

## Editorial

Unemployment of engineers has been diagnosed but remedial measures have not yet been administered in full dose. The acute stage is yet to be overcome, apart from the adoption of preventive measures for warding off the chronic phase.

If unemployment is the effect, planning is the cause. After the attainment of political freedom, the Government declared its industrial policy, on 30 April 1956, in consonance with the avowed policy of socialistic pattern of society.

In the year 1934, Sir M. Visvesvaraya, the engineer-statesman wrote a book 'Planned economy for India'. In 1937, the Indian National Congress under Netaji Subhas Chandra Bose set up National Planning Committee. The Planning Commission was set up in 1950. The first plan period of five years (April 1951—March 1956) started with the establishment of Chittaranjan Locomotive Works. After the three plan periods and proclaimed progress, in the economic advancement, we have just halted and this halting, we call 'recession'. The effect of recession leads us to look for causes which are :

1. Planning committee laid stress on the heavy industries only.
2. The industry depended too much on abiding by the plan target. In spite of the best available planners and planning, our food and housing problem remains to be solved. Recession has put a brake on the increase of wealth by industrial advancement. It has, therefore, become incumbent on us to find ways and means to overcome the phase of recession. The various contributory factors of recession are : Failure of crop due to drought and abnormal rise in the price of agricultural produce, divested the purchasing power for manufactured or consumer goods. In India 88.4 percent of population live in villages. Of this, 30.4 percent labour in the fields for food production. The waste of unproductive man-hour in villages is, therefore, phenomenal. Neither this wastage can be avoided by providing jobs in

industry. Unemployment and failure of crop is the grim picture that can be drawn. Satisfaction of hunger is the primary need, for, empty stomach does not inspire politics, culture or education. Our planners in the planning commission, however, conceived that we must be rich first and instituted the establishment of heavy industries forgetting the basic need of people to have a morsel of food for biological reasons. Accent in heavy industries in the three plans resulted, unknowingly, in the structural imbalance of heavy engineering industries. The productive capacity was not fully harnessed, particularly in small industries, which were handicapped due to non-availability of raw materials. Heavy Engineering Industries, Mining and Allied Machinery manufacturing projects are instances of installing new plants when existing plants have not got sufficient booking. Enough capacity exists in the private sector for foundry and fabrication but the Govt is establishing similar factories in public sector as well, without being certain about the loads on these machines. Devaluation of our currency in 1966, resulted in the dwindling of export, though the protagonists of devaluation hoped for boosting of export by devaluation. Increased cost of raw materials and labour with deterioration in labour productivity caused fall in production and rise in unemployment. The net result was the negative cost of closure, layoff, retrenchment.

Means, other than war, for overcoming recession are :

1. Liberalisation of credit facilities by the Reserve Bank of India.
2. Liberalisation of import of raw materials, spares and components.
3. Stabilisation of prices of agricultural produce.
4. Strict adherence to standards and specification for achieving quality products and competition in foreign market.
5. Rationalisation of multi-purpose manufacturing capacities to achieve economy in production and reduce varieties.
6. Capacities in private sector should be fully assessed before the Govt launches any identical scheme in public sector.
7. Imposition of higher tariffs on the import of goods which are indigenously manufactured.

This journal devoted more than many columns to bring home to the Government that planning should be left to engineers, but in a country ridden by politics and scrambles for political power, constructive suggestions are least attended to.