"In a democratic country like India interest of public must be served. To achieve this end it is necessary to eliminate rail-road competition through nationalisation of Road Transport."

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R.K. Mukerjee
MEANING OF NATIONALISATION:

BEFORE we embark upon a study of Road Transport Nationalisation it is imperative to know the meaning of nationalisation. Nationalisation in its literal meaning implies control of ownership and management of a nation's industry by the State. The management may either by a Joint Corporation consisting of Government representatives and members appointed by Trading and Commercial interests or by a Corporation or by the Government. Thus road transport nationalisation means complete ownership and management of the Government over the road transport.

In fact transport is a public utility concern and should be understood as a public utility concern than an industry which earns a profit to a few individuals. Road Transport has got our outstanding public utility because of the sterling services, discussed in Chapter I, which it provides to the people of a country. Thus in order to fully utilise its services for the cause of the nation as a whole it is imperative to nationalise it rather than leave it amongst the hands of few individuals who exploit it for their cause at the cost of nation's interest.

OBJECTS OF NATIONALISATION:

The primary objective declared in all the Schemes of nationalisation of motor transport services is in the words
of Mares Government, "to provide an efficient and cheap transport service for the travelling public." The history of private haulage has shown almost all the world over that left to itself, it is incapable of creating for itself sustained conditions of efficient service. Private services have been cheap, no doubt, but they have been disorganised that there is no security to traffic of stability of rates or of service conditions. The growing demands of traffic in India have exposed the utter unsuitability of motor services. The real basis of all remedial measures should be unification of the haulage interests in every route. The Provincial Government believe that nationalisation would ensure such unification of service in full measures.

Further the State Government also desired to improve their financial conditions by running motor transport as a remunerative undertaking. This will help a lot in the development programmes of the State and will also lighten the burden of taxes upon the general masses of the State.

The object of rationalisation of road transport would never be complete without an endeavour to achieve its co-ordination with railway services. The Provincial Governments have realised that railways are the backbone of land transport in India and that the energies of road transport ought not to be unleashed to the detriment of railways. Eliminating the need for the elimination of wasteful competition between roads and railways they have formulated the Scheme of nationalisation.

STEPS FOR NATIONALISATION:

It was in the year 1929 that mechanical road trans-
port in India forced the public to comprehend seriously the
trends of its disorganised growth and its bitter inroads into
railway economic. There was an urgent need for the stabilisa­
tion of services, which were reduced by the disorganised sets
of small hauliers engaged in cut throat competition. The
rationalisation was warranted by two factors, firstly the road
transport should be protected from self extinction through its
own follies and secondly that railways should be saved from
the stupendous losses resulting from road-rail competition.

With the termination of war and the institution of
popular governments in the provinces the issue of road trans­
port nationalisation received a more fresh lease of life. Heat
discussions started on the question of nationalisation. On
the one hand the State Government and advocates in favour of
nationalisation strongly emphasised the need of immediate
nationalisation and on the other hand the private hauliers
and defenders who were against nationalisation vehemently
criticised the idea of road transport nationalisation. A brief
review of their arguments has been given in the following:­

ARGUMENTS FOR NATIONALISATION:

(1) CHEAP AND EFFICIENT SERVICE: - Supporters of
nationalisation claimed that the state ownership can provide
an efficient and cheap transport for the travelling public
which the private hauliers are unable to do because they are
guided by the profit motive and are not concerned with the
convenience of the public

(2) UNIFORM AND FIXED RATES: - The advocates of
nationalisation said that the private hauliers always kept
their rates and fares fluctuating with the increase or decrease
in the demand for their services. It is possible for a while that rates and fares of private hauliers might be cheaper but they have been so disorganised that there is no surety to traffic of stability of Rates or of Service condition.

(3) **UNIFICATION OF DIFFERENT REGION:** There is no unification of rates services condition etc., among the different states of the country. The management being among different hands is wholly responsible for this. Nationalisation may bring unification in the rates of different regions.

(4) **ALL ROUND DEVELOPMENT OF THE COUNTRY:** The private hauliers ply their vehicles on the routes which are more remunerative for them. Unremunerative or less remunerative routes connecting scattered villages and sparsely populated areas, are not ever touched by the private hauliers. Nationalised road transport take up these unremunerative and less remunerative routes because of the sound financial position of the Government and, thus would effect the all round development of the country.

