



THIRTY MILES FROM KOLHAPUR

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YOJANA

MARCH :
1964
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V. T. KRISHNAMACHARI — A Tribute

Two-Way Benefits of Foreign Aid

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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Countervailing Power

WHAT characterises the Indian economy most is the co-existence of a strong public sector and a large private sector. The classical form of competition is absent—as in all countries, and, in spite of recent criticisms, the element of monopoly or oligopoly is far less evident here than in some other countries, e.g., the U.S.A.

Nevertheless, the tendency to profiteer among the traders and businessmen is telling upon the consumers. Businessmen are well united for the protection and furtherance of their interests. The trade unions, though still weak, are beginning to exert pressure. Only the consumer seems lost in the melee.

The obvious way out is to develop what Prof. Gallbraith calls "Countervailing Power." But the development of countervailing power requires a certain minimum opportunity and capacity to organise in a corporate way or otherwise. These two factors are related to the structure of the economy. In our country these are circumscribed by the prevalence of a wide difference between the economic positions of big business and ordinary consumers.

Again, the "Countervailing Power", as it operates in the U.S.A., manifests itself mainly through labour unions and retail stores. In our country, the trade unions are not strong enough and the political influence on them, it seems, is so much dominant as to give most issues a political colour, which stands in the way of rational solu-

CONSUMERS' COLUMN

tion. Moreover, the interest of a person, as a worker, in an inflationary situation can be exactly the opposite of that as a consumer. This involves a difficulty. The relative weakness of the retailers is a matter worth probing. Most of the producers bank on a class of retailers who are small and dependent and therefore, powerless.

It is because of these factors that the State has stepped in as a "Countervailing Power" with controls extending from the issue of licence for the setting up of a production unit to the marketing of most important commodities. However, it has been acknowledged that in such fields State-action cannot be a substitute for consumer action.

Active consumer resistance, as has been shown in Calcutta recently, is a pointer to this direction. Some consumers forced the retailers to sell rice and fish at reduced prices. Such consumer resistance is good in so far as it forces the wholesalers and producers to curb their zeal to profiteer. But it may cause undue harassment to the retailers whose margin of profit is in most cases less than that of the wholesalers and whose power to manipulate prices is far less. Such actions can also go out of control and create law and order problems.

Theoretically the most efficient solution would be the setting up of social norms (to be reflected in

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The Cover: Eight women who are taking advantage of the condensed course at the Mauni Vidya-peeth, Gargoti (see page 14). The course enables women to earn a livelihood. Picture by M.K. Pardhy.	

"Gentleman's Agreements" or legislative enactments, if necessary, for bringing about an element of compulsion) which would guide the businessmen while fixing quantity and price and which would act in conformity with the norms that ensure economic efficiency. The task of setting up these norms naturally falls on the legislature, trade associations and consumers' forums.

But there are some operational constraints imposed by the inflationary condition—the high propensity to utilise temporary shortages for making quick gains on the part of a section of businessmen etc. Curbing the speed and intensity of the inflationary process is thus the first requisite for obtaining fair price. This involves increased production which can be effected only in the long run. Meanwhile, widespread use of consumer cooperatives and State control over production and distribution of some strategic goods becomes inoperative.

ACTING ON THE LESSONS

THE Mid-Term Appraisal was released three months ago. What has been done, it might be asked, by way of acting on so many of the lessons it contained.

The Planning Minister gave some details in the recent Plan debate in the Rajya Sabha. In agriculture, further hit by a harsh winter after the sombre enough picture the Appraisal had drawn, several measures have been taken to see that the coming year will at least be better. First of all there will be more fertilisers. The outlay on the Agricultural Plan for 1964-5 has been stepped up by Rs.20 crore. The production of cash crops, in particular, is being encouraged, and to direct this work a production commissioner has specially been appointed.

The Mid-Term Appraisal had drawn pointed attention to the poor record in the use of water from the new irrigation projects. In the 1964-5 Annual Plans of the States, a new approach has been incorporated in regard to these command areas. Funds have been earmarked for supply of seed, fertiliser and credit to farmers in the areas, and to improve the roads, cropping patterns and marketing facilities there. The Agriculture Production Board has been able to give effective direction to the programmes and policies of the States.

In industry, as the Mid-Term Appraisal said, and now the Finance Minister's Economic Survey has shown, the performance is somewhat more encouraging. The

best rates of growth have been in industries basic to the economy—metals, machinery and chemicals. Investment has been up to the mark, in both public and private sectors. The major decisions taken after the Mid-Term Appraisal have been to strengthen the design and construction departments of Hindustan Steel, the Heavy Engineering Corporation and the Fertiliser Corporation; to remove price control on 16 items; to simplify licensing and foreign participation procedures; and to set up a unit trust and a development bank.

Also a list of key industries has been drawn up in which the growth is to be accelerated. According to decisions already reached, two blast furnaces are to be put up, one at Bhilai and the other at Durgapur, in anticipation of the Fourth Plan programme, a second foundry forge and a fourth heavy electrical plant are to come up in the public sector, and larger foreign exchange is to be allotted to expand the production of slag cement. Special attention has been given to the power sector. Advance action has been authorised on ten new power schemes which will yield 1.47 million kW, as against the 0.7 million kW indicated in the Appraisal.

