

novel about it and is indistinguishable from what has been called state monopoly capitalism. It has allegedly been submitted by "one of the top leaders of the Congress party" and is being discussed in ministerial circles as a measure to curb the growth of monopolies! It would have on the one hand a 40 per cent ownership of equity capital by the Government in private companies and a reciprocal shareholding in public enterprises by — mark it — not individuals but limited companies, private and public. In the field of banking, Government is asked to extend to *all* banks its practice of depositing its funds in the State Bank and the Reserve Bank. Conversely, private and public companies are to deposit parts of their reserves with State financial institutions. This is clearly a blue print for a public sector under private control and the fact that it has been advanced as a measure to bring about democratic socialism cannot but make one reflect on the varieties of use to which the term socialism is put.

### **Superficial Co-ordination**

THE Estimates Committee too has been misled by TTK's decision to place the Company Law Division in the Department of Revenue instead of Economic Affairs. In its 53rd report the Committee "cannot resist the conclusion that the position needs to be reviewed", in view of the fact that several related matters continue to be under Economic Affairs. True, the present arrangement is hardly logical, or even administratively convenient, but does the solution lie merely in a transfer of company law administration from one department to another?

The two-member Company Law Board was set up formally in February but has still to settle down as the autonomous body it was intended to be. The regulation of stock exchanges, a rather nebulous and over-emphasised function, has yet to be transferred to it, in spite of a declaration to this effect more than four months back. The Finance Minister appears none too eager to transfer the regulation of capital issues to the Board, perhaps because he desires to exercise direct control over the terms of foreign collaboration in joint ventures. This objective would be fulfilled at

least as effectively through the Board so long as it consists of whole-time secretarial officers working, to borrow a phrase from the Companies Act, under the same management.

The Committee spent a considerable time listening to the representatives of various chambers of commerce who, justifiably, wanted the continuance of "positive helpfulness" by the Company Law Administration, simplification of the law and the returns to be filed under it, and quicker disposal of applications. Among other steps to achieve these ends, the Estimates Committee has recommended the setting up of advisory committees at all levels to enlist enlightened opinion for adoption of sound management practices, and the provision of adequate amenities for the visiting public in waiting rooms! It is difficult to reconcile such naivete with the Committee's implied displeasure with the terms of appointment of a senior chartered accountant as Inspector to investigate the working of five leading Sahu Jain companies, an investigation which has been bogged down by complete non-cooperation from the companies in question and the Government's failure to give adequate support to the Inspector. The Committee has rightly deplored the long delays in the prosecution of errant companies for relatively minor defaults but has obviously been unable to appreciate the difficulties in carrying out an investigation of what are alleged to be major breaches of law and honest business practice.

The grave concern of the Committee with the state of waiting rooms and the absence of educative literature in them is not matched by an equal interest in the working conditions of staff, which are deplorable even at the headquarters. It is a further indication of the Committee's superficial but so-called coordinated approach to the problems of the administration that it is concerned exclusively with the proper assessment and re-distribution of the workload (a euphemism by any standard) and adequate staffing of Regional Directorates rather than looking into the secretarial overburden at the top and intermediate levels, and the technical understaffing at the field level, especially in Calcutta.

### **Personnel for Public Sector**

THE total investment in the industrial and commercial undertakings of the Central Government was only slightly less than Rs 1,400 crores at the end of 1962-63, according to a recent official report. This refers only to autonomous corporations and does not include departmental undertakings. The management of enterprises created with such large investment, most of them units of gigantic size and engaged in activities of a pioneering nature, is a complicated task. Much attention has been paid to the powers and functions of the different layers of management in these undertakings and their relations with the Government. But rules, however carefully framed, cannot ensure efficiency, particularly in organisations whose success must be reflected in their account books. It is the men that matter. And recruitment and training of men, particularly for top management, remains after so many years perhaps the most neglected aspect of the operation of our public enterprises.

The suggestion to create a separate administrative cadre for public enterprises made by the Gorwala Committee as far back as in 1951 went unheeded till the Estimates Committee reactivated the matter some three years later. Though from the time the matter was under the Government's consideration, or so it was stated, it was not till November 1957 that the decision to constitute an Industrial Management Service was finally announced. Another two years passed before the idea took concrete shape, in the form of the Industrial Management Pool — a very much watered-down version of the Indian Commercial and Industrial Service suggested by the Estimates Committee and even of the Industrial Management Service first proposed by the Government. That was not all. As against the target of 200 officers only 130 were appointed in 1959 and even these it took unconscionably long to absorb. No recruitment has been made to the Pool since then. Of the original 130, some 105 are left in the Pool now — too few to satisfy even a fraction of the demand of the public enterprises for management personnel. Not surprisingly, therefore,