

TRANSPORT

[Speech on the Nationalization of  
Bus Services]



## NATIONALIZATION OF BUS SERVICES

The Motor Transport Bill for nationalization of the bus services was presented in the House of Representatives on 20th September 1957 by the Hon. Maithripala Senanayake, Minister of Transport and Works.

The Second Reading was moved on 1st October and was passed on 3rd October, without a Division, after a three-day debate.

The Bill was referred to a Committee of the Whole House, and was finally passed, after amendment, on 17th October 1957.

Speech made, as Prime Minister, in the course of the debate on the Second Reading : 3rd October 1957~

There is in fact no need for me to add anything particular to a debate which, viewed from both sides of the House, has been very full and very interesting. But it is not possible for me as Head of the Government, on such an occasion as this, to let the debate conclude without a few remarks on the most important measure which this Government has had the privilege of introducing in this House hitherto.

The Bill before the House is for the purpose of-if you like to use the word-nationalizing the passenger road transport system. I regret it has not been our intention to include water transport also, as my hon. Friend who just spoke suggested, though, no doubt, that matter too will in due course, if the need arises, receive the consideration of the Hon. Minister.

What precisely are we doing ? I hope we are not merely following a slogan of any particular political philosophy just for the sake of doing so. We are in fact doing something which we consider absolutely necessary and desirable from various points of view. Those points of view have been referred to both from the Government Benches, by my Hon. Friend the Minister of Agriculture and Food (Hon. D. P. R. Gunawardena) who spoke today, by the Hon. Minister of Transport and Works in introducing the Bill, as well as by hon. Members of the Opposition. As one who at



one time was responsible, in the capacity of Minister of Local Government, for road transport I should like to draw attention to just a few points in the history of the development of road transport in this country.

At a certain time, the rush for buses was like a rush to a newly discovered gold field ; every kind of person rushes there, stakes out a claim and becomes a gold-digger in the hope of making a fortune, and a quick one. Now at that time there was a certain amount of money available in the country, and it occurred to many an enterprising person to get a bus on hire-purchase, or with money borrowed on the mortgage of a bit of land and so on, and run a bus as a quick way to fortune. And a few people did make fortunes. I am afraid quite a number fell by the wayside too. They were not all able to make good. Well, that state of confusion continued up to really the outbreak of the last war. I was very concerned at the state of confusion that was growing in the country-innumerable little owners using thugs against one another in order to beat their rivals off the roads, and the more they failed in making quick or easy money, the more desperate were the methods adopted. This process was going on.

This country has a number of good roads, very good roads for a small country. Bus traffic therefore had a tremendous s~dvantage, from the point of view of passengers, over rail transport. Obviously there was a very great attraction for people to travel in buses, and there was a lot of money, naturally, to be made.

The war came along, and we had to do something about the control of bus traffic. At that time the Government of Ceylon had obtained the services of [Mr. S. W. Nelson](#). In fact, his services had been obtained earlier, before the war broke out really, to advise on the reorganization of the railway. But as that matter was held up owing to war conditions, his attention was turned to the bus services.

I was Minister at that time. I suggested to Mr. Nelson that the real solution was the nationalization of the bus services, so far back as the early forties. Mr. Nelson informed me that, in his opinion, it was too big a job to take on just at that time but, as a step towards that nationalization, he suggested the formation of these large companies.

That was the advice of the expert, which the Government naturally felt it could not lightly reject, and these companies were



Unfortunately the companies were very often rather nominal. They fulfilled the needs of the Registrar of Companies, but beyond that it was the same old thing going on under a new name, a state of affairs which, he did not quite anticipate, would work out in that way.

In 1947, with the new Constitution, road transport ceased to be a function of the Ministry of Local Government and became a function of the Ministry of Transport and Works—quite rightly, I think—and nothing further was done about it. But that all was not well was realized even by the Government and the Minister of Transport and Works at that time—my Hon. Friend the Member for Dodangaslanda, Sir John Kotelawala. They realized that all was not well.

It was a difficult position for some of the Members of the Government at that time, because the bus magnates had astutely inveigled themselves almost into a position of indispensability. Many Members of the Government felt that the support of these magnates in various ways was by no means a negligible factor in preserving their political position or indeed their prospective hopes of success at elections.