The lessons from the Mid-Term Appraisal have been taken in earnest. The benefits should soon be evident. As the Economic Survey has just said, the outlook is definitely one of rising growth rates in the basic fields of industry.

A GREAT PIONEER

IN a long and distinguished career, Mr V.T. Krishnamachari devoted his great energy and gifts to the service of the nation. He had a capacious and fastidious intellect, exceptional administrative acumen and vast scholarship in fiscal and constitutional matters. But easily the most far-reaching of his contributions was the shape and direction he gave to our economic development and social change. Associated with the Planning Commission since its very inception, he was Deputy Chairman from 1953 to 1960. Each of our three Plans

owes greatly to him. The very fabric of our planning bears the impress of his vision and judgement.

The country, Parliament, the Planning Commission, the cause of community development, the co-operative movement and numerous institutions of economic and social research will all miss a wise preceptor. *Yojana* has special reason to feel bereaved as he found time, amidst so many preoccupations, to show interest in the journal and give it encouragement.

MARKS THAT NEED NOT BE

THE First Plan document said in 1952 that "India continues to be the largest reservoir of epidemic diseases" in the world. By then the virulence of plague, cholera and smallpox had been greatly checked; the annual deaths from smallpox during 1940-49 being only around 71,000. Fortunately the mortality has further come down, but we cannot still claim to have dismissed these dread diseases from our midst. As regards one of them, the Third Plan document declared in 1961: "Smallpox is endemic in India and is a source for the spread of infection to other countries... As smallpox is a preventable disease and as vaccination is a potent weapon for eradicating it, it has been agreed that during the Third Plan an effort should be made to eradicate the disease".

launched in 1962, just as campaigns against malaria and filaria were launched earlier. Its aim is cent per cent vaccination in India. A hundred and fifty years after Jenner there is no reason why anybody should get smallpox. And the best guarantee is vaccination. However, more than half our people still remain unvaccinated. The total figure of those vaccinated is only 196 million, or 44.9 per cent of the population.

If Government has to save lives and see that there are no pock-marked faces, the fullest co-operation has to come forth from the people. All gram panchayats and municipalities should see that every birth is registered. And the people must be educated out of the belief that appeasing the village goddess is better than vaccination.

A National Smallpox Eradication Campaign was

By GERARD PIEL

*Rightful claim of poor
nations on assets of
20th century civilisation*

MR PIEL IS PRESIDENT AND PUBLISHER OF *SCIENTIFIC AMERICAN*. HE WAS IN INDIA RECENTLY TO RECEIVE UNESCO'S KALINGA PRIZE FOR POPULARISATION OF SCIENCE. MAIN PARTS OF HIS ACCEPTANCE SPEECH ARE GIVEN HERE.

THE LOGIC OF FOREIGN AID

It benefits the giver
no less than the receiver,
and is a wise substitute
for what is spent on armaments

AFTER two centuries of industrial revolution, the map of the world shows two kinds of nations: "Developed" and "Underdeveloped" or, in plain language, rich and poor. The rich nations embrace less than one-third of the world population and consume more than two-thirds of the world's output. To most of their citizens the rising productivity of industrial technology furnishes increasing well-being; in some of these countries, surpluses have begun to embarrass the economic order. In the poor nations, on the other hand, the output of pre-industrial agricultural technology tends to fall constantly behind population growth, and the material circumstances of most of their citizens are declining. Of course, poverty is not new to the experience of the mass of mankind; the rich nation is the innovation of recent history. Today, however, the poor are politically mobilised, and the new nations of the poor are committed to industrial revolution. For a century to come, the development of the underdeveloped countries will set the course of history.

No physical barrier stands in the way of this culmination of the industrial revolution. An exhaustive and authoritative accounting—rendered by scientists of many nations and by the international civil service, now two generations old, of the League of Nations and the United Nations Organisation—assures us that the earth's resources are ample to the needs of a much larger world population. Existing technology is equal to the task of accelerating the increase of production ahead of the growth of population everywhere in the world. With the consequent improvement in individual circumstances, there is good reason to expect that populations will stabilise well within the capacity of resources

and technology to provide material well-being for all. The birth rate has followed the death rate downward in every country that has experienced development.

The only uncertain question is the process of development itself. Development is not an exercise in economic theory; it is an enterprise that engages the energies, ambitions and passions of men. The open question is the cost of development—the only cost that counts: the cost to the liberty and life of the living generation of men...

Over millennia, development was imperceptible. The same tread-mills and capstans are to be seen in the friezes of Egyptian tombs and in engravings of the seventeenth century London dockside—and are still at work today in the fields and on the wharves of India. All at once, for reasons not known, the turn in history came from the West. Not long after Galileo and Newton had secured the foundations of celestial mechanics; the rate of technological change quickened and the mastery of mechanical forces began to amplify the strength and skill of men. The surplus so long extracted from scarcity by deprivation of the mass of the people found a new social function. It became the capital for increasing the productive capacity of society.

