The broad issues involved in the debate over the respective roles of the specialist and the generalist in an administrative system, particularly in one which is committed to direct participation in securing rapid economic growth, were examined in the first part of this article which appeared last week. In this, the second and concluding part, an attempt is made to assess the relevance of these issues in three spheres of the Indian administrative system—the district administration, the secretariat and public enterprises.

The district as a vital unit of administration has been one of the fundamental aspects of our administrative system and the District Magistrate and Collector has always been a key government functionary. The District Officer is a generalist administrator; this position should be continued. By virtue of his influence as Magistrate and Collector, the District Officer is best equipped to enlist the active support of the people in the successful implementation of any major programme of development. He can effectively coordinate the development and welfare activities of different departments. The State governments have, therefore, decided that all development and welfare duties should be entrusted to the district officer.

Role of Coordinator

The Grow More Food Enquiry Committee stated that development activities should be united under the Collector as Extension Officer, assisted by the specialist officers. The First and the Second Plans envisaged the position of the Collector as the head of the district with the district officers of the development departments working with him as a team. The Third Plan charges the D O with the responsibility of ensuring coordination at the district level between the Zila Parishad and the technical officers in different fields. In the context of the Community Development and National Extension Service Programme, the Collector is invested with powers of co-ordination and supervision over the district heads of technical departments, besides being made entirely responsible for the execution of development plans in the district.

According to S P Bapat, this role of the District Officer, as generalist administrator, cannot be fulfilled by the specialist officers. "The District Officer as generalist administrator fulfills the need of coordination to prevent conflicts, competition, duplication and waste and differences in approach and treatment. This point has also been forcefully urged in the report of the Bengal Administration Enquiry Committee (1944-1945): "We are satisfied that the time has come in Bengal, and we do not doubt in other provinces as well, to coordinate all the district development activities under a single administrative head. When the objective in geographical area like a district is the welfare of his people, separate activities are merely means to a single end and each cannot be considered in isolation from the rest. Moreover, specialization is itself a disruptive force."

Method of Control

The District Officer's control over development and welfare activities in the district takes the following pattern: While the organizational and professional or technical control over development officers of district rank is of a departmental nature, the functional control in non-technical matters is exercised, within certain limits, by the District Officer.

This method of control is based on the theory of dual hierarchy which has been credited with being "the best method of solving the problem of co-ordination". It rests on a dichotomy between the specialist and the generalist and assumes a dual line of supervision and control from the top down and a dual set of loyalties from the bottom up. "The crux of the problem" according to Dimock and Dimock, is that certain officers must be administratively responsible to one superior, and technically responsible to another....The District Officer embodies the principle of organization by area and the principle of general administration. The role of the district officer as coordinator and area administrator is very crucial in the system of integrated field administration.

Chapman has justified this type of field structure on two grounds: first, "unless there is a single state authority on the spot with a general responsibility and recognized superiority over other state officials...cooperation must either consist in informal arrangements between the local heads of services or be imposed by decisions taken at the centre by the ministries. The second justification is that decisions and activities can be controlled locally and not by remote control by central officials unaware of local circumstances and sentiments."

The need for this dual supervision arises out of the peculiar circumstances of the district which requires the District officer to be a generalist. A W MacMahon has given a few illustrations to substantiate this point: "if a bridge is being considered, the design and estimates of cost as well as the preferred location are technical decisions, but it is properly an administrative judgment to take account of public protest about the inconvenience of the proposed location and to approve a different though practicable site even at an increased cost...The award of loans is technical but the question of leniency if they are not repaid involves factors that call for an administrative decision. In a different sense, it is an administrative question, to be decided in the light of the total situation, whether a particular employee should be allowed to take leave at a particular time in accordance with the routine of his department. In such a situation it is the general administrator's duty to protect a programme in which a number of agencies and individuals are involved."

Advantage of the Generalist

In the execution of development schemes something more is required than the specific expertise of the canal engineer, the agriculture scientist, the animal husbandry expert or the engineer concerned with road-building. The District Officer's task consists of coordination and unified execution, for he alone among all the development officers has the opportunity to see the process and effect of development in its totality, which the unfunctional preoccupation and responsibility of the different experts prevents them from doing.
How to measure Growth

All things grow in age—but only some grow in size and stature. A young sapling shoots up—sprouts new leaves and branches. But how does one measure the growth of a bank? Take the Bank of Baroda, for instance.

