledge of the relevant facts should be summoned at the time of hearing so as to enable the objector to examine. Finally, the Regional Transport Officer, Kanyakumari has reported that the private operator who was operating on the route under temporary permit, had stopped the service with effect from 1.4.76 and that he had not applied for any temporary permit to run on the route. The scheme satisfies the requirements of section 68-C of the Act and it is in public interest. The objections have been considered and overruled. The public interest requires that the scheme of the State Transport Undertaking should be put into operation in order to provide efficient, adequate, economical and properly coordinated road transport service.

**Nagercoil to Kadiapattinam**

A scheme for running a passenger transport service on the route Nagercoil to Kadiapattinam (via) Asaripallam, Thoppur, Arasan Villai, Friday Market, Vellamadi, Ammandivilai and Manavalakurichi was introduced under the Motor Vehicles Act, 1939, by the Madras State Transport Department. No objections to the scheme were received within thirty days from the publication of the scheme.

**Muttom to Thuckalay**

A scheme for running a passenger transport service relating to the route Muttom to Thuckalay (via) Ammandivilai, Thirunainarkurichi, Friday

Market, Arasanvilai, Kurunthancode, Kandanvilai, Eraniel, Monday Market, Neyyoor and Thiruvithancode was published under section 68-C (Central Act IV of 1939), by the Madras State Transport Department. Further, no objections to the modified scheme were received within thirty days from the public. Finally, the scheme was approved on 30th November 1966.  

Kumarakoil to Thoduvetty

A scheme for nationalization of bus service on the route Kumarakoil to Thoduvetty (via) Thuckalay, Mettukada, Thiruvithancode, Monday Market and Karingal was published under the Motor Vehicles Act, 1939, by the Secretary of Government of Madras. This scheme received no objection from the public and the scheme was approved on 1968.  

Veppamoodu to Veppamoodu

A scheme for running a passenger transport service on the route Veppamoodu to Veppamoodu (via) Chettikulam, Savariyarkoil, Kottar Police Station, Madras State Transport Department Garage, Ozhuginasery, Vadasery Market, Krishnan Koil, Vetturnimadam, Christunagar, Nadukattu Madam, Mathias Nursing Home, Ramavarmapuram, Collector’s Office, S.L.B School and District Club was published under section 68-C of the Motor Vehicles Act of 1939 by the Madras State Transport Department. No objections to the scheme were received from the public within thirty days. Finally, the scheme was published by the Madras State Transport Department.  

INTER DISTRICT BUS OPERATION

The introduction of Motor Vehicles Act enabled the government not only to introduce bus operation inside the district, but helped to operate inter-
district bus services thanks to nationalization of different bus routes. Various representations were given to the government by the public whenever they needed additional transport facility to cover the long distance from district to district services.

**Nagercoil to Coimbatore:**

Under the Motor Vehicles Act, 1939, the Madras State Transport Department published schemes for running passenger transport services on the route, Nagercoil to Coimbatore. The General Manager, Southern Railway made a representation to the Government urging to close road-rail coordination and suggesting that the scheme of the Madras State Transport Department be dropped. The representatives of the Southern Railway, the Kodaikanal Motor Union Private Limited and the Director, Madras State Transport Department were given an oral discussion with the Secretary to Government of the Madras State Transport Department. Finally, the Secretary passed the scheme relating to the route Nagercoil to Coimbatore in 1960. The proposal of the Madras State Transport Department was to run a minimum of two buses and a maximum of eight buses between Nagercoil and Coimbatore via, Valliyoor, Nanguneri, Tirunelveli, Kovilpatti, Sathur, Virdhunagar, Madurai, Dindugal, Palani, Udumalpet and Pollachi, covering a distance of 288 miles. But, the General Manager of Southern Railway has dropped the proposal for some reasons, namely the bus route was closely parallel to the railway line for a major portion and that, therefore, the earnings of the railways would be adversely affected. The facilities offered by Railways passengers travelling from Nagercoil to Coimbatore are quite adequate and the proposed schemes of the route between Nagercoil and Coimbatore would only intensity the

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60 G.O.Ms.No.1109, Home Department, dated 27th March 1961, p.5.
competition with the railways. The Director of Madras State Transport Department pointed out that the situation on the Railway was much the same as it was over a decade ago, that the population was growing fast, that there are no adequate railway facilities to meet the growing demand. It is evident from the fact that reservation booking in the Railway was becoming increasingly difficult and that the Express Service introduced by the Road Transport Department was only providing facilities to those passengers who do get booking in the railway. Moreover, the Madras State Transport Department pointed out that there has been repeated representations from the business interests of Coimbatore for provision for a through bus service to Nagercoil. Further, it is pointed out that the introduction of the Express bus service would not only provide quick transport to the public but relieve over crowding in trains. On the basis of these facts the objections of the railways were over-ruled and the scheme was approved.