The historians of the first industrial revolution are just now recognising, however, that the process of capital formation involved a sharpening of the inequities that produced the surplus. The "savings" that financed the classical industrial revolution of England were principally involuntary. That is the savings were taken from the reduction of the material estate of the yeomanry. This was the era of "carboniferous capitalism"... The coercion and cruelty, the pain and rebellion, of those days are largely forgotten or are healed in the amenities enjoyed by the latter-day heirs of the first cycle of development...

The story has been the same in each industrial revolution that has followed. In my own country, historians continue to celebrate the frontier. But it was 35 million steerage immigrants—a flood of humanity equal to the nation's population at the end of the Civil War—who furnished the primary capital for the industrial revolution that got under way at the middle of the nineteenth century. The American Negro's present determined drive to capture and assert his civil rights, after a century of putative emancipation, serves to remind Americans

how the savings for the development of their country were corralled.

Meanwhile, the nation that has most lately joined the circle of the rich nations looks back in dismay upon the cruel human cost of its brief, ruthless and successful revolution. Its moralists and economists deny that the now acknowledged costs are inherent in the dictatorship of the proletariat and argue rather that these were paid to foreign invasion, counter-revolution and the cult of personality. Presumably, another generation of economic studies will find that coercion served here, as it has served elsewhere so invariably, the elementary function of capital formation.

If these precedents must be followed, then the next few years will see the developing nations, one after another, come under authoritarian leadership. Admittedly, *ad hoc* regimes are more common than not among the poor nations, regardless of their rate of development or degree of stagnation. The nations that are moving, however, are those that are most harshly governed, and the rate of development seems to correlate directly with the disposition to apply and submit to coercion.

IMPORTANCE OF THE INDIAN EXPERIMENT

A GAINST the example of history past and present, India stands alone. India's leaders have declared their determination to bring about the industrialisation of their country and the attendant radical reconstruction of the social order through the institutions of political democracy and without resort to coercion or the invocation of class hatred and violence. This experiment in development is as crucial as it is unprecedented.

Should India fail, the grim cycle is fated to go on as before. Nor can the rich nations hope to remain spectators. Those in particular that hold stakes in the one-crop and mineral-extracting economies of the pre-industrial poor nations must anticipate that the fervour of the new nationalisms will be turned against them. Given the instability and disorder in the relations of the rich nations, the proliferation of authoritarian regimes among the poor will constantly increase the danger of war. That danger must ultimately become intolerable, as thermonuclear weapons find their way into the armament of the "nth country".

If the Indian experiment succeeds, on the other hand, this could be as significant a turn in history as the industrial revolution itself.

With as much despair as hope one must admit that it is not yet possible to forecast either success or failure. The percentage gains under the first two Five-Year Plans have been great. But the absolute magnitudes are small compared to the unmet need. One can say bravely that the work has begun. But it is also clear that time is running faster with each month and year. The rapid increase in India's urban population—the urbanisation of poverty barely endurable in the shelter of the village—must go to destabilise political institutions not yet secure.

The figures for the first two Plans show that their execution fell short of their goals; the Third Plan lags its time-table as well. But the figures show another fact: the gap in the Plans correlates with a persistent shortfall

in the aid projected from overseas. After three Plans, the lesson should at last be clear. India's vision of peaceful development rests upon the expectation that the rich nations of the world will supply—by grant or long-term loan—a portion of the necessary capital. In the Third Plan this portion is explicitly declared to be 20 per cent of the total investment programme.

By what right or logic does one nation thus lay unilateral claim upon the wealth and bounty of others? The answer is to be found in the special nature and function of the aid expected. India, in the first place, proposes to supply 80 per cent of the capital; for her share in the effort India possesses the necessary resources in great plenty—in the form of unemployed geological wealth and underemployed manpower. The missing 20 per cent is technology—in the form of skills, engineering, tools and plant equipment. These assets India does not yet possess in the self-regenerating abundance of the rich nations. Supplied from abroad, they will effect the junction of men and physical resources and produce 100 per cent where the values are now zero or negative.

This is the nature of the aid India seeks from abroad. The function of this aid is equally decisive. In India's vision of development, aid is the offset to involuntary savings and the coercion necessary to secure them. Without aid in the volume projected, India would have to proceed, as other nations have done and are doing, to extract the last ounce of surplus from insufficiency by coercive deprivation.

External aid, in Indian planning, is the catalyst of development. It supplies the technology that brings manpower into reaction with resources at lower social pressures and temperatures. With external aid, it becomes possible to dream of carrying development forward without sacrifice of the living generation to the promised welfare of the next.

Aid, thus defined, is a misnomer. The word is as misleading, in view of the relation it implies between the poor and the rich nations, as the terms "particle" and "wave" in twentieth century physics. The call for aid is not an appeal to the benevolence of the world; the condescension which burdens "aid" derives from the values of pre-industrial technology and the days when some really had to go without.

