ROAD TRANSPORT IN THE STATE BEFORE NATIONALIZATION:
GENERAL CONDITIONS AND ATTEMPTS OF REGULATION
It is quite interesting to trace the beginning of road transport industry in this country, particularly, in the Bombay State.

Though the first motor vehicle was imported to India as early as 1898, the real beginning of commercial motor transport in this country was made in 1920. At the end of the First World War, hundreds of 'disposals' vehicles flooded the market. These vehicles were purchased and put to use as passenger buses.

The majority of the operators in the road transport industry were small men lacking a high degree of education or managerial training. They were also not having sufficient financial resources. This equally applied to the motor transport industry in the Bombay Province. The industry was in the hands of numerous small operators. There was little state-control on buses plied on hire, and the operators were functioning in the most disorganized manner, having little regard for the comforts of the travelling public. The expansion and opening of routes was erratic.

It is very difficult to describe elaborately every aspect of road transport industry in Bombay prior to nationalization due to lack of adequate and authentic record. The only available sources are the two reports - one of a survey made by the Gokhale Institute of Politics and Economics in 1934, of the road transport in
the six districts of Bombay Province and the other by the All-India Motor Unions' Congress in 1947. It is mainly on the basis of these two reports that an attempt has been made in the following paragraphs to sketch the conditions of the industry in the State.

As already mentioned the industry was in the hands of hundreds of small operators. They had little education, slender finances and not much of managerial ability. Many of them were owner-drivers. A large number of them owned one bus. This is clearly indicated by the following table given in the report of the survey carried by the Gokhale Institute. Though it confined only to four districts of Maharashtra, it is fairly representative of the picture obtained in the whole of Bombay Province in 1934.

From the table it becomes clear that single-bus owners dominated the field. This was also true of the whole of India as stated in the Mitchell-Kirkness Report. Majority of them were owner-drivers.

It is necessary to follow the growth of the industry, from year to year, in the Bombay Province. Here again the authoritative figures are available only for the

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1 'A Survey of Motor-bus Transportation in Six Districts of Bombay Presidency'.
2 'Transport Enquiry Committee's Report on Bombay Province'.
3 Table attached herewith.
<table>
<thead>
<tr>
<th>No. of buses owned</th>
<th>POONA</th>
<th>SATARA</th>
<th>AHMEDNAGAR</th>
<th>SHOLAPUR</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. of bus owners</td>
<td>No. of buses</td>
<td>No. of bus owners</td>
<td>No. of buses</td>
</tr>
<tr>
<td>One bus</td>
<td>163</td>
<td>163</td>
<td>187</td>
<td>187</td>
</tr>
<tr>
<td>Two buses</td>
<td>33</td>
<td>66</td>
<td>34</td>
<td>68</td>
</tr>
<tr>
<td>Three buses</td>
<td>22</td>
<td>66</td>
<td>12</td>
<td>36</td>
</tr>
<tr>
<td>Four buses</td>
<td>18</td>
<td>72</td>
<td>3</td>
<td>12</td>
</tr>
<tr>
<td>Five buses</td>
<td>4</td>
<td>20</td>
<td>3</td>
<td>15</td>
</tr>
<tr>
<td>Six buses</td>
<td>3</td>
<td>18</td>
<td>1</td>
<td>6</td>
</tr>
<tr>
<td>More than six buses</td>
<td>5</td>
<td>68</td>
<td>4</td>
<td>69</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>248</td>
<td>473</td>
<td>244</td>
<td>393</td>
</tr>
</tbody>
</table>
No. of Motor-Vehicles Licensed to Ply for Hire Inspected in Each District