(5) **FAIR STANDARD OF EFFICIENCY:** Another advantage which would result from the nationalisation of road transport is that operational efficiency will considerably increase due to large scale economies and the services will be run for the general interest of the public. Increased efficiency would be in public interests because it will result in comfortable travelling, better mechanical efficiency of vehicles, regularity of services, lower and fair rates, absence of over crowding etc.

(6) **PROPER MAINTENANCE OF ROADS:** Believers of nationalisation further claimed that there was a diversity of relations between the roads users and the owner of the roads. Roads are
maintained and repaired by the Government whereas motor are plied by the hauliers. Since the road development programme are under the control of Government, it does not consider the demand of traffic and in this way a large amount of capital is criminally wasted on un-economic schemes of road building. Moreover it does not repair road in time and hauliers have to ply their buses on bad roads which results in the increased expenditure on the tyres, spare parts, repairs etc. of buses. With the nationalisation of road transport the State of affairs can be cured because the haulier and owners of the roads would be the same i.e. State Government. Further the Government would have an exact idea of traffic on a particular road and according to the demand of the traffic, the Government would be able to minimise the direct and indirect wastage on road expenditure.

(7) **STANDARDISED SERVICES:** Private hauliers never ply their vehicles unless and until they got sufficient number of passengers and vehicles. So there is no regular timings for the departure and arrival of their buses. They charge high rates when there is overcrowding. Nationalisation would standardise the services and a nearest approach will be made to run the buses punctually.

(8) **BENEFIT TO STAFF:** The staff employed in the motor transport would also get benefit from the nationalisation. A nationalised system of road transport would fix the hours of work and improve the working conditions to a considerable extent. They will also get bonus and medical facilities etc.
(9) **PSYCHOLOGICAL EFFECT**:- Moreover with the nationalisation of industry or any other public utility concern the public gets the psychological effect that the element of profit would be no longer. Same would be the case with the motor transport and the public would support it whole heartedly.

(10) **PASSENGERS AMENITIES**:- The advocates of nationalisation pointed out that the private hauliers always see their interest and never care for the amenities to the passengers. Nationalisation would bring to an end this pitiable state of affairs and greater efforts would be made for providing amenities to the passengers. The inconvenience for the passengers, would be removed because tickets will also be issued according to the number of seats. Standing tickets would also be issued only for short distances and that too very rarely.

(11) **AID TO EX-CHEQUER**: In the end the supporters of nationalisation demand that the railways had suffered a loss of crores of rupees in the past due to cut throat competition from road transport. If road transport is nationalised in harmony with railways the competition will be avoided and the community in general be benefitted by it. Above all, it bring revenue to the State Government.

**ARGUMENTS AGAINST NATIONALISATION**:

On the other hand the scheme of nationalisation of road transport was vehemently criticised by a section of people. specially private operators. Some eminent political leaders have also out spoken against the scheme of nationalisation. Dr. Pattabhi Sita Tamayya presiding over the All India Motor Union Congress at New Delhi in January, 1947 observed that, "To run after tongas, phaetons, motor cars and buses, is to abuse the
idea of nationalisation. The case of the individual bus deserves patient understanding, close examination and careful judgement. He has committed no sin beyond sinking his money a quarter of country back upon an unknown industry with an uncertain future. After many vicissitudes he had begun to make good when licenses control regulations and corrupt practices destroyed his living. Now suddenly to say that they shall surrender their buses in the hands of local boards or Government is to do evil into those who have done good. Other arguments against nationalisation are as follows:

(1) **COMPETITION AS AN INCENTIVE TO IMPROVEMENT:**

Commenting on the argument that nationalisation would bring to an end to the cut throat competition the advocates against nationalisation said that healthy competition can promote the constant improvement in road transport services. Competition creates initiative and guarantees that new technical development will be introduced and efficiency maintained. The growth of motor transport industry will be hampered by the lack of business like out break of the Government officials under nationalisation.

(2) **ABSENCE OF CORDIAL RELATIONS:** Nationalisation will create bitterness between the Government and the employees. It will be very difficult for the Government to maintain harmonious relation between themselves and the employees. The Government may have to face frequent labour strikes of workers even when such demands are untenable. A wide gulf will be created between the transport department and the general public in place of cordiality, spirit of sympathy and feelings of fellowship that has hitherto existed between the public and the private bus owners.
(3) **INFLEXIBILITY OF SERVICES:** - In case of nationalisation the road transport will lose its inimitable characteristics of flexibility for Government buses would have to stop at fixed stations unlike to private hauliers who render a more individual type of service to the passengers. Under such circumstances transport facilities would be costlier than those rendered by private enterprises.