These two things unfortunately reacted on each other. The bus people—perhaps the majority of them—never at any time inclined to be unduly scrupulous, were encouraged in pursuing their various practices, or at least these practices were connived at by the Government, who felt that they were very necessary for various political purposes. This only made things worse and the time soon came when even the Government was reluctantly compelled, by a general clamour in the press, amongst the public and various sections of this House itself, to appoint a Commission to inquire into the whole question.

Unfortunately certain things transpired that made the public lose confidence in the work of that Commission. The Commission was soon abandoned and another one appointed under the Chairmanship of—if I mistake not—Mr. Waldo Sansoni. That Commission proceeded to do their work very cautiously, very effectively. They did not want to annoy the bus operators; they did not want to make recommendations that might have been embarrassing for the Government at that time to give effect to presumably, and they recommended a system of public corporation.



It is interesting to note that the previous Government, although that Report was published long before the last general elections, failed to implement the most important recommendations of that Commission. They were all held up, for what reason it is difficult to imagine—indeed, it is not so difficult to imagine what the reasons were. They are easily understood. The elections were coming along, and here were these indispensable persons whose support was necessary for the elections. No doubt the Government considered it wiser to put off any decision that might go against the interests of many of the bus owners, and nothing was done. Unfortunately, the last general elections, even with the help of the bus magnates, proved somewhat disastrous for the previous Government, and now the bus owners are faced with a much worse position than public corporations.

What are the reasons for nationalization? In the interests of the State, where the railway is State-owned and no proper co-ordination can be effected between the State-owned railway and the privately-owned system of public transport, a very serious consideration arose. There was no question at all that transport should be under one authority unless of course we were prepared to hand over the railway to the bus owners as one possible solution. Of course we were not prepared to do that.

The argument was overwhelming that all passenger transport, road as well as rail, should be under the control of one authority. It was in the interests of the State, in the interests of passengers, people who use transport, and in the interests of the workers employed under that transport system. There was no question about it. That is why, without undue delay or haste, we proceeded straightway to take the necessary steps which have now eventuated in the Bill before this House.

I do not wish to go into any details of this Bill. The Hon. Minister has explained them. There are some points about which—while there is general agreement among all sections of the House on supporting the Bill—certain suggestions have been made by hon. Members. One type of amendment suggested by my hon. Friend, the Member for Wellawatta-Galkissa (Dr. Colvin R. de Silva) and those who think like him, concerns certain points regarding the workers, question of compensation, and so on.



Now let us remember this. It is absolutely necessary for the whole country, in the interests of all progress, that this project should be a success. It just must be a success. Do not think please that the interests concerned that are now being eliminated by the nationalization of buses have ceased or will cease to carry on any methods available to them, if not to prevent, to make it a failure. Let us make no mistake about it. There are enormously powerful interests involved that would like to see this a failure. I quite appreciate and understand the claims put forward for a close examination of Part II of this Bill which refers to the employees. Their case is pressed, and so on. I assure the House that there is no intention on the part of the Government, and there will be no intention on the part of the Transport Board, to do any injustice. But the workers also as partners in a nationalized concern owe a duty not only to themselves but also to the State, which is anxious to see that, while their grievances, just grievances and needs, are reasonably dealt with, they also discharge their obligation to pull their weight, as my Hon. Friend the Minister of Agriculture and Food said, in making this a success ; for if this venture fails, it will have repercussions of a somewhat undesirable nature on future plans that the Government may have with regard to other national activities to follow a similar course of action. I have no doubt that that feeling of responsibility will be there. On behalf of the Government-I am sure the Hon. Minister has said it and will say it-I give the assurance that we have no desire whatsoever to be unjust or unfair.

There was a question of compensator.. My hon. Friend, the Member for Wellawatta-Galkissa, with the eloquence which he possesses, put forward a case that no compensation should be paid. There may be arguments, Mr. Speaker, to be urged in such a connection. But we have definitely committed ourselves to the principle that when we nationalize, we pay what can be generally considered to be just and fair compensation. It may be deserved or undeserved in view of certain things that occurred earlier ; but we do pay that and we will.

