

**EIGHTH  
YEAR  
6**

# YOJANA

110-6



**R**EKHA ( $7\frac{1}{2}$ ) and Ashok ( $5\frac{1}{2}$ ) tower over full-grown wheat stalks in Pusa Institute, Delhi. The field has been sown with a new Mexican dwarf variety, called Sonora, which gives a yield eight times larger than the average yields in our country. The Sonora wheats have helped to increase the national average of wheat in Mexico from 800 pounds per acre to 2,000 pounds in a mere seven years. The man responsible for this miracle is plant scientist Norman E. Borlaug, left. On page 2 is an account of a talk with Dr Borlaug.

# ABOUT YOJANA

*Yojana* seeks to carry the message of the Plan to all sections of the people and to promote a more earnest discussion of problems of social and economic development.

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The Advisory Board of the journal consists of the Minister of Information and Broadcasting (Chairman), Mr. S. K. Dey, Dr. Ram Subhag Singh, Mr. T.N. Singh, Mr. Shriman Narayan, Mr. C.R. Pattabhi Raman, Mr. Akshaykumar Jain, Mr. Nawab Singh and Mr. T.P. Singh.

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## OVER TO YOU

# DUTY OF INTELLECTUALS

PROF. V.K.R.V. Rao's call to intellectuals to participate in the affairs of the country and to take a broader perspective and long-range view of its problems is the best call which could be made under the present circumstances. The intellectuals are capable of performing many valuable tasks such as:

- (1) Discovering elements which produce order out of chaos in a given society;
- (2) Discovering and utilising elements which promote overall progress once order is restored.
- (3) Creating a specified type of society in a given time after order is restored and rate of progress is correctly measured in the initial stages.

Tasks 1, 2 and 3 are interrelated in the sense that the seeds of 3 are sown in 1 and 2. Therefore in order that the intellectuals may participate in the affairs of the country and take a broad perspective and a long-range view of its problems the following conditions should exist:

- (a) They should be given accurate specifications of the society which is to be created. Once given the specifications should not undergo a radical change. Too many changes cause waste of resources without any advance being made.
- (b) They should be given a patient hearing and protected from uninformed criticisms of ignorant people.
- (c) All research work should be controlled by the following disciplines:
  - (i) It should deal with Indian conditions only.
  - (ii) It should declare its objectives.
  - (iii) It should set forth the methods of implementing its findings in the practical fields.

Difficult problems like defence, production, education, administration etc. will be solved only when firm decisions on goals are taken and understood by all.

Bhilai

R. M. AGARWALA

## TREAT THEM AS OUR OWN

IN his presidential address to the recent seminar on the Employment of the Scheduled Castes and Scheduled Tribes (*Yojana*, February 16), Prof. V.K.R.V. Rao has dwelt at length on the abnormal conditions in which the members of these two communities live and the many handicaps from which they suffer. The seminar made some valuable recommendations which, if implemented, would place the communities on a new footing.

But recommendations apart, what is needed now is a change of attitude on the part of the majority community. As Prof. Rao observes, "The mentality of the caste Hindu must change and he must shed from his inner self the deep-rooted inhibitions and social prejudices that he has inherited from the past."

But the question is—will the Hindus care to abolish the social prejudices? Where is the guarantee? Of course our Constitution has abolished untouchability and also given equal rights to every citizen. But as you have aptly commented in your editorial, ".....law can be law only if it is enforced."

The fact is we have to prove our changed attitude by treating the members of the Scheduled Castes and Scheduled Tribes as our own. We have to give concrete examples by giving them equal social rights. We have to invite them to our festivals and social functions. It is only by giving them similar status we enjoy in our society that we can win them over. Unless each one of us takes a pledge to that effect there is little chance of their social uplift. Mere allotment of land to the landless or reservation of few posts in Government service or private undertakings will not be of much help.

Lucknow

O. P. SHARMA

## NEXT FORTNIGHT

### World Health Day Feature

#### Development and Disparities-II

Tarlok Singh

#### Plant Introduction

—Its Role in Farming

## A CORRECTION

The sentence in the 10th line from below in column 2 page 15 (A Plan to Lift Eastern U. P. — *Yojana*, March 15) should read "The fully employed labour force forms 84.4 per cent of the labour population" and not "84.4 per cent of the population" as printed.

# VARIETY WHICH WILL HELP AND TO WHEAT YIELD

average is 2,000 to 3,000 pounds. This trebling of the yield was achieved in a mere seven years!

And the man most responsible for this startling result is DR. NORMAN E. BORLAUG, who heads the Wheat Improvement Programme of the Rockefeller Foundation in Mexico.

Dr. Borlaug was recently in India for a brief second visit and I had the good fortune to meet him. A leading Indian scientist described Dr. Borlaug to me as an unsung benefactor of mankind—and one who did not like to meet pressmen. I half expected to meet a Schweitzer-like figure (and to interview a patriarch is not an easy job), or one of those men who act like porcupines. But I found a lean, fast-talking man in whom there was no trace of self-importance.

"If Mexico can do it, you certainly can do it in India," Dr. Borlaug said.

"And how did you do it in Mexico?" I asked.

Dr. Borlaug explained the triple formula of new farming.

*First, the right plant type* which is in harmony with the soil of a place, is able to draw up the nutrients, and can resist the diseases prevalent in the region.

*Secondly, correction of the tiredness of soil.* No matter how excellent the plant breed, there will be no gains as long the soil has not been replenished with nutrients. This is specially true of India where land has been exploited continuously for many centuries. And such replenishment can come only through chemical fertilisers. Green manure alone cannot do it, for growing of green manure means taking land away from the regular crop.

*Thirdly, water management.* Water is a limiting factor because unless it is adequate, the first two factors will not yield results by themselves. And a quantity of water that may have been enough at particular level of fertiliser application may not be enough when a larger dose is applied.

"What prospects are there of this triple formula succeeding in India?" I asked.

"Very good chances. Your farmers have come to accept the need for fertiliser. I believe the demand is much ahead of the supply. But they are still used to thinking only in terms of small quantities, say 15

**COVER PICTURE** showing Rekha and Ashok with the dwarf wheat is repeated at left. At right is an Indian variety. It may be taller but it 'lodges', that is, it falls down. Also the Indian varieties yield much less and can't take more fertiliser. The dwarf Sonora wheats, on the contrary, can take up to 150 lb of fertiliser an acre and yield 6,000 pounds instead of the normal Indian 800. They are ideal for our Package Programme districts, through which we are hoping to reach self-sufficiency in agriculture. The musical name Sonora comes from the place in Mexico where they were evolved. The dwarfs, however, have one drawback. They do not yield much straw for cattle fodder. But Pusa has already given to farmers the giant Napier and Berseem to take care of the need.



Report by  
SHARADA  
PRASAD

Pictures by  
T. S.  
NAGARAJAN

pounds an acre. They have to be convinced that much larger quantities can be applied. And you must ensure more water to farmers willing to put in more fertiliser. Don't forget that 25 per cent of your wheat-fields have irrigation. This is a great advantage."

"What about the first point of your triple formula—the right type of seed?"

"I was coming to that—for the three have to be balanced. Two alone can't do the trick. When more water and fertiliser are given, the plants grow tall, and tall stalks are more likely to lodge. When the wind blows, they fall down under the weight of the ears. That is why in Mexico we evolved dwarf varieties that do not lodge. Mexico, as you know, is far less blessed with water than India. All the more reason why really high output must be obtained from the irrigated areas. I said the average yield has gone up to 2,000 to 3,000 lb. in seven years. The yield in nearly three-fourths of the irrigated land is much more. And this was achieved through higher fertiliser use and the adoption of the dwarf varieties. You see those varieties around you in the Pusa Institute."

"How did the Mexican farmers react? Did they go along with you?"

"Farmers everywhere live close to the soil. If you can demonstrate on their own plots what can be done, they will readily shed their distrust. It is no use laying out your demonstration on government farms. Their attitude will be: the government might do it, the government has money, but we won't be able to. If you can prove something on their own plots, you will see that they become enthusiastic... That is how it was in Mexico. At first we could not convince the farmers of the im-

portance of fertilisers. (You are in a much better position, having passed that stage.) Then they resisted the idea of high dose of fertilisers. They thought it would poison the soil. But in the end, the results won them over."

"You said the three factors can't be separated. Once the right plant types have been found, isn't the rest of the job the administrator's? What more need would be there for the scientist?"

"I agree that administrator has a big responsibility. It is he who has to put together the scientific parts. But you cannot say that the work of the agricultural scientist ends at a particular stage. Let me give just one reason. A plant variety has to be disease-resistant. But disease organisms keep changing. They are out to defeat man. When we are asleep they are at work. They go through 300 generations in just one year—and can evolve new characteristics through genetic changes. There has therefore to be a continuous research programme. What was good at one period may no longer be adequate even in the same place."

"At the risk of repeating myself may I ask what makes you feel confident that India can achieve what Mexico has achieved?"

"As I said, you have a high proportion of irrigated land. You have a growing fertiliser industry. You have scientists. We in Mexico had no scientists at all when we started—although we now have a fine team. And then your farmers are already more receptive to ideas than the Mexican farmers were. I have infinite faith in the small farmer. All that is to be done is to light a few fires—and they will spread."



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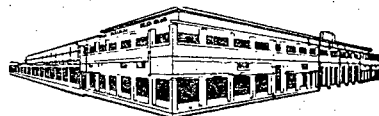
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# 13 CO-OPS IN THIS VILLAGE

How does a day break in an Indian village? There is the cock-crow of song and story, as in other countries, and the thinning darkness of the waning night. But there are special Indian sounds and sights of women going to the well, sprinkling water in front of the threshold, and pounding grain. All the while sparrows chirp an unending chatter, the crows caw and the cows moo very humanly.

The day need not begin differently at Hupari—but after sunrise, most homes light up small bucket-like ovens and spread layers of fine ash on slates... This is not something that happens in other villages, for Hupari near Kolhapur is full of silversmiths. As the sun climbs up, you can find people sitting by the glowing ovens, silently soldering tiny silver links and beads. Amidst household duties, when chatting with friends, and while tending cattle, women and men are seen making chains from a handful of links. The metal is not wasted. You will be surprised to see such a precious metal handled so lightly and casually.

A fourth of the population of Hupari is engaged in silversmithy, and many people combine it with agriculture. They work in the fields during the season and shift from the iron plough to the silver chain off season. Many of the workers are women to whom the craft means an addition to the family income. Manufacturers distribute the links by weight and receive chains of equal weight. Except weight, trust is the only criterion for transactions between the manufacturer and the cottage worker, and it has not been abused so far.

Making chains out of links is an unskilled job. Joining the chains and beads into ornaments of different designs and patterns is a skilled job which is done at the house of the manufacturers. A manufacturer is himself a skilled worker and there is no manufacturer in the village who

## **A Fourth of All Families Works in Precious Metal**

## And a Bank Which Celebrates Low-Budget Marriages

### YOJANA REPORT

By M. K. PARDHY

is not himself a worker. There is no separate shed or building for the work. The rooms in a living house become the factory. An oven, a slate covered with fine mixture of ash and clay to arrange and solder the delicate links and beads, a small pair of tongs and dilute paste of borax are the simple requirements of a skilled worker. Wages are on the basis of output. A skilled worker earns about Rs 5 a day, and an unskilled chain-maker makes about Rs 1.50. (See also Cover IV)

The industry has a tradition of three generations. In the beginning there were a few families of goldsmiths in this village of farmers and agricultural workers. Krishnaji Potdar, a goldsmith, specialised in silver ornaments and his reputation spread to near-by towns like Kolhapur, Sātara and Sangli. The demand increased and he employed some villagers in his business. The persons trained under him set up their own production units and trained many more persons. The number of units and skilled artisans thus multiplied.



THE industry is well organised. There are three co-operative societies, different from each other only in their functions. These societies look to the interests of the members and provide common facilities and services such as foundries and thread-making machines. Raw materials are supplied and help is

given in marketing. An outstanding achievement of the co-operative effort is that the Silver Manufacturers' Association represented their case to the Government and succeeded in obtaining exemption from the Factories Act. It also conducted for five years a regular bus service to all near-by towns until the State Transport extended its service to Hupari in 1953.

The industry has brought prosperity to the village and helped to improve the life of the people. The village has one of the most efficient and conscientious Gram Panchayats in the region. Streets are clean and approach roads have been built to all the important towns in the neighbourhood. There are Village Volunteer Force of 80 strong and 70 Home Guards.

There are thirteen co-operative societies for different purposes, giving the village a fine corporate life. One of the societies is for housing backward people; another has organised weavers for weaving is the third major occupation of the village. There is a union of farmers and a society for the use of pasture lands. A dairy, a consumers' store and a service society are also run on co-operative lines.



BUT the most remarkable of all these co-operative societies are the Paise Fund Farmers' Co-operative Bank and the Mahatma Mushti Fund Society. Both these institutions started on the old tradition of charity. Our religious ideas have made it a duty for a householder to give a coin or a handful of grain as alms to any mendicant who comes to his house. This custom has also its bad consequences in fostering a class of idlers and beggars. But Hupari has

exploited the custom to the advantage of the people.

It began with collecting one paisa from every household. Volunteers go round door to door collecting money once a week or so on coupon system. A person can buy coupons from one paisa to 50 paise which becomes his assured saving. This practice built the share capital for the bank which has now grown into a big institution during the past fifteen years. Now it functions like a regular bank. It has an authorised share capital of Rs 2 lakh and a working capital of Rs 13.58 lakh with a membership of 1280. It distributed a dividend of 5 per cent last year. It advances credit, services and advice to farmers as well as for village industries. For labourers, it has organised a system of farm labour by contract, and in 1962-63 it secured work valued at Rs 1,000. It conducts a transport service with a fleet of 32 bullock carts and half a dozen trucks for farmers to carry their sugarcane crop to sugar mills in the district. A special building fund has been created out of members' deposits to help building houses. Marketing facilities are provided for tobacco, sugarcane, jaggery and other farm produce. In 1962-63, the bank's tractor, which is rented out to farmers, ploughed 231 acres of land.