One way would be to compare figures. The Bank of Baroda began in 1908 with a single office in Baroda. Now it has as many as 210 branches in India and abroad. And deposits exceed Rs. 140 crores.

A strong and progressive institution with 55 years of experience, the Bank of Baroda has had a successful programme of branch expansion. It has also aimed at an ever-widening pattern of service. Indeed the Bank’s chief goal has been to widen the range and scope of its banking services for the convenience of its customers.

THE BANK OF BARODA LTD.

(Estd. 1908)  Head Office: Baroda

now has over 210 branches all over India and abroad with deposits totalling over Rs. 140 crores

Write in for our free booklet entitled *May We Help You?* which gives details of all our services.
It appears, therefore, that the generalist administrator at the district level is best suited to the task of coordinating and supervising development and welfare activities. What is necessary is some sort of reorientation of policy regarding education and training of civil servants. What is important is not merely some general pre-entry knowledge about the structure of working of the economic system, but also systematic and adequate post-entry and mid-career training. Post entry and mid career training is particularly important for promoting in the administrator the capacity to integrate diverse specialized knowledge.

The above observations equally apply in the case of the Block Development Officer who is conceived of essentially as a generalist administrator at the block level. His functions are those of a generalist administrator and, in the context of panchayati raj, it will be useful if the BDO remains as a generalist. The BDO has to perform the functions of a coordinating authority at the block level, to take overall responsibility for formulation of an integrated working plan for the block and to guide and supervise the work of other functionaries in the block. The Third Plan has also emphasized this role of the BDO in the administrative set-up at the block level (pp 339-40) in the following words:

"The manner in which the block extension team, comprising the BDO and extension officers in different fields of development functions, is of the highest importance for the success of panchayati raj. To assist the Panchayat Samiti effectively, these officials must continue to function as a team, the BDO providing the necessary coordination and leadership and extension officers in different fields participating actively in formulating programmes and schemes for the consideration of the panchayat samiti and its standing committees executing them impartially in accordance with the rules and ensuring that the supplies and services needed are organized efficiently."

At the Secretariat Level

Both at the Centre and in the States the general practice is to have a Secretary of the ICS or the IAS cadre, drawn from the general line. The secretary looks at the matters from the point of view of the Government as a whole. The adoption of a federal Constitution in India, coupled with the present centralisation of planning, has made it imperative that the Central Government should have the benefit of a pool of diverse, practical experience of field administration brought to it by the ‘deputationists’ from the States, so that it can be closely advised as to the manner in which its development policies influence the lives of the people it serves. On the political plane the task of advising the Ministers is performed by party organisations and elected legislators and parliamentarians; on the administrative plane, the function is discharged by the permanent civil servant who, besides being detached and objective, has the advantage of bringing to the counsels of policy-making diverse field experience continually renewed and fresh.

Conflicting Views

The experts argue, on the other hand, that the development of science in such fields as transport and communications, electronics and power, as well as in the field of social and economic engineering has contributed to the growth of the tribe of specialist public servants. Experts and their supporters deny that the intensive preoccupation of an expert with a narrow field of activity comes in the way of sound administrative judgment. They criticise the practice of channelling expert advice to the political executive through the lay generalist. They complain of interference by general administration in the internal working of specialist departments.

The Second Pay Commission (1957-59) has also considered this question and its recommendations are well worth considering: "where the work of a department at the headquarters of the Government of India is mainly technical, it is desirable, in our view, that the Secretary should be a person who, while possessing administrative ability and capable of taking a broad government-wide view of matters, has a technical background in the particular field. In a department which has a considerable amount of technical as well as administrative work, the Secretary may be either a technical officer with proved administrative capability, or a generalist administrator. Technical officers should not be excluded from the field of choice, on a priori considerations but should be considered on merits. Further, the top technical advisers or heads of departments should have full opportunity to have their views considered by the Minister, along with any views which the Secretary of the Department may have; for which a suitable arrangement may be a joint discussion with the Minister, whenever there is an unresolved difference of opinion between the technical head and the Secretary. The basic idea governing the relationship must be in the recognition that the former should have an effective share in the framing of policies and programmes at the highest official levels." In this context the recommendation of V T Krishnamachari to put the technical men at the top of the agricultural and animal husbandry services may be given due consideration in view of the importance of agriculture and allied activities in the Third Plan.