Nagercoil to Thirichirapalli

After the introduction of Nagercoil to Coimbatore bus service, the Madras State Transport Department thought of extending the bus route between Thirichirapalli and Nagercoil. The proposal of the Madras State Transport Department was to run a minimum of two buses and a maximum of eight buses. The route between Thirichirapalli and Nagercoil covering a distance of 222 miles via, Madurai, Virdhunagar, Sathur, Kovilpatti, Tirunelveli and Valliyoor and another route via Manapari, Dindugal, Kodikanal road, Madurai, Aruppukottai, Ettayapuram, Kurukkuchalai, Tuticorin, Tirunelveli, Nanguneri and Valliyoor covering a distance of 276 miles. But, the General Manager, Southern Railway put forward the general points mentioned in connection with the scheme relating to the Nagercoil to

63 Ibid, pp.4-7.
64 The Fort St. George Gazette, Madras, dated 1st July 1962, p.257.
Coimbatore and stated that the introduction of the bus service was of grave concern to the Railway administration and that, therefore, the proposal was dropped. Likewise, the Kodaikanal Motor Union Private Limited have objected the proposal of the Madras State Transport Department on the main ground that the sector of the route was already served efficiently by private operators. The proposed service would create unhealthy competition and so there was no need for the proposed service. If there is a need at all, it should be allowed to be met by private operators.\textsuperscript{66}

The Madras State Transport Department, however, repeated the general points made in connection with the scheme relating to Nagercoil to Coimbatore, and pointed out that the Transport Department was operating only an Express bus service with limited stops, that the journey was completed in about 8 hours during daytime and so, the service has become very popular and that it provides quick transport facilities to the public.\textsuperscript{67} It cannot be said that this service, which was operated by the Transport Department with a limited number of seats during daytime is competing with the Railways. On the other hand, it is supplementing the Railways in clearing surplus traffic, as a result of the growing population and increasing development in the districts. The objection of the Railways and the Kodaikanal Motor Union Private Limited were overruled and the schemes were approved in 1960.\textsuperscript{68}

\textbf{Nagercoil to Madurai:}

The Madras State Transport Department published under the Motor Vehicles Act 1939 and introduced the scheme for running a passenger transport service on the route Madurai to Nagercoil via, Virudhunagar, Sathur, Kovilpatti, Tirunelveli, Nanguneri and Valliyoor.\textsuperscript{69} But, the General Manager,

\begin{itemize}
\item \textsuperscript{66} Kodaikanal Motor Union Private Limited, Writ Petition No. 2, dated 23.09.1959.
\item \textsuperscript{67} G.O.Ms.No. 2606, Home Department, dated 5\textsuperscript{th} August 1966, pp.3-5.
\item \textsuperscript{68} \textit{Ibid.}, pp. 6-7
\item \textsuperscript{69} G.O.Ms.No.302, Home Department, dated 29\textsuperscript{th} January 1965, p.3.
\end{itemize}
Southern Railway of Madras made a written representation to the Government and suggested to drop the scheme of the Madras State Transport Department. The main objections of the Southern Railway were the proposed bus route was indirect competition with the Railway, though the Railway line does not extend upto Nagercoil. The administration has provided an out-agency for dealing with passenger, luggage, parcels and goods traffic at Nagercoil with Tirunelveli Junction as the serving station and for the convenience of passengers, through tickets are issued from and to Nagercoil by the road-cum-rail route and the out-agency buses run between Nagercoil and Tirunelveli Junction, maintaining connections with the important trains at Tirunelveli. During that time, four trains were running from Madurai to Tirunelveli on the other direction including an Express Train with suitable intervals. Traffic bound to the two terminal points of the route Madurai and Nagercoil from each end was meager being only 20 per day each way on an average and this traffic was moving freely by the existing trains. In addition to this, there were adequate numbers of road services provided by the private operators on various sectors of the route. The opening of this bus route will not counter any benefit to the travelling public at large, but would result in intensifying competition with Railway for traffic.

The Madras State Transport Department on the other hand has pointed out that places beyond Tirunelveli are not connected by rail. The out agency buses provided by the Railway serve only the Railway passengers but not the general public; that the sector of Nagercoil to Tirunelveli which is 50 miles was not served by railway. The proposed route Nagercoil to Madurai was a sector of the nationalized routes Nagercoil to Trichy and Nagercoil to Coimbatore.

70 Letter from the Director to the General Manager to Southern Railways, No.22040/151/1/CTC/CTC/66, dated 22.06.1966.
72 Ibid., p.3.
73 G.O.Ms.No.2680, Home Department, dated 10th August 1966, pp.120-125.
The occupancy ratio of these routes is as high as 100 percent and a large number of people travel by these buses between Nagercoil and Madurai daily with the result that enough accommodation cannot be found for long distance passengers.

The intention of the Madras State Transport Department to ply two buses to start with on the proposed route from Nagercoil to Madurai, each bus to perform two single trips daily; this will relieve the congestion obtaining on the existing routes leaving sufficient accommodation for the passengers; further, it will be possible for the department to provide early morning services from Madurai end and evening services from Nagercoil end as such facility was not available to the travelling public for performing journey between Madurai and Nagercoil, during the introduction of the scheme. This route also served as a feeder route to the services to be introduced on another new route from Madras to Madurai and that there was thus proved need to open the route from Nagercoil to Madurai and that the public would prefer to travel quicker by buses than by travelling by train.\textsuperscript{74}

Finally, the introduction of the bus service will go a long way in providing quick transport and greater convenience to the travelling population which was constantly increased. The objections raised by the Southern Railway were therefore overruled and the scheme of the Madras State Transport Department was approved in 1964.\textsuperscript{75}

**Nagercoil to Tirunelveli and Cape Comorin to Tirunelveli:**

The Madras State Transport Department expressed that for the purpose of providing an efficient, adequate, economical and properly coordinated road transport service, it is necessary in public interest to run the passage transport service over the routes of Nagercoil to Tirunelveli and Cape

\textsuperscript{74} Ibid, pp.127-131.
\textsuperscript{75} The Fort St.George Gazette, Part III. Madras, dated 9\textsuperscript{th} October 1966, pp.13-18.
Comorin to Tirunelveli by the State Transport Department. The Director of Madras State Transport Department has published under section 68-C of the Motor Vehicles Act, 1939, as amended by Central Act 100 of 1956, a scheme of road transport services to be operated by the Madras State Transport Department. The scheme has been prepared in two parts, namely one in respect of the services in the Kanyakumari and Tirunelveli districts and the other in respect of the inter-state routes extending to the Kerala State.