(4) **PROBLEM OF COMPENSATION:** - The opponents of nationalisation also pointed out that Government would have to pay a large amount of money to private operators in way of compensation. Thus the problem of paying compensation would arise with the nationalisation of motor transport. This compensation would run to crores of rupees and a Government already facing severe financial strigencies will be subjected to another burden.

(5) **HUGE CAPITAL EXPENDITURE:** - Nationalisation will necessitate huge capital expenditure because the Government will have to maintain large workshop etc. Further the early years of nationalisation will require the greatest economy and administrative vigour which is generally lacking in the public utility.

(6) **NO PIONEERING:** - The road transport is still in its infancy stage and it is not possible for nationalised service to adjust itself to requirements or to undertake necessary pioneering work. Success in this direction can only be achieved under condition of free enterprise and healthy competition. In short private enterprise can only ensure full-fledged development of road transport.
(7) **DANGER TO NON-CO-OPERATION BETWEEN CENTRAL AND PROVINCIAL GOVERNMENTS:** It is just possible that after nationalisation, the interest of Central and State Governments who manage rail and road transport respectively may clash on any issue at any time in future. There is no guarantee that nationalisation will inevitably lead to rail-road-co-ordination.

(8) **CURTAILMENT OF INCOME FROM LICENSES AND TAX ETC:** Nationalisation will deprive the Government from income derived by the imposition of taxes and granting of license etc. This will effect adversely on the financial position of the Government.

(9) **RETRACTED TECHNICAL DEVELOPMENT:** Very rapid development are being done in the field of technical set up. The Government cannot provide the modern technical development at once because all the Governments work is belated. This state of affairs will retard the technical development of motor transport.

(10) **UNJUST TO PRIVATE ENTERPRISE:** The private hauliers strongly criticised the Scheme of nationalisation. They remarked that they invested their money, a quarter century back upon an unknown industry having an uncertain future. In the beginning they suffered severe losses and now when, with their hard labour and risky ventures, they were able to reap profits from their investments the Government is making scheme for its nationalisation. This is wholly unjust to them and is against democratic principles.

Some notable Indians also vehemently criticised the Scheme of road transport nationalisation.
In the words of Sri A.I. Gowals, "Those things have now gone when the business was in the hands of few selected persons and the government did not interfere in their work. To talk about business is a distant thing, now the inauguration and installation is in the hand of State Government."

Addressing the All India Motor Union Congress in 1948 Dr. Pattabhi Sita Rammayya said that, "our Government has no experience of motor transport, it has many problems to solve."

Shri T.T. Krishnamchari while addressing the Madras Motor Union Congress observed, "the transport policy of Madras State was against public interest. Nationalisation was harmed and precluded transport development also."

In spite of these criticism nationalisation was followed by various State Governments. In a democratic country like India interest of public must be served. To achieve this end it was necessary to save the railways from competition of roads. Complete nationalisation was not possible because of the acrimonious arguments against nationalisation. Hence nationalisation of passenger transport was launched.

**MOTOR VEHICLE ACT 1939.**

On account of the above acrimonious arguments for and against nationalisation of road transport, the suggestions of Mitchel-Kirkness and Wedgewood Committees regarding nationalisation could not be put into action. Thus this question was again shelved. The only effect of the recommendation of these two committees was the enactment of the "Motor Vehicles Act, 1939" which provide the necessary machinery for adminis-
tration of road transport. This Act was very important piece of legislation and condified regulation for the safety and comfort of the passengers and goods. It had been deservedly styled the "High-way Code" for Indian. In order to control and co-ordinate motor traffic throughout India, following important provisions were made in the Act.

(1) Motor vehicles should be allowed to run under permit system and for this Regional Transport Authorities were to be constituted.

(2) Motor vehicles should be allowed to carry more passengers or load than the prescribed by law.

(3) Motor vehicles should ply at a fixed speed.

(4) They should not run for more than 9 hours per day or more than 45 hours per week.