The bank plays a prominent role not only in the economic life of the village but also in its social life. It has undertaken a scheme of drinking water supply from the Panchganga river which flows not far away. It has plans to open a maternity and child welfare centre. It has donated a sewing machine to a social work institution for stitching clothes free of charge for the poor people. *Community marriages are a novel and outstanding social service started by the bank out of its own funds. The bank acts as host to both the bride and the bridegroom and all the villagers participate in the ceremony.* Last year 29 marriages were celebrated on the same auspicious day in the same *pandal*. The bank spent only Rs 850 for celebrating 43 marriages on two auspicious days. This practice saves a lot of unnecessary expenditure to individuals and creates a sense of community responsibility.

The Mushti Fund has been built on the same lines as the Paisa Fund Bank. The bright idea of collecting

a handful of grains from every household and utilising it for the benefit of the people was borrowed from the Bhishi system prevalent in the former Kolhapur State for about 50 years. Now the fund has grown into a big grain bank which collects foodgrains from people when they have in plenty after the harvest and distributes them to the needy particularly during the lean period of rainy season.



THE temple of Amba, which is situated in an old fortress in ruins at one end of the village, is the centre of all cultural and social activities. The villagers have collected funds to renovate the temple and build a school and other buildings in the fortress. Schools, for boys as well as girls, and the Gram Panchayat office are located at the foot of the fortress. There are four primary schools, two for boys and two for girls, one of them as big as having 23 rooms. New building for the high school is nearing completion.

The fountainhead of inspiration for the social uplift of the village is Appasaheb Balwant Naik, a 50-year-old social worker. Himself a farmer with 20 acres of land, he has been organising and guiding all the activities, including that of the Paisa Fund Bank, for the last 25 years. He is assisted by a band of other

workers like Y. R. Naik, L. Y. Patil and J.B. Patil.

Parisa Ingrole, a silver manufacturer, is another social worker who has built his wealth from scratch. He has only had primary school connection and he left his home in Karnatak to become a silversmith at Hupari in 1931 on Rs 6 a month. Later he worked as a travelling agent on Rs 15 a month for selling silver ornaments. Now he produces silver ornaments valued at Rs 6 lakh every year and exports his products to the U.S.A. and other countries. He has also started a groundnut oil mill. All his six brothers are engaged in his trade. He has raised an education fund by collecting 50 naye paise on every hundred rupees of purchase of groundnuts from the sellers and adding an equal amount of his own. The fund is used for distributing free books and stationery to poor students. He has also started a co-operative oil mill and is closely associated with all the social activities in the village.

Workers like Appasaheb Naik and Parisa Ingrole are symbols of the industrious and enlightened people of this silver village. The day in this village is full of activity. As the night falls, a siren blows around calling the silversmiths to stop work. Hupari again drowns its identity in the darkness, although Home Guard Volunteers keep a night watch.

## YOJANA BHAVAN DIARY

Mr William Donaldson Clark, Director of the Overseas Development Institute, U.K., was in India as a guest of the Planning Commission. In Yojana Bhavan he met Mr Asoka Mehta, Professor V.K.R.V. Rao and Mr Tarlok Singh. He also visited Bombay, Calcutta, Durgapur, Jaipur and Simla. He left on March 28.

Professor Marcello Boldrini, Chairman of E.N.I., Rome, visited Yojana Bhavan on March 12 and had discussions with Mr Asoka Mehta on problems of administration in public enterprises.

Professor V.K.R.V. Rao and Dr S.R. Sen (Adviser, Planning Commission) will attend the U.N. Conference on Trade and Development in Geneva as members of the Indian

Delegation. Professor Rao will leave for Geneva on March 30 and Dr Sen on April 7.

A team of the Planning Commission is to visit Sikkim in April and Bhutan in May to review the progress of their development Plans.

Prof. M.S. Thacker has returned from New York, after attending the meeting of the Advisory Committee on Science and Technology to Development convened by the U.N. Secretary-General for the Economic and Social Council.

Dr M.S. Randhawa, Adviser, Natural Resources, has joined the Union Food and Agriculture Ministry as Director-General, Intensive Area Programmes.

## Scarcities in Poorer Nations—Moral Challenge to World

SHRIMAN NARAYAN

**H**UNGER and starvation impair the physical, mental and spiritual vitality of people. Mahatma Gandhi, who stood for the poor and the famished not only in India but all the world over, once remarked: "Before these half-starved and half-naked millions, God could appear only in the form of a bowl of rice". It should be our sacred duty to create conditions under which no person belonging to any country, race or religion need suffer for want of food and nourishment. The persistence of hunger and poverty in the poorer nations is a social and moral challenge to all of us and this challenge must be met with unflagging determination.

The Freedom from Hunger Campaign should therefore be welcomed. But it should be clearly understood the campaign is not in the nature of charity to underdeveloped nations; it is an earnest attempt to help the developing nations to increase their level of agricultural production through self-help and with such outside technical assistance as may be desirable in the initial stages. From this viewpoint, the Freedom from Hunger Campaign has rightly initiated a number of field projects in different countries for demonstrating the possibility of augmenting agricultural output with the help of modern science and technology.

Advanced nations, through intensive research, have been able to evolve a variety of techniques for increasing farm productivity on a very considerable scale. It may not be possible to apply all these techniques in underdeveloped countries where one of the main problems is to utilise the idle manpower in the rural areas. Mechanisation of agriculture has only a limited value in Asian and African countries which have to sustain ever-growing numbers. Nonetheless, the fruits of modern science could be utilised by the developing countries on an increasing scale with local adaptations.

The advanced countries may help the developing countries to tide over their difficulties for some years by sending foodgrains on concessional terms. But the slightest impression that some of the affluent countries who have surpluses of food on their hands are trying to dispose of their stocks among the less advanced countries in a spirit of superiority or patronage would render great disservice to the basic objectives of this movement.

The aim of bringing about self-generating growth must never be lost sight of.

**I** AM glad to note that the Freedom from Hunger Campaign has laid great stress on organising massive programmes of family planning in the developing countries of Asia and Africa. The increase of population in the Asian countries during the last decade has, indeed, been alarming and it is reckoned that if the present trends are allowed to continue unhampered, the population in Asia alone by the end of the present century would increase by 100 per cent. In the absence of large-scale efforts to control these increasing populations, it would be impossible to provide adequate nutrition to the growing numbers.

A fast growth of population would also lead to several complexities at the political level. Asian and African countries will therefore welcome the active assistance of the Freedom from Hunger Campaign for checking their population increases in a well-planned and decent fashion.

We in India are fully conscious of the imperative need for a massive effort in family planning. We have already increased allocations for this programme during the Third Plan period from Rs 150 million to Rs 500 million. I am sure the Fourth Five Year Plan will pay much greater attention to this work. Fortunately, for us, there is no psychological or sentimental resistance to the idea, and our people, both rural and urban, have been readily utilising the facilities offered by family planning clinics all over the country.

Apart from intensive efforts to increase the total quantity of available food in different countries, it would also be necessary to plan for cheaper and more nutritive diets for the common people through research and experimentation. So far not much thought has been given to this aspect of the problem. In India we are attempting to evolve more balanced diets in different parts of the country through a nutritional programme under the Community Development movement. The production of subsidiary foods of various types is being encouraged in our Five Year Plans, and programmes of dairying, fisheries and poultry-farming are being intensified. Higher production of fruits and vegetables for supplementing foodgrains is also being planned. Even so, much more remains to be done in the direction of utilising the existing articles of food to a better purpose.

In order to achieve lasting success in this Campaign, it will be essential to arrange for the education of the farmers in modern techniques. In the last analysis, agricultural production in underdeveloped countries can be raised to a higher level only by communicating scientific methods to millions of farming families in a positive manner. This involves the evolution of better strains of seeds for different crops, better insecticides for plant protection and better implements for cultivation.

This would require proper co-ordination with research programmes already included in the economic plans of developing countries. For example, India has already been conducting research in improved implements for a

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In India, AEI's activities date back about forty years and include contributions to the Bhakra Dam power project (Punjab's latest and India's largest), the steel works at Durgapur and the 720 mile oil pipeline in Assam. Worldwide, AEI has many impressive achievements to its credit—the largest generating sets ever made for British power stations; locomotives and traction equipment for British and Indian railways; switchgear, cable and generators for the vast hydro-electric schemes at Kariba and

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number of years. There is a chain of research stations for evolving new strains of seeds for a variety of crops. Pesticides are being manufactured within the country.

THE developing nations not only are in need of more food from their own lands but are also faced with the difficulty of providing full employment to their people, more specially in the rural areas....If necessary resources could be found to utilise the idle manpower in the villages on productive agricultural schemes like land reclamation, soil conservation, dry farming, afforestation, construction of village roads leading to marketing centres, and minor irrigation works, it would lead to greater farm production and also provide gainful employment to millions of people who suffer from enforced idleness for several months in a year.

The under-developed countries could undertake such programmes on a big scale if they are partly helped by the developed countries to pay a portion of the wages in kind. The Freedom from Hunger Campaign could make the necessary arrangements for the export of food grains at concessional rates to these countries for meeting a portion of expenditure to be incurred in utilising the under-employed manpower. Part of the wages in cash will, of course, be paid by the developing countries themselves. Such arrangements for a limited period of years may help the Asian and African countries to initiate a process of greater production through better manpower utilisation which could, in due course, gain the necessary momentum and grow into a self-sustaining

and self-financing programme without any further need for external help. In India we have already started the Rural Works Programme during the Third Plan period in about 800 Community Development blocks. We have been able to organise this programme as an integral part of our own Five Year Plans. But in extending the programme to other areas on a larger scale, the Freedom from Hunger Campaign could perhaps be of some assistance.

LAST year the World Food Congress expressed the hope that "current efforts for bringing about universal disarmament will succeed and that the vast sums now being spent on instruments of destruction will become increasingly available for the elimination of hunger and malnutrition and the promotion of human well-being". It has been calculated in broad terms that about 500 million rupees are being spent daily on armaments by the major powers of the world. It has also been reckoned that about 500 million people in the countries of Asia, Africa and Latin America are suffering from under-nourishment and hunger. The hard logic of this tragic situation leads to the inevitable conclusion that billions of dollars and roubles which are at present being thrown at the altar of the God of War should now be placed at the disposal of starving nations for the welfare and prosperity of Man.

— From opening address to the Afro-Asian Committee on Freedom from Hunger Campaign, at the first general session of the Afro-Asian Rural Reconstruction Conference, Kuala Lumpur, Malaysia, February 25.

## QUOTATION BOX

In India today, an educated man is regarded as more dangerous than an illiterate man. With no moral bias, the educated man easily becomes a schemer.

—Mr C.D. Deshmukh

We should permit no movement of wheat from State to State—except of course from the United States.

—Caption of cartoon by Puri in "The Hindustan Times"

A great deal of casuistry will be needed to make the spirit of TTK's Budget consistent with the spirit of Bhubaneswar Resolution on Democracy and Socialism, or indeed with that of the Third Five Year Plan.

—Editorial in "The Economic Weekly"

Can the rat of foreign capital which gnaws at our independent economy be deodorised by the Finance Minister's perfume?

—Prof. Hiren Mukherjee, M.P.

The Finance Minister is to be complimented for his attempts to rid the Budget of influences from the Planning Commission.

—Mr N. G. Ranga, M.P.

We need to develop more technical know-how in electricity. During the recent breakdown of the C power station in Delhi, a technical expert had to be flown in from Calcutta just for connecting a cable. In another case, a new boiler would have

burst open because it was being run without water.

—Dr K. L. Rao, Irrigation and Power Minister

Look at so many newspapers, look at so many forums of entertainment: they are cheap because they want to be cheap.

—Sir Laurence Olivier, the actor

Elevenes and tea breaks have spread in Britain, not only in our Civil Service but throughout our industries, and indeed the whole Commonwealth.

—Mr Edward Heath, UK President of the Board of Trade, at the India Tea Centre, London.

The old Indian Civil Service was built on the theory that a competent generalist could also become a specialist; in the new pattern the principle of a competent specialist also being a good generalist has to be incorporated.

—Prof. V. K. R. V. Rao

Taxing gifts or legacies to kith and kin is wholly out of tune with our culture.

—Mr C. Rajagopalachari

Children are necessary precisely because (95 per cent of) Indian parents have no other means of

subsistence in old age...Population control will be successful only if people are convinced that there would be enough for them to live on in their old age even if they have no children.

—Prof. D.D. Kosambi

Britain is a half-time country getting half-pay for half-work under half-hearted management.

—An American expert writing in the Sunday Times, London

The future lies not with the politician or with the business man but with the scientist and the technocrat.

—Mr G. D. Birla

I am told that pedigree dogs these days are developing numerous serious and painful hereditary abnormalities due to indiscriminate in-breeding aimed at achieving the "fine points".....The most common all-round defect is described as "excessively abnormal temperament".

—"Ditcher" in "Capital"

The best research work is done by scientists below 30 years.

—Mr. M. C. Chagla

A student of Class III in Delhi has to study no less than 18 books under the syllabus and the number of notebooks he needs is even larger.

—From an article entitled "Price of Literacy" in "The Statesman"

# DEVELOPMENT AND DISPARITIES

## *Part I: Analysis and Approach*

TARLOK SINGH

DISPARITIES in levels of development in an under-developed country should be distinguished from the situation of poverty in plenty which is found in many developed countries even after a long period of advance towards the welfare state. In these countries, sections of the population are still, as has been well said, "enclosed in pockets of poverty," means and resources to attack the problem are at hand and the conscience of the community is now being aroused to bring about speedy and substantial changes in living conditions and opportunities available to less privileged groups.