The demand for foreign aid—we are stuck with the term—that comes from India and other developing countries carries a rightful claim upon the assets of twentieth century civilisation. The first among these assets is scientific knowledge and the power this gives man over nature. Science and technology are the heritage of all men, because they constitute the accumulative experience of our species. That experience came to sudden fruition in the West, but no exclusive title to it is vested in the West.

It is no coincidence that the popularisation of well-being in the West has been followed by the popularisation of citizenship. Now India proposes that the institutions of self-government shall not await economic development but shall develop concurrently. To this end it calls upon the rich nations to help supply the needed technology.

Whatever the justice or propriety of this demand for foreign aid from the standpoint of the poor countries,

it exacts no sacrifice on the part of the rich. Science and technology are not diminished by the sharing of them. It is the information—the accumulative human experience—embodied in the tools and machines that the developing nations require, not the gross materials of which these artifacts of technology are made. The materials represent the least of the values and the smallest of the costs as well. The rich nations can respond to the demand for aid without perceptible cost to their well-being.

The rendering of external aid can, in fact, relieve the rich nations of peculiar temporary embarrassments that arise from the mismatching of the progress of their technology and the evolution of their social and economic institutions. What I shall have to say under this heading applies to a greater or lesser degree to all of the industrialised countries. I shall call, however, upon the example of my own country because I know it best and because it represents industrialisation in its presently most fully realised form. If my analysis leads into paradox from point to point, this flows from the no less incredible nature of the facts and figures of the U.S. industrial economy. The logic of its abundance necessarily inverts values and habits of thought predicated upon the more familiar experience of scarcity.

It cannot be said that foreign aid is a popular cause just now in American politics. India's needs—and the needs of other developing countries—have nonetheless found direct resonance and firm support in the second most powerful economic interest in our political system. This is American agriculture.

The reason it responds so abundantly is that agriculture is in many ways the technically most progressive sector in the economy. Less than 7 per cent of the U.S. labour force is now engaged in agriculture...More important to the food supply than the rest of the farmers and their hands are the two million workers in manufacturing who supply the fertiliser, tools and machinery and who process and pack the food. And more important than farmers or workers are the hundred thousand, or so, agricultural technicians who keep the nation's agricultural productivity on a constantly steeper upward slope. Despite continuing reductions in the number of acres and man-hours, the American cornucopia continues to pour forth a greater flood of produce. The output at the farm is equivalent to 12,000 calories per day for each man, woman and child in the land, enough to feed 1,000 million people...

Over the past decade one of the principal measures for sustaining the U.S. agricultural economy against the crushing burden of its surpluses has consisted in shipping those surpluses overseas to feed the hungry. Since 1954, more than \$ 9,000 million worth, 75 million tons, of agricultural commodities have been delivered to 44 developing countries. Shipments of wheat alone have amounted to two entire bumper crops. India has been the principal recipient of these shipments, more than \$ 2,000 million worth.

Under the legerdemain of Public Law 480, which sanctions this use of surpluses, the food is sold to the receiving government at world prices. The payment is taken, however, in non-convertible currency and is loaned back to the recipient government to finance economic development programmes. Sunday economics is thereby satisfied by the assurance that two dollars are

made to grow in the place of one, and Public Law 480 stands as one of the most secure statutes on our books...

P. L. 480 AND HOW IT BENEFITS U. S.

THE benefits to the developing economy of the Public Law 480 food shipments are plain enough. You will scarcely credit, however, the benefits to the American economy...The farmer received more than \$ 1,000 million in extra income. The Federal Government, which unburdened its storage bins, made "savings in price support acquisitions, storage and interest" totalling \$ 545 million in 1958 and 1959 on shipments that cost \$ 668 million. Because the law reserves such shipping to American bottoms, the U.S. merchant marine picked up nearly \$ 250 million in extra revenues from Public Law 480 during the first three years of its administration...

Theoretically, the recipient countries have contracted to pay dollars some day for the foods and fibres shipped to them under Public Law 480; hopefully, they will be able to do so, in the long run, out of expanded national incomes. But the accounts have already been squared domestically inside the U.S. in the short run. The Federal Government set the wheel turning with its payments of the taxpayers' money to the farmer. These payments brought the farmer into the market as a customer for a long shopping list of consumer's and producer's goods whose makers were glad to have a customer.

The repercussions, multiplying the original transaction by two or three times, generated enough additional economic activity to bring income earners into tax brackets where they were liable for the additional taxes necessary to cover the original transaction.

If aid in the form of food works so well for both parties to the transaction, surely it is worthwhile to explore the possibilities of other aid in other forms. P.C. Mahalanobis has set down some interesting reflections on the comparative advantages to the recipient country of various forms of aid-in-kind. He shows that the foreign exchange cost of the foodgrains needed to take care of the increase in India's population in the course of a Five-Year Plan—assuming population growth at the steady rate of five million per year—would come to Rs. 4,500 million. Alternatively, if India were to import the fertiliser needed to bring about the corresponding annual additions to the domestic production of food grains, the foreign exchange cost would be reduced to Rs. 1,350 million. Carrying the argument one step further, Mahalanobis shows that to import the fertiliser factories to make the fertiliser to grow the food grains would cost Rs. 120 million per year; this would bring the foreign exchange cost of nurturing the additions to the population during the Plan period down to Rs. 600 million.