Inspite of sympathetic considerations of the views of experts by the Second Pay Commission and V T Krishnamachari in the sphere of policy formulation, the consensus in India is in favour of the general administrator. A K Chandra has pointed out that in the higher levels of departmental organisation, general administrative experience, a wider outlook and a commonsense approach are more important than specialised knowledge. It is argued that a general administrator is more appreciative of social necessity. He specialises in coordination. One important judgment which he has to make is whether the proposed programme is such as can be easily put into action for the benefit of society.

Public Enterprises

The debate centres on whether a generalist or a specialist should be at the head of public enterprises. There is one school of thought which is of the view that technical personnel cannot make good administrators or managers. The other school holds that except at the level of the man at the machine or bench, a technologist has to carry out managerial tasks side by side with technological ones and the higher the position that he occupies even in his own technical line of work, the larger would be the managerial element in his total work. To decide in advance that a technologist is incapable of occupying positions requiring general management ability is unfair both to the persons concerned and to the organization which is employing them. The organization is deprived of one important source from which it could draw persons with a potential ability to manage it at the highest levels. The individual also
sector. All of our customers, large and small, have access to our research and technical resources and a fund of technological and marketing know-how particularly valuable to the small packer. To take one example, our precision packages and advisory services have helped enterprising prawn canners on the West Coast—all of them relatively small scale in comparison with their competitors overseas—to export over Rs 73 lakhs worth of canned fish last year to markets as competitive as the U.S.A. Our Cochin Factory was established particularly to provide these canners with on-the-spot can service. We also evolved a "flattened" system of can despatch to reduce the freight cost factor for canners all over the country. For small canners in North and South India, we have set up reforming installations at Delhi and Madras which assemble, at cost price only, flattened Open Top cans made on high-speed lines in Calcutta and Bombay. We have supplied similar equipment to the Uttar Pradesh Government to serve the needs of small-scale canners in the rural areas of the U.P.

Defence

Sales of ordnance supplies were below forecast during the year, owing to unexpected problems in equipping ourselves and in meeting the standards required by the ordnance inspection authorities. Your Company has so far invested more than Rs 6 lakhs in plant, equipment, tools and dies for Defence work. As our difficulties appear largely to have been resolved, we anticipate a substantial increase in sales during the year ahead.

Exports

After the previous year's setback, export sales went ahead again, increasing by 33% to a new level of Rs 28 lakhs. Extensive overseas touring by senior sales staff to reinforce the work of our agents secured notable gains in Burma, Ceylon and East Africa in particular. Our exports of domestic hardware and publicity materials increased by appropriately 55% and, to our great satisfaction, machinery sales again rose by more than 100%.

Experience last year has made it abundantly clear that in the face of intense international competition it is far from easy to achieve and maintain the extremely high quality standards required in markets abroad. Your Company's efforts will be further intensified during 1964/65 although we anticipate problems arising out of political developments in Burma and in Ceylon.

I have already referred to our main contribution to the country's foreign exchange earning: the provision of packages made to international standards. In the past year our customers have earned more than Rs 8 crores in foreign exchange through the export of goods packed in our containers.

To stimulate the growing awareness of scientific packaging, both for home and export markets, we organised over the year a series of seminars on consumer packaging for senior executives from amongst our customers, advertising agencies and Government. The seminars aimed at providing a comprehensive background on the subject of packaging to those concerned with the distribution and marketing of consumer products. This effort has been very well received.

Raw Materials

Throughout the past year, and especially during the last four months, the procurement of raw materials presented difficulties. Owing to delays in licensing procedures and the failure of the Russian authorities to fulfil commitments and a disappointing performance by Rourkela, tinplate stocks were very low during the last quarter.

