

# AN INTER-INDUSTRIAL PROGRAMMING MODEL FOR PRODUCTION AND TRANSPORTATION OF COMMODITIES FOR DIFFERENT REGIONS OF INDIA

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THIS PAPER is in the nature of an exploratory study into the optimal pattern of regional production and exchange of commodities in India. The process of economic development for India as a whole has raised urgent problems of the kind of dispersion that should be made of industries in order that the different regions may have satisfactory rates of growth without loss of efficiency, while the operation of the industries as a whole may also be efficient both as regards production and transportation. This is important especially in India in view of the fact that a large part of total industrial investment in India is in the public sector and is, therefore, guided according to notions of national welfare, in so far as is consistent with certain norms of efficiency.

The scope of the present study is comparatively limited. An investigation has been made here into the optimal regional production and exchange pattern for a number of commodities which are being produced and exchanged between regions of India. The production processes of the commodities are assumed inter-dependent and obey a Leontief technology. No attempt has been made here to go into the problems of allocation of investments. The aim of the present exercise is to test the efficiency of the present trading-patterns between different regions of India, viewed against some theoretically optimal flow that could be achieved under certain simplifying assumptions.

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