The private operators are running eleven stage carriages of the latest model in the route Nagercoil-Tirunelveli of which two are non-stop Express Buses fitted with amenities to the passengers and one bus in the route Tirunelveli-Cape Comorin. Private operators acted as agents for the Southern Railway at the out-agencies at Nagercoil, Valliyoor, Nanguneri and Tisayanvilai for carrying the passengers, parcels and goods. Besides, they also acted as Post Mail contractors for several years and were conducting the services to the entire satisfaction of the public, the Government and the railway administration.

The private operators engaged the motor transport business far more than thirty seven years. Starting in a humble manner, with a single bus as far as back in 1920, they have been in the face of various difficulties and severe competition steadily building up their motor business and any impartial enquiry will convince that their motor business will be most efficient and economical of the existing services in the area. In spite of loss and little profits, their motor has always been to serve the interests of the public, by efficiency, cheapness and adequacy. Further, heavy amount have been invested in the business from

76 Letter from the Director of Madras State Transport Department to the Government of Tamil Nadu, Lr. No. 1296/p1/58, dated 15.05.1959.
time to time to build up and enlarge the business according to the growing demands of the public.  

Having regard to the growth and size of the private motor business, they have also established a workshop with updated versions of equipment of the best type and manned by a skilled staff, ensuring service for hundreds of buses. Their garage was spacious, capable of accommodating hundreds of buses in good order and safety. Moreover, many Europeans and Americana connected with Motor Industry have visited their workshop and garage and observed the running of bus transport service. They have expressed the opinion that they have not seen such as a suitably planned and carried out facilities anywhere in India.

The proprietors began the motor business when they were young and have devoted the best part of their life for the motor industry and have earned a reputation throughout South India as experts in the line. It was he who first introduced the Gas Plant system in a successful manner. Certificates of merit have been granted by noted travellers, pilgrim parties, Ministers of the Madras State and Educational Institutions for the efficient and management of the Pioneer Motor Service. There has never been any accident worth mentioning; or any complaint from the travelling public or from the Department. There was no strike at any time. Employees, who number nearly 600, are recruited from all communities. The services were conducted in strict adherence to the schedule of timings and other rules. Maximum amenities were offered to the passengers and the interests of the public have always been kept foremost in running the service. If one is permitted to make a comparison with the manner in which the State Transport Service is conducted, one is justified in observing that heavy overloading is the normal feature of the service. There

79 Letter from the T.V. Sundar Iyengar and Sons Private Limited to the Home Secretary No: T: PO:44; dated 14.05.1960.
will not be even starting space in the buses. The condition of women passengers is rather deplorable. They are compelled to stand along with male passengers. The majorities of the buses are old and are subject to frequent breakdown and accidents. In the matter of getting tickets the passengers have to undergo rather a harrowing experience. The method adopted for issuing tickets shows little or no regard to the convenience or self respect of the passengers. The conductor sitting tight in his seat and the passengers rushing and clambering over one another to get ticket and fighting for standing space, in the narrow foot-step at the entrance is a common sight. The situation created is quite congenial to the flourishing of pickpockets. It can confidently be said without fear or contradiction that the State Transport Service will not stand any comparison whatsoever with the services of the private agencies, either in efficiency, economy, adequacy or co-ordination of services.  

In this connection it is necessary to recall the assurances of the Central Government that the private sector will not only receive due recognition and encouragement, but it will also be treated with respect. The Pioneer Motor Service, which is the oldest and the best established motor business in South India, stated that the proposed scheme is like a bolt from the blue. The sudden stoppage of a big business by a fiat of executive act is calculated to cause very heavy loss and ruin to the business and to all those who were connected with the business.

The proposal for opening a railway link between Tirunelveli and Trivandrum via. Nagercoil and the completed survey for the same is progressing. Introduction of such a scheme involving a huge investment will also render the proposed scheme absolutely unnecessary. Viewing the matter from any angle the proposed scheme is not in the interests of the public and is absolutely unnecessary.  

It is therefore humbly prayed, that the Government

82 Letter from the M/s. T.V. Sundaram Iyangar and Sons (P). Ltd. to the State
be pleased to hear us in the matter and drop the proposed scheme regarding the routes in Kanyakumari and Tirunelveli Districts.

The Scheme of road transport service relating to Kanyakumari and Tirunelveli District published by the Director of State Transport Department under section 68-c of the Motor Vehicles Act 1939, provided for the nationalization of the routes like Nagercoil to Tirunelveli (via) Aramboly, Panakudy, Valliyoor, Nanguneri and Cape Comorin to Tirunelveli (via) Anjugramam, Panakudy, Valliyoor, Nanguneri. Finally, the Director of Madras State Transport Department implemented the decision and nationalized the Cape Comorin to Nagercoil route and the private operators were not allowed in the sector.