The problem should also be distinguished from the disparities which characterise a static society. Where changes in the volume and pattern of economic activity and in techniques are so gradual as to be almost imperceptible, disparities persist and harden. But, in their origin and functioning, the dominant elements in these disparities are social, feudal and largely agrarian.

Periods of widening disparities and of deepening clash between today's realities and tomorrow's aspirations are nearly always periods of economic change and transition. What gives special significance to the problem of economic disparities in present-day India is that, while these carry a strong heritage from the past, economic development and consequences flowing from it have increasingly become the main causal factor underlying these disparities.

India's economic development is taking place under the conditions of a mixed economy, within a framework of democracy and freedom, and in the context of an overall national plan. Those who disagree with the present approach call into question, at the same time, the concept of planned development, of social democracy and of the role and functioning of the private sector in the national economy. In this situation, unless the basic conflicts are resolved to the satisfaction, not merely of the elite and the organised groups, but of the common man, who is bound to judge all policies and plans from the reality of his own living conditions and opportunities and the problems encountered from

day to day, there can be no consistent and continuing pattern of development.

Moreover, the gap between declared purpose and the actuality can itself become a growing source of discontent and dissatisfaction. The dichotomy comes out most sharply in differences in approach which may often mark decisions concerning the current management of the economy and the principles on which development plans are based. Over a period such differences could greatly weaken the nation's sense of direction. It is, therefore, essential that the premises of economic and social development and the possibilities to be explored by way of policy and action should be widely appreciated.

The expression 'level of development' represents three related notions : firstly, the average level of living ; secondly, per capita income and its rate of change; and, thirdly, the pattern of production; services and economic activity generally. These elements in the level of development could be assessed, both separately and jointly, for different regions, for urban and rural areas and for different social and economic groups. This is a fruitful field for study and research and in future the extent of development at the national and regional levels should be judged more and more in these terms.

Corresponding to the concept of level of development, one might explore areas of greater or smaller economic change within the economy. The process of economic development will remain incomplete until the bulk of the population come under the influence of economic change, not passively or through secondary effects but actively as participants, at rising levels of skill and productivity, in applying new techniques and creating new goods and services. The analysis of disparities accompanying economic growth could perhaps be best undertaken through a study, on the one hand, of changes in levels of development and, on the other, of sectors and regions within the economy which come within the influence of economic change.

### Main Features of Progress

It would probably be fair to summarise the main features of progress under the Five Year Plans, in so far

as they bear on economic growth in relation to disparities, in the following ten propositions :

(1) Significant increases in production have occurred in several basic industries and in regions where new resources have been developed.

(2) Increases in agricultural production have resulted from marked improvements in some areas accompanied by relatively small improvements spread over wider areas: some areas are still stagnant.

(3) The effects of large investments in industry, both at existing centres and at new centres, have been largely limited to these centres. So far "the spread effects" of these investments have been comparatively small.

(4) The growth of the private sector has led to marked expansion in the range of operations of well-organised business houses, accrual of high incomes in certain categories, specially on account of capital gains, speculation, trade and evasion or avoidance of taxation, and expansion of small and medium-sized industries mainly in cities and towns.

(5) Considerable development has taken place in a number of large cities and towns. This has intensified the problems of housing, health, water supply and education in urban areas, with which State and municipal administrations have been unable to cope effectively. Worsening of living conditions in towns is an important aspect of disparities in levels of development.

(6) On the whole, development in areas under heavy pressure of population, which were otherwise relatively backward, has barely kept pace with the growth of population and the existing framework of services and levels of agricultural production are not sufficient to support rapid economic growth. These areas present the problems of poverty, under-employment and low productivity in their acutest form. The growth of population has borne with particular harshness on large sections of the landless population in these areas.

(7) Generally, and more specially in rural areas, benefits of new services and institutions have been availed of much less completely by the weaker sections than by those at the middle or higher levels or who have been already drawn into the development process.

(8) Greater progress in agriculture and greater stress on social services, specially education, and on the utilisation of manpower, would have helped limit disparities in relation to large sections of the rural population.

(9) Increases in price levels accompanied by changing patterns of consumption and demand have affected the lower fixed income groups adversely.

(10) Development of a character sufficiently intensive and far-reaching to counter the trends towards the widening of disparities has not yet occurred in any part of the country or in any branch of the economy.

While the gains and limitations of progress secured thus far could be stated in these terms, it would be a mistake to minimise the present significance or the potential value of the processes of economic transformation which have been initiated or to seek lightly to depart in a basic sense from the objectives and policies set out in the Plans. At the same time, we have to recognise that, even after a decade and more of planning, we are yet in the early stage of economic development. The economic and social problems confronting the country are much too deep-rooted and have dimensions which call not only for a far higher order of national effort but also constant evaluation of experience, forging of new techniques and instruments and a much more integrated approach to development. In the way plans work out in real life, often problems described in familiar terms are in fact new problems, revealing new facets. Indeed, there are many aspects of our economic and social life and institutions of which our understanding and perception are still far from adequate.



EACH of our Five Year Plans has set forth its aims under two broad heads, namely (a) expansion

of agriculture and industry and the resulting increase in national income and (b) other objectives, notably utilisation of manpower, expansion of employment, establishment of greater equality of opportunity, reduction in disparities in income and wealth and more even distribution of economic power.

In the implementation of plans, these two sets of objectives have tended to remain too far apart. For this reason, action bearing on the broad social objectives has been diffused and halting, in effect giving to these objectives a somewhat secondary status. Yet, an important premise in our plans is that social objectives are not only essential in themselves but are also a vital means to greater production and higher levels of productivity. This gap between the plans and their implementation may be partly ascribed to the fact that the goals of economic planning are sometimes interpreted too narrowly or in too simple a way. For instance, by themselves the objectives of self-reliant economy and modernisation seem to place much greater stress on certain aspects of industrialisation than on resource development, regional or area development and utilisation of manpower resources and on crucial social and welfare components of the development process.

It is, therefore, necessary to consider how Plan objectives are in fact translated into action through the scheme of investments, the sources from which investments are financed, decisions bearing on location and technology, relationship between agriculture and industry and the machinery through which such decisions are implemented.

It will be seen that the results outlined earlier are a direct consequence of giving effect to an important part of the Plan, but not to its entire scheme. The results might be significantly different if the investments and the various techniques and instruments employed could fully reflect the concepts and philosophy of the Plan as a whole.

The argument here goes beyond the question of priority given to social services as against economic development. The provision of social services is an integral part of economic development. The essential point is that the economic plan itself can and should be so devised and operated as to provide over a period both for economic growth and for a range in levels of development between different income groups, between different regions and between urban and rural workers which a democratic community will accept as fair. This takes us to the basis on which investment decisions in the economic plan are made and the means by which they are implemented.

Investments under Five Year Plans have to be determined of necessity against the background of overall inadequacy in relation to needs and possibilities of efficient use. There cannot be too much emphasis on measures to achieve the maximum capital formation feasible and on laying out investments in a manner calculated to provide substantial resources for development in the future. But the task of allocating resources is an exceedingly complex one. Both the Second and Third Plan represent a stage in the development of our economy, during which gestation periods are relatively long, specially in industry. Larger burdens have therefore had to be borne in the present, and returns have



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tended to be deferred, sometimes considerably more than was foreseen in the blue prints.

Secondly, on account of pressing demands for development in different branches of the economy and the difficulties inherent in selection, there has been a tendency to spread resources too thinly. Even within the limitations under which our plans are formulated, there would be a strong case for greater selection and concentration.

Thirdly, in many fields of development, the efficiency of the investments undertaken could be enhanced if all the related and complementary investments were undertaken at the same time.

Finally, while different objectives of development have to be viewed together, it is of particular importance for a country with meagre resources to assess costs and benefits with the utmost care and, when making decisions which might involve comparatively lower returns, to do so with a precise knowledge of gains and sacrifices. The fact that in each of the directions indicated there have been deficiencies in the past accounts, firstly, for the total resources mobilised through development falling below attainable levels and, secondly, for the smaller spread of benefits in terms of area and by way of multiplier effects across other sectors in the economy.

Even under favourable conditions, investments which do not bear fruit early enough or are not adequately supported by complementary action in related fields would tend to enlarge existing disparities. This result becomes even more likely because of four other factors, namely, the circumstances under which foreign exchange resources have to be obtained, the technology which is adopted, the degree to which conscious and well-conceived policies for locating economic and industrial enterprises are followed and, finally, the limitations of the administrative machinery and the apparatus available for the implementation of various plans.

### External Assistance

External assistance and credits are an indispensable factor in carrying out our development plans at the present stage of development. It has, however, to be recognised that in a variety of ways this dependence on external resources, while helping to achieve overall economic growth, may also strengthen the trend towards enlargement of disparities.

This may happen for two main reasons. Firstly, specially in fields of development assigned to the private sector, credit and collaboration arrangements are made much more easily by large, established undertakings which are in a position to draw upon extensive resources and facilities on their own account. The Third Five Year Plan envisaged that means would be devised to enable small and medium sized units and co-operative undertakings to obtain greater advantage of possibilities of foreign collaboration as well as larger credits from public and private financial institutions. So far very limited progress has been made along these lines. Secondly, agreements with foreign parties for collaboration in industrial enterprises may enlarge disparities, not so much because of the terms and conditions upon which credits are obtained, as because our own approach and policies for import substitution, development of technology appropriate to conditions in India and loca-

tion of industry have not yet been worked out systematically.

### The Technological Dimension

Over the past decade industrial capacities have been established and the foundations of scientific and technological research have been laid to an extent that should now make it possible to incorporate a distinct technological dimension in our plans of development. In the earlier phases it was necessary to set up plants based wholly or largely on foreign designs and calling for extensive use of imported components and raw materials. If the resources and personnel now available for research and investigation are turned to the effective utilisation of indigenous materials and existing productive capacities are employed in a planned and co-ordinated manner, dependence on foreign exchange resources can be considerably reduced. This would make it possible to evolve a strategy and a programme for more rapid technological change suited to the conditions of different branches of our economy.

Against the background of limited resources of capital and foreign exchange and large reserves of manpower, industrial development has to be based on units of different sizes, at varying levels of technique but gaining continuously in efficiency, and co-ordinated so as to produce goods and services needed by the community.

In other words, large scale, intermediate and small scale technologies should be viewed as parts of a single dynamic industrial structure, closely related to one another and functioning under a common overall plan of production and development. The absence of a well-worked out scheme of technological development, inevitable in some measure until recently, has tended to create a bias in favour of large units and large-scale technology which has, in turn, contributed to the widening of disparities. Given time, this trend could be substantially reversed through a systematic approach to technological change. This approach might also make it possible to undertake intensive and purposeful experimentation at the technical, economic and organisational level for carrying industry away from metropolitan concentrations into medium sized and small towns and into rural areas.

As a result of advances under the Five Year Plans, it has now become possible to develop a comprehensive approach to the location of economic activity, specially of industrial enterprises. Industry is often described as a leading sector in a developing economy. Within limits this is a correct description but, for industry to fulfil this role effectively, certain essential conditions need to be ensured.

Firstly, it should be an important aim of location policy to secure external economies appropriate to the size of units and the technology being established.

Secondly, where large enterprises, whether public or private, are being set up for the first time, each such location should be developed as a complex of related industries. In other words, land acquisition, town development, economic and social overheads and training facilities might be designed to meet requirements not merely of the particular enterprise but of all related industries to be developed over a period of five to ten

*(Continued on Page 27)*

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*One of the key announcements made by the Finance Minister in the Budget Speech was that a commission would be set up to inquire into monopolies and suggest action. This article explains what laws and agencies exist in Britain and America to check monopolies.*

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M. K. RAMAMURTHY

SOME hold that the twentieth century is marked out by the passage from competition to planned economy. The conclusion of Prof. E.H. Carr that contemporary civilisation is associated not only with the end of laissez faire but the emergence of monopoly as distinct from competition throws on a modern democracy the task of bridling capitalist enterprise in the name of public interest.

The Indian Plans, which assume the necessity for the creation of a Welfare State, did not deal with the issue of monopoly or concentration of economic power that will compromise egalitarian ideals. Evaluation of the results of planning has led only recently to the acceptance of a new duty — to check monopoly by means of a legislative framework and administrative machinery at the same time as an inquiry into the problem is undertaken. This is significant not only of the Indian Government's recognition that no countervailing power to capitalist enterprise exists at present but that planning has made bigness in business inevitable and natural : whether it is also just the issue to be faced in the inquiry promised in the latest Budget speech.

The economic consequences of planning are reflected not merely in industrial licensing or steeply progressive taxation of unearned wealth or income but in the provision of safeguards. In the past, commercial safeguards were linked with the obstinate claims of British business in India for special treatment. Today the safeguards must be thought of only in terms of 'fair shares' for the consumer as well as the worker whose capacity to stand up to challenges and pressures must be fortified steadily. The sickness of an acquisitive society calls for antiseptic measures.

The strict control of monopoly now rests on the weight of judicial as well as economic opinion in many advanced countries. Whether mono-

## ACTION TO CHECK MONOPOLY

### What Has Been Done in Britain & U.S.

poly is the creation of the protective tariff, whether import control has bred monopoly (not through the rise of State-owned agencies but in private hands) and whether the Indian economy must retain competition for the sake of its good health are issues to be examined separately. But the good of the people admittedly calls for it. What is important to grasp is that private capitalism today crosses national frontiers easily and can evade or override official regulation when it suits its own purposes.