In a parallel and independent set of calculations Howard Cowden, an American businessman and student of public policy in agriculture, has arrived at a similar conclusion...

Since the logic works so well to this point, I, for one, am tempted to carry it still further, to the last step. My proposal is that India should set up the steel plant to make the steel to build the fertiliser

factories to produce the fertiliser to grow the food grains. Going back to Mahalanobis' calculations, let us take steel to constitute a generous half of the foreign exchange cost of the fertiliser factories needed to keep food production increasing in step with population growth; the biggest cost, of course, is engineering. The equivalent steel plant would have to be imported only once; upon going into production, it would produce the steel for a fertiliser factory each year thereafter. My proposal, therefore, calls for the ingot capacity needed to produce Rs. 60 million worth of finished steel.

From India's own experience in building steel plants it appears that investment in ingot capacity runs about four times the value of its annual yield in finished steel and that foreign exchange nowadays necessarily represents 60 per cent of such investment. The additional steel-making capacity we are taking about here would thus cost Rs. 150 million in foreign exchange. By such investment India can reduce to one-thirtieth the Rs 4,500 million foreign exchange expenditure for food computed in the first chapter of the Mahalanobis parable.

Here is an insight into one of the paradoxes of industrial technology: food production increases in volume and efficiency precisely in ratio with its decline as a percentage of total economic activity... By this time, however, I do not suppose that anyone in India needs to be persuaded of the connection between agricultural productivity and industrialisation. Rather it is the peoples of the rich nations who do not yet see the connection between food and steel. The Bokaro episode in the relations of the U.S. and India is a case in point. It is worth closer examination for what it reveals about the prospects for fruitful collaboration of the rich and the poor nations in the task of development.

FROM DISARMAMENT TO FOREIGN AID

Two apparent lines of argument were advanced against U.S. assistance to the building of Bokaro; the two, in fact, come down to one. What hurt most was the technical critique which cited deficiencies in personnel, uncertainties as to raw materials and inadequacies of transportation. Not long ago, in the U.S., we heard the very same arguments advanced against Henry J. Kaiser's determination to build the first integrated steel plant in California—a plant that developed the lowest operating costs in the entire steel industry just as soon as Kaiser got it built. The supposedly technical critique of Bokaro may, therefore, be taken to be as purely ideological as the ideological arguments themselves.

For India proposes to build this steel mill in the public sector of its economy. The suggestion that the American taxpayer's dollar might contribute to the building of Bokaro was, therefore, the occasion for an old-fashioned camp-meeting of Sunday economists.....

The problems of production have long since been solved in the U.S. economy. Its surplus arises not from the classical process of coercive deprivation but consists in a true physical excess of product and of capacity to produce. Success in production has confounded the process of distribution. The distribution system requires that the would-be consumer hold a job in order that

may bring his need into the market place as effective demand.

But technology has severed the connection between people and production. Besides the farmers, not much more than 30 per cent of the U.S. labour force can now be classified as "producers of goods". Since 1950, this category has not only declined as a percentage of a growing labour force but even in absolute numbers. What is more, employment in distribution—which formerly helped so mightily to secure the distribution of goods by qualifying its own workers as consumers—has begun to yield to technological disemployment. The same is true of the white-collar clerical work force...

The rate of growth of the American economy in recent years has not much exceeded the increase in population; a high percentage of the country's industrial plant remain chronically idle, and unemployment has been rising in waves of alarmingly larger amplitude. Automatic factories, offices and shops, in other words, have been producing as much poverty as wealth. Poverty is now officially acknowledged as an affliction of one-fifth of the population; something more like one-third of the people, however, remain "ill-housed, ill-clad and ill-nourished"...

The true situation has been even more grossly obscured by the hollow affluence of the war economy. Armaments, carrying as they do the absolute sanction of survival of the modern state, have had almost unquestioned command of the public treasury. The steady stream of funds pumped into this economic sink has directly and indirectly subsidised from at least 10 to as much as 20 per cent of the nation's total economic activity. Space, the Atom and Big Science have held their catch-basins under the overflow from Defence and provided employment for many of the highly trained people that U.S. society has been producing in such large numbers... The military budget has carried an additional ideological sanction in that it redirects something more than 5 per cent of the gross national product from the public directly back into the private sector.

The advance of technology has now, however, overtaken this makeshift arrangement. With the acquisition of overskill, armaments have lost their absolute claim on the treasury. Even in advance of a disarmament agreement a first small cut in the military budget is now before the U.S. Congress.

Plainly the U.S. economy must soon find other ways to sustain its activity at the present high rate. Since it will necessarily continue to produce surpluses beyond its own effective demand, the U.S. must invent new methods for disposing of them.

Next to armaments the most convenient method would seem to be offered by foreign aid. As significant elements in the leadership of industry already realise, 80 cents out of each foreign-aid dollar is sent within the borders of the U.S.... Moreover, just as in the case of military expenditures, foreign aid takes the goods it buys out of the domestic market—thereby maintaining the scarcities that still keep the economic mechanism ticking.

