Transport in The Second Five-year Plan

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The Railway Minister has warned that the cut in the Railway Plan will mean not only deferment of rail expansion in new areas but also overcrowding for passengers and no additional cargo capacity for industries other than coal, steel and cement. If this is correct, there is no doubt that the Second Plan will fail, because the transport bottleneck will prevent agriculture and industries from increasing and maintaining production.

There is, however, no reason to take such a gloomy view if the Railways rise to the occasion and face the task with ingenuity and imagination. The operational statistics of Railways clearly show that there is an appreciable scope for improvement.

It would also be well if the Central and State Governments permit road haulage to develop through liberal issue of permits, removal of restrictions on the area in which a haulier can operate and some relief in taxation on motor vehicles.

In a plan designed to encourage small scale labour intensive industries, there is no reason why road transport should be made a preserve of monopolistic stale transport, especially freight transport.

THE Second Five Year Plan is yet ' to be finalised. But reports on its shape indicate that the allocation for transport and communications appears to have undergone the most radical change. The Draft Plan-frame proposed an outlay of Rs. 950 crores on transport out of a total outlay of Rs. 4,300 crores in the Public Sector. The proposed allocation for this section now stands at Rs. 1,384 crores in a total of Rs. 4,800 crores. In fact, the size of the Plan for the Public sector has been increased mainly to accommodate the larger outlay on transport. Transport now occupies the premier position claiming 29% of the total planned outlay in the Public Sector.

A comparison of the allocations to various forms of transport and communications under the First and Second Plans is given in Table I. It will be observed that while the relative share of transport and communications has gone up from 24% to 29%, that for Railway has gone up still higher from 11% to 19% of the total planned investment.

Test for Adequacy

Despite the top priority given to transport in the allocation, all interests concerned have expressed a sense of disappointment. The Railways have prepared a plan of Rs. 1,480 crores (gross) as the minimum necessary to carry the increase in traffic expected during the next five years. The outlay on roads will provide 700 miles of national highways, 9,000 miles of metalled roads bringing the totals to 13,700 and 111,000 miles respectively. The targets of the Nagpur Plan of 20,000 miles of National Highways and 194,000 miles of State and district roads will therefore remain distant goals in 1960-61. Similarly the plan of one million tons of Indian shipping by 1954-55 will remain a future target at the end of the Second Plan.

It Is obvious that the optimum rate of growth can be achieved only if developments on all major sectors of the economy are maintained in a relative balance to each other. Thus too much emphasis on industrial development might produce factories, but they could not operate regularly if transport facilities remained inadequate to carry the raw materials to and the finished products from these factories and vice versa. The adequacy of allocation for transport in the next Plan, must, therefore, be judged not on the basis of goals considered reasonable in isolation but on the basis of their minimum requirements to meet the growth in demand for transportation as a result of developments in the other sectors of the economy.

In India transport means largely rail transport as the railways carry an overwhelming proportion of the total traffic. Road Transport has not only been neglected but even strictly regulated in the interest of the railways. The taxation on road transport is heaviest in the world. On top of all these the policy of State Governments to nationalise road transport and restrict issue of permits in anticipation thereof, has seriously limited development of road haulage in recent years despite rail transport difficulties. Inland water transport on an organised basis is limited to the Ganges and Bramhaputra rivers. Since data regarding road and inland water transport are not available, discussion of the adequacy of transport development must be limited to rail transport.

Earlier Provision Inadequate

Prof Mahalanobis estimated the increase in passenger and cargo traffic during the Second Plan at 30% and 40% respectively. The present writer found these estimates on the low side. (Transport in the Second Five Year Plan, Economic Weekly, 18-6-55). A figure of 50 to 60% increase In freight traffic was suggested. This estimate is now corroborated by the Planning Commission's calculations based on increase In production and traffic of different commodities. The Railway Plan provides for an Increase of 50% traffic of which nearly 70% is on account of the increase In the steel, coal and

TABLE I

Investment in Transport and Communications

Type of Transport	First Five Year Plan Outlay Rs crores	% of Total	Second Five Year Plan Outlay Rs crores	% of Total
Railways	268	11	900	19
Road & Road Transport	143	6	265	6
Shipping, civil aviation ports, inland water transport	89	4	100	2
Posts, Telegraphs, Broadcasting, etc.	58	3	119	2
Total	558	24	1384	29

Note: Investments in Railways are net. Gross investments are reckoned at Rs 400 crores and Rs 1125 crores respectively.