<table>
<thead>
<tr>
<th>District</th>
<th>1923</th>
<th>1924</th>
<th>1925</th>
<th>1926</th>
<th>1927</th>
<th>1928</th>
<th>1929</th>
<th>1930</th>
<th>1931</th>
<th>1932</th>
<th>1933</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poona</td>
<td>249</td>
<td>292</td>
<td>312</td>
<td>348</td>
<td>422</td>
<td>588</td>
<td>683</td>
<td>735</td>
<td>716</td>
<td>624</td>
<td>632</td>
</tr>
<tr>
<td>Satara</td>
<td>95</td>
<td>241</td>
<td>287</td>
<td>220</td>
<td>426</td>
<td>538</td>
<td>671</td>
<td>599</td>
<td>573</td>
<td>483</td>
<td>459</td>
</tr>
<tr>
<td>Ahmednagar</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>214</td>
<td>179</td>
<td>321</td>
<td>270</td>
<td>271</td>
<td>295</td>
</tr>
<tr>
<td>Sholapur</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>244</td>
<td>262</td>
<td>255</td>
<td>232</td>
<td>212</td>
<td></td>
</tr>
<tr>
<td>Kolaba</td>
<td>76</td>
<td>104</td>
<td>125</td>
<td>141</td>
<td>165</td>
<td>189</td>
<td>295</td>
<td>224</td>
<td>225</td>
<td>215</td>
<td>223</td>
</tr>
<tr>
<td>Ratnagiri</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>180</td>
<td>225</td>
<td>144</td>
<td>165</td>
<td>236</td>
<td>190</td>
<td>230</td>
<td>289</td>
</tr>
</tbody>
</table>
six districts of Maharashtra Region as surveyed by the Gokhale Institute. Needless to add that these figures are fairly representative of the general trend in the Province.

The figures available for 1947 i.e. just before nationalization, are given in the report of a survey by All-India Motor Unions' Congress. They are as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of permits</td>
<td>3466</td>
</tr>
<tr>
<td>No. of buses taxed</td>
<td>2808</td>
</tr>
</tbody>
</table>

The total number of owners as given in the report in 1947 was 403, of which 85 were private and two were public limited liability companies.

The regionwise break-up of buses in the province was given as follows:

<table>
<thead>
<tr>
<th>Region</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bombay</td>
<td>265</td>
</tr>
<tr>
<td>Gujarat</td>
<td>572</td>
</tr>
<tr>
<td>S. Deccan</td>
<td>502</td>
</tr>
<tr>
<td>N. Deccan</td>
<td>620</td>
</tr>
<tr>
<td>Karnatak</td>
<td>367</td>
</tr>
<tr>
<td>Konkan</td>
<td>482</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2808</strong></td>
</tr>
</tbody>
</table>

It will be in the fitness of things to describe the conditions of passenger traffic at the hands of these operators. The accommodation provided for passengers in the buses was usually by means of two benches facing
each other and arranged lengthwise along the whole length of the body of the vehicle. This gave the maximum seating accommodation. There was also a seat next to the driver. Sometimes there were one or two benches parallel to the driver's seat. All the passengers were closely packed. Higher fare was charged for the front seat and for seats on the breadthwise benches. In most of the cases wooden seats were bare; in very few cases there were some crude attempts at upholstery - mainly cushions fitted with coir. The space between the two rows was usually filled with the luggage of the passengers; heavy and extra luggage was placed on the top of the vehicle. Thus scant attention was paid to the comforts of the travelling public.

The backside of the vehicle was left entirely open, in most cases, for entrance and exit. There were no glass or other windows at the sides. Water-proof cloth-curtains were provided during the monsoon as protection. At other times the sides were merely barred with horizontal wooden bars. This thorough ventilation, though unpleasant in the few months of winter, must be welcome through most of the year in such overcrowded buses.

In some cases even these bare comforts were denied to the passengers and they had to put up with torn cushions, unsteady seats, or rain-curtains which no longer offered any protection.
Apart from these discomforts, the delays and inconveniences due to the breakdown owing to numerous reasons were the order of the day. The mechanical knowledge of the majority of the drivers was very meagre. Again, very few vehicles happened to be mechanically fit. There were cases of buses running short of petrol en route. The time schedules of arrivals and departures were scarcely observed.

A good deal of time was spent in hunting for passengers at the stands, or in collecting them from their houses. Only services running to some railway stations were compelled to observe regularity in timing.

All along the route, halts were made to pick up way-side passengers after haggling with them. Some halts depended on the inclination of the driver. Along very long routes the delay and inconvenience was aggravated by asking the passengers to change the vehicles.

In addition to all this, there was constant fear of accidents, mainly due to bad roads, mechanical defects, overloading, racing on roads and negligence and incompetence of drivers.

Arrangements at the bus stands were equally hopeless. A bus stand was just a bare parking place without any amenities like the sheds, water-taps, sanitary blocks, etc.

The average unit of operation in the industry was
so small that it could not afford any elaborate organization like the booking office, system of advance booking, reservation, etc. The usual practice was for the passengers to go to the stand and obtain a seat after much haggling about the fare. This bargaining with the passengers and canvassing for them was done by a class of persons called agents.