Foreign aid thus calls upon the same institutional relations between government and business as armaments

(Continued on Page 7)

V. T. KRISHNAMACHARI : A Life

of Enduring Service

TARLOK SINGH

WITH Mr V.T. Krishnamachari's death on February 13, 1964, came to an end a rich life of constructive endeavour and of enduring public service. Less than two months ago he was engaged in intense discussions in the Planning Commission over measures to deal with the present lags in agricultural production in the spirit of a national emergency. In particular, he urged the speeding up of a number of irrigation projects which were already well advanced and steps to hasten the pace of utilisation. Shortly before this, he presided over the sessions of the Fourth Indian Co-operative Congress, identifying himself with the delegates who had assembled from every part of the country and guiding them on all vital issues. A few weeks earlier, he had carefully read through the chapters of the Mid-Term Appraisal of the Third Plan and noted the weaknesses which would demand urgent attention.

These three instances, chosen at random from the closing period, are typical of the outlook and continuity of effort which Mr Krishnamachari brought to bear on all his work for the Planning Commission. He knew, as it were, through a sixth sense, what was important and what was practicable; yet, he approached each such issue with an understanding of the larger whole of which it formed part. In his mind, rapid progress in agriculture was the key to the success of all our plans and the means by which greater divergence between urban and rural levels of living could be avoided. But community development and co-operation provided the essential foundation for agriculture; in no other way could the life of the peasant and the village community be comprehended as a whole. Without them, the welfare state could not become a reality and the ideals set in the Constitution would remain unfulfilled. Thus, behind every task he attempted and every institution he supported, there ran a continuing thread, a deep attachment to the nation's aspirations and a growing concern that knowledge and research and efficient administration were as vital to success as soundly conceived plans and nation-wide efforts to harness the energies of the people and strengthen the spirit of mutual obligation and

service. His close association over the years with planning and community development and with the National Co-operative Union, the Indian Institute of Public Administration and the National Council of Applied Economic Research and, earlier, with the Delhi School of Economics were essentially reflections of a comprehensive and integrated philosophy of economic and social development and his view of how best he could serve this goal.

The ends Mr Krishnamachari placed before himself, as one watched him striving forward week after week, from one year to another, were national and impersonal, and he saw himself as part of an all-embracing movement for community development which reached out to every village and every rural family. This gave him something of the quality and vigour of youth, a constant zest and a restlessness over time and opportunities which were well within our grasp but might be easily lost. Each year when he met the Development Commissioners and other workers in their annual conference and in much that he wrote and spoke there ran a common and basic thought. In his own words:

"The adoption of scientific methods in the widest sense by all rural families cannot be brought about without social transformation—changes in the traditional patterns of society and changes in attitudes and outlooks. The improvement of rural life is essentially a human problem; how to change the outlook of the seventy million families living in the countryside, arouse enthusiasm in them for new knowledge and new ways of life, and fill them with the ambition and the will to live a better life."

This was the peaceful transformation he sought to achieve through the community development movement. This indeed was the unifying principle in much that he strove for after Independence, his testament for the future.

But the roots went much further back. The preparation had been long and thorough. Mr Krishnamachari's work in Baroda is well-known and widely remembered. The village extension services and the social reforms he initiated were pioneer efforts in their own day and left a lasting impress. In whatever he did, there was the earnest approach of an informed and studious mind, a penetrating insight, an ability to seize swiftly whatever he knew to be essential and the willingness to resolve doubts and difficulties with courtesy, friendliness and good judgement.

These were among the many qualities which marked his work in the Planning Commission for more than a decade. His contribution to the Plans was not merely outstanding; it was singular and unmatched. There were few important ideas in the Plans with which he was not directly associated; in fact, several of them were due to his own initiative and lead. Thus, in the First Plan itself, some of the policies and perspectives for which this Plan has a seminal interest came from him, notably, community development and the national extension service, long-term and integrated approach in the development of natural resources, specially in irrigation and power, policies for the conservation of mineral

resources and the establishment of the Programme Evaluation Organisation and the Research Programmes Committee. In the Second Plan, he carried forward the basic approach to what has since grown into Panchayati Raj and to planning at the district, block and village levels, and led the campaign for a large agricultural effort as the keystone of ambitious planning. In the Outline of the Third Plan, he placed his greatest stress on assuring the minimum amenities to every village in the country and the utilisation of the manpower resources of rural areas through rural works and the intensification of agriculture. He also laid the foundation for the series of studies now under way in the field of natural resources. Of course, in such a vast area as the economic and social development of a nation like ours, no one works alone. More specially, those to whom it is given to lead and guide have a constant sense of partnership. This gives to their work and contribution the character of a consensus and a quality of permanence. Mr Krishnamachari always took his colleagues with him and their respect and esteem for his judgement and knowledge and the co-operation of the Chief Ministers of States and the Union Ministers greatly lightened his burdens.