Nagercoil to Valliyoor:

The Madras State Transport Department published a scheme under the Motor Vehicles Act of 1939, for running a passenger transport service on the route Nagercoil to Valliyoor (via) Suchindram, Kottaram, Cape Comorin Anjugramam, Chettikulam, Erukathurai and Radhapuram and applied to the State Government for approval. But the private operators like Sri Narayanan Motor Service, Tirunelveli and the Tirunelveli Motor Bus Service Company Private Limited, Tirunelveli, who were plying buses on the sector of this route have put in written representation to the Government objecting to the scheme. The main reasons for the objections of the Tirunelveli Motor Bus Service Company Private Limited and Sri Narayanan Motor Service were the proposed new route from Nagercoil to Valliyoor completely overlaps the two

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Transport Department, Lr, No. T:PO: 55, dated 25.05.1960.
84 G.O.Ms.No.3710, Home Department, dated 17th November 1960.
routes operated by them and taking over of the routes of less than 120 miles against the policy of the Government. There were a large number of buses plied in the sectors to cater to the needs of the public and there was no necessity to open this new route. The Director of Madras State Transport Department on the other side pointed out that there was no conflict of policy in this regard, subsequent to the announcement of the policy regarding further nationalization. The Government has, on reconsideration, decided that special arrangements should be made in view of the peculiar situation in Kanyakumari District where the majority of the routes operated were short distance routes and where the need for more transport facilities was keenly felt. The statement that the traffic demands were adequately met by the buses operated by the private operators do not adequately meet the increasing traffic demands and only on this count, it has been decided to open this route for the public interest.

The representatives of the two operators who have objected to the scheme and they stated that alternative routes might be granted to them as otherwise the introduction of services on the proposed new route by the Madras State Transport Department would adversely affect them. But, the introduction of bus service will go along in providing an efficient and adequate transport and greater convenience to the travelling population and the public interest requires that the scheme of the Madras State Transport Department be put into operation. The objections of the private operators were therefore overruled and the scheme of the Madras State Transport Department was approved.

Nagercoil to Radhapuram:

The Director of Tamil Nadu State Transport Department prepared the scheme for running the stage carriage on the route Nagercoil to Radhapuram with shuttle trips between Nagercoil and Vadakangulam. But the private operator G.Kuppusamy of Sri Ganapathy Motor Service made written representation objecting to the scheme blatantly. The objection contained that in this route, for the past forty years, the private operator plied the buses to the entire satisfaction of the people; the objector was depending upon the transport business and he has got a pucca workshop and fully trained establishment for the efficient running of the bus service. These reasons were mentioned for the objection of the scheme introduced by the Tamil Nadu State Transport Department. But the special officer of the Transport Department filed a counter to the objections of the private operator. Therefore, the draft scheme in question was intended for providing an efficient, adequate transport facility which was necessary for the public interest. But, in the petition of the private operator, nothing was mentioned for the objection. The Supreme Court of India and the High Court of Madras have repeatedly stated that the objections of the private operators have been raised against the draft scheme and the object of the objectors merely to prolong the issue indefinitely delayed the process of nationalization. However, the private operator and the State Transport Undertaking were represented by a counsel. In this discussion, the scheme was acceptable to the transport department. The scheme was published by the Director of Tamil Nadu State Transport Department before that there was any bus services in this route.90

Tamil Nadu State Transport Department was not running buses and there cannot be efficient, economical, adequate and properly coordinated road transport service. The permit granted to the objector was to run buses on the route Nagercoil to Vadakangulam, whereas the scheme was for the route

Nagercoil to Radhapuram. The Counsel stated that the objector was a single bus operator and that it was eligible for the concession granted by the Government. The Counsel for the State Transport Undertaking stated that the High Court upheld the power of the Home Secretary and approved the scheme under the Motor Vehicles Act of 1939. After the scheme was approved and published, the Kattabomman Transport Corporation which was operating buses in Kanyakumari District obtained the permit and provided economic, efficient, adequate and properly co-ordinate road transport service.\(^{91}\)

**Nagercoil to Muppanthal**

The Madras State Transport Department published under section 68-C of the Motor Vehicles Act, 1939 (Central Act IV of 1939) a new scheme for running a passenger transport service on the route Nagercoil to Muppanthal (via) Therakalputhoor, Vellamadam, Thovalai and Aramboly and after complying with the provisions of rule 294-B of the Madras Motor Vehicles Rules, 1940, applied to the State Government for the approval of the Scheme under section 68-D of the said Act.\(^{92}\) Sri Ganapathy Motor Service, Nagercoil, M/s Pioneer Motors, Nagercoil and Sri Balasaraswathi Transport, Palayamcottah made written representations objecting to the scheme.

In exercise of the powers conferred on him by the state Government under Rule 294-G of the Madras Motor Vehicles Rules, 1940, the Secretary to Government, Home Department gave an oral hearing to the objector and to the Madras State Transport Department on 24\(^{th}\) February 1967.\(^{93}\) The representatives of Sri Ganapathi Motor Service, Nagercoil and Sri Pioneer Motors, Nagercoil were present at the time of oral hearing. The other objector,

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93 G.O.Ms. No. 1203, Home Department, dated 26\(^{th}\) April 1967.
Sri Balasaraswathi Transport, Palayamcottah did not turn up. After taking into account the representations, both written and oral, of the objectors and the Secretary of Madras State Transport Department raised the point that the route from Nagercoil to Muppanthal is adequately and efficiently served by existing operators. If the route is operated by the Madras State Transport Department there will be a stiff competition and hence there will be loss to the Government. The length of the route published is incorrect and the proposal to open short distance route is against the policy of the Government.94

On the other hand the Madras State Transport Department has pointed out that the proposal to open the new route was taken up only on the representation from the public and the present policy of the Government is not to displace any of the private operators operating in the sectors of the route. The timings of the buses will be drawn up and approved by the Regional Transport Authority and therefore there is no fear for any competition. As the intention of the Government is only to provide adequate transport facilities, the contention of the objector that the Government will incur losses is not tenable. The correct length of the route is 11 miles or 17.7 Kilometers and it will be incorporated in the scheme; and even though the policy of the Government is not to open short distance routes the needs of Kanyakumari District are peculiar and there is need to provide transport facilities to developing areas.95

