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GOVERNMENT OF INDIA

# PLANNING & DEVELOPMENT DEPARTMENT

(OFFICE OF THE INDUSTRIAL ADVISER)



## Report of Heavy Chemicals and Electro-Chemical Industries Panels

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## INTRODUCTORY

The Heavy Chemicals and the Electro-chemical Industries Panels were constituted by the Planning and Development Department (Government of India) in their letters No. P-1(11)44 and P-1(21)44 dated the 8th March 1945, respectively, the members being as follows:—

*H. C. Panel.—*

*Chairman.—*

Sir Shri Ranx

*Members.—*

Mr. Kapilram Vakil.

Dr. M. S. Patel.

Mr. V. Seshasayee.

Mr. S. G. Sastry.

Mr. P. R. Cramer.

*E. C. Panel.—*

*Chairman.—*

Sir J. C. Ghosh.

*Member.—*

Dr. B. K. Ram Prasad.

Mr. Kenneth Hall.

Dr. M. S. Patel.

Mr. Kapilram Vakil.

Mr. T. Parker.

2. The General Directive to Industrial Panels called for recommendations of the Panels on the following points:—

3(1) The scope and extent of development, including the type of products recommended.

(1-A) The estimated requirements of capital goods together with such details of those requirements as may be available in India and how much should be imported from abroad.

(2) Whether the industry should be under Government ownership either on grounds of national interest or because private capital is unlikely to take it up, and if so, whether it should be wholly or partly managed by Government.

(3) In the case of Industries to be developed other than under State ownership, the capital required for such development, whether the whole of it is likely to be available by public investment and, if not, the extent to which Government assistance may be required.

(4) The extent to which technical advice from abroad may be necessary.

(4-A) The availability and the future requirements of technical personnel so as to obtain a clearer indication of the present short-comings and future needs.

(5) The manner and the degree of co-operation with foreign firms considered necessary and desirable, both as regards capital and management.

(6) The location of the industry.

(7) The nature of the assistance required from Government in the form of protective duties, bounties, research grant, expert advice, etc.

(7-A) The relative incidence of the import duty on the finished goods in comparison with the duty on the raw materials from which they can be manufactured.

(8) If the industry is to be under private ownership and management, what controls, if any, should be exercised by Government.

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(9) What should be the organisation of the different units of the industry, e.g., should there be an industrial association? Would a cartel be desirable?

(10) The stages by which the industry should be developed.

(11) Should the industry cater for the export market?

(12) Should the industry be developed, as in Japan, on the cottage industry basis and if so, to what extent?

3. Since many of the subjects to be dealt with by the two Panels were common, the Chairman and the members of these Panels agreed to have joint meetings and discuss all the subjects together. This was found to be more satisfactory for expeditious work and unnecessary duplication of work was thus avoided. We have also submitted only one report, Part I dealing with Heavy Chemicals and Part II with Electro-chemical Industries. Four meetings in all including the meeting with the Provincial Government and State representatives were held. The Electro-chemical Industries Panel also held a joint meeting with the Non-ferrous Metals Panel at which subjects of common interest, such as copper, zinc, aluminium, magnesium and ferro-alloys were discussed.

4. Mr. Kapilram Vakil who was a member of both the Panels attended only the first meeting. He passed away on the 29th January 1946 and the Panels were deprived of the benefit of his valuable views on the different chemical industries, of which he was a pioneer in India.

Two members, Messrs. P. R. Crerar and T. Parker resigned before the completion of the work of the Panels, as they relinquished their appointments and left India. Mr. Crerar attended one meeting and Mr. Parker, two and they were in agreement with the views expressed in the report, although their signatures do not appear herein.

5. At the meeting of the Panels with the Provincial and State representatives on the 31st May 1946, Sir Shri Ram, the Chairman of the Heavy Chemicals Panel announced that he had just been informed of the decision of the Government of India that they did not think it necessary to fix any targets or location for Heavy Chemical and Electro-chemical Industries. This was certainly unexpected. The value of all planning lies in a proper and organized control of the development of industries in different areas having regard to the availability of raw materials in the different areas and proximity to markets. Targets and location form the core of any intelligent planning and no rational planning is possible without them. If the Panels, after thorough consideration during a period of nearly a year, are not to make any recommendations on these points, we feel that all our work may be considered to have been wasted. There was also unanimity of opinion in that meeting of Provincial and State Government representatives that this decision of the Government would lead to chaos as it would enable persons to start industries wherever they liked. We have retained the contents of the report as they were before we were informed of this decision of the Government, as we feel strongly that Government control as regards targets and location is essential. We hope the Government of India will reconsider their decision in the light of our views and also of those expressed by all the representatives of the Provincial and State Governments.

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