The unfortunate communal disturbances at both Rourkela and Jamshedpur further reduced your Company's tinplate stocks and although the authorities were reasonably appreciative of our difficulties, arrivals against import licences cannot be expected in time to prevent further difficulty in meeting our customers' requirements. Increasingly we are being directed to import tinplate from sources which involve AID or Government-to-Government trading. While the need for this is accepted, the result for your Company is a loss of control over specifications and an unsatisfactory timing of deliveries through repeated procedural delays: also a general increase in tinplate prices.

The strongest possible representations have been made to persuade Government that India requires a minimum importation of 75,000 tons of tinplate during 1964/65. The demand for tinplate is now rising sharply and to the extent that it is not met a broad range of essential consumer products will not reach the markets. Every effort is being made, and must continue to be made, to develop substitute packs, but the climatic conditions, the rough handling and extended shelf-life to be expected in our country set a severe limit to the use of substitutes. For a long time to come therefore tinplate alone, for a majority of packs, will be able to meet these exacting requirements.

The foreign exchange bill for 75,000 tons of tinplate would be a little more than Rs 8.60 crores; while the problems of financing importation at this level are not underrated, it is a relatively small price to pay in terms of the health of the consumer economy when set against the fact that this tonnage means the marketing of consumer goods including foodstuffs and many household necessities worth more than Rs 190 crores at retail prices. Failure to import at this level must mean shortages which can only have a highly inflationary impact on retail prices.

Aluminium supply scarcely balanced demand through the past year but availability in 1964/65 is likely to improve and advantage will be taken of this to push sales of non-tinplate products.

Polyethylene supply virtually dried up during the second half of 1963: the national sugar shortage led to an inadequate supply of industrial alcohol to the two polyethylene producers and the situation is not expected to improve much during 1964. Bearing in mind that to an extent polyethylene, either alone or when laminated with other materials, can for certain packs be a substitute for tinplate, it is regrettable that this shortage has been allowed to develop when adequate capacity for indigenous polyethylene production is either available or about to be commissioned.

With the starting of your Company's new Paper Group, we became for the first time buyers of board and paper on a substantial scale. It is clear that the quality of indigenous board leaves a great deal to be desired. However, our buyers, technical staff and research people are cooperating with suppliers in endeavouring to improve the quality available to us.

Research, Design and Development

PAPER GROUP. Modern high speed equipment has been installed at Worli in Bombay for the manufacture to international standards of paper packages: treated and laminated paper and boards, cartons made therefrom, wrap-around labels, lables for cans and punched labels for bottles. The low quality of boards at present available will continue to give rise to scientific and mechanical problems, but they have not stood in the way of a success-
ful start. We already have a nucleus of highly skilled personnel and the training of staff has continued throughout the year.

BOMBAY NO 2. The new factory at Deonar was completed on schedule and the entire Open Top operation was transferred from Worli to these new premises. The transfer of tin printing has been slightly delayed due to the late arrival of imported balancing equipment. Deonar has been built to allow room for Paper Group at Worli and to enable the re-layering of our can-making equipment. When the transfer is completed the congestion at Worli will be considerably eased, resulting in the more efficient utilisation of plant and machinery.

FLEXIBLE PACKAGING. During the year under review the Government sanctioned the expansion of our manufacture of Flexible Packages. Currently new equipment is being specified which will permit the expansion of our product range. A new laminated has been developed as a tamperproof diaphragm for tinplate containers combining the protective properties of foil, polyethylene and paper. This material has already been introduced for some packs and its functional properties are being examined for a wide range of other products.

CALCUTTA NO 2. Throughout the year Industrial Components section has been heavily engaged with ordnance supplies: technical resources have been fully stretched and the Technical Development Division played a major role in the design and manufacture of press tools required for this work. Several heavy presses have been installed and the Factory now has a balanced press shop for a wide range of components for the electrical and automotive industries and components for munitions.

MACHINERY BUILDING. Our plans for developing the Machinery Building Section of your Company have been affected by the defence requirements. Nevertheless the supply of closing machinery to customers has continued undisturbed. A valuable export order for production equipment was received from our overseas associates and here again the resources of the Technical Development Division were used to complete the project on time. Further export orders for similar equipment are currently under manufacture.

RESEARCH DIVISION. A Customer Research Canning Laboratory is being established at Research Division to augment our advisory services to the industry. In this laboratory we will be able to reproduce cannery conditions and experiment directly with the canning of new products. Throughout the year the Research laboratories in conjunction with suppliers have continued to develop wholly indigenous materials. Their field of operation has extended to cover the new Paper Group.