At the oral hearing, the representatives of Sri Ganapathi Motor Service, Nagercoil and Sri Pioneer Motors, Nagercoil reiterated the points already mentioned in their written representations and emphasized the points that the introduction of the proposed route will result in wasteful competition between the private operators and the Government as the sectors of the route are already adequately and efficiently served by the existing operators and operators.

there is no need to open a new route connecting Muppanthal as it is not a village or a place of importance.\textsuperscript{96} The minimum fare charged by Madras State Transport Department is 10 paise while it is 30 paise in the case of private operators; and so the passengers will prefer Madras State Transport Department buses resulting in loss to private operators. The length of the route published was incorrect and the maximum and minimum numbers of buses proposed to be operated are indicated in the scheme as 20 and 1; and the margin was wide.\textsuperscript{97}

It has been observed that the Madras State Transport Department has taken up the proposal only with reference to representations received; the rates of fare apply to all routes and not to this particular route only. Moreover, correct length of the route will be indicated in the notification to be issued. There is a need to provide transport facilities in developing areas in Kanyakumari District and as this is a short distance route, increased number of trips may have to be provided. The public interest requires that the scheme of the Madras State Transport Department be put into operation. The objections are therefore overruled and the scheme of the Madras State Transport Department is approved with slight alterations.\textsuperscript{98}

\textbf{Nagercoil to Papanasam}

In accordance with the policy of nationalization of bus transport, the scheme of the State Transport Undertaking relating to the route Papanasam to Nagercoil (via) Cheraumadevi, Kalakad and Valliyoor. No objection was received form the public within thirty days and the Madras State Transport Department approved the scheme Nagercoil to Papanasam.

\textsuperscript{96} Messrs. Pioneer Motors, Nagercoil, Objection Petition No.23, dated 8.12.1966.
\textsuperscript{97} Sri Ganapathy Motors Service, Nagercoil, Objection Petition No.12, dated 8.12.1996.
\textsuperscript{98} Fort St.George Gazettee, Part III, Madras, dated 23.11.1966.
INTER STATE BUS OPERATIONS:

Before the reorganization of states in 1957, Kanyakumari district was part of the Travancore- Cochin State. Then a number of buses were plying between Nagercoil and Thiruvananthapuram. The transport department was organized in Kanni 1113. Initially a fleet of 60 vehicles for which chasises were purchased and bodies suited to the local conditions were constructed in the P.W.D. workshops. The service was inaugurated by His Highness the Maharaja on 9th kumbham 1113.\textsuperscript{99} The section first covered by the vehicles of the department were Trivandrum – Nagercoil, Trivandrum – Neyyattinkara, Nagercoil – Colachel and Nagercoil – Kanyakumari.\textsuperscript{100} All the private transport services were prohibited on the routes served by the buses of the department. Regular service for the transport of goods from the High Ranges via Alappey was taken up by the department. In Minam 1115 the state transport line was extended to Kottayam.\textsuperscript{101}

In conjunction with passenger service, a parcel service was also started. Agents were appointed at important stations on the routes for receiving and transmitting parcels from the consignors and they distributed the parcels to the consignees. The fare was standardized at 8 (anna) cash per mile in all routes except in the town buses in Trivandrum where it has been fixed at 12 (anna) cash per mile.\textsuperscript{102} This transport department brought a sizeable income to the state of Travancore – Cochin. It was under the control of an officer designated as Superintendent of Transport. This department successfully plied bus services throughout Nanjil Nadu up to the reorganization of the States in 1956. At the time of the State Reorganization in 1956, an agreement was entered between

\textsuperscript{100} Nagam Aiya, \textit{The Travancore State Manual}, Vol.IV, New Delhi, 1989, p.402.
\textsuperscript{101} VeluPillai, T.K., \textit{op.cit.}, Vol.IV, 1940, p.305.
the State Transport Undertakings of the former Travancore – Cochin and the State of Madras on various points.\textsuperscript{103}

**Inter - State Transport Commission:**

According to the Motor Vehicles Act 1939, the Inter State Transport Commission was set up for the purpose of developing, coordinating and regulating the operation of transport vehicles in respect of any area or route common to two or more states. The main functions of the Inter State – Transport Commission are to prepare schemes for the development, coordination and regulation in particular, of goods vehicle in an inter – state region; to settle all the disputes and decide all matters on which differences of opinion arise in connection with the development, coordination or regulation of the operation of transport vehicles in inter – state regions; to issue directions to State and Regional Transport Authorities regarding the grant, revocation and suspension of permits and of counter signatures of permits for the operation of transport vehicles in respect of any inter- state service;\textsuperscript{104} to grant, revoke or suspend any permit or countersign any permit for the operation of any transport vehicle in respect of such routes or areas common to two or more states as may be specified on this behalf by the Union Government, it could fix the maximum and minimum fares for the carriage of passengers in inter – state bus services so as to serve to the convenience of passengers. Again, it can fix the maximum and minimum freight rates for various kinds of goods to be carried in inter – state services and laying down the conditions for the carriage of such goods. Another important function is to assist in finalising reciprocal arrangements among the State Governments for the smooth and efficient operation of inter – state motor transport services.\textsuperscript{105}