The above committees also recommended that the Railway should be empowered to conduct road services of their own or to make arrangements with road service Companies. The Wedgewood Committee opined, "We consider it of first importance than that the Railways should have full powers to run services for the convenience of passengers and freight subject to the same licensing and operating conditions as apply to every other person providing road services for hire. These powers should enable the railways to make arrangements with the contractors for the running of services whether on profit sharing, charter hire or other basis. In this connection the English and South African Models were cited by the committee where railroad-co-ordinated services had provided efficient services to passengers and eliminated the wasteful expenditure."
TRIPARTITE SCHEME:

It was only in 1946 that the Central Government made its policy clear regarding the rail road competition. In that year, the Central Government issued a white paper setting out its policy in respect of the participation of the Railways in road motor transport. Since three parties—the Central Government, the State Government and the Private Hauliers were intimately concerned with the Scheme of nationalisation, a tripartite scheme was chalked out. It was suggested to form tripartite joint stock companies as a method of rail-road-co-ordination. These companies were to run passenger services in which the existing operators, the Railways serving the locality and the State Government were to hold between them the capital invested in the enterprise. For goods transport it was laid down that motor transport should provide only for short distances and door to door traffic, leaving long distance for the railways. It was proposed that in the general the share of three parties should be as follows:

30% to 33% of the total share capital of the corporation was to be owned and subscribed by Indian Railways. 30% to 35% of the total capital was to be taken by the State Government and the remaining to be subscribed by the operators. The vehicles of the private operators in working condition were to be accepted in lieu of cash money or shares. The profit earned were to be divided among shareholders according to the amount of share capital subscribed by each.
In the beginning the tripartite scheme was welcomed in all circles. But after some time, private operators backed out on the ground that they would not have an determining voice in this scheme and would be over ruled and out-voted by the Railways on every issue. Consequently this scheme also failed miserably.

**ROAD TRANSPORT CORPORATION ACT, 1948:**

Due to the failure of the above efforts taken by the Central Government in respect of nationalisation and Rail-Road-Co-Ordination, the Central Government passed the Road Transport Corporation Act, in 1948 to enable the State Governments to form corporation for running the road services. The Act was subsequently replaced by the revised Act, 1950. According to the Act, Corporations are to be formed in which Central Government, State Governments and the public can participate. But in practice such Road Transport Corporations have been found, they do not include private operators or any other members of the public. So far only three of the States which have nationalised the services, have formed road transport corporations for running their services. They are Andhra Pradesh, Maharashtra and former EPSPU (now a part of Haryana). In other states the services are run departmentally as state undertaking.

**NATIONALISATION IN DIFFERENT STATES OF INDIA:**

Most of the provinces of the country have declared themselves in favour of nationalisation and are operating motor transport services either as government department or through a Public Corporation. Uttar Pradesh, and Maharashtra
have got full-fledged roadways running under the Government management. Madras has partially done it. Bihar, Assam, Madhya Pradesh, Orissa and Delhi have already started it. The remaining states are also slowly reaching towards this goal. A brief review of nationalised road transport in some States of India is given below:

**MAHARASHTRA:** Nationalised Road Transport service of Maharashtra commenced on 1st June, 1948, as a Government Department under the administrative control of the Home Department of the Government of Maharashtra. The administration of road service passed on to a statutory public corporation on 8th December, 1949. This corporation has been set up under the Act of the Parliament (Road Transport Corporation Act). The management of the Corporation consists of 11 members. Six of whom are non officials and five represents the Government of Maharashtra and the Union Government. The Maharashtra Road Transport system has copied out the railways administrative in organisation. It is/charge of General Manager assisted by Deputy Managers, Chief Automobile Engineer and Chief Accounts Officers. Marashtra's Road Transport Corporation is considered the biggest State venture in India. At present the Corporation own a fleet of 4,400 vehicles that ply on 2100 routes and cover a route mileage of over 55,000. The undertaking employs 22,000 persons belonging to different categories and provides travel facilities to about, 8,50,000 passengers every day.

**NEW PUNJAB:** As compared to other states particularly U.P. and Maharashtra the process of nationalisation has been slow in Punjab. A limited number of routes have been taken over and the strength of fleet is small as compared to U.P. and
Maharashtra. In fact, the province is in the midst of severe criticism against nationalisation. The agitation against the State's entry into the road transport is being carried on by private hauliers vigorously. Even the nationalisation policy is being criticised by some influential personalities of the ruling Government. The Government in view of this severe criticism has desired not to nationalise the road transport in its entirety, but adopted a policy of taking over certain routes.