Visits from Associates. During the year we had the pleasure of welcoming Mr C E Sutton and Mr A L Stuchbery, Directors of The Metal Box Company Limited, Mr Sutton, who is in charge of the Home Company's Administrative Services, was able to apply to your Company's problems his very considerable experience, particularly that in the field of raw material procurement. Mr Stuchbery, heading Research and Technical Engineering, apart from being one of the world's leading can-makers, is Chairman both of the Council of the Institution of Production Engineers in the UK and the Production Engineering Research Association. He was therefore in an unrivalled position to give us help in the planning of our defence production and the development of our Machinery Building and Industrial Component operations. Needless to say we welcome such visits which are both pleasant and useful.

Employee Relations. During the year under review, labour relations in the country deteriorated and the cordial atmosphere generated by the Emergency and the Industrial Truce Resolution unhappily began to disappear. This was most evident in the engineering industry of which we are a part: it particularly affected our employee relations in Bombay and North India.

If, as we are asked to believe, we are living in a state of emergency, and if the country's paramount needs are increased productivity to strengthen its defence and its export trade and at the same time raising the living standards of the people, then it is essential that there should be on the part of labour an adequate realisation of its responsibilities in this matter and on the part of the Government a determination to ensure that unreasonable demands and indifference to the common weal either by employers or by labour are not given any encouragement.

In Bombay, where over the last 10 years we had successfully negotiated with representative committees elected by our employees, a concerted attempt was made by an outside trade union to create unrest and disturbance. As a consequence our relationship with our employees there during the last few months of the year was under considerable strain. Charters of demands were presented to the Company by three separate unions, all pressing for formal recognition by the Company. Acting in accordance with the Code of Discipline, we have not recognised any union so far. We have, however, concluded an agreement on dearness allowance and gratuity with a union which represents a majority of the monthly-rated staff as certified by the Maharashtra State Labour Commissioner. The demands made by the other two unions were taken to conciliation which was infructuous. However, a bipartite agreement was reached with one of the unions representing the daily-rated employees.

Signs of tension were noticed in Faridabad throughout the year, which culminated in a four-day strike in March. This strike was entirely unjustified, since the issue on which it was called was already under investigation by the Conciliation Officer of the Punjab Government. The issue has now been referred to the Labour Tribunal.

After protracted negotiations, a comprehensive agreement covering terms and conditions of service was concluded with the daily-rated employees at Calcutta No 1, Calcutta No 2 and Technical Development Division. I am happy to report that with the signing of this agreement (operative till December 31, 1967) the restlessness which I mentioned amongst our daily rated employees in the Calcutta establishments last year and in 1962 has largely disappeared.

Your Company continued to emphasise training at all levels within the organisation. Five officers and one Research Associate underwent training by Metal Box in the U.K. One senior manager was sent to the Administrative Staff College at Henley-on-Thames, and another attended the Advanced Management Programme organised by the A11 India Management Association at Bombay. We sponsored a candidate to the nine-month Junior Management Development Course of the Indian Institute of Management, Calcutta. A further thirty-seven managers have undergone the Company's residential Management Course in Calcutta at which we continue to welcome the participation by managers from our Malaysian and Pakistani associates.
Courses for supervisors were organised in the units in man management, safety and work-study. Forty-one apprentices were recruited under the Apprentices' Act, in addition to seventy-three currently receiving training under the Company's apprenticeship schemes.

It is a pleasure for me to record the valuable cooperation of the Company's employees in our widespread activities and I thank them and the Management for yet another year's splendid performance.

Board Changes

It was only last year that I paid tribute to the services of Mr. K. C. Malik who served as Chairman of our Company for five eventful years. Unhappily he was not destined to enjoy for long the rest from all his labours in the interest of industry in general and our own Company in particular. His death on 31st October 1963 was deeply mourned by all of us in Metal Box and to his family who survive him, we sent our sympathy in their bereavement.

