

# CONTROLS

A STUDY

# FEDERATION OF INDIAN CHAMBERS OF COMMERCE AND INDUSTRY

## FOREWORD

As the apex body representing Indian Industrial and Commercial interests, the Federation has been concerning itself, for a decade now, with the impact of control measures on the Indian economy. As early as in 1940, the Federation adopted a Resolution on price control emphasising that Indian cultivators be not deprived of the benefit accruing to them from the changed conditions of demand and supply in the world markets. Since 1940 in almost every Annual Session of the Federation the concern of the industrial and business community with the artificial difficulties in the conduct of trade and industry caused by controls has been voiced. At the 1951 Annual Session of the Federation was adopted unanimously a Resolution on Controls which stated *inter alia* that "Controls have led to a good deal of administrative abuse and corruption : . . . have displaced the normal and traditional channels handling the distribution and thus thrown out of useful employment a large number of middle class people . . . have caused dissatisfaction all round and created a situation in which normal functioning of trade and industry has become impossible." The Resolution called upon Government to re-examine their attitude towards controls and urged that "such controls as have demonstrably outlived their utility should be removed forthwith and others relaxed and amended suitably."

In pursuance of this Resolution, the Federation Secretariat undertook an objective study of the growth of the various control measures. The accompanying Note is the result of such a study and deals mainly with controls on Production, Prices and Distribution and with such other controls and legislation on Investment, Import, Export and Foreign Exchange which have a direct bearing on the running of industry and trade. Only an incidental reference has been made to other regulatory measures pertaining to Labour Relations, Forward Trading, Banking Insurance etc. The Note is primarily a study of the Federation Secretariat and such views and opinions as are expressed therein do not necessarily represent the views of the Committee of Federation.

The Note is being published in the hope that it would enable the public to get to know the ramifications of controls and the manner in which they operate. The necessity of reviewing controls at the highest level will

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be admitted by all, so also the need to modify and simplify those controls whose continuance, after impartial and expert study, is deemed essential.

This is the second of a series of monographs which is being brought out to commemorate the Silver Jubilee of the Federation, which completes 25 years of its existence this year.

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