The provisions made here differ in certain respects from the provisions for c~mpensation, for instance, adopted in England, but



assure the House. There are certain points that we have clarified. The Hon. Minister, if necessary, will explain them now in his reply or at the Committee stage. But we will be fair. We do not intend to be quixotically generous, I can assure the House. We do not intend to be that. The method of computation of compensation, the precise form and so on in which the compensation eventually will be paid are also matters which we will bear in mind. It will be a method which will not cripple the State or the Government in doing what we consider to be just and fair.

Now I come to my hon. Friend, the Member for Maturata (Mr. M. D. Banda). I read his speech ; I was not here when he spoke. What a strange metamorphosis has taken place ! Defeat at the polls has made them swiftly change into something wondrously strange. Pilgrimages by those to whom the idea of pilgrimage on foot had never occurred earlier ! The approval given to nationalization of transport, of bus services, which they would have resisted and opposed to the fullest extent if they had been in power ! What is the

meaning and significance of all this ?  
naturally appreciate it.  
significance of it ?

Of course, we

What is the

The significance is that even they dare not oppose a Bill like this. Although they would have resisted any claims for such a step if they were in power, they dare not oppose it now because they feel that public opinion is so

The hon. Member for Maturata himself has made certain suggestions in regard to amendment, in the attempt to sugar-coat the pill presumably, of certain points put to them, I have no doubt, by the bus owners, and so on, who also have now become pious, Mr. Speaker ; they too are pilgrims today. What a change we have wrought since we came into power ! What piety has overtaken those to whom piety would have been only a word earlier. Pious pilgrims journeying on foot in this effort to petition the Gods ! Well, the hon. Member for Maturata has also approved of this in principle—he is not opposing the Second Reading. Of course, they are not here to support it but they are not apparently actively opposed. I do not want to say anything about the amendments suggested.

Mr. Speaker, it is an important step that has been taken, an important step in the direction of those principles which this Government holds and has expressed. It is a beginning. Let us proceed to make this a success. I have no doubt that



is a temptation on these occasions to attack, if I may use the word, the bus owners, the bus magnates and others whose activities have caused difficulties and trouble to many Members of this House, some of whom have suffered under those activities. But the main task before us all now is just to get down to work once this Bill is passed and to see that this project is a success. All of us, whether we be Members of the Government, the Transport Board that is in charge of this very difficult project, members of the public or the workers concerned, will have to put our shoulders to the wheel. It will be our bounden duty to make this project a success not merely for the sake of the project itself but in the interests of the future progress of this country. Let us address ourselves to this task in that spirit and I have no doubt that it will be a success, though I do not in any way delude myself in the belief that all is going to be plain sailing, that everything is going to be easy, that it will be possible for us to do everything that many people will wish.

This step is not a magic wand to reduce fares to the passengers, to increase wages to the workers, and so on. In measures of this sort there are always certain difficulties that have to be undergone. There will be a period of difficulty. I trust that undue hopes are not built, some golden vision that the mere fact of nationalization in itself is going to produce, and produce at once, remarkable results in all directions. I am quite sure that for some years there will be difficulties. There may be difficulties which would enable those who are opponents to ask, " In what way are things better than when the bus owners ran this service ? ". In some cases they may be worse. We have to be ready for that. But we are utterly convinced that it was right, it was the only step that could be taken and, eventually, the whole country will get the benefits which many hon. Members visualize, but which may not accrue as quickly as some hon. Members feel.

I know the Transport Board and its Chairman are suffering under no misconception at all as to the difficulties of the task that faces them, but I have no doubt that the goodwill and co-operation of all sections, whether on the political plane or otherwise, will enable us to make this first venture in the utilization of a public service and the resources of this country benefit the community as a whole rather than a few individuals. This first attempt in that direction, with the help of all, I am sure, will prove a success. I give the assurance to the House that as far as we are concerned, we are



quite conscious of the difficulties of the task that faces us and we are equally determined to see that it is a success, and that any attempts—there will be quite a large number still—to make this venture fail will be frustrated by the goodwill and efforts of us all and the people of this country.

I have very great pleasure in congratulating the Hon. Minister of Transport and Works on the great trouble he has taken.

With these few words I support this Bill at its Second Reading. I hope it will usher in a new era of peace and progress for us all.