DELHI: - Nationalisation of road transport services has also been affected in Delhi. These services were nationalised by the Government of India, in May, 1948. They were operated as a departmental concern by the Ministry of Transport till the Delhi Road Transport Authority Act, 1949 was passed by the Parliament. Under this Act, the Delhi Road Transport Authority was formed as a separate autonomous body for running of Motor services. After the formation of Delhi Municipal Corporation in the administration of Delhi Transport Undertaking was handed over to it and it is still operating the services.

MADRAS: The Government of Madras also owns its Motor Transport services. The transfer of public ownership from private ownership was carried out in stages starting from October, 1947 and ending in June, 1948. Under the private ownership there were only 17 routes but by April, 1950 the Government were running buses in 45 routes with a daily mileage of 32,000 miles services and four mufusil services from Madras to Neilore and Tirnpati.
BIHAR: - Transport schemes have been divided into several stages. The scheme is conducted by the Road Transport Corporation of Bihar consisting of State Government, Indian Railways and transport operators. However, the road transport is still in infancy period.

MADHY PRADESH: - The first major step towards a progressive nationalisation of motor transport services in M.P. was taken by the State Government on September 1, 1955 by taking over two tripartite companies in which the State Government, the Indian Railways and private operators had investment interest nearly 75 lakhs and which operated in an area of 1600 miles. P.P. has at present only a total road mileage of about 18,341 within an area of over 1,49,621 miles and the total number of buses is about 2,781. The State, therefore, requires an adequate road mileage and a proper network of bus services for a proper network of its exploitation and the exploitation of its rich natural resources. Further steps in the direction of nationalisation are thus urgently required specially now when the area of the State has been greatly increased as a result of the re-organisation of State in November, 1956 and September, 1961.

EFFORTS OF NATIONALISATION IN UTTAR PRADESH.

The question of the organisation and development of transport in U.P. was engaging the attention of the State Government for a long time. In 1945 it was proposed that in the whole of the State Road Transport services should be organised into large companies not exceeding 12 in number. The objective of the Government was to put an end to the old
un-economical and wasteful 'One man One bus' system. According to the plan, in the operating companies the Railways were to have 46% of the share, the general public consisting of road operators 49 and rest were to be taken by the State Government.

PROPOSAL FOR JOINT STOCK COMPANIES:

With the advent of Congress Government in the State in 1947 the earlier plans for re-organisation were reviewed and the Joint Stock Company Scheme was accepted. In pursuance of the same rupees 133 lacs were sanctioned for the Government investment in the formation of the Joint Stock Companies.

The entire State was divided into 9 regions. Each to be served by the Joint Stock Companies. Seven companies were to be formed for plains and two for hilly regions. For the companies in the plains capital was to be subscribed by the Government, the Indian Railways and the private operators in the ratio of 34:25:51 per cent respectively. In order to give the Government a dominant voice in the administration of the companies, its shares had a double voting strength. Railways interests were not to be represented in the companies to be set up for operating the services in the hilly regions. Such companies were to have 51% Government share and the remaining to be subscribed by the two operators. Thus the proposed distribution of the shares had the twofold merit of giving the largest possible accommodation to the private operators for financial participation and a predominant share in the management to the Government which was to be ultimately responsible for the efficiency of the road services.
It was also decided that the displaced bus operators would be given preference in the grant of permits for routes which were not to be taken by the companies in the first purchase. Half of the required buses for the companies were to be provided by the Railways out of the War Surplus and the remaining were to be purchased from the bus owners at specified prices. In the start, companies were to take up the passengers traffic only and goods services were to be taken up at a subsequent stage.

A date of purchasing the shares by the private operators was fixed after which the remaining unsold shares were to be taken up by the Government. But the private operators instead of co-operating, vehemently opposed the Scheme like other previous schemes of the Government towards nationalisation. They were under the impression that the Government had neither the intention nor the capacity to run transport services at its own initiative. Hence they did not come forward to purchase the shares offered to them.

Consequently the State Government had to abandon the Joint Stock Companies Scheme. But the problem of re-grouping was so pressing that it could not be shelved. Ultimately, the State Government decided to operate bus services under their own management in all regions. But one thing must be borne in mind that nationalisation was not the main object of the Government in the beginning but it came by chance, with the result that motor transport is now one of the nationalised undertaking of the STATE GOVERNMENT.
STARTING OF THE GOVERNMENT ROADWAYS:

May 25, 1947 was a red letter day in the history of road transport in Uttar Pradesh. On this historical and memorial day, 14 buses with a seating capacity of 25 persons (5 upper and 20 lower) began to ply on Lucknow-Barabanki and Lucknow Sitapur routes for the first time. The state was divided into nine regions which were as follows:-


The Garhwal region was amalgamated later on in the Kumanoan region.