It was with real regret that your Board agreed to release Mr. John Cochrane-Barnett from the Board. His services to the Company during the last seventeen years and more—the last three as Deputy Managing Director—have been most valuable. His drive and determination, backed by his intimate knowledge of production and marketing in India have contributed in a substantial way to the continued growth of your Company's sales. His tactful and painstaking advocacy of our own and the packaging industry's need for raw materials have been as much respected and appreciated by officials in the Government as have his loyalty and breadth of vision by his colleagues on the Board. We shall miss him: and I should like on your behalf and also mine to convey our thanks and good wishes to him.

We have lost another valuable colleague by the resignation of Sardar H. S. Malik from the Board. After a very distinguished career in the Indian Civil Service, Sardar Malik joined our Board as a Director in 1957. During the last seven years he has, by his wide experience of men and affairs, and by his ability in presenting our problems to the Government, been of the greatest assistance to the Company. On your behalf and also on mine I should like to convey our thanks and good wishes to him.

Conclusion

As a comparative new-comer to your Company I have been doing a certain amount of research into its fortunes. The graphs presented in the Annual report bear eloquent testimony to the Company's growth and prosperity which have been attained by hard work and by the application of progressive methods of production and management.

The smooth and effective manner in which the Company was able successfully to float in March 1964 a Rights Issue of over two crores of rupees is proof of both the soundness of your Company and the confidence that it enjoys in the country.

The speech of the Chairman at the Annual General Meeting of a company who have become and occasions in this country and elsewhere for a review of the important events of the year or for the exposition of one facet or another of industrial philosophy. Sometimes these speeches include criticism—mild or otherwise—of the policy of the Government, and in particular of its Finance Minister. The temptation to join this chorus is great for the simple reason that I find myself in agreement with most of what has been said, and will continue to be said by others in the same position as myself. But I have often wondered what one would do if one were to find oneself in the unenviable position of the Finance Minister of the Government of India. Given the conditions that exist in our country today, namely the need to finance successive five year Plans of increasing dimensions and defence budgets of staggering proportions, has a Finance Minister much of an alternative? His business is to raise the necessary finance. He cannot do so without hurting someone. All taxes, by whatever name they are called, are an abomination of the Lord: no one likes to pay taxes; but taxation of some kind or another in a civilised and democratic country is the most approved and legitimate means of raising money. All this does not mean that I do not share the views of far more experienced Chairmen of Companies than myself on the Budget and all that it implies: but it is just as well to remind ourselves that all of us—Parliament, Government and Industry—are labourers in the same vineyard: as we sow, so shall we reap.

I cannot conclude this report without referring to the untimely death of our beloved Prime Minister on 27th May 1964. All our units closed on the afternoon of that day and on the following day in token of our grief. Our management and staff met together to mourn their and the country's loss. We "shall not look upon his like again".

Note: This does not purport to be a record of the proceedings of the Annual General Meeting.

Caltex

THE throughput of Caltex Oil Refining during the year ended December 31, 1963 was limited to the extent to which licences were available for the import of crude oil. The Company processed 7,771,988 barrels of crude oil as against 7,079,023 barrels in 1962. It commenced production of liquid petroleum gas which is marketed under the trade name 'Calgas'. The expansion of the Visakhapatnam refinery is now under discussion with the Central Government.

Refinery operations brought in a net earning of Rs 52.02 lakhs before providing for taxation and development rebate reserve. Net profit after providing Rs 34.25 lakhs for taxes and Rs 64,885 for development rebate reserve worked out at Rs 17.12 lakhs which together with a balance of Rs 3.33 crores of 1962 has been taken to General Reserve. The Company has already paid a dividend of 10.58 per cent for the year out of previous years' tax free profits and has now declared a further dividend of 9.42 per cent out of profits exempt from tax under Sec 84 and 101 of the Income-tax Act, 1961.

The Directors state that the Company has relinquished duty protection on diesel and fuel oils, granted to it for taxation and development rebate reserve. Net profit after providing Rs 76 lakhs for the year and was to continue through December 31, 1965. Caltex tanker movements in Visakhapatnam port accounted for approximately 48 per cent of the total port tonnage and contributed Rs 58 lakhs to the port's revenues. The Company has paid to Government about Rs 29 crores by way of excise duty on products refined by the Company and is pursuing a policy of using indigenous materials to the extent possible in its operations.