There was also no rational choice of routes.

The operators alone were not responsible for this state of affairs. There were some factors on which they had little control. For example, they had no control on the bad conditions of roads, supply of vehicles and spare parts. There was some improvement in the conditions from 1920 to 1947; but it was not worth the name. The passengers also were not very assertive and conscious of their own rights and privileges, though they were not satisfied with the conditions of operation. The government, too, did little, for the first 15 years, to regulate and improve the conditions.

Finances

Majority of the operators had slender financial resources and had to purchase the buses either on installment basis or by raising the loan. The investment, of course, led to good profits.
Profit

The record of profit was not even. There were companies on the one hand, which had run into losses due to various causes such as cut-throat competition, bad roads, heavy wage-hill, greater number of free seats, etc. On the other, there was profit from 5 to 15 per cent. There were some extreme cases where the partnership concerns were distributing a profit of not less than 35 per cent. Of course, these companies did not calculate depreciation. This was the general trend as was available in the 1947 report of the All-India Motor Unions' Congress. Any earlier figures or trends are not available.

Fares

No precise figures are available of the rate structure during the 27 years of road transport under private ownership. The rates varied from region to region and even route to route. The factors responsible for these variations were numerous, such as unhealthy competition or lack of competition, conditions of roads, traffic potential, parallel routes to the railways and other modes of transport, seasonal variations of traffic, etc. Most of the rates were arbitrary. They varied from 5 pise per mile. There were distinct regional variations between Karnataka, Maharashtra, Konkan and Gujarat.

The following passage from the Gokhale Institute
Report (1934) will give some idea regarding the rate structure:

"The rates vary from less than 3 to more than 11 pies per passenger per mile. While there is marked concentration in the group 3 to 5 pies, a large number of fares fall within the 6 to 7 pies group. Above 7 pies there is only a small number of exceptional fares."

Expenditure

The main items of expenditure were as follows:

1. Fuel and lubricants
2. Tyres and tubes
3. Repairs and maintenance
4. Wages and agents' commission
5. Rent, taxes and tolls
6. Miscellaneous

The smallness of the units denied any efficient workshop maintenance. Most of them had neither tools nor sufficient stock of easy-moving spare parts. Most of them did not care to keep their vehicles in a state of mechanical fitness throughout the year. Their attitude was to run the buses without any break as far as possible. It was only at the time of annual inspection for the renewal of the permit that a certain amount of repairing and overhauling expenditure was undertaken. Such a policy led to frequent breakdowns.
Staff

According to the All-India Motor Unions' Congress Report (published in 1947), the road transport industry employed directly about 17,300 people and indirectly about one lakh jobbers for body-building, lathe, welding, reboring, painting, blacksmiths and other. Transport-workers take the third rank in the industrial employees of the Province.

The growth was gradual and spread over a period of about 20 years. In the beginning there was no elaborate establishment; most of the operators could not afford it. They only maintained the bare operating crew, i.e. the driver and the cleaner. The category and even the designation of a conductor was of recent origin.

Some of the principal categories of the employees were as follows:

Driver

This category could not be dispensed with even by private operators, though a separate driver was not employed in the case of owner-drivers.

In most of the cases the drivers came from the lower strata of society - due to the meagre remuneration and strenuous nature of work. Most of them were illiterate. Their mechanical knowledge was also very poor.

The conditions of service were far from satisfactory.
The level of wages was low. The Gokhale Institute Report (published in 1934) puts it as follows:

"The level of wages of drivers and cleaners varies considerably. The maximum wages of drivers were about Rs. 60 p.m. and the minimum were Rs. 25 p.m."

The Report of the All-India Motor Unions' Congress (1947) does not refer to the scales of the drivers. It has, however, mentioned that the level of wages for drivers was low. The practice of giving dearness allowance was not followed at all. Very few operators cared to distribute bonus. There was complete absence of provident fund, medical aid, and canteen facilities. The owners followed the practice of daily wages to evade the provisions of the Payment of Wages Act, notice period, and also to save wages when the vehicle was in the workshop for repairs. One reason for low wages was the increasing number of persons having driving licences. The gross wages per day for the drivers were Rs. 1-14-0.

The prospects of promotion as booking-clerks (and this, again, was not possible in all cases), etc. were low because of their low level of literacy.

Even with these unsatisfactory conditions of service, they had to put up with the job because of their illiteracy, chronic indebtedness and a large number of dependents. The only alternative was starvation. Hence the Unions had practically no place and their bargaining
positions was utterly hopeless.