AD HOC COMMITTEE ON NATIONALISATION:

After nationalising Road Transport, the Government had to face the problem of evolving a clear cut plan for its development so that the job undertaken might progress satisfactorily rendering efficient and cheap services to the people. So an Ad Hoc Committee was constituted on 31st August 1948 under the Chairmanship of Sri B.P. Misra, General Manager, M/s Hindustan Motors Ltd., Calcutta to suggest ways and means of implementing the Government Policy of nationalisation.

The main recommendations of the Committee were:-

1. The formation of an autonomous transport corporation consisting of officials and non-officials for controlling the nationalised motor transport, was recommended by the Committee in place of a Government Department as all the problems—operational, financial, technical and organisation could not
satisfactorily be dealt with under the existing departmental conventions, code rules and regulations. This corporation would be similar to the Board of Directors of a Company meeting every month for dealing with the problem.

2. The finances for the Corporation be provided by Central and State Government and the ratio of division of profits between both Governments be 50:50.

3. The Government should have the right to dissolve the corporation and assume direct control at any time in the public interest, to approve rates and fares and to lay down general policies for the guidance of the corporation.

4. The Corporation should in the first instance concentrate mainly on passenger traffic (The Ad Hoc Committee on Road Transport -- Report 1949 Page 23). The Committee in its report said, "Nothing should be done to divert the energies and the resources of the Department towards further expansion in this direction (running of goods vehicles) or even to the carriage of parcels till the passengers traffic has been fully developed and consolidated in the province."

5. The Committee observes that 65 to 70 per cent of the vehicles still belong to private operators so the displacement of these operators would undoubtedly mean a financial threat to them. The private operators should, therefore, be rehabilitated on less important feeder routes. They should also not be left in the dark as regards their future and a sufficient notice be given to them when a route is snatched from them.
6. As regards the training of the technical staff, re-arrangement of courses of studies in the existing Mechanical and Electrical Engineering Schools and Colleges in the State, was suggested. It was also pointed out that to encourage the training of the workers after the office hours, small bonus should be given. Special attention should be paid to the welfare of the employees and every facility should be granted for their advancement.

7. Regarding the personnel of the corporation, the Committee recommended that there should be 3 non-official members from the public, one railway representative, the Transport Commissioner, the Finance Secretary and one member nominated by the Government.

8. The Committee pointed out that the success of the Roadways Organisation depended largely on public support and goodwill which could be secured by providing ample amenities to the passengers such as punctuality, bus halts, Mela and special traffic services, comfortable seats, issue of tickets in time, separate windows for women, drinking water and refreshment stalls at bus stations, provision of complaint books etc., and above all inculcating a sense of service and courtesy among its employees.

The State Government on the whole did not agree with the Ad Hoc Committee on Nationalised Road Transport. The basic recommendations regarding the setting up of an independent corporation was rejected and with it another allied recommendations. Only its suggestions for providing the amenities etc. to the travelling public were accepted in principle.
In the mean time, the adoption of new constitution on 20th January, 1950 gave a chance to private operators who were already troubled and were looking for a revenge, to challenge the action of the State Government in cancelling the permits in the wake of nationalisation of the road transport. In a suit filed in the Allahabad High Court, they contended that the manner in which the U.P. Government had monopolised road transport had displaced them in contravention of the provisions of the Constitution of India, as it took away the fundamental rights guaranteed by the Constitution of India under Article 19(g) to carry on any business or occupation. They further added that the State was only empowered to impose reasonable restrictions but not to totally prohibit them from exercising fundamental rights conferred by the Constitution. On May 11, 1950 the full bench of High Court Judges gave the decision against the Transport Department of U.P. and the State routes which were taken up by the Roadways and some of the operators brought their buses on routes. The Transport Department however restricted their service and private operators were allowed to ply their buses on fixed timings approved by R.T.O. The control on their movement was also made more rigid so as to avoid the cut throat competition between Roadways and private operators.