The Fiscal Commission hardly examined the results of protection on the structure of business and its methods, scrutinised restrictionism which is a part of monopoly practice and did not give guidance on one of the major results of industrialism—powerful trade associations intent on the preservation of maximum profit and power.

Such monopolies as India has known in reference to salt or opium or sandalwood or city milk supply fall in a different category from those promoted by the covert but deliberate pursuit of private interest and resistance to the general will.

The old objections to cartels and trusts acquire new meaning in regard to monopolies arising from the expansion of private enterprise endowed with the advantages of a closed economy. The authority of the State must clearly be soon asserted against vested interests, sinister or other, and the Socialist impulse to do good must be measured by the exclusion of monopoly though the advantages derived may be clear and ample according with hopes of achievements.

THE United Kingdom recognised even in 1944 the tendency to combine among capitalist concerns. In 1948 the law to inquire into monopolies and restrictive practices was passed readily when the Labour Party was in power. Trade agreements which imperil the public interest by dilution of competition were closely scrutinised and the Court had to register agreements applied within the industry that tried to divide markets and fix prices.

The inquiries duly carried out into the tobacco and other industries were inspired by a live faith in competition and a distrust of monopoly. In this effective summing up of the law and practice, Sir David Cairns, who knows the procedure of control, has pointed out that the views of A.V. Dicey based on the nineteenth century ideas have gone by the board and the lawyer suspects monopoly even while the economist approves it tacitly.

The Board of Trade as the arm of the Government is antagonistic to monopoly on principle and the latest debate in Britain on the scope of retail price maintenance proves that most Conservatives agree with Socialists on the fundamental question of keeping up on creating trade competition so as to keep prices down and consumers contended. Elaborate inquiries conducted into Calico printing, motor tyres, safety matches and the distribution of oils had the merit of showing that a few big firms rule the roost and could 'administer' prices, chiefly because imports were

out of the question. Between 1948 and 1956 the U.K. Government took many positive steps to encourage the return of competition and enhance productivity.

The case-law built up will certainly help India to deal with rings and private pacts that raise the cost of public works which call for tenders from many parties. The necessity stems from the nature of massive public outlay as also the fact that monopoly resting on law, for instance copyright or patent, is distinguishable from monopoly that threatens to raise prices and hit exports. Private enterprise can retain its value only if it is competitive and retail trade outlets must be kept open from the suspicion of exploitation to which monopoly is naturally prone.

THE old Anglo-Saxon legal view has been set against monopoly. What appealed to mediaeval guilds that upheld the just price was rejected by the moral view that was evolved in the seventeenth century. And it is a mark of maturity that monopolies are frowned upon in the U.S.A.—the home of Trusts. American law and economic theory recognise that imperfect competition created a problem for the Government. Economic concentration is an irresistible trend and mergers arranged among big firms are familiar. But as President Eisenhower argued in 1956, an open economic system calls for the policing of competitive enterprise and the U.S. Department of Justice keeps an eye on trusts that do not inspire trust. The view that anti-trust law is a preservative of capitalism, that free competition is the motor of the system of free enterprise colours theory and practice, though some accept that bigness is the perfection of real competition—e.g. in the motor car industry. It is also conceded that if barriers to entry in trade are few and a dynamic research policy is pursued, monopoly has its points but, as the late Thurman W. Arnold pointed out, personification of the modern corporation must not lead one to assume that the individual's rights and privileges are available to industrial empires.

The fact that Arnold predicted that capitalism will become socialistic acquires a new relevance in Indian conditions too. Political dynamics are involved in the secular

change, but the U.S.A. has attempted more than a moral gesture in dealing with monopoly. The Anti-Trust Division and the Federal Trade Commission at Washington administer the Clayton and Sherman Acts opposed on all grounds to monopoly. If the idea of workable competition has come to prevail, it is because, in a fully developed country like the U.S.A., monopoly has to prove its worth and actual efficiency.

If the old view as to conspiracy in restraint of trade has been replaced by a new, empirical view regarding railway consolidation, it is realised also that integration for efficiency in the modern age is liable to investigation. The big film companies could not run circuits and cinemas plus studios and the General Electric Company was prosecuted successfully for price-fixing.

These two cases are mentioned here to indicate that in the U.S.A. monopoly is held to be incompatible with capitalist free enterprise, and that views current under the New Deal are replaced by the old view that monopoly spells danger. In recent years the violation of anti-trust laws has invited harsher penalties and the Federal Government has a right to claim damages for infraction of the law. The Anti-Trust Division has been busy limiting the number of mergers and take-over bids in checking price discrimination and the practice of exclusive dealing with its concomitant of loyalty rebates. Where mergers are involved, the Department of Justice wants to see the whole justification therefor. And if restraint of competition affects inter-State commerce the Anti-Trust Division exercises a veto. Even bank mergers do not command instant approval.

In the arch-capitalist country, the prejudice against the excessive expansion of capitalism is so widespread that however slight a manifestation of monopoly provokes opposition from the liberals. Both Republicans and Democrats are agreed that monopoly *per se* is a threat to values and what Germany or Japan prefers in the name of rationalisation is not tolerable in America where latent, rugged individualism sees in Big Business a threat to moral order just as finance capitalism was generally regarded as a threat to farmers and workers fifty years ago. The Pujo Committee in 1913 revealed both the

nature and implications of monopoly and the Depression which put Wall Street on its oath indicated clearly that the ambition of big business was a real and immediate danger to the body politic.

The big change, as seen in North America, is that superior virtue for trusts is not to be claimed and the Federal Court's order to du Pont to sell off its shares in the General Motors Corporation underlined the point that a big chemical company in virtual control of a big motor firm did not offer an example of diversification similar to the chemical branches set up by the big meat-packing firms.

The Fifties saw more than one check to ambitious expansion programmes and U.S. economists who see that oligopoly is common in modern industry also recognise that the anti-trust laws are still useful. If Mr Wandell Burge has inferred that the Sherman Act is not a great success, public opinion sees that the transformation of capitalism is the result, not of the permanent revolution, but of morality, asserting itself against big business. The ethics of a business society has certainly changed in this century. But credit must go to the law rather than moral reformers or unpopular economists like Veblen who criticised the whole theory of business enterprise as calculated to defeat the larger purpose of progress in the American Commonwealth.

THE reinstatement of competition under planning is the avowed purpose of measures (presumptive, not actual yet) against monopoly. A mixed economy must help the small man to survive in trade and industry, and if the policy in India allows the development of small scale enterprise, the scope afforded for local affiliates of foreign firms must be limited by due reference to the known facts of business life. There may be good in liquor or tobacco monopolies either as a source of revenue or a brake on consumption. But private monopoly that aims at maximum net revenue calls for rigorous treatment. And it is well to remember that company law or other reforms cannot reach the monopolist, especially if financial control is pervasive, as Hobson remarked. Incentives for competition are probably part of a new industrial order.

## Tall Palms for Small Man

So widespread is the betel-chewing habit in India, and so ancient, that nobody regards the arecanut as a luxury. It is an article of daily consumption; it is a symbol of courtesy; and it is also an aid to beauty. For without betel, where would be the red on the lips of our women?

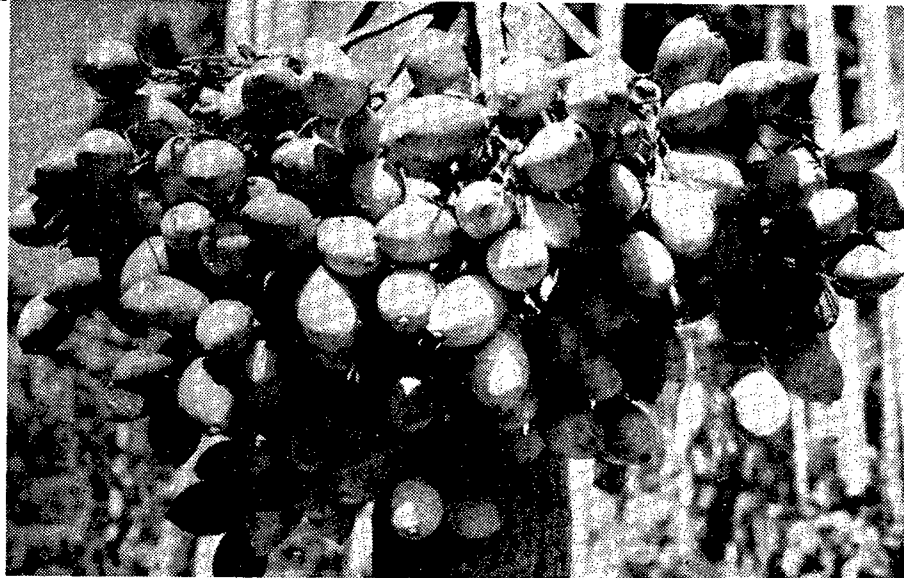
The arecanut is a native of Asia. It is generally believed that its original home was Malaya. It is now grown in Ceylon, Indonesia, Thailand, Malaysia and Pakistan besides India. It is in our country that it gets the best attention and care as a cultivated crop. More than 1.17 lakh hectares are under arecanut in India and the annual production is estimated to be 97,000 tonnes.

Although Shimoga in Mysore State is the arecanut headquarters of India, Kerala is the main producing State. It enjoys an important position in the State's agricultural economy, contributing Rs 11 crore to the Rs 180 crore worth of agricultural production. It is generally regarded as the small cultivator's crop. More than many other perennial crops, it enjoys a fairly steady market, which is a point in its favour with the growers.

A progressive farmer of Kerala who says "arecanut is my great hope" is C. K. Padmanabha Pillai of Trivandrum district. He is in the midst of a bold experiment, having converted five acres of uneconomic paddy lands into an arecanut garden. He expects good annual income from the crop once the palms start bearing.

Starting with the layout of the garden, Mr Pillai has sought and obtained technical guidance in all his operations from the State Agriculture Department for the last six years. His palms proclaim the good care that has been taken of them. The future in store for him can be gauged from the fact that areca palms live for 60 to 100 years.

Mr Pillai is only one among the many enterprising arecanut growers



A bunch of nuts.



Palms against the sky.

# ARECA IS HIGH IN KER ECONO



Seedlings in a nursery.

# Mr A and the Young Scientist

in the State. Every year more than 10 lakh quality seedlings are produced in the Government nurseries and distributed to the farmers. Use of fertilisers and plant protection measures is also being taught on a large scale.

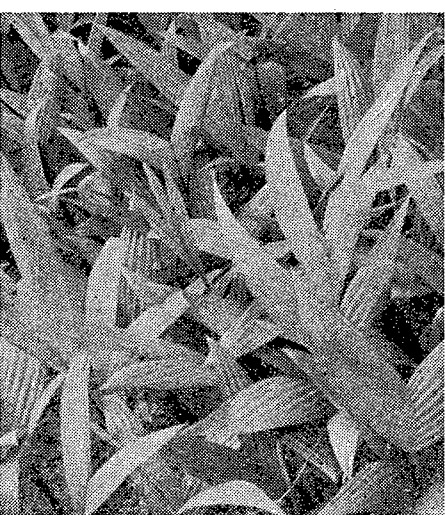
Production of arecanut has made remarkable progress in Kerala in recent years. In 1962-63 it is estimated that 8,359 million nuts were produced from 140,000 acres, compared to 6,617 million nuts from 1,21,409 acres in 1956-57.

Feature by  
R. HALI



C. K. Padmanabha Pillai, who has switched from paddy to areca.

UT  
LA  
Y



MR A is my favourite deputy secretary. He is a god-fearing man, and venerates all his official superiors. Towards those who draw less pay than himself his attitude does not follow the socialist pattern.

Although Mr A is my favourite deputy secretary, I do not see him very often. The deference I show normally to all people, and to people who are fifteen years older, he takes to spring from the fact that his pay is more than mine.

And then, Mr A isn't very fond of things I am fond of. He does not think highly of education. He thinks the secretariat is *the* true training ground. He likes rules, he likes interpretations, he likes precedents, he likes exceptions that should not be construed as precedents, he likes overriding considerations... None of these figures highly in my list of values.

When we meet we don't have much to talk about. He makes kind inquiries about my last increment and tells me about his own work—especially how his secretary did not let him go when his transfer was on the cards.

I can see that Mr A is invaluable—although conversation is not one of his gifts.

I had to see Mr A recently.

It happened this way. There is an acquaintance of mine who teaches in the university. He is considered a brilliant young scientist, with some work that has been taken note of by people in his field. By virtue of this work he was invited by a foreign

university to spend some months. So he had to set about getting his passport.

The passport form requires a signature from a magistrate "or an officer of the rank of deputy secretary and above" vouching for the applicant's character.

This young scientist comes from the same town as Mr A and his people are known to Mr A. Still he was hesitant to go on his own to Mr A because of his reputation as a stern, overworked man with little time. He sought my intervention. Not being a stern, overworked man myself, I agreed.

The meeting was brief. Mr A made kind inquiries (he always does) and recalled that he had seen the young scientist when he was only a primary school student. The signature was affixed and the office seal too. Our scientist left, and I stayed back to hum and haw my thanks.

