Weekly Notes

Typewriters Made In India

A PRESS NOTE called for the submission of detailed programme of manufacture from firms interested in making typewriters in India. Those who want to set up production will have to submit detailed programmes, phased from half year to half year, as well as the types and models they want to make. AH this has a familiar ring about it It sounds ominously like Government programming of the manufacture of automobiles which is in such a mess that it will take years to clean up. True, there is a safety clause, presumably a fruit of the bitter experience with automobiles- Assembling is definitely out, only those who submit a programme of manufacture of 80 per cent of the components would be allowed to go ahead. The notification specifically mentions that unless the value of the components still to be imported on the completion of the programme is less than 20 per cent of the value cif Indian port of all components, prospective manufacturers may as well keep out.

This is all very simple, as if we were starting with a clean slate and no one had given any thought to or tried to do anything about manufacturing typewriters in this country. The notification gives no inkling of the fact that as in the case of other manufacturers who had established markets in this country, one of them has already been given licence for assembling, the recognized first step so far for setting up eventual manufacture. The notification merely tightens these conditions which may only mean a series of negotiations, backwards and forwards, for stepping up the production of components to the minimum now laid down of 80 per cent, leaving it to the party or parties concerned to bargain, get extension of time and renewal of provisional licences to import. More grievous and quite explicable in fact is the omission of any mention of the progress made by at least one Indian firm in actual manufacture. The maximum quota of imports has been introduced as a bargaining counter, it appears, in order to ensure progress in the desired direction. This adds one more instance to a host of others of the awkward position, into which the Government has been driven by its failure to define more honestly and clearly what it means by protection to Indian industry. Despite declarations to die contrary, import control is to be used flagrantly not only as a protective measure but as a means of setting up new industries. The use of import control for such purpose has gone on so long that violation has come to be regarded as normal. True to form, the notification asking for prospective manufacturers to submit their programmes has been followed in the very next week by a restriction on imports of typewriters in the July-December licensing period.

For developing manufacture of typewriters in India, as in the case of automobiles, the determining factor is the limited size of the market, domestic demand being estimated around 20 to 25 thousand machines a year; demand for motor cars and trucks at one time had also been estimated at the same figure. A single unit of production properly organised can therefore supply the market. Would there be room for more? Surely the foreign manufacturers who have established their" brands would not yield to others without a fight and new entrants who take up the production even from A to Z will have to fight for recognition and establish their own brands in the face of consumer resistance. The Government has very generously agreed to extend their patronage to whichever manufacturer steps in and satisfies the conditions laid down, But could it do any less? Surely, the Government had not been contemplating restriction of imports for others while continuing to import typewriters for its own use?

Action on Ford Team

THE Ford team of experts' report on small-scale industries was released, there was no accompanying press *communique* to say what action the Government proposed to take on it or whether they had accepted any of the recommendations or not. One Anows only from hearsay that Pandit Nehru had ranted about it. But then in these matters enthusiasm has to be curbed and steam has Io be made to turn many wheels and this is obviously a job better left to others. Even if the report was discussed by the Cabinet, nothing had been given out to suggest any line of action on it. Many, therefore, came to know from Shri Gulzarilal Nanda for the first time that " a Series of steps are now under contemplation based *on* the *accepted* recommendations of the team of experts provided by the Ford Foundation" (italics ours). Which recommendations' had been accepted, by whom and when? *Shri* Nanda, being the Minister for Planning, should know.

Nandaji was speaking on the radio, " The role of small-scale industries in providng new avenues of employment for those who have received some training and education,'' he said, " had been fully appreciated." "As to the type of future industrialisation of the country ", *he* added, the directive (Planning Commission or- Government?) is that " the distribution of capital in new lines should be planned keeping in view the nerd to increase employment opportunities in the short run as well as the larger pattern of development necessary for an expanding economy." One should not blame politicians for trotting out platitudes for a radio audience even in the fourth year of the Five-Year Plan. But could Shri Nanda really have studied the Ford report, and *accepted* its recommendation for rationalisation all along the line and yet maintain that " the rate at which equipment in established indigenous industries, especially those which employ large numbers, is allowed to he discarded, must be adjusted so as to safeguard against excessive unemployment in the process of technological change? " And yet, all the above extracts are from the PIB text of his radio talk on the 16th.

The Ford Foundation experts are firm in their belief that " without rationalisation, the natural talents of Indian workers and craftsmen are being wasted in a hopeless race against modern technology. Unless and until these workers are helped to produce more goods and more wealth, neither wages nor Jiving standards can be raised." They think that ". - . rationalising industry is a relatively slow evolutionary process which takes years " and that India should accelerate it.