\textsuperscript{104} Committee on Transport Policy and Coordination – Final Report, Planning Commission, Government of India, New Delhi, January 1966, pp.83-84.
\textsuperscript{105} Ibid., p.85.
The power to grant, revoke or suspend any inter-state permit or to countersign any such permit has not yet been vested by the Union Government of India in the Inter-State Transport Commission. One of the main tasks of the Commission at present is to assist a state entering into inter-state agreements on a reciprocal basis for licensing goods vehicle for inter-state traffic and to solve such differences between States as may be referred to it. According to a convention between the Ministry of Transport and Communications and the Ministry of Home Affairs in January 1958, cases in which the Inter-State Transport Commission was unable to resolve differences among them through persuasion have to be referred to the Zonal Council concerned for bringing about a settlement. According to Section 21(2) of the State Reorganization Act, 1956, the Zonal Councils are authorized to discuss and make recommendations with regard to any matter concerning inter-state transport. It was only if the Zonal Council was unable to settle a dispute that the Inter-State Transport Commission was to issue a direction under their powers.\textsuperscript{106}

Section 57 of the Motor Vehicles Act of 1939 lays down the procedure to be followed by the Regional Transport Authority for the issue of permits valid within any region. According to this section, “the Regional Transport Authority shall make the application available for inspection at the office of the substance thereof in the prescribed manner together with a notice of the date before which representations in connection therewith may be submitted and the date, not being less than 30 days from such application, on which and the time and place at which, the application and any representations received will be considered”. The Authority has to dispose of the application at a public hearing in which the applicant and the person making the representation shall have an opportunity of being heard.\textsuperscript{107}

\textsuperscript{106} G.O.Ms.No.385, Home Department, dated 23\textsuperscript{rd} February 1963.
\textsuperscript{107} Committee on Transport Policy and Coordination- Final Report, Planning Commission, Government of India, New Delhi, January 1967, pp.78-79.
According to section 63 of the Motor Vehicle Act 1939, a permit granted by the Regional Transport Authority of one region shall not be valid in any other region unless the permit has been countersigned by the Regional Transport Authority of the other region. For the grant of countersignatures for inter-regional operation, the same procedure has to be followed as for the issue of the inter-regional permits. A State Government may, however, make rules according to which a permit granted in one region shall be valid for another region within the state without countersignatures.\textsuperscript{108} Procedure followed in different States for the issue of permits for operation of vehicles within the State varies considerably. In some States, as in Punjab, Madhya Pradesh, Rajasthan, Orissa, Mysore and Madras, a Regional Transport Authority or the State Transport Authority as the case may be, is authorized to issue permits valid for the State as a whole.\textsuperscript{109}

\textbf{Reciprocal agreement between States:}

Several State Governments have entered into reciprocal agreements with the neighbouring states and in a few cases, with non-adjourning states as well, in regard to inter-state operation of motor vehicles. The number of permits to be countersigned for inter-state operations was fixed on a reciprocal basis by the assessment of demand and traffic potential and applications submitted by road transport operators for running services. It cannot be said that any systematic procedures for the assessment of traffic needs have yet been evolved. There are

\textsuperscript{108} \textit{Ibid.}, p.80.

\textsuperscript{109} In some other states, as in Maharashtra, although permits issued by a Regional Transport Authority may be valid for the region concerned, the Authority itself can countersign for inter-regional operations. Andhra Pradesh consists of sixteen regions, but is divided into five zones for the issue of permits for public carrier, and each Regional Transport Authority can issue permits for an operational area of 150 miles radius from the base of operation or for a route not exceeding 300 miles without restriction with reference to the demarcation of the regions in the State. \textit{[Committee on Transport Policy and Coordination – Final Report, op.cit., p.84.]}

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many instances in which the Inter – State Transport Commission has not been consulted before agreements have been reached between individual states. Reciprocal agreements generally cover all types of motor vehicles. As regards stage carriages, the number of regular permits and in some cases temporary permits also, is fixed between the States concerned for operation on specified inter – state routes. The number of buses is broadly fixed on the basis of parity of mileage, lying within the territories of the two states. In some cases, as in the agreement between Madras and Andhra Pradesh, the number of buses to be introduced on inter – state routes is determined on the basis of an equal share for each state.\textsuperscript{110}

**Inter-State Movement**

Under the Inter-State Movement, states have to negotiate and bargain with one another to determine the number of permits which each may issue to its own operators is bad in principle and proves even worse in practice. It allows little scope for a well-considered assessment of the transport needs to be met or of the part which different services should ply in meeting them or of the costs involved, both for the road transport industry and for the economy as a whole. If there are states intervening between those entering into a reciprocal agreement, the system lends itself readily to numerous restrictions, tax levies and imposts and affords opportunity for abuse.\textsuperscript{111} Therefore, such reciprocal agreements between States should no longer be the principal means for Inter-State Operations. Their place should be taken by a system of Inter-State permits issued under the authority of the Inter-State Transport Commission which, in the interest of precision, could be redesignated as the Inter-State Road Transport Commission. This body, working in close collaboration with State Transport Authorities and the Railways, should assess at intervals of two

\textsuperscript{110} Committee on Transport Policy and Coordination – Final Report, Planning Commission, Government of India, New Delhi, 1968, pp.91-93.
\textsuperscript{111} G.O.Ms.No.2552, Home Department, dated 7\textsuperscript{th} May 1966.
to three years the requirement of long distance and Inter-State road transport and should determine the volume of transport and the number of vehicles which should be made available and the broad terms on which the services should be provided. The requirements should be arrived at on the basis of careful technical and economic studies, with progressively greater knowledge of relative costs, keeping in view the needs of coordination between different services and the relative contribution due from each.112

**Temporary Permits**

In view of the proposed scheme for the issue of permits, both Inter State and State Operation of public carriers expect that the scope for temporary permits should be issued for special temporary purposes to meet unexpected requirements. The same authority issued temporary permits as and when required. Under recommendations, temporary permits will become an exception, to be resorted to only for meeting special and short-term needs. Issue of temporary permits pending decision on an application for the renewal of a permit, though allowed under the law, should be comparatively rare.113 In putting forward these proposals for two sets of permits, inter-state permits and state permits the approach of planned and coordinated development of all modes of transport are required. These principal considerations helped to obtain the transport services needed for overall economic development.114