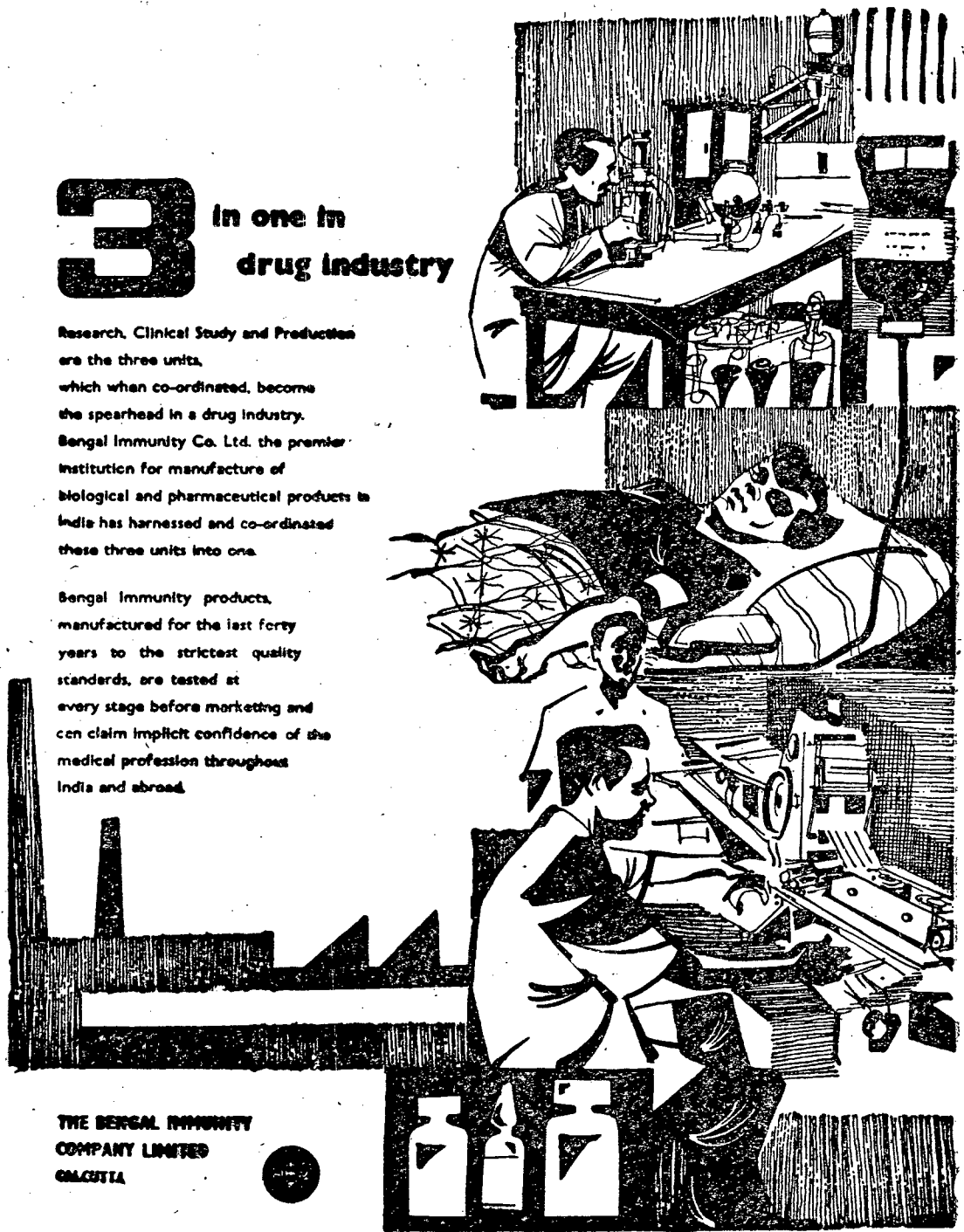
"Seems a bright fellow... But he hadn't bothered to call on me although he has been here five years... But when they have work they come running..." Mr A said.

I soon took my leave and left wondering why the passport regulations had to put people like my young scientist to this kind of trouble. Why don't they allow the top university teachers to bear witness to the character and reliability of younger scholars? Surely their judgement and responsibility can't be less than that of deputy secretaries? And our tradition says the guru is Brahma and the guru is Vishnu.

# 3 in one in drug industry

Research, Clinical Study and Production are the three units, which when co-ordinated, become the spearhead in a drug industry. Bengal Immunity Co. Ltd. the premier institution for manufacture of biological and pharmaceutical products in India has harnessed and co-ordinated these three units into one.

Bengal Immunity products, manufactured for the last forty years to the strictest quality standards, are tested at every stage before marketing and can claim implicit confidence of the medical profession throughout India and abroad.



**THE BENGAL IMMUNITY  
COMPANY LIMITED  
CALCUTTA**

## WORDSMITHS

THESE coincidences can happen only in Vigyan Bhavan. Some time ago there was a conference on rice cultivation and another on free flow of information in adjoining rooms. One could sense a sort of connection between the two: But not between a meeting of iron and steel retail merchants and the Sahitya Akademi's function to honour authors. Both were held on the same floor this month. One could see the spectacle of hardware merchants brushing past sloping-shouldered writers to go to their conference room.

The Akademi ceremony itself was a masterpiece of brevity. It is good for authors to give the impression that their words can't be had free. The Vice-President who gave away to seven authors the Akademi's bird-shaped crest in copper (plus a meaning-making cheque) spoke only five sentences. Authors, he said, were national heroes and he did not have to say more.

## Fragrant Oil

THE sandal tree is dear to the aesthete; it is dear to the ascetic. Poets have sung the praise of its fragrance and coolness and present-day officials like it because it earns exchange.

The core of the tree is carved into beautiful shapes—deities and damsels, fans and buttons. The dust is sprinkled on live coal to raise heaven aspiring smoke in holy places. But it is the oil (from which comes the heady smell) that brings in money. Every year about 35,000 to 40,000 kilograms of oil are exported from India and one kilogram sells at about Rs 150.

Until now there used to be only one sandal oil factory in the country and that was in Mysore city. Recently another has come up. It is at Shimoga, also in Mysore State. It is smaller than the Mysore city one, and will produce about 4,500 kilograms of oil yearly. It has 13 distillers, each with a capacity of one ton of wood powder. Both factories are government-owned, because the sandal tree

is State-owned wherever it may grow.

Malnad, the forest area in the Western Ghat region of Mysore, is rich in sandal trees, but the tree neither emits fragrance nor is it, as Sanskrit legend believes, girded by snakes. It is just a small and ordinary tree without any special grace or dignity. In beauty it cannot compare with the mango, the neem, the tamarind and the slender eucalyptus, and in dignity the banyan and the *aswattha*. The fragrance comes only when a mature tree is cut dried.

A sandal tree takes about 35 to 40 years to mature fully into fragrant wood; and new trees are not coming up as fast as the old are being felled. Indeed much needs to be done to see that sandal trees are conserved and kept in healthy condition.

Why can't the Forest Department, it may be asked, undertake new plantation as in the case of cashew and eucalyptus? But the sandal tree presents a peculiar problem. It is a root parasite. It does not earn its food itself, but reaches its roots to that of some other tree and steals food from the other's roots. It is like the koel which keeps its eggs in the crow's nest for hatching.

## Blind Man at Taj

PILGRIM specials are one of the facilities provided by our secular Railways. Not only are special trains run at the time of fairs and festivals, but pilgrim parties can hire railway coaches for a leisurely tour of religious centres.

Newspapers often carry advertisements from organisers of such tours. A new feature of these advertisements is that some of our development centres are offered to the intending pilgrims as additional attractions. The plan of a south Indian tour for the devout of Bombay listed Neyveli along with Chidambaram and Mahabalipuram. A Madras advertisement fits in Bhakra between visits to Kurukshetra and to Hardwar.

It was a proclaimed agnostic who called the projects the Temples of the New Age. But the phrase is



## IGNORAMAN Wants to Know

*If the Steep  
Estate Duties  
Will Affect  
Legacies  
of Illwill*

becoming a reality in a sense he did not intend.

Of course this sort of embellishment of the pilgrim route is nothing new. Pilgrims have always wanted to see places of non-religious fame also—the Taj Mahal is a 'must' between Prayag and Mathura.

On a recent visit to the Taj we came across three pilgrim parties. We were particularly moved to see a blind man doing the 'pradakshina' of the mausoleum. He was guided by a person who appeared to be his brother. Listening to what the man who could see was saying, we wondered whether he saw more than the blind brother.

## Progress Point

A TEACHER gave us a graphic example of the way in which our cities are growing. The 'Harijan streets', once supposed to be the edge, had been fast becoming the heart of our towns, he said.

"And the old burning *ghats* are being developed as industrial estates", added the novelist, R.K. Narayan.

## Collector's Item

Seen in the administrative square mile of New Delhi a car bearing the legend "Indian Ocean Expedition Staff car" on the number plate.

# Books

*Work, Wages and Well-being in an Indian Metropolis—Economic Survey of Bombay City* by D.T. Lakdawala, J.C. Sandesara, V.N. Kothari, P.A. Nair. Brought out by The Superintendent, Publications Section, The University of Bombay, Bombay. 863 pages, Rs. 36.50.

THIS survey of Bombay was completed between 1954 and 1957. The report was ready in 1959 but it was published only in 1963. The data, thus, are not up to date. Nevertheless, the Survey is useful as it represents an effort to get significant information about the work, wealth and happiness of three million people to whom Bombay is a home of sorts, and brings out the link between economic change and social progress.

The introduction refers to the indefinite number of pavement dwellers. Those who eat in restaurants and sleep in offices or shops are duly excluded from the survey. Referring to migrants as an important element in the city's population, the report is frank enough to note that "a large element in immigrants, in the face of the peculiar nature of the housing conditions, takes time to get settled in the city because of large overheads of *pugree* or deposit involved in getting a tenement".

The picture that emerges is not that of an exploding metropolis but of a place teeming with life and concentrating on earning and saving. The growth of a city like Bombay is largely due to the private sector's economic plans. The increase in population in the suburbs is an aspect of economic development. Dormitory towns have sprung up and industrial labour is not migratory at all.

The report rightly calls attention to caste as a factor in the choice of residence or even occupation. The risks of immigration are reduced by traditional factors and connections with caste men keep old restraints operative, held to be necessary on account of the sex ratio in Bombay city. An excess of males is a feature of every growing city, although the growth of the suburbs in Bombay has helped to keep the sex ratio from

## In Our Richest City 40 Per Cent Have No Lights

### A SURVEY OF BOMBAY

deteriorating further. While the size of the dwelling rarely expands, the family grows, as more children are born. The comparatively well-to-do are expected also to keep the poorer relations who come to the city in search of prospects. As Prof. Kapp has argued, the non-economic, human factors obtrude and distort economic activity. Frequently paying guests find a place in households that need income from lodgers.

The linguistic picture confirms the dominance of Marathi. Gujarati and Konkani are spoken by 19.9 per cent of the population and the increase in the number of those speaking Hindi, Urdu and the South Indian languages has continued. Parsis and Jews rank as conspicuous minorities. Half the population is literate—the percentage being only 38.8 for the women. The employment of women and children has declined—but this is a sign of progress. Of course, middle-class women go out for jobs more and more.

The use of leisure in Bombay city is a commentary on modern life. The visit to the cinema proves that the film is the opium of the modern masses. Newspapers are read by a majority of the educated, but only 23 per cent of the educated confess to the reading of books in addition to newspapers and journals. Indoor games like cards are familiar while the only exercise of the many is walking. There is a general feeling of decline of religion, the sacred cow having been replaced by the golden calf. The need for a faith, other than political, is perhaps met by organisations that arrange lectures and discourses.

The increase in migration after 1947 calls for notice. Besides Partition, which brought people mostly from Sind, many have come to Bombay to better themselves. A new rich class has emerged as the opportunities in business have consistently widened. Mobility or migration is connected with economic status. The striving for success is so familiar that Bombay may be said to resemble the Western cities. To this class high income has led to higher education, and earning power is prolonged in a limited class by the possession of capital. The inquiry reveals that the Parsis have been the best off, with the Jains coming a close second. The Christians seem to be better off than Hindus or Muslims. And Brahmins as compared with the commercial castes among the Gujaratis are a long way behind.

More significant is the result of the inquiry into poverty and kindred problems. With the rise of modern industry, wages might have risen, but the survey found that 30 per cent got less than Rs 37 per month, qualifying as poor, and 20 per cent got less than Rs 20 per month, and could be set down as destitutes. Even the poor had to support dependents outside Bombay, and survival was indeed a grim struggle. Saving was clearly impossible for many and indebtedness was widespread.

The lack of adequate food and housing must be blamed on the failure to reach a higher level of earnings. At the time of the survey, 40 per cent of the population was supported by industry, and 20 per cent by trade. Manual workers fared badly in the race for economic advancement and social stratification meant only that

escape from the working class was difficult at best. Life was made more burdensome by the fact that 40 per cent of the people in Bombay did not enjoy the advantage of electric light. Many depended on street lights, kerosene or candles. Many tenants had no taps, bathrooms or latrines. Queues for water taps were an index of overcrowding, aggravated by the migration. The density of population was as high as 91,935 per square mile.

This high level of poverty in the richest city of India and the high degree of labour organisation among the half million factory workers combine to make discontent endemic. The pressure of the unemployed keeps down wage levels. The attitude to government, being influenced by the living conditions described, is far from satisfactory—which should be cause for some concern. The efforts to raise wages by awards can make little impression on the state of the self-employed who range from petty hawkers sustained by borrowed capital even for carrying a small stock and the tycoons who surface only in the inquiries made under the company law. *The survey establishes that only 4 per cent of the city population could count on the good life as expressed in living space, food, education and recreation.*

The lesson that emerges is that Bombay is bad—at any rate for the poor and the middle class for whom hardships multiply and modern conveniences do not exist. There is conspicuous consumption but the report hardly refers to it. Novels may deal with the leisure class just as the 'social' films do, but the social investigator is concerned with the solid lump taken in random samples.

About incomes the data can be scarcely complete and income-tax figures are not examined. But most of Bombay's capital comes from outside and the amount of loan capital to own capital is large. This implies that hunger for capital is as pronounced in Bombay as elsewhere, and the influx of foreign funds has made probably no difference to the position. The data to some extent belong to the pre-Plan period but it may be said that the conclusions contain enough to support the inference that persistent poverty hinders economic efficiency and human capital requires as much attention as plant and machinery.