These are at best illustrations of the perception and foresight, the progressive outlook and the deep understanding with which Mr Krishnamachari approached

problems of development. His labours continued beyond his formal relinquishment of the office of Deputy Chairman of the Planning Commission. In leisure, he was able to explore some problems more fully. His two books, *Planning in India* and *Fundamentals of Planning in India*, and an earlier collection on community development contain a great wealth of information and offer valuable insights for the future. His reports on Indian and State Administrative Services and Problems of District Administration are still a formidable agenda for strengthening administration in the States and at the level of the community.

In recalling but a few of the contributions which Mr Krishnamachari made since the inception of the Planning Commission, one is only too conscious that here was a man of large proportions, of rare talent and wisdom, always modest, kindly and generous, a most conscientious worker, a person wholly committed to the progress and welfare of all sections of the people and of all regions and one who spent himself, according to his own lights, in constructive national service of the highest quality. Whatever their sphere, such men beckon to the future. They remain young to the last. Their work lives, yet remains unfinished. Both in what they achieve and in what they leave to others to fulfil, their lives are a challenge and a guide to those who follow.

Two-Way Benefits of Foreign Aid From Page 5

and provides an equally direct channel for diverting funds from the public back into the private sector. A substantial foreign aid programme would generate demand for the products of neglected and vital sectors of industry, including the heavy machinery builders and the machine-tool industry, whose domestic business proceeds in cycles of "chickens today and feathers tomorrow".

If shipments of fungible wheat can cultivate markets for U.S. farmers, surely the installation of U.S. machine tools would establish beach-heads for future dollar markets. A radical expansion in foreign aid would also provide the most convenient way to soak up the surplus of engineering and research talent that is accumulating with the cut-back in national defence and prestige expenditures.

During the period of 15 to 20 years which will be required, at a minimum, for the U.S. to bring its economic, social and value systems into adjustment with the advent of automatic production, foreign aid can relieve many of the nation's internal stresses and strains. By the end of this period, given a sufficiently massive flow of aid, many of the developing countries, including India in particular, will have acquired the capacity for self-sustaining growth.

If foreign aid has not yet rallied the support of significant numbers of interested parties in the rich countries outside the U.S. farm bloc, this is only because it has been conducted on such a pitifully inadequate scale. The rich nations variously inflate their claims as to the size of their foreign aid programmes. A dispassionate estimate is provided by the 1962 report on the economic and social consequences of disarmament to the Secre-

tary General of United Nations, prepared by an international group of expert consultants. The report indicates that the net flow of aid from rich to poor nations does not exceed \$ 3,500 to \$ 4,000 million per year.

Since the U.S. economy must soon find conveniently large open sluices for its surplus—other than armaments—its foreign aid outlay could easily double. With disarmament, it might easily double again. If the U.S. were thus to take the lead in expanding the scale of external aid to the development of the poor countries, as it already leads in the rationing of the current trickle of aid, the total flow might equal or even exceed the \$ 14,000 million figure projected by the first committee of experts that considered this question for the General Assembly of the United Nations in 1951.

With external aid on such a scale, the total investment programmes of the poor nations could be boosted to as much as \$ 100,000 million per year (instead of the present \$ 20,000 million) and might begin to approach the world's outlay for armaments. An increasing number of taxpayers in the U.S. and in other countries are ready to agree that foreign aid is a better buy...

Development in some countries can come only with social and political as well as industrial revolution. But the extension of external aid can facilitate the underlying process of capital formation and soften its demands upon the people. India's experience will prove decisive to the course of the development in all the other rising nations. For India's planners have plainly detailed the nature and the function of foreign aid and called for it on a scale sufficient to challenge the conscience as well as the interest of the peoples of the rich nations.

Grace of Arrow Giver of Power

YOJANA
SPOT
REPORT

Great Energy Station near the Famous Jog Falls

THE river is called Sharavati, grace of arrow. According to legend, it was born of the sacred arrow of Lord Rama. The Sharavati rushes for fifty miles, with the speed of a shot arrow, until it reaches a place which is now called Jog. And there it leaps 850 feet down into the valley in its journey from the Ghats to sea.

The jump at Jog in the Malnad region of Mysore is one of the celebrated sights of India. I visited the place in mid-winter. The stream had thinned into just four silver streaks. But even these gliding cascades made a deafening report on touching the bottom of the valley. From the floor rose a misty cloud of soft milky vapour and on its thin crest shone tender rainbow against the declining sun. My imagination travelled half way round the cycle of seasons and saw a huge murky torrent surging over the entire 200-foot width of the bedrock in the midst of the monsoon months and pouring and roaring into the valley and filling the forests around with the thunder of ecstasy!

