

# Little Light

Report for 1961-62, Ministry of Commerce and Industry, Government of India. Pp 248.

THE demands made on the Government nowadays are admittedly complex and varied. The 'mixed' nature of our economic philosophy requires not only direct involvement in certain industries but also the control and regulation of the private sector. This calls for technical knowledge and experience over a wide range which the administration, elaborate as it is, is not able to provide. Naturally, persons outside the administration have to be drawn in for some measure of assistance. But seemingly this practice grows on itself and once started there is "no way of keeping it within some modest limits.

The Ministry of Commerce and Industry has the usual Secretariat set-up, which includes the impressive team at the helm. Thus :

"The Minister for Commerce & Industry is in charge of the Ministry. He is assisted by the Minister (*sic*) for Commerce, the Minister for industry and the Deputy Minister for Commerce & Industry".

But this is by no means sufficient. Nearly a third of the Report consists of a list of the members of the various Commissions, Committees, Statutory and Advisory bodies and Directorates of State undertakings-connected with the Ministry. There are 90 of these bodies (excluding State undertakings) and their total membership is over 1,700. It is a little difficult to understand how such crowded committees, meeting but once or twice a year can possibly make any worthwhile contribution. In any case, the purpose of some of these bodies gives them an air of superfluity. What, one might ask, has the Standing Committee for Small Industries Statistics done? And does the promotion of invention really require a Board of 14 whose principal purpose is "to encourage the spirit of inventiveness among the industrial workers, artisans and technicians"?

Administrative reports have inevitably to pay attention to such procedural details and, in consequence, the information on the development

of various industries contained in the Commerce Ministry Report is scrappy. The year that the Report reviews was one of some significance, as it was the first year of the Third Plan. However, no special importance is attached to this fact, except for occasional references to the Plan targets. Taken as a whole, it was a year of progress, with considerable increase in output and further diversification of production.

But of course, it is not a uniformly rosy picture. According to the Report, "Certain difficulties inherent in a developing economy continued to be experienced by industry in general". Among these were the tight foreign exchange situation, shortage of power and steel and the transport bottleneck. The Second Plan targets had not been reached in certain important industries and in the first year of the Third Plan which began with this spill-over, the position did not improve materially.

### Foreign Collaboration

There are frequent references in the Report to foreign collaboration, technical and financial, but only in regard to the public sector — Polish credit for Praga Tools, Czech finance for the Foundry Forge Project, Russian credit for heavy machines, and so on. Foreign collaboration is fast becoming an important feature of industry in the private sector and it is time that more information about it is placed before the public.

Two administrative decisions of importance are reported for the year. One is the simplification of the procedure for acquiring an industrial licence for which the private sector, through the FICCI, had been pleading for some time. According to the Report there now exists "a single co-ordinating agency" to "ensure the passage of important industrial schemes in the private sector through the successive stages of governmental approval". It is to be hoped that this really means saving of time and effort for all concerned. The other decision