The present infrastructure for progress may look good so far as Bombay goes, but the situation in which Harijans find themselves can only be deplored: the survey indicates that they are the people of the abyss, to employ a phrase made famous by Jack London. 1947 and all that has led to no great change to Bombay. If anything, inflation since 1954 has been such as to induce second thoughts on the direction or quantum of material progress.

## On the Brink of ECM

*The European Common Market and India: Basic Issues Re-examined by K.V.G. Gowda. Published by Rao and Raghavan. 206 pages. Rs. 17.50.*

R.G. Nayak

**I**N a fast changing world, a book written on current economic problems becomes out of date within a very short time. This is what has happened to the book under review. It was written some time in July 1962 when negotiations between the United Kingdom and the European Common Market were going on. In January 1963, the negotiations broke down and, therefore, the issues considered in the book are now more or less of historical relevance.

The object of the book is to re-examine the issues posed by the (then) impending entry of Britain into the ECM against the broad historical and economic background of several regional economic groupings and to assess its implications for future of Europe, the sterling area, the Commonwealth and India. The author does not greatly concern himself with the historical evolution of the European Common Market or the political desirability or otherwise of a European Federation, although the first two chapters do trace the history up to and after the Treaty of Rome. In the second, all too brief, chapter, Dr Gowda observes that the Treaty of Rome is a long and complicated document which cannot be easily or accurately summarised. Though this is admitted, this is the reason why the major provisions of the Treaty should be

explained more clearly. The author would have done a great service to the readers if he had taken some more trouble to explain the Treaty of Rome, particularly the provisions relating to the associated territories of member States.

The third chapter deals with the problems posed by the application of the United Kingdom for joining the European Common Market. The advantages and disadvantages of membership are discussed, and the author largely quotes from well-known sources rather than give his own studied opinion on the alternatives and their political, economic and social implications.

The relationship of the United Kingdom with the Commonwealth, if she joined the E.E.C., forms the subject of the fourth chapter. This is Britain's obligation to her likely partners in the European Free Trade Area and the impact on her agriculture. It is suggested that any satisfactory solution of the Commonwealth issue requires: (i) the establishment of a European Aid Fund contributed to by the U.K. and the other E.E.C. members to help producers to switch over from one line of production to another following the reduction of tariff preferences; (ii) the establishment of a stabilisation fund to stabilise foreign exchange earnings; (iii) the establishment of a European Development Fund to help the developing countries; and (iv) the provision of 'interim finance' from the pool to help the Commonwealth countries to tide over temporary balance of payments difficulties.

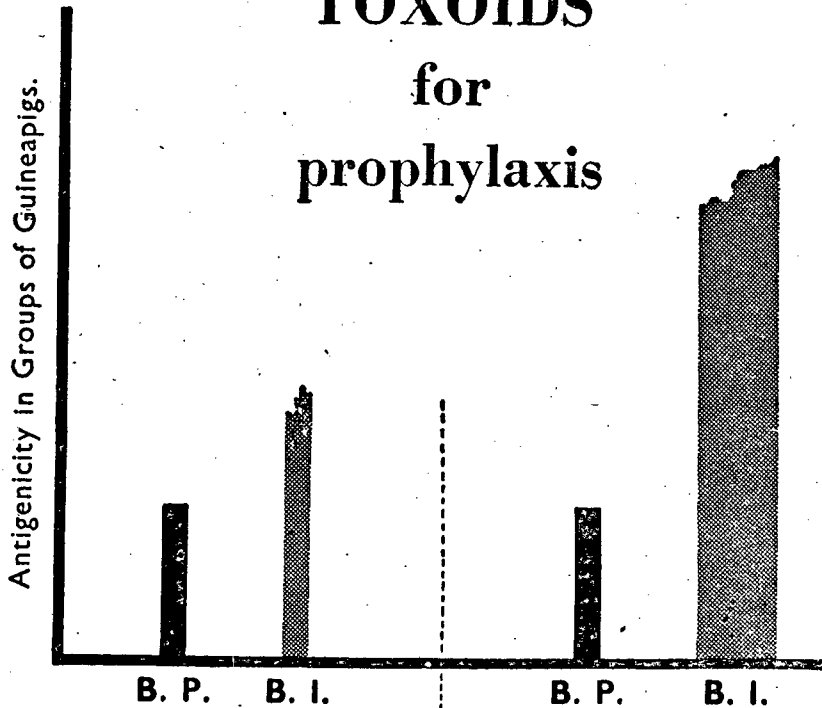
The author has not made any attempt to study whether such proposals are practicable and what their implications would be to the U.K. and the E.C.M.

The fifth chapter, Common Market and India, is of particular interest to Indian readers. The author supports the idea of direct negotiations with the enlarged community in preference to the status of associate member. The statements of the Finance Minister and the arguments put forward by India in her memorandum to the E.C.M. are approvingly quoted; the author himself has few personal views based on detailed study of his own.

In the last chapter, the author has summarised the main arguments of

(Continued on Page 31)

# TOXOIDS for prophylaxis



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( Geometric mean )  
per ml. of Serum  
B.P. ( 1963 )—2 units minimum  
B.I.—3 units and more

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Titre of 9 Immunised Guineapigs  
per ml. of Serum  
B.P. ( 1963 )—0.5 units in  
at least 3 animals  
B.I.—1 unit or more in  
all the 9 animals



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Special rebates might be offered during Gandhi Jayanti in future, but general rebate of 20% on Khadi cloth is going from next week.

**T**HE Khadi and Village Industries Commission will introduce a new scheme of weaving subsidy from April 6. As a consequence, the rebate at the rate of 20 per cent given to the buyer on Khadi cotton textiles will be discontinued. *Yojana* approached Mr Annasaheb Sahasrabuddhe, Member of the Khadi and Village Industries Board, Chairman of Rural Industries Planning Committee in the Planning Commission, and well-known Sarvodaya worker, to know the implications of the new scheme. A brief account of the conversation is given below.

**Question:** The rebate on Khadi will be discontinued with the enforcement of the new scheme. Does it mean that the buyer will have to pay a higher price for Khadi cloth?

**Answer:** No. The buyer will have to pay almost the same price as he actually pays now after deducting the rebate amount from the list price. There might be a slight variation in prices for different varieties. Printed varieties might cost slightly more than now; the ready-made garments might also go a little up. But plain cloth will definitely be cheaper.

**Q.**—How will it be possible to sell Khadi cloth at the present actual price when the rebate is withdrawn?

# KHADI WILL BE WOVEN FREE



with  
Annasaheb  
Sahasrabuddhe

Interview

## Vinoba's Advice Followed

**A.**—At present the rebate is given to the consumer because the Government subsidises the sale of Khadi. With the new scheme, subsidy will be given at the production level rather than at the sale level. The amount of subsidy remains the same as before. So the actual price paid by the consumer will also be the same. With the support of the subsidy, the prices will be brought down proportionate to the subsidy, which at present covers the rebate.

**Q.**—But you said that plain cloth will be cheaper while other varieties might be priced a little higher. Why should there be such variations?

**A.**—The reason is that the new subsidy will cover only the weaving charges, while the present subsidy in the form of rebate covers also other post-weaving operations such as printing and stitching. Let us take an example. Say, a piece of grey cloth costs Rs 4 for cotton, spinning and overheads and Re 1 for weaving. This cloth is now priced at Rs 5 and a buyer has to pay Rs 4 only after rebate. Under the new scheme, the cloth will be priced only Rs 4, after deducting the weaving charges. If the cloth is printed, its cost will further rise by, say, one rupee; so the price will be Rs 6. At present, the buyer pays only Rs 4.80 for the cloth after deducting rebate of Rs 1.20. Under the new system, the cloth will be priced at Rs 5 after deducting only the weaving charges, i.e. one rupee. Thus, the printed piece will cost 20 p more than before. So with other fancy varieties and stitched garments.

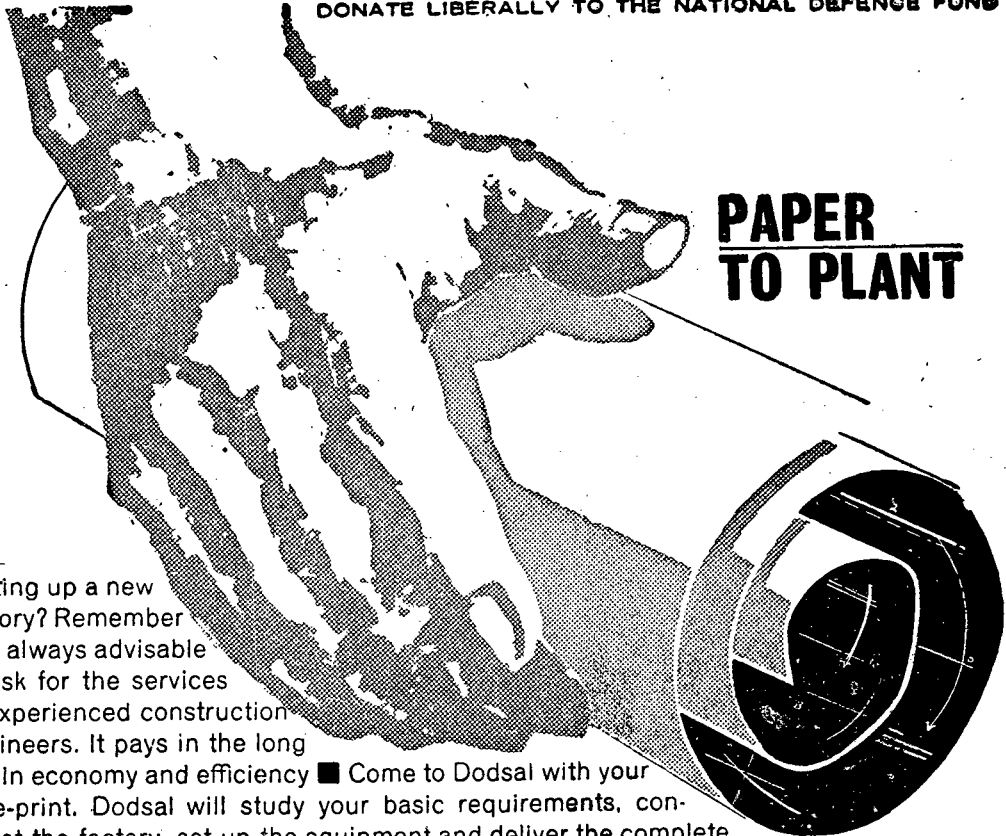
**Q.**—If the prices rise, will they not affect the sale?

**A.**—Yes, but not very significantly. Firstly, the rise will be slight, which a buyer may not mind. Secondly, there is a compensatory factor in the reduction of price of plain cloth which is sold more than other varieties. Thirdly the sale might come down in urban areas where fancy cloth is more in demand, *but it will certainly go up in rural areas*, and will more than compensate for the fall in urban areas.

(Continued on Page 29)

CBD-14

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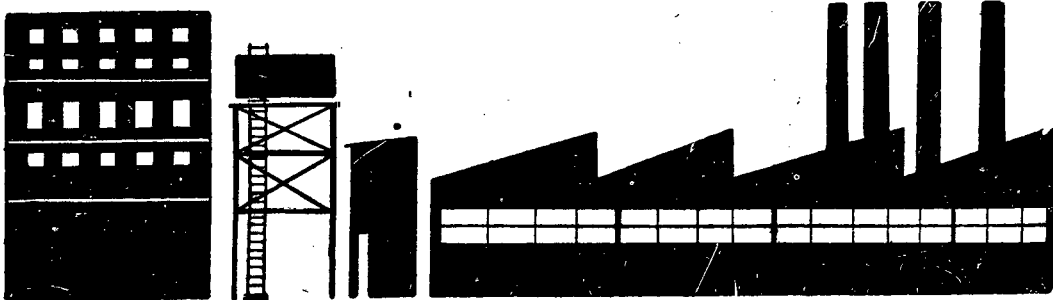
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# STATE TRADE UP BY

## 12 Per Cent

THE State Trading Corporation has marked an increase of 12 per cent in its trade, the total trade being Rs 86.81 crore in 1962-63. Exports were valued at Rs 32.59 crore and imports at Rs 54.22 crore. The net profit amounted to Rs 1.41 crore of which Rs 20 lakh will be distributed as dividend.

The Corporation will import marine diesel engines from Japan for developing fisheries in the States.

Under an agreement with STC, West Germany will supply 1.2 lakh tonnes of fertilisers valued at Rs 2.65 crore.

The trade with the Soviet Union has grown ten times from Rs 9.5 crore in 1955-56 to Rs 95 crore in 1962-63 and Rs 105 crore in 1963. Further increase of 25 per cent is expected this year.

India has signed a three-year trade agreement with Iran. The trade will be valued at Rs 60 crore in the first year and rising by 10 to 15 per cent in the remaining two years.

## SNIPPETS

The Central Fuel Research Institute at Jealgora in Bihar has set up a coal gasification plant to convert coal and coke into gas for use as domestic fuel... In 1963 Employment Exchanges, numbering 373, found employment for 60,954 persons from the Scheduled Castes and 12,518 persons from the Scheduled Tribes. Monthly average of placement of women applicants was 3,246... The number of man-days lost due to industrial disputes came down to 29 lakh in 1963 from 71 lakh in 1962. Joint management councils were functioning in 80 units compared to 53 in the previous year... The Rajasthan Government has so far sanctioned Rs 4.5 crore to provide employment for 27 lakh people in 4,081 villages of 14 famine affected districts. ...The Madhya Pradesh Government has offered to resettle 25,000 families



## NEW PLANTS

A steel re-rolling mill has been set up near Kozhikode in Kerala. The first of its kind in the State, the mill has an annual capacity of 15,000 tons.