Still the drivers had put up their demands to the owners and it would be interesting to follow some of these. (As noticed in the All-India Motor Unions' Congress Report):

Scales and Conditions Demanded by the Drivers

1. Pay - (a) More than one year's service Rs. 36-0-70
   (b) More than two years' service Rs. 40-5-70
   (c) More than three years' service Rs. 50-5-70

2. Dearness Allowance - Rs. 20-0-0 p.m.

3. Daily Bhatta - from Rs. 0-8-0 to Rs. 1-0-0 on miles.

4. Hours of work according to Section 65 of the Motor Vehicles Act, 1939.

5. 21 days' leave with pay in a year.

6. Two uniforms and one raincoat free.

7. Two months' salary as yearly bonus.

8. No discharge from service without one month's notice or one month's pay.

9. Institution of provident fund and cheap medical aid.

Cleaners

This category existed in the early period of the industry, and a vehicle was necessarily accompanied by a driver and a cleaner. Gradually the conductor replaced the cleaner with more status and elaborate duties.

The duties of the cleaner were something like these:
According to the police regulations it was necessary that each bus should be accompanied by an employee of the operating unit other than the driver. He was to act as the conductor during the journey, collecting fares from wayside passengers, signalling the driver to stop or start the vehicle, and to act as cleaner and assistant to the driver at other times.

The wages of the cleaner were very low and his status was considered to be the same. He had many odd duties to perform. The maximum wages of the cleaner were Rs. 20 p.m. and the minimum were Rs. 8 p.m.

Conductors

Whatever has been said about the conditions of work of the drivers, more or less applies to those of the conductors. But it seems that they were a little better off than the drivers in certain respects. As observed by the Report of the All-India Motor Unions' Congress, majority of them used to be young, though illiterate. Because of the age their mobility was greater and so they were not as helpless as drivers.

Still their wages were low and the conditions of service were in violation of the legal provisions. Their gross wages per day were Rs. 1-1-0 as reported by the All-India Motor Unions' Congress.

The conductors had put up the following demands through their unions:
(1) Pay - (a) over one year's service:
- Rs. 25 - 2 1/2 - 40 p.m.
(b) over two years' service:
- Rs. 35 - 2 1/2 - 50 p.m.

(2) Dearness Allowance - Rs. 15-0-0 p.m.

(3) Daily Allowance - Rs. 0-6-0 to Rs. 1-0-0.

Agents

The agents were not directly in the service of the operators. But, as they earned their living on the part of the income accrued to the operators and also held a key position at least in the early period of the industry, it is better to learn something about them.

As already mentioned in different context, the average unit of operation being very small, no elaborate arrangements for booking and reservation existed. The common practice was for the passengers to go to the stand and obtain a seat after settling the fare by haggling. This bargaining and canvassing was done by the agents. This system was regularized in 1932, when the agents had to obtain licence from the district police authorities as a sort of permission for operating on the motor stand.

The agent had a key position in the business, as he was the main channel through which passengers were canvassed, put into particular buses, and their fares were fixed.
Their remuneration was the percentage-deduction from the fares, and they got it from the operators. The normal rate, as mentioned in the report of the Gokhale Institute, was one anna in a rupee. Where the bus-owners were disorganized and competition was very keen, the agents were in a strong position and could extort larger commissions, depress fares and keep the bus-owner in a position of complete dependence on them by a variety of ways.

The following table of the townwise number of agents in some parts of Maharashtra will give some idea about the flourishing nature of the profession:

<table>
<thead>
<tr>
<th>Place</th>
<th>No. of Agents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poona</td>
<td>139</td>
</tr>
<tr>
<td>Saswad</td>
<td>14</td>
</tr>
<tr>
<td>Khed</td>
<td>15</td>
</tr>
<tr>
<td>Maramati</td>
<td>12</td>
</tr>
<tr>
<td>Indapur</td>
<td>12</td>
</tr>
<tr>
<td>Ghodnadi</td>
<td>11</td>
</tr>
<tr>
<td>Junnar</td>
<td>11</td>
</tr>
<tr>
<td>Talegaon</td>
<td>10</td>
</tr>
<tr>
<td>Alandi</td>
<td>6</td>
</tr>
<tr>
<td>Nira</td>
<td>6</td>
</tr>
<tr>
<td>Wai</td>
<td>6</td>
</tr>
<tr>
<td>Sirur</td>
<td>5</td>
</tr>
<tr>
<td>Narayangaon</td>
<td>5</td>
</tr>
</tbody>
</table>

This, in general, is the broad picture of the road transport industry as existed under the private ownership.