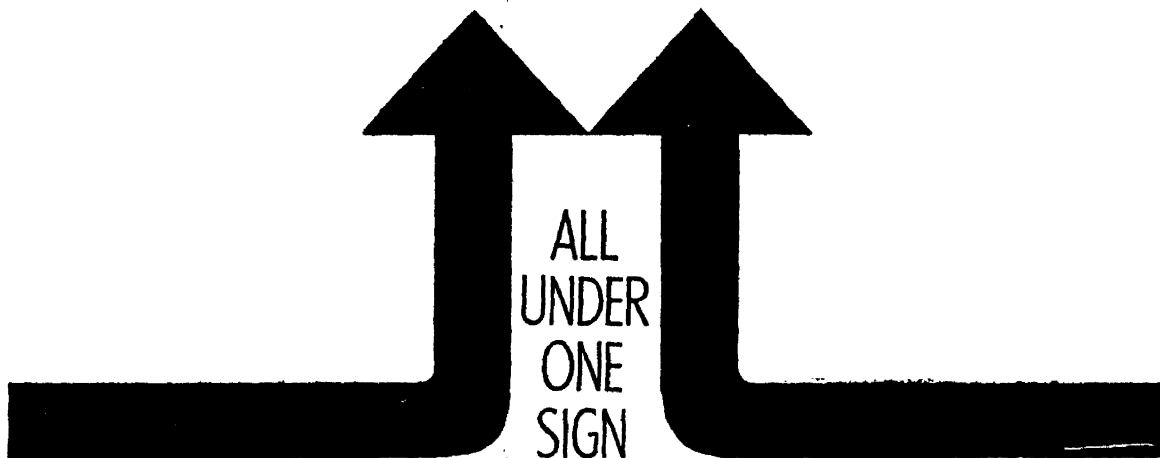
affects the public sector. A Joint Committee of Parliament is to be appointed "to secure an effective control of Parliament on these undertakings consistent with their autonomy". This decision follows the recommendation of the Krishna Menon Committee. Whether this is going to have the desired effect of ensuring control without interference or add to the general confusion remains to be seen.

### Capacity Statistics Dropped

A significant omission in the Report is that of the statistics of installed capacity. Tins information was given so far, along with production figures, both for the year under review and the previous year. In the Report for 1961-62 only production figures are given without any explanation for the omission of the statistics of capacity. Capacity figures as given to the Development Wing have long been criticised as being worse than useless. To improve them so that they can be really useful is one solution. To drop them in another. The Ministry Report, though not the Ministry, has opted for the latter.

The statistics of capacity continue to appear in other official publications, such as the *Monthly Statistic's of Production of Selected industries* published by the Central Statistical Organisation and the reports of the Development Wing, contain the information. True, the Mudaliar (Import and Export Policy) Committee had found that there was no precise information regarding industrial capacity and that this lack of data rendered the problems of planning and resource allocation more difficult. The Committee recommended that the Development Wing be charged with the special responsibility of constantly reviewing the position in respect of under-utilisation of industrial capacity and with suggesting remedial measures. The Committee also recommended the annual publication of the results of the Development Wing's reviews. It is to be hoped that the Commerce and Industry Ministry is giving thought to this.

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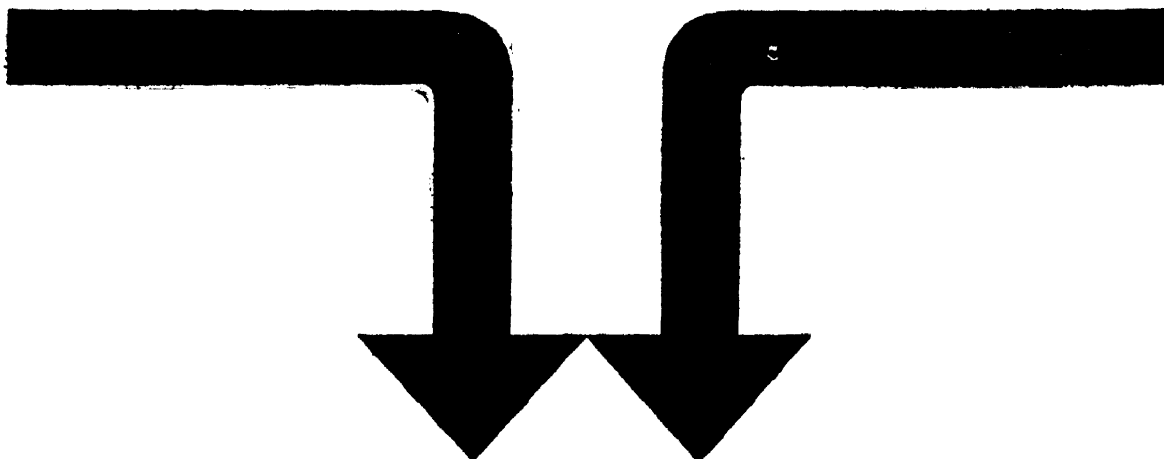
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