A benzene-toluene extraction plant is to be set up, as a part of petrochemical complex to be built in Gujarat. The plant will cost Rs 1.58 crore.

Another plant for manufacturing two lakh tonnes of naphtha and polythene products will be set up in the private sector near Bombay.

The Barauni refinery in Bihar is expected to go into production in May. It will have a capacity of refining two million tons of crude oil every year.

### GASIFICATION PLANT PORT TRUSTS

displaced from East Pakistan. The Dandakaranya project has made arrangements for 15,000 families... An agricultural research laboratory is being built at Khandwa in Madhya Pradesh... Port trusts have been established at Cochin, Kandla and Visakhapatnam under the Major Port Trusts Act, 1963, which came into force on February 29... India has signed a new agreement with the Soviet Union for cultural and scientific co-operation... The Dandawa irrigation project in Western Nepal, built with India's help, has been inaugurated. It will irrigate 7,000 acres of land... The Government has formed a new company to run the Janpath hotel from April 1... The strength of the National Cadet Corps will increase by 2.20 lakh in a year over the present strength of 25 lakh...

## AID TO MORE PROJECTS

Fresh foreign aid has been offered under new agreements as follows:

**BRITAIN**—three loans totalling 12.5 million pounds (Rs 16.7 crore) completing the offer of 30 million pounds through the Aid India Consortium. Of these, Rs 10 crore are for buying equipment and components for Bhopal Heavy Electricals, Nahorkatiya fertiliser plant, Singareni collieries, Hoshangabad paper mills, Durgapur alloy steel plant and some private industries. The remaining amount will finance import of capital goods for projects selected from an agreed list.

**AID (U.S. Agency for International Development)**—a loan of 7.8 million dollars (Rs 3.7 crore) to the Fertiliser Corporation of India to build a menthol plant near Bombay.

**DEMAG**—a West German firm, to supply machinery for an electric sheet rolling mill to be set up at Rourkela steel works for producing transformer and dynamo sheets for electric industry.

**U.N. SPECIAL FUND**—technical assistance to develop highly specialised research programmes in agricultural research, food technology and industry in 1964-65.

**SOVIET UNION**—to supply equipment, machinery and materials worth Rs 7.75 crore for the expansion of the Neyveli thermal power station from 250 mW to 400 mW.

**FRANCE**—large-scale collaboration in planning, industry and economic relations.

**JAPAN**—to help establish four agricultural demonstration farms at Bapatla (Andhra Pradesh), Changanmanad (Kerala), Khopoli (Maharashtra) and Mandya (Mysore.)

### SEARCH FOR STEEL ENGINEERS

**E**NGINEERING talent among students in engineering colleges will be searched out for the steel plants in the public sector, including the proposed Bokaro project. The Hindustan Steel Limited has a pilot project for assessing its requirement of engineers three years in advance and selecting promising engineering students two years before their graduation. Two hundred students are expected to be selected this month.

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disinfection of rooms,  
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# ANTOL

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450 ml. and in tins of 4.5 litres (1 gallon)

• Bengal Immunity product

# DEVELOPMENT AND DISPARITIES

(Continued from Page 13)

years. Much detailed study should be devoted by the appropriate agencies of the Central and State Governments, in co-operation with the major enterprises, to the planning of such industries. Once certain industrial centres have come to be established, they should be used effectively as growth points for future industrial expansion, care being taken not to spread all at once to too many new locations.

Thirdly, for such a scheme of industrial location to become meaningful and to yield full benefits to the national economy, it will not be sufficient to let enterprises move to various locations without a measure of guidance and even direction. This may take the form in part of restriction against expansion in congested cities, and, in part, of offer of facilities at a limited number of approved locations to which the entrepreneurs' choice may be restricted.

Finally, an important aspect of disparities is the growing difference in wage levels between urban centres and rural areas. The existing trends lead to the development of what is sometimes described as a dual economy, involving a widening gap in levels of development between urban and rural areas, which has large social, economic and political implications for the future.

This constitutes a difficult problem, but a step forward may be to extend location policy to include a considered approach to regional development. Thus, according to its size and character each industrial location should be viewed as the nucleus of a wider region, whose development is taken in hand *pari passu* with the development of facilities at the industrial centre. Such a composite approach to development would involve the strengthening and adaptation of the agricultural economy of the area, intensification of agricultural production plans, provision of communications and other services and schemes for training and orientation which could, in time, help integrate the economy of the rural region with that of the industrial centre. Action along these lines is indispensable for countering recent trends towards greater disparity between urban and rural areas. It has been already envisaged in broad terms in the Third Five Year Plan, but practical steps remain to be taken.



ALTHOUGH some of the conditions for carrying out the measures suggested here did not exist earlier, if our concepts of policy and development had been clearer and better supported by concrete action, the economic development of the recent past might not have led to undue enlargement of disparities. It has to be admitted, however, that neither our plans in their detailed working nor the machinery for implementation could fully sustain and fulfil such concepts. There has been inadequacy at all levels—national and State, in individual enterprises, in city and district administration and in the institutions responsible for co-operative development. Planning is an aspect of implementation, even as implementation is an extension of the process of planning, and much detailed planning can only be undertaken in the course

of execution by those who are attuned to its philosophy and motivation.

The factor of machinery and organisation, therefore, acts as a drag, not only on the rapid growth of the economy but also on the success of policies and measures designed to prevent disparities widening as a consequence of economic development. There exists today a large chasm between the requirements of our plans in terms of administration, techniques of implementation and quality of leadership at levels close to the community and the instruments available for carrying out the extraordinarily difficult tasks to which we are committed. Under the best conditions it would take time to bridge this gap. But it is necessary to mark the fact as one step in devising a large-scale programme for the training and re-education of workers in all fields, both official and non-official, harnessing local leadership and knowledge, and developing more effective methods of implementation specially at the regional and local level.

## Greater Effort Is Needed

To sum up, the considerable efforts which have gone into the economic development of the country under the Five Year Plans have yet not been on a scale sufficient to ensure rapid enough growth, specially in agriculture and in social services, nor have they reached far enough to counter some of the stubborn facts which lead to the widening of disparities. The objectives of the Plans are broader than the programmes of investment embodied in them but, in practice, both public authorities and private enterprise take a view of development and of their role in it which is often too limited and parochial. The overall limitation of resources calls for much more precise and careful formulation of investment priorities and programmes than has been achieved. With greater concentration and integration of investments and avoidance of unduly long gestation periods, economic growth could be speeded. At the same time, with better husbanding and direction of the available foreign exchange resources, both in the public and in the private sector, a systematic plan of technological development in each branch of the economy, carefully worked out location policies and regional and area plans aiming directly at the development of resources and the utilisation of the available manpower, income levels and productivity for large sections of the population could be raised to a greater extent than has been possible so far.

In other words, provided the objective and the means by which they are fulfilled are spelt out in concrete detail and are in accord with one another, there need be no inherent conflict between economic growth and social and economic integration, whether of different sections of the population or of different regions. However, even when the objectives are consistent, in any given period, their impact will not be equal for all parts of the country, or for all sections of the community. Yet, with the foundations already laid, it should be possible to formulate and implement plans in depth and to develop a set of supporting strategies for different branches of the economy and for different regions which could in time help achieve the twofold objectives of economic development and social justice.

(This is the first of the two Brij Narain Memorial Lectures delivered at the Punjab University. The concluding part will be published in our next issue.)

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# WEAVING WILL BE FREE FOR KHADI CLOTH

(Continued from Page 23)

**Q.**—But urban sale accounts for 60 per cent of the total sale, doesn't it? The loss will be more than the gain.

**A.**—No. The truth is that the urban sale does not satisfy the main purpose of the Khadi movement as envisaged by Mahatma Gandhi. Khadi is not only an economic commodity for sale in the competitive market. In fact it cannot compete with the mill product. That is why the rebate was introduced. Khadi is a principle. It seeks to make the village community self-reliant and self-sufficient. So far the rebate system has failed to realise this principle. The new system intends to promote Khadi movement in the villages.

**Q.**—As you said earlier, there is no gain to the buyer under the new scheme. On the contrary, he will have to pay a little more for certain varieties. Then, how can the new scheme induce more sale even in rural areas?

**A.**—The rural people use coarser cloth which will cost even less than what it costs now. This will naturally induce more sale. But that is not the point. The main advantage of the new scheme is that it will shift the emphasis from sale to production. It will give incentive to production, which will be cheaper than before, and consequently will bring about more and more use of Khadi cloth in villages. Can you believe that under the new scheme a villager can even get his cloth almost free of cost?

**Q.**—How can that be possible?

**A.**—See how. Suppose a farmer grows his own cotton, and spins it himself. Then if he takes the yarn to the weaving centre, he can get cloth *without paying for the weaving*. So he has his cloth free, although indirectly he has incurred some expenditure on producing the cotton and spent his labour on carding and spinning it. This has a tremendous psychological import for the Khadi movement. In fact the scheme should be called 'Free Weaving Scheme' instead of 'Weaving Subsidy Scheme'.

**Q.**—What about the weaver? Will he get more wages?

**A.**—Not more wages. But, for the individual weaver the gain is in the form of assured work to keep him fully employed. And as the demand increases, more and more weavers, who are now unemployed or under-employed, will get work. But the weavers form a

small part in the Khadi movement and the new scheme is only a step towards reorienting the entire movement.

**Q.**—And what are the other steps contemplated?

**A.**—The scheme owes a great deal to Acharya Vinoba Bhave. He said that the advantage of subsidy should be given directly to the producer instead of to the consumer. So he suggested some five years ago that the rebate on sale should be discontinued and instead a free weaving service should be started. A committee was appointed in 1962 to go into the question and the Commission adopted the scheme in October 1963 on the recommendation of the committee. The Commission has to expand its organisation for the successful implementation of the scheme. So the next step is to increase the number of authorised weaving centres. At present they number about a thousand. In the next two years the number will be increased to 9,000. These centres will forge proper co-ordination between spinners, consumers and weavers. Again, the overheads have to be brought down to the minimum to make Khadi cloth cheaper. It is expected that under the proposed set up, the overheads will come down to about 7 per cent from the existing 10 to 16 per cent. Training in Ambar Charkha has to be intensified and the idle Charkhas have to be put to work. At a later stage the subsidy scheme will be extended to silk and woollens also; now it is being applied only to cotton textiles.

**Q.**—But even after all these efforts, the Khadi movement will be limited only to the Commission's weaving centres and will cover only a fraction of the country, won't it? In the regions which do not grow cotton, Khadi work will be only a business proposition and not the popular movement as is intended.

**A.**—We are aware of the limitations of the present scheme. It is only a step to increase Khadi work in rural areas. Our aim is to make Khadi a popular movement. Transferring the assistance from rebate to weaving subsidy will not mean much unless people take to Khadi as their own programme. We have already started moving in that direction. We want voluntary village organisations like Panchayats and co-operatives to take up this work. We shall give them technical and financial assistance. The experiment of voluntary organisations has been extremely successful in Tamilnad. Three hundred Gramodaya Sanghs are working there for the past few years. Apart from the community spirit they have generated in their villages, they have brought down management charges to less than one per cent when the average for rural areas is 7 to 10 per cent. We want every village to work on these lines so that the Khadi movement takes the entire country in its fold.

## NCDC'S NEW COAL MINES

The National Coal Development Corporation has started a new coal mine with Polish collaboration at Monidih in Bihar. It will produce 20 lakh tons of coking coal a year. It is the second deep shaft mine, the first being at Sudamdih (see *Yojana* December 22, 1963)

The Corporation's production was

8.43 million tonnes in 1962-63 compared to 6.05 million tonnes in the previous year.

Production at the Jharia coalfields in Bihar will be speeded up with the installation of winding equipment worth Rs 1.6 crore.

A gold crushing and grinding plant,

capable of handling 1,000 tonnes of ore daily, is to be set up in the Hutti gold mine in Mysore at a cost of Rs 1.2 crore.

A factory to manufacture heavy earth moving equipment will be set up in the Kolar gold mines in Mysore at a cost of Rs 7 crore. It will produce 300 units every year. A new mint will also be established at Kolar.

# DO YOU GET REAL HEADACHES?

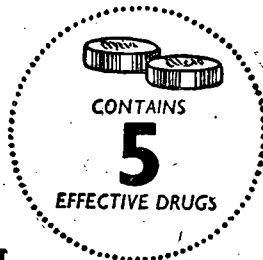


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## FORUM EVENTS

Reporting the Activities of  
College Planning Forums

# They Want A Hospital & A Library

TANGUTUR in Andhra Pradesh is a place from which came one of the stalwarts of the freedom fight—T. Prakasam. Adjoining Tangutur is a hamlet called Kakaturivaripalem. Students of the Planning Forum of the C.S.R. Sarma College conducted a socio-economic survey of this hamlet in January to find out the conditions and problems of the people.

Kakaturivaripalem has a population of 2,000. Of the 82 per cent of the population dependent on agriculture only 5 per cent own land. The occupational pattern of the remaining population is as follows: washermen and merchants—4 per cent each; tailors—2 per cent; services—1.5 per cent; weavers—1.5 per cent; carpenters and barbers—1 per cent; others—3 per cent. The per capita income is about Rs 225.50 of which Rs. 170 is derived from the main occupation and the rest from subsidiary occupations, livestock and the like.

The per capita cultivated land is 0.87 acre out of the total 1,300 acres under cultivation. Tobacco is the main crop grown in the village, others being *cholam*, *sajja*, *variga*, red gram and chillies.

Though there is a co-operative credit society in the village, the Forum found that the amount of loan granted (Rs 1,000) was inadequate to meet the demands. People were compelled to borrow from the money-lenders at as high rates of interest as 25 to 50 per cent. The result was that about 80 per cent families were in debt, the average for each agriculturist family being about Rs 700.

