

licencing. Yet, the company suffered more than once from the lack of consistency in import policy with regard to textile machinery manufactured by it. The liberalisation of import licencing in 1957, Shri Mahindra told the Shareholders, had "set back the machinery industry very considerably and now five years later when this industry has not only established itself on a sound and firm basis, but proved itself in the matter of quality of its products, Government has thought fit to encourage import of the two articles which are now being regularly produced in the country and are accepted as equal in performance to that of any imported product".

The Machinery Manufacturers Corporation is also facing difficulties in its efforts to diversify production because of delays in the receipt of import licences for specific equipment which has to be imported. The economics of machinery manufacture, particularly in an under-developed country, calls for diversification of production to ensure a wide spread for the heavy overhead costs. Unless such diversification is actively assisted, the industry may not be able to establish itself on a sound basis. Shri Mahindra points out that diversification would not be a healthy way of expanding the firm hut would serve as a cushion to the fluctuations which have characterised the Indian textile industry, particularly in respect of its demand for machinery either for replacement or for expansion. It is significant to note that diversification is being attempted partly by the development of new machines of the Corporation's own design. Independent designing of machinery in this country should be actively encouraged and it is certainly unfortunate that the Corporation should have been hampered in its effort by the lack of import licences for specialised equipment and tools, it is time the Government recognised the wider implications of trying to develop a machinery manufacturing industry within the country.

#### S P Jain on Cement

WHAT does a target mean as applied to an Industry in the private sector? It is no more than a guess-estimate of the level of production expected to be reached in an industry at the end of a time period, assuming that certain Conditions are satisfied. Among the condi-

tions are, principally, the expected price of the product, which primarily influences the motivation of the producers and the physical conditions of supply of the many factors of production in the particular industry. The progress in cement fell so far short of the target in the Second Plan period that the target itself had to be lowered. For the Third Plan, the target of capacity for the cement industry has been fixed fairly high at 15 million tons and, judging from the rising demand for cement, even this target may have to be raised.

Speaking at the Annual General Meeting of Jaipur Udyog Ltd, the largest cement unit in the country with a daily rated clinker capacity of 2,490 tonnes, Shri S P Jain made the point that the price fixed for cement is so inadequate

that it will not be possible for the industry to realise even the present target, let alone improve upon it. The lack of development in the last four years, Shri Jain attributed primarily to the price fixed in 1958. But surely the price could not have been the only factor. The slowing down of the demand for cement resulting from the shortage of steel and the consequent slackening of building activity in the country must have also played a very prominent part. It is the resulting unfavourable change in price and profit expectation rather than the particular price fixed which caused expansion to slacken.

Shri Jain was even, more critical of the latest price fixation in October 1961 for which the Government did not accept the Tariff Commission's recommendation for a re-

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asonable developmental price to the industry. The Government's assurance at the time that adjustments in prices would be made whenever called for by variations consequent on Government action, including escalation for fuel and power, has not been implemented, although costs have gone up on account of rise in the price of coal, railway freight, etc. Shri Jain has not, however, lost hope that Government would take action soon.

The company's plant at Sawai Madhopur has one unusual feature. Unlike most other cement plants, it depends on the railways for carrying limestone from its quarries which are some 24 miles away. Most plants are situated in closet proximity to their quarries and they also have their own transportation system instead of depending on railways. When the company is able to have its own transportation which it has planned, the chapter of slower and irregular supply or materials from the quarries will close. But without an improvement of railway transportation, its other problem of quick despatch of the cement produced will continue. Efforts to move cement by road have been made but the cost of road transport makes it an uneconomical proposition. Supply of coal, as in most other industries, is another handicap and although there has been some improvement in supply, the quality of coal has gone down which means in effect, a reduction in the capacity of the boilers. The delay in getting adequate power from Chambal Project which had been assured, is another handicap.

The company is trying to improve its efficiency and to achieve economy in production by mechanisation of its quarries, but its application for import licence for the essential machinery needed for the purpose has not yet been sanctioned by the Government. Shri S P Jain makes the point, which sounds valid enough, that although the foreign exchange cost in the case of his company is less per unit of cement produced than that for expansion of existing plants or setting up of new plants and that it would also help reduce costs, the company has not received the priority it deserves in the matter of foreign exchange allocation.

### Obituary

## Paramasiva Subbaroyan

C V H

DR Subbaroyan was already a notable figure in Madras politics by the early '20s. He was Chief Minister of the State during 1926-30 under the Montagu-Chelmsford reforms, which the Congress had boycotted. This did not prevent Dr Subbaroyan's continued close association with the Congress and, eventually, his return to the Cabinet when the Congress formed the ministry under the Government of India Act of 1935 led by Shri C Rajagopalachari. This was as much due to his politics being nationalistic beyond question as to his close friendship with Gandhiji and Pandit Nehru. When the Rajaji ministry resigned along with Congress ministries in other States in 1939, Dr Subbaroyan was out of active politics. He remained out until the dawn of Independence,

In 1947 Dr Subbaroyan was appointed Law and Home Minister in Madras in the Cabinet of Ramaswami Reddiar with whom he had one of the very few open breaches of his political life, and resigned when the Police portfolio was taken away from his charge. This was the beginning of his break with Madras State politics. His next assignment was as India's Ambassador to Indonesia. After Indonesia, Dr Subbaroyan was elected to the Rajya Sabha (1954-57) and in the 1957 General Elections to the Lok Sabha. His membership of the Official Language Committee appointed by the Government of India yielded the valuable Minute of Dissent in which he expressed the firm view that caution was essential in the introduction of Hindi as the official language and in the displacement of English. Appointed Minister of Transport and Communications at the Centre in 1959, he held charge of that portfolio until 1962. In the last General Election he was once again elected to the Lok Sabha but immediately afterwards was appointed Governor of Maharashtra. With his long experience of public life and with his constitutional bent of mind and liberal temperament, Dr Subbaroyan's was a fine choice.

Born in affluence in a zamindar family of Salem district, Dr Subbaroyan's liberalism in politics as well as in social matters was in marked contrast to the communalism and narrow regional loyalties which had dominated, as they dominate now, almost every sphere of life in South India. In the 1920's this took the shape of an extreme anti-Brahmin movement led by the Justice Party just as today it appears in a combined anti-Brahmin, anti-North and anti-Hindi movement. Dr Subbaroyan's liberalism was reinforced by his wife, Radhabai, who came from a caste different from his own and who acquired a place of her own in public life.

Judged by any standards. Dr Subbaroyan was a successful practitioner of the art of politics as Morley had defined it. Even more important, he achieved this success without getting entangled in the meshes of caste and communalism. He could be a loyal parlyman with conviction without being a fanatical partisan. If he succeeded in winning the confidence of the British as also the Congress leadership, it was a tribute to his transparent honesty of purpose.

Dr Subbaroyan's services to the country during the pre-Independence days were rendered in ways other than going to jail. (He *did* go to jail too and so did not lack the badge which Congress still regards as the essential proof of patriotism). His contribution was as much to the social as to the political content of the Congress programme. He was the President of the Tamil Nad Harijan Sevak Sangh and of the Tamil Nad branch of the All India Spinners' Association for a number of years. Though himself a zamindar, he voluntarily and enthusiastically supported the land reform movement, of which the first step was the abolition of the zamindari. Of his egalitarian impulses and of his endorsement of the Congress objective of a socialistic pattern of society, there was never any doubt.