It would be most unfair to the Ford experts not to explain at the same time, why they think so. They assume—the implications of this as sumption have not been grasped by the Government yet—that people displaced by the march of modern technology which they want to harness for the small industry, would be."absorbed by setting in motion a challenging public works programme ", and " capital investment in the human welfare of the people of this nation should be made ". So unemployment would be, at worst, only temporary. The experts may be lacking in realism but they are not lacking in logic. Precisely because capital investment on the scale necessary for absorbing the unemployed has not been attained and is, not likely to be attained nor, for the matter of that, is it intended to be attained, that he problem of employment is so intractable. The planners and politicians are not unaware of it. And that is why all this scampering for holding back the flood! They know it that they cannot meet it in any other way, without upsetting the apple cart, that is the present social and economic set up of the country.

Sugar-Cane Price *Link*

SHRI KIDWAI has now reversed the pricing of sugar cane, from fixing the minimum price of cane and then working out the selling price of sugar which did not work. Now since sugar is free and minimum price of cane continues to be fixed by the Government, the Food Minister concedes that the cane-growers should get the benefit of or accept a cut in the prices they are to get for their cane depending on the price fetched by sugar in the free market. While the broad principle is understandable, how it is to work in practice is left, as in all matters relating to sugar, more than a little vague. 'The minimum price for sugar cane, which was brought down to Re 1-5 on the basis Rs 27 per md as the price of sugar, will now have to be raised since even after the recent cut, Governments selling price of sugar is still Rs 29-8 per md. The earlier talk of allowing sugar cane growers a share of the profits" of the sugar industry has been quietly dropped. Or is the present formula for linking cane price to that of sugar the profit-sharing scheme which the Food Minister has been adumberating so long?

And it is not only profit-sharing that has been dropped, but also the earlier and more challenging proposal for linking sugar cane price to the sucrose content of cane which was an attractive idea but has remained so far a technologically unworkable proposition, A price fixed in proportion to sucrose content of cane would undoubtedly be a step in the right direction, for eventually improving the quality of the sugar cane that is grown. If a practical device could be found for administering this formula, surely it would not only provide a powerful incentive to the cultivation of better cane but it would set off a whole chain of reaction -better quality of cane, higher recovery of sugar, lower cost of production and it could be made to mean cheaper sugar for consumers.

Technology at Wrong Place'

THIS is a suggestion the Food Minister has often put to sugar technologists for their study and solution. Little progress, however, seems to have been made, at least none has been reported to the lay public. One should imagine that this is the sort of problem for which we could usefully consult foreign experts. Instead of that, the Agricultural Ministry—or was it the Ministry of Commerce and Industry, which has a concurrent jurisdiction over jute?—asked for, sponsored or acquiesced in a study by two American experts, one belonging to the Economics Faculty of the Harvard University and the other to the US Department of Agriculture to advise: How much jute India can produce to her best advantage. Enough experience has been gathered to suggest an answer to the problems relating to the cultivation of jute. We have tried in turn more self-sufficiency and large imports from Pakistan, and in between, having grown enough still yielded to the importunities of the jute mills to import marginal quantities, so that Indian jute growers may not have the upper hand. As a result, there is little left to be explored on this aspect of the problem, the hard core of which is the production of superior qualities of a certain magnitude. This can also; be solved readily enough, if concerted attempts are made for the production of these superior varieties in areas most suitably for their cultivation, *viz,* in the monsoon flooded Brahmaputra Valley of Assam. The difficulties that have to be overcome are none of them of a technical nature that foreign experts, either economists or agriculturists, can possibly help to solve.

Americans may complain that they pay but get no thanks. American experts who come to help must feel somewhat disheartened and embarassed that so few care for their advice and there is so much of psychological resistance for them to overcome, that their intentions are so grievously misunderstood and so on. Whoever might be responsible for getting advice for the wrong things merely because this advice is to be obtained gratis, are doing no service to Point 4.

There are other aspects of the jute trade, however, on' which expert advice would be more than welcome. This is in the sphere of development of jute substitutes, the effect of price policies on the growth of such substitutes and so on. These problems have been studied a great deal, though perhaps somewhat intermittently. If the industry feels a more thorough or systematic study is necessary, it has both the proper organisation to do it, and it is rich enough to get whatever expert assistance it may need. The snippets of news that have appeared in the press about the activities of the two experts referred to above do not suggest that their services had been requisitioned for any such sensible purpose.