The village has a Panchayat with an annual income of about Rs 10,000—Rs 2,000 from the internal sources and Rs 8,000 from Government

grants. It has metalled roads, well laid-out drains, a post office, a maternity centre. Besides, there are two schools, one with a *pucca* building and recreational facilities, and three drinking water wells. It was adjudged the best village in the Ongole Panchayat Samiti of the Guntur district in 1963.

The Forum found that 39 per cent of the people interviewed knew of planning in the country, though they did not know which Plan is now under implementation. They were keen, however, to enjoy as many facilities as possible. A hospital and a library come at the top of the list of their demands. The experience of the Forum investigators was that the villagers were anxious to disclose their indebtedness though not willing to divulge the amount of money lent by them. The Forum employed both male and female investigators for collecting data and it was found that villagers were inclined to give more information to women investigators.

In conducting the survey the Forum got fullest co-operation from Mr. Thottempudi Kondaiah, vice president of the Ongole Panchayat Samiti, and Mr B.S. Krishna Rao, vice-president of the Social Service League.

## Shipping Exceeds Target

The tonnage of Indian ships was 12.13 lakh G. R. T. at the end of November 1963, thus exceeding the target (11 lakh tons) for the Third Plan two and a half years in advance. The overseas fleet consisted of 92 ships with 7.84 lakh tons and the coastal fleet had 112 vessels with 4.29 lakh tons.

## BOOK REVIEWS

(Continued from page 21)

the book and put forward a proposal for the formation of a Commonwealth Common Market as an alternative to the European Common Market. After making out a case for the U.K. joining the E.C.M., it is not known how, before the negotiations broke down, the author could recommend, in the same breath, the formation of a Commonwealth Common Market with the U.K. as a member. Similarly, the author has not been able to convince how a Commonwealth Common Market can be constituted when the majority of the member countries have recently achieved political independence and would, therefore, not like to surrender their sovereign rights, when the countries are geographically wide apart and are at different levels of economic development.

The utility of the book might have considerably increased if the author had also studied the feasibility of regional co-operation in the ECAFE region with which India is connected politically and economically. He might consider these points when the book is revised to bring it up to date.

### PUBLICATIONS RECEIVED

*Our Soils & Their Management* (An Introduction to Soil & Water Conservation) by Roy L. Donahue. Published by Asia Publishing House, Bombay. 568 pages. Rs. 18.

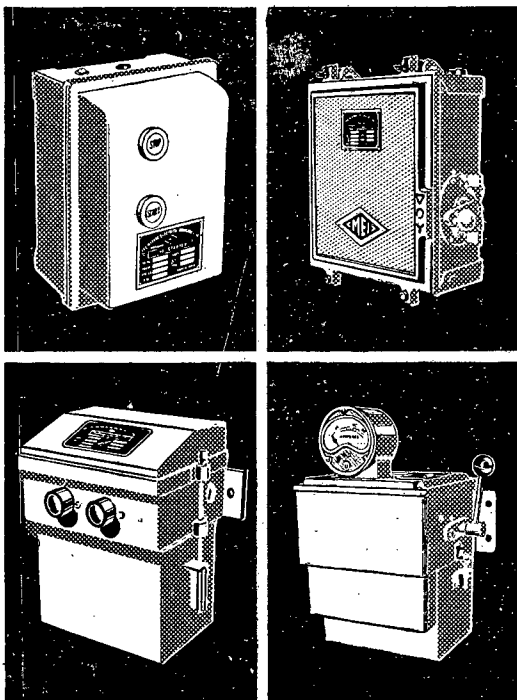
*Public Finance in Under-developed Countries* by R. N. Tripathy. 288 pages. Rs. 15, 25s. net. *Monetisation of An Economy* by Santikumar Ghosh. 82 pages. Rs. 6.50, 12s. 6d. net. Both published by the World Press (P) Ltd., 37, College Street, Calcutta-12.

*Britain—An Official Handbook*, 1964 Edition. Central Office of Information, London. 590 pages.

*Comparative Study & Racial Analysis of the Human Remains of Indus Valley Civilisation with Particular Reference to Harappa* by Dr. B.K. Chatterji and Mr. G.D. Kumar. Published by Dr. B. K. Chatterji, 60/1B, North Chakrabarti Road, Calcutta 20. 59 pages. Rs. 12.

*Indus Script (An Appeal to the Orientalists)* by Sudhansu Kumar Ray. Published by Dr. M. K. Roy on behalf of the Indian Institute of Egyptology, 50, Sarojini Market, New Delhi-3. 16 pages. Rs. 5

*Foreign Investor & Tax Reforms* (Occasional Paper No. 9). 44 pages. Rs. 4.50. *Income & Structure of Manufacturing Industry 1960-61* (Occasional Paper No. 8). 92 pages. Rs. 8. Both brought out by National Council of Applied Economic Research, 11, Indraprastha Estate, New Delhi.



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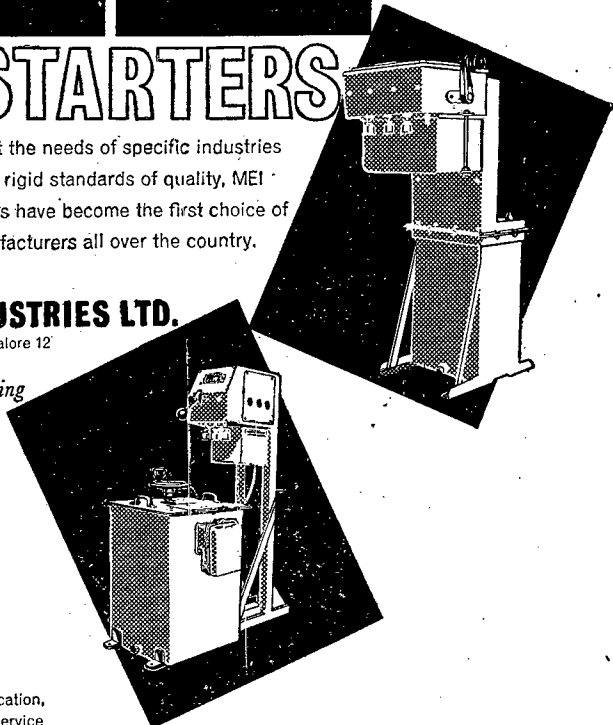
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MEI-27

# WE TELL YOU YOU ASK US

Questions from readers on planning and development will be answered on this page. It might be noted that the purpose of this service is to provide information. But we won't be able to entertain trade queries.

## Courses in Planning

**K.T. THIMMA REDDY, Mysore**

How many universities in the country have Economic Planning as one of the special subjects at the post-graduate level?

**ANSWER:** "Theory of Economic Growth" is a subject in the post graduate economic courses in the following universities: Andhra, Jadavpur, Jammu and Kashmir, Karnatak, Rajasthan, Ranchi, Sri Venkatesvara and Utkal. "Economic Planning and Development" figures on the curricula in Aligarh, Andhra, Annamalai, Baroda, Bombay, Delhi, Gujarat, Marathwada, Sagar, Sardar Vallabhbhai Vidyaapeeth and Visva Bharati.

## Trade Trends

**A correspondent from Ajitashram, Lucknow, asks:**

What are the recent trends in India's foreign trade?

**ANSWER:** In recent years trends in India's foreign trade have been substantially affected by her development programmes. Various development schemes that have been taken in hand have resulted in increased requirements of machinery, etc. This, accompanied by the growing requirements of raw materials and intermediate products for the existing industries, has meant a significant increase in India's imports. In the absence of a corresponding increase in exports we continue to have an adverse balance of trade. However, since 1958, when the country faced a serious foreign exchange crisis, there has been a greater awareness of the problem, and concerted efforts are now being made to reduce imports and increase exports. As a result, deficit in the balance of trade is now considerably reduced.

**Imports:** The annual average of imports in the Second Plan period amounted to Rs. 1,072 crore as

against an annual average of Rs. 724 crore in the First Plan period. India imported goods worth Rs. 1,090 crore in 1961-62, Rs. 1,081 crore in 1962-63 and Rs. 807 crore in the first nine months of 1963-64 (April-December). In regard to the composition, imports of raw materials, machinery and transport equipment, manufactured fertilisers, petroleum, oil and lubricants and other products, domestic production of which has not been adequate, have increased substantially. On the other hand, chiefly because of restrictive import policy consequential of the foreign exchange shortage, the imports of consumer goods have been held in check in spite of substantial increases in imports of foodgrains.

With a view to keeping the imports to the minimum, foreign exchange budgeting has been introduced and licences have to be obtained from the Government for importing most of the commodities. As regards the direction of imports there has been a considerable increase in our imports from the Americas, East European countries, West Germany and Japan.

**Exports:** There has recently been a marked upward trend in exports. In the first nine months of 1963-64 (April-December), India's exports amounted to Rs. 581 crore. Though no definite prediction can be made at this stage from the available trends, the total exports for the year 1963-64 are expected to go up to Rs. 760 crore. The respective figures for 1962-63 and 1961-62 were Rs. 694 crore and Rs. 661 crore.

What helped in maintaining the upward trend were several measures recently adopted to boost up our exports. In the first place about 20 export promotion councils have been set up for promoting exports of various commodities. Secondly, the Government of India have also granted several concessions such as refund of excise duties, concession in railway freight, grant of import licences etc. for export commodities. Thus though India's exports remained rather stagnant in the decade 1951-52 to 1960-61—the annual

average was Rs. 611 crore for the First Plan and Rs. 607 crore for the Second Plan period—the position has improved considerably now.

In regard to the composition, even though the traditional items such as tea, cotton textiles, spices, fruits and vegetables etc. still form bulk of the exports, there has been a significant increase in the exports of new items such as iron ore, manganese ore, coir manufactures, footwear, etc. Even though U.K. continues to be the largest single purchaser of India's commodities, there has been a considerable increase in our exports to East European countries, the Americas and the ECAFE countries.

## C.S.O. Studies

**PRAHLAD SINGH, New Delhi.**

1. Could you give a list of regular publications brought out by the Central Statistical Organisation and their periodicity?

2. What is the number of surveys undertaken by the National Sample Survey? How many have been completed?

**ANSWERS:** (1) The Central Statistical Organisation brings out a number of weekly, monthly and annual publications. The list is given below:

- i. Weekly—*Weekly Supplement to the Monthly Abstract of Statistics* (English and Hindi).
- ii. Monthly—*Monthly Abstract of Statistics*.
- iii. *Monthly Statistics of the Production of Selected Industries in India*.
- iv. Annual—*Annual Statistical Abstract*.
- v. *Statistical Handbook of the Indian Union*.
- vi. *Annual Survey of Industries*.
- vii. *Annual Estimates of National Income*.
- viii. *Sample Surveys of Current Interest*.

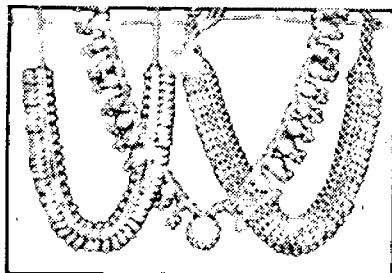
(2) The National Sample Survey has so far completed 18 rounds and prepared 124 reports of which 84 have been published.

Sitting on the door-steps this woman is making a chain. Links are lying by her side on her right.



PRIDE  
OF  
PLACE—97

## Ornaments



## of Hupari

**H**UPARI is one of the four centres which are famous for fine craftsmanship in silver all over the country. The other three centres are Rajkot in Gujarat, Cuttack in Orissa and Salem in Madras. Each of these centres has its own individuality and distinction.

The silver jewellery of Hupari consists in using small chains and hollow beads to make a variety of ornaments. Links are connected together in chains of different designs. The main articles produced are anklets, bracelets, necklaces and waist-belts. In recent years a number of other articles have been added, including ear-tops. The designs are being altered to suit modern tastes.

The jewellery is not only marketed in the country but also exported abroad to countries like the U.S.A. It is produced as a cottage industry. There are about 250 households at Hupari and about 50 more in the surrounding villages, together producing jewellery worth one crore of rupees a year.

The processing is simple, although designing is a skilled job. Lumps of silver are melted in small foundries to cast them into ingots. The ingots are then rolled in small machines into thinner and thinner threads and tapes which are in turn cut and curved into tiny links and pods. The links are joined to form chains and the pods into beads. The chains and beads are further joined in different shapes and designs to make the desired ornament.

*See M. K. Pardhy's  
Report on Page 5*

### BRIGHT SPOT Public Sector Profits

Twenty-seven public enterprises run by the Union Government earned net profits of Rs 15.20 crore in 1962-63. Those which marked increase in profits were: Fertiliser Corporation (Rs 1.46 crore), National Coal Development Corporation (Rs 1.14 crore), Air India (Rs 96 lakh) & Hindustan Machine Tools (Rs 88 lakh).

## Forum Members Build A Road

The Planning Forum of S.T. Hindu College at Nagercoil in the Kanyakumari district of Madras organised in January a social service labour camp at Parasery, a village in the Kurunthancode Panchayat Union, about seven miles from the college.

There were 45 campers and they undertook to build a road connecting Parasery with Karuppukode, another village about five furlongs away. The existing road was bad and not suitable for bullock-carts or motor vehicles. Particularly in rainy season villagers had to face great difficulties.

The main problem was the number of rocks on the road. They had either to be broken to the level or removed. For four days, the campers worked hard and completed the road, connecting the villages of Parasery and Karuppukode. The road is now suitable for both pedestrian and vehicular traffic. The good work done by the students was commended by the villagers.

A symposium on Third Five Year Plan was held which created plan-consciousness among the villagers and a film show was also organised.