1 A Survey of Motor Bus Transportation In Six Districts of Bombay Presidency, Gokhale Institute of Politics and Economics, Poona 4.
before its nationalization. There were a few exceptions—probably in the form of a silver lining to the dark cloud. Summing up, the report of the Gokhale Institute Survey observes:

"The picture presented so far is that of a small-scale, unorganized business, which is comparatively inefficient in the service it renders and which because of the intense competition that obtains within it, is, in the large majority of cases, not paying to the class of owners. Not only is there no co-ordination as between the various means of transportation but also a lack of organization as among the bus-owners themselves. Neither is there any attempt made by Governments' regulations to bring about any order in the industry."

These remarks, though made in 1934, were applicable to the industry till 1947.

State Control and Regulation

It is necessary to follow the attempts made by the State at the regulation of the road transport industry at various stages.

For about first ten years the commercial road transport passed through experimental stages and offered no complex problems. But gradually this state of affairs changed and the rapid growth of the industry gave rise to problems of considerable magnitude which set the
Central and state governments to formulate the policies regarding two important things:

(a) proper regulation and control of the road transport operation;

(b) the ever-growing question of rail-road competition (This particular aspect was of great concern to the Central Government. For Railways being mainly State-owned, it was intimately concerned with profit-earning capacity of the railways and thus the threat of keen competition by the commercial road transport was taken seriously.)

There, however, existed the Indian Motor Vehicles Act, 1914, before these efforts were made.

In 1932, the Mitchell-Kirkness Committee was appointed mainly to report on the state of rail-road competition and the possibilities of their future co-ordination and development and other cognate matters.

In the recommendations of the Committee were the requirements regarding the public safety of the vehicles such as adequate inspection of vehicles, the prevention of over-crowding, regulation of hours of work of the employees in the industry, strict tests for drivers, compulsory third-party insurance of vehicles, and the obligation to issue tickets and to maintain time and fare tables. The ground covered by the Report dealt mainly with passenger transport. These recommendations were incorporated in 1935 in a draft Motor Vehicles Bill, the enactment of which was delayed for certain reasons.

The Wedgewood Committee that followed in 1937,
mainly dealt with the threat to the railway revenue by the road transport. The recommendations of this Committee were embodied in the Motor Vehicles Act of 1939, which created machinery for the administration of road transport which prevails up to this day.

With the enforcement of the Motor Vehicles Act, 1939, there came into existence an elaborate system of permits. State Transport and Regional Transport Authorities were set up for the first time to issue permits. Thus a beginning was made in the direction of creating fair conditions of competition and of controlling development of road transport along proper lines. The transport authorities made intensive efforts to bring about a fusion of small operators into unions with a two-fold objective:

1. eliminating cut-throat competition prevalent in the industry; and
2. enabling the unions of operators, which were financially better off as a result of elimination of competition, to provide better travelling facilities to the passengers.

But the operators found it difficult to put aside the profit motive, and the goal of public service receded in the background as usual.

Then there was a move to form a number of tripartite zonal companies in which the Central and state governments were to have a predominant financial interest. The composition of the share capital was to be as follows:
30 per cent from the Central Government,
35 per cent from state government,
25 per cent from private operators and
10 per cent from directors appointed by them.

But the Second World War disturbed the pattern
which might have otherwise emerged. So no fair trial
could be given either to the implementation of the Motor
Vehicles Act, 1939, or to the Tripartite Zonal Scheme.
There was considerable pressure on the vehicles in use
due to scanty supply of vehicles, spare parts, tyres,
and rationing of fuel.

This retarded growth of the industry, coupled with
the lack of proper sense of public service on the part
of the private operators, set the popular state govern­
ment (which assumed power in 1946) thinking seriously on
the problem of re-organization, co-ordination and regula­
tion of road transport in the Bombay State. The Govern­
ment could not make up its mind to implement the Tri­
partite Scheme and thus give large government funds into
the hands of managing agents appointed by the private
operators. Nor could it be a silent spectator to the
industry run with utter disregard for the comforts and
amenities of travelling public. So it ultimately decided
to nationalize the road transport industry in the Bombay
State in 1948.