ROAD TRANSPORT ACT, 1950:

To overcome the legal difficulties in the nationalisation of motor transport created by the judgement of High Court, legislation was undertaken and the Uttar Pradesh State
Road Transport Act came into existence in January, 1951. This Act was a landmark in the history of Road Transport Nationalisation in this State. It has been provided in the Act that in order to promote suitable and efficient road transport, the services may be run by the State Government either singly or in conjunction with private operators. The State Government has also been empowered to issue instructions to State Transport Authorities as well as Regional Transport Authorities, regarding the number of permits and their cancellation etc. Further it has been laid down that the State Government may appoint a Transport Commissioner and may establish Advisory Committees for making the services efficient. And the Government has appointed a Transport Commissioner who can authorise any public carrier or contract carriage owned by the State Government to be used on any or all routes of Uttar Pradesh. The Commissioner has also been empowered to notify the routes which are intended to be taken over by the Nationalised Sector. The Act declared valid all State road transport services operating before its enactment.

**MOTOR VEHICLES AMENDMENT ACT, 1956:**

The Motor Vehicles Act, 1939 was passed at a time when road competition had assumed menacing proportion and the Government was keen to restrict the growth of motor transport. But when economic planning was started it was felt that transport facilities should be increased and as such the Act should be suitably amended. Accordingly the Act was amended in 1956. The main provisions of the amending Act were as follows:-
(a) Light motor vehicles of the type of delivery vans for private use, trailers on two wheels attached to motor cars and weighing not more than 1,700 lbs. and transport vehicles owned by automobiles manufacturers used solely for approved purpose have been exempted from permits.

(b) On the approval of the State-Transport Authority an inter-regional permit can be given to a private carrier.

(c) Issue of temporary permits instead of regular ones, to facilitate nationalisation at any time has been discontinued.

(d) The period of permits for public carriers has been fixed at five years.

(e) Preference is to be given to co-operatives and old permit holders in granting new permits for both passenger and goods vehicles.

(f) The limit of laden weight of a medium vehicle has been raised from 14,5000 to 18,000 lbs.

(g) There will be no distance limit anywhere on the operation of motor vehicles.

(h) Compensation will be given to operators for the cancellation of their permits or for the modification of their routes or areas.

(i) A new body known as Inter-State Transport Commission will look after the development, co-ordination and regulation of inter-state services.

Some of the above provisions are really praise worthy. Fixation of the permit period at 5 years has given a great
relief to the private operators and provided encouragement to them. Preference to be given to the transport co-operatives or old permit holders in case of new permits will surely improve the standard of operational efficiency because they can easily employ experienced persons. Payment of compensation in case of nationalisation or change of routes is another important step.

THE INTER-STATE TRANSPORT COMMISSION:

As suggested and provided by Motor Vehicles Act, 1956 this commission was set up on March 8, 1958. The functions which are being performed by it, are as under:

(a) To chalk out programmes for the development co-ordination and regulation of the motor vehicles and in particular of the goods vehicles in an inter-state region.

(b) To settle all disputes and decide all matters on which differences of opinion arise in connection with the development, co-ordination and regulation of motor vehicles in an inter-state region.

(c) To issue directions to the State Transport Authorities regarding the grant and suspension or cancellation of permits for the operation of motor vehicles plying on inter-state routes.

CRITICAL APPRAISAL OF NATIONALISATION POLICY:

It is generally said that nationalisation policy of the Government is not clear. It is necessary that sense of security should be instilled in the private operators by planning nationalisation according to a phased programme.
The same policy has also been emphasised by the Planning Commission. The uncertainty in regard to the extension of nationalisation has increased the reluctance of the private operators to invest further sums in the development of the services and in provision of amenities. New entrants who would otherwise be willing to invest capital in road transport, are scared away. The Road Transport Re-Organisation Committee, 1959 has recommended in this connection that:

(a) Permits should be issued freely whenever and wherever transport facilities are inadequate.

(b) In order to provide security of tenure to existing operators phased programmes should be published for ahead of further nationalisation.

(c) Operators displaced due to nationalisation should be given alternative routes so that they may develop transport in other areas and earn a livelihood.

As far as the Motor Vehicle Act (Amended) 1956 is concerned, it came into operation from February, 1957 but its working has not shown any improvement in the general condition of motor transport during these years and all the States have not even framed revised rules under this Act. Regarding the working of the Inter-State Transport Commission we cannot give a proper judgement at this stage because it has started only a few years back. However, we can say that it has made some progress and more proper attention shall be paid in future to make the progress fast.

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