**Inter-State Operation to Kerala:**

At the time of the State Reorganisation in 1956, an agreement was entered between State Transport Undertaking of the former Travancore-Cochin State and the Madras State on various issues. Among other things, this agreement provided that one of the seven buses to be operated by Kerala from

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114 Ibid., p.84.
Trivandrum to Nagercoil would be permitted to be extended upto Cape Comorin.\textsuperscript{115} But permits were not issued to the Kerala State Transport Undertaking to commence operation of this service, in spite of repeated request from the Kerala Director of Transport. Later, the Chairman, Inter-State Transport Commission discussed the matter in 1959 with the representatives of the two States and it was then agreed that the grant of permits to the vehicles of Kerala State Transport Department on the route Trivandrum-Cape Comorin should not be withheld. In the light of those discussions, the Government of Madras also issued orders that the grant of permit in the route Trivandrum-Cape Comorin should not be withheld. In the same order, the transport commissioner of Madras was also instructed to take necessary measures to implement the orders.\textsuperscript{116}

In pursuance of this order, the Kerala State Transport Department applies for variation of the permits for one of the buses plying on the Trivandrum - Nagercoil route is to extend the services upto Cape Comorin. The Regional Transport Authority, Trivandrum sanctioned the variation of permits and forwarded the same to the Regional Transport Authority, Kanyakumari for counter – signature of the State Transport Undertaking. The matter was taken up at the Government levels. The Government of Kerala requested the Government of Madras to issue necessary instructions to the Regional Transport Authority of Kanyakumari district in the Kerala State might come up with a proposal for grant of a new permit in respect of a bus on the route Trivandrum – Cape Comorin via., Nagercoil, instead of varying the existing route Trivandrum – Nagercoil upto Cape Comorin in respect of their bus.\textsuperscript{117} This suggestion was not in conformity with the agreement entered noted that according to the provision to section 63(3) of the Motor Vehicles Act it shall

\textsuperscript{115} Velu Pillai, T.K., \textit{op.cit}, p.497.
\textsuperscript{116} Road Planning for Economic Development, Government of Kerala, Trivandrum, 1960, pp.1-3
\textsuperscript{117} \textit{Ibid.}, pp.5-7.
not be necessary to follow the procedure laid down in section 57, for counter –
signature of permits issued by the Regional Transport Authority or State
Transport Authority of another state in pursuance of an agreement between the
two States on the matter, whereas in the case of grant of a new permit all the
formalities have to be undergone. In these circumstances, the Government of
Kerala have again requested the Government of Madras to honour the terms of
the agreement and to issue appropriate directions for the counter – signing of
the variation of permit for operation of a Kerala State Transport bus on the
route Trivandrum – Kanyakumari.118

Standing Committee of Transport Commission:

A Southern States conference of the Transport Ministers was held on the
11th and 12th December, 1972, at Coimbatore. The transport ministers of
TamilNadu, Andhra Pradesh, Mysore and Kerala participated. It was decided to
constitute a Standing Committee of the Transport Commissioners of the
Southern States including Pondicherry. It was also defined that this committee
would be meeting at periodical intervals to assess the statutory and
administrative problems, their recovered solutions and to initiate action to
implement the decisions taken at the conference of the Transport ministers of
the Southern States and serve as a clearing house for all information, relevant
to the Southern States. In particular, the Standing committee should consider
the matters and submit its recommendations to the State Governments.119
Accordingly the commission discussed the basis and structure of taxation
relating to Motor Vehicles. It suggested that such changes as necessary to
ensure a measure of uniformity in taxation prevent evasion and secure adequate
revenue without affecting the growth of Road Transport. This committee would
decide to levy a loss for the development of rural roads. Another important
decision taken was the modifications made in the statutory, administrative and

118 Ibid., p.8.
executive arrangements to ensure the contract carriages. The conference, thereafter, took up for discussion the subjects listed in the agenda. A summary of the conclusion arrived after discussions were there was a practical difficulty in State Transport Undertakings taking over all the routes very quickly. But in principle, it agreed to issue permits to the new inter-state routes. The first preference should be given, as far as possible, to the State Transport Undertaking of the Home State. Where it was not possible for the State Transport Undertaking of the Home State to operate the second preference should be for the State Transport Undertaking of the reciprocating State, the permit for the purpose being granted by the Home State. The fees and taxes collected in the Home State should be paid by the State Transport Undertaking in the reciprocating State. The operation by the State Transport Undertaking of the reciprocating state will cease as and when the State Transport Undertaking of the Home State was in a position to operate the routes. Where existing routes are operated by private operators, they should be continued, till the State Transport Undertaking is able to take over. The ultimate objective of all inter-state routes being operated by State Transport Undertakings should be implemented in accordance with a planned and coordinated programme and completed in 3 to 5 years.\footnote{Ibid., pp.9-13.} Provision was made to provide for additional facilities and maximum number of trips made available. The principal objective was service kilometerage for allocation of inter-state routes between states was also agreed upon. The inter-state agreement may provide for minimum and maximum number of trips in each route on the basis of parity. The concurrence of the reciprocating state was necessary only for increase in the number of permits and not for trips. Where an inter-state route was monopolized by one particular State Transport Undertaking the increase of trips could be done unilaterally. Where the inter-state routes were operated by undertakings of both the States, the increase in the number of trips can be done by mutual agreement between the undertakings. Where the route was operated by the State Transport
Undertaking as well as a private operator, there was no need to invite objections again as objections would have already been considered before finalising the inter-state agreement.\textsuperscript{121} Moreover, it was agreed that all the States should move the Central Government to delete the provision to Section 68-D of the Motor Vehicle Act which requires the previous approval of the Central Government for publishing schemes approved for nationalization in the case of inter-state routes as nationalization was only after inter-state agreements were entered into in respect of those routes. There was considerable discussion on the subject. Like contract carriage (omnibuses) misuse of omnibuses as stage carriage, restriction in the grant of permits and adoption of uniform rate of taxes were also discussed and agreed upon. It was unanimously agreed that misuse of contract carriages, as stage carriage should be put an end to at all costs. The standing committee suggested suitable measures for the purpose, indicating inter-alia.\textsuperscript{122}

