

targetted capacity in the Third Plan period is 15 million tonnes and the production to be attained is 13 million tonnes. It is now realised that even this target will prove inadequate and requires to be revised upwards judging from the rate at which demand is rising. How far efforts to expand capacity are commensurate with this need is a point for serious thinking, I have my doubts as to whether with the present resources available to the industry under the present policy of taxes and price fixation, the industry would be able to even realise the existing planned target. It is unfortunate that a fully controlled industry like the cement industry has not been able to develop itself to the extent required and considered desired. It is common knowledge that the lack of development in the last four years has been, largely the consequence of 1958 price fixation. In the latest price fixation, the Government did not think it fit to accept the recommendations of an expert body like the Tariff Commission although the latter's proposals to give a reasonable developmental price to the industry were made after a comprehensive study of actual costs. If the Government consider, as has been recently expressed by the Minister for Heavy Industries & Steel, Sri C Subramaniam, that a body like the Tariff Commission is not a suitable price fixation machinery, it is only to be hoped that Government will evolve a more suitable machinery which will enable a scientific and practical price fixation. I do not feel, however, that it will be advisable to eliminate an independent machinery like the Tariff Commission from the scheme of price fixation.

Escalation for Coal & Freight

Costs have further increased on account of rise in the price of coal, railway freight etc, since the last price fixation. The Government of India in their resolution dated 31st October, 1961 announcing the prices stated that adjustments in prices would be made whenever called for by variations consequent on governmental action including escalation for fuel and power. But the Government have so far failed to implement their assurance in this respect. Representations have been

made by individual manufacturers and also by the Cement Manufacturers Association and the Minister for Heavy Industries also assured to the industry's representatives that early action would be taken in this matter. I hope Government will fulfil the assurance and announce their decision without further delay avoiding unnecessary loss to the industry.

Cost and Productivity

As you are aware, the Company implemented the recommendations of the Wage Board for the Cement Industry resulting in considerable increase in wage costs. This will be justified only with simultaneous improvement in productivity. The Government have recently constituted panels for the study of productivity in the industry. I hope the work of these panels will lead to improvement in productivity and reduction in costs.

Abu Road Project

I would like to mention that the Company had put up to Government

a proposal for getting up a cement plant at Abu Road. This new project supported by the State Government has been approved by the Government of India. The completion of the project has, however, to be programmed to synchronise with the availability of power by the middle of 1966 and a good portion of the machinery from indigenous sources,

I would like to say before I finish that the new Minister for Heavy Industries, Sri C Subramaniam, is taking active interest in studying the problems of the cement industry, I do hope that the various problems that are halting the industry's development will find a satisfactory solution under his earnest appreciation and timely action.

Lastly I would like to take this opportunity to thank workers and members of the staff at all levels and hope that they will continue to work hand in hand with the management for the continued prosperity of the Company and its employees.

Aluminium Industries

AT the annual general meeting of the Aluminium Industries Ltd, Shri S Narayanaswamy strikes a note of optimism about the outlook for the company. He is confident that the shareholders can look forward to a period of increasing activity for the company. The company has a programme of expanding its covered conductor capacity at Kundara and of establishing another covered conductor unit at Hyderabad, It will be trebling its present capacity before the end of the financial year. It has obtained clearances from the Central Government for importing the necessary equipment for the "Solidal underground cable project and the project is expected to come up before the end of 1963. The company which has had the privilege of establishing the first rod-rolling mill by the Properzi process, has applied for a licence to enhance the capacity from 250 to 600 tons per month. The performance of the high-tensile steel-wire

plant commissioned in November 1961 has been fully upto expectations, though the supply of zinc at economic prices is inadequate.

This optimism is, however, tempered with a certain amount of caution. The most crucial problem, though a short-term one, is the adequate supply of aluminium metal, resulting from the shortage of copper and the Government's insistence on cable manufacturers switching over to aluminium conductors. In a cycle of stepped up demand, he warns, a shortfall in the supply of aluminium metal will curtail the production of conductors and this will have far-reaching consequences on the pace of electrification. Until the domestic production of aluminium is adequate to ensure a free and adequate flow of metal to the cable industry, Shri Narayanaswamy considers it advisable for the Government to allow adequate imports for this industry.