Meanwhile the grant of regular permits for Contract Carriage should be stopped and temporary permits under section 63(6) should not be issued as a matter of course, and should be issued only for bonafied purposes only. There should be a close watch on the existing permit holders. Joint checks by the Transport Authorities of the different States should be conducted. Further, it was decided to increase the number of tourist taxis for plying in all the Southern States from 20 to 100 for each state. A draft agreement should be prepared for exaction by all the four States providing for the grant of composite

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\textsuperscript{121} \textit{Ibid.}, pp.14-15.  \\
\textsuperscript{122} (i) how best definitions could be amended (ii) lay guidelines for the grant of permits to omnibuses required by the private institutions (iii) how the tourist vehicle should be registered and whether they should be required to be approved by the Tourist Corporations, and (iv) how best the grant of temporary permits under section 63 (6) for bonafied tourist purpose could be regulated. The standing committee may constitute a sub- committee with appropriate representation to study this problem, and submit its recommendation to the respective Government as early as possible.[Mohan Lal, \textit{op.cit.}, pp.24-26].
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permits on single point tax without counter-signature by other States. Besides, it was agreed to have tourist vehicles on single point tax for operation on an all India basis. These vehicles should be run only by public undertakings. In addition, the prevailing rates of tax in different States were reviewed. It was decided that the tax under the Motor Vehicle Taxation Act and the tax under the Taxation of Passengers and Goods Act should be merged as in the case of Andhra Pradesh. Apart from this, measures were also adopted for the prevention of accidents. With this motive it was decided to employ two drivers in long distance vehicles plying during the night; licensing of drivers, and preparation of a highway code with uniform traffic rules and regulations for all the Southern States. The Conference felt that the recommendations by the Central Committee Constituted for suggesting amendments to the Motor Vehicles Code are inadequate. It was unanimously felt that statutes relating to the regulation of motor transport should be suitably revised in order to satisfy the present and future requirements. The Standing Committee of Transport Commissioners now constituted might go into the subject in depth and suggest a suitable Motor Vehicles Code for uniform adoption in all the States.

124 Its recommendations and suggestions are (i) the basic and structure of taxation such charges as may be necessary to (a) ensure a measure of uniformity in taxation, (b) prevent evasion and (c) secure adequate revenue without affecting the growth of road transport. (ii) Levy of a cess for the development of rural roads; (iii) Modification in the statutory, administrative and executive arrangements to ensure that contract carriage permits are not misused (iv) A motor vehicles code for use in the Southern States to provide for effective regulation and control and for the prevention of accidents (v) Maintenance of registers from on an uniform basis with a view to facilitate easy check and exchange of information (vi) Cancellation of modification of approved schemes for nationalisation,(vii) The need for creating a Transport Training Research and Development Institute for the southern region.[G.O.Ms.No.73, Public Works Department, dated 5th April 1973.]
The principle of single point tax for the Inter-State Stage Carriages and Goods Vehicles was agreed upon by all the States. There was no need for the collection of any tax in the reciprocating State. To meet the loss of revenue if any, uniform surcharge could be levied by the Home State in the case of Inter-State operation. The arrears of taxation in fares of passengers and goods if any, reciprocating State should be collected in the Home State before renewal of permits. Also it was decided that the available terminal facilities and the operational convenience should be taken into consideration in sharing of routes on parity of service kilometerage. Above all, a register of inter-state service should be maintained by the State Transport Authority of each state in a form to be prescribed by the Standing Committee. This register should be reviewed half yearly by exchanging full extracts of the registers among the Transport Commissioners concerned and accepted after reconciliation. Bus service, not run for a continuous period of three months should be deleted and should not be taken into account for computing the service kilometerage.

Section 68 – E of the Motor Vehicles Act lays down that a Transport Undertaking should obtain the previous approval of the State Government for modifying a scheme relating to any route or area already approved by the Government in respect of increase in the number of vehicles, change in the type of vehicles, extension of the route or alteration of the time tables. The conference decided that the Standing Committee of the Transport Commissioners should explore the possibility of setting up a training, research and development Institute for the Southern Region which would complement the facilities offered by the Institute at Poona, set up recently and also to serve the special needs of the State Transport Undertakings in the Southern States. The Standing Committee may constitute a suitable sub-committee for this purpose.125

125 Ibid., pp.22-24.
It is understood that the Governments both in the State and Centre took keen interest in extending bus transport operation connecting even the remote villages with the neighbouring towns and cities not only with the aim of providing facilities but for economic uplift as well. Towards this objective the Government nationalized various bus routes which were once under the monopoly of private bus operators. Though nationalization met with severe criticism and stout protest from private bus operators, such objections were remedied through court of law and other constitutional means. Similarly, the Motor Vehicles Act was also elaborately modified now and then to suit the needs of the ever changing society. Accordingly, district, inter-district and inter-state bus operations were elaborately expanded, eventually resulting in a big administrative establishment which forms the focus of the next chapter.