Today the hills and the forest around this wonderful spot resound to the hammer strokes of a thousand stone-breakers, the clatter of hundred lorries and dumpers and earth-movers, and the talk and bustle of workers carrying loads. Huge construction works are going on at different places in an area of ten miles. Ten thousand labourers are at present busy at the sites. (A

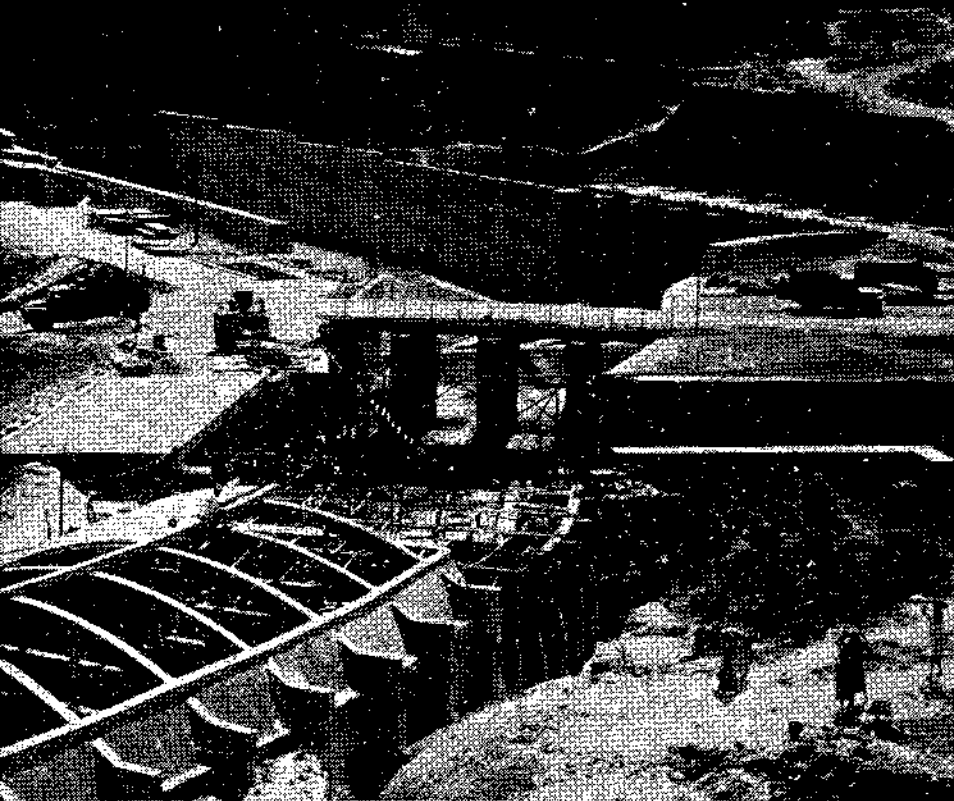
couple of years back, I was told, there were forty to fifty thousand workers at a time). About 300 to 350 tonnes of cement is consumed daily. The works are going on for the past seven years and will continue for seven more years.

After the falls, Sharavati flows some distance through a plain stretch of country called Anebaylu (In Kannada it means elephants ground, for wild elephants were said to haunt the place until recently for water sport). In the midst of Anebaylu an impressive four-storey building has come up which will house one of the biggest power stations in the country. The first of its power generating units, now being assembled, is expected to be commissioned in a few months. A second unit will also be ready by the end of this year. The two will form the first stage of the power project. Four more generators will be set up in the second stage by the end of the Third Plan and four more in the Fourth Plan. Each generator will be of 89,100 kilowatts capacity. The ten units put together will generate 8.91 lakh kW of power which is nearly the



In foreground is a portion of the power channel leading out of the Lingaumakki dam of the Sharavati project.





present total of Mysore, Madras and Andhra Pradesh put together.

Over the hills, six miles away from the power-house, a massive dam is coming up across the Sharavati. Here trucks and earth-levellers move about incessantly like beetles and tiny caterpillars, rows of hundreds of men and women workers climb through the scaffoldings on the colossal and calm body of the dam like ants in an orderly march on a giant wall. This is the main dam of the project and is called Linganmakki dam. Its flanks have already been completed to a height of 175 feet and the middle portion, i.e. the spillway, is nearing that level.

On completion the dam will have a total length of about two miles and a height of about two hundred feet. It will store 156,000 million cubic feet of water in a reservoir 126 square miles in area. It will feed water to the power-house down below. Another power-house, a much smaller one of only 60,000 kW capacity, will be built at a later stage at the foot of the left wing of the main dam.

Meanwhile, one more dam, 1,500 feet long and 205 feet high, has been built across the Talkalale, a tributary of the Sharavati. Its storage capacity is 4,577 million cubic feet. It was inaugurated two months ago. It serves as a balancing reservoir to the main reservoir at Linganmakki. Water from Linganmakki will flow into the Talkalale through a 3-mile-long conducting system before passing on to the power station.

A 2,000-foot portion of this link is a tunnel through the ridge, the

Below: Workers on the Ghataprabha project give YOJANA reporter a minute of their time. Two of them are seen with ice candy in hand.



STORY OF THREE MYSORE PROJECTS

THE MOTHER—SHE WAS PROUD OF HER BOY



THE FATHER—HE WAS ASHAMED OF HIMSELF

Their son scored 70% marks in the S.S.C. examination. Normally it would be an occasion for joy. But the Father says to himself: "How can I tell him I don't have money to send him to college?"

This would not have happened if he had taken a Life Insurance Educational Annuity Policy—the surest way of guaranteeing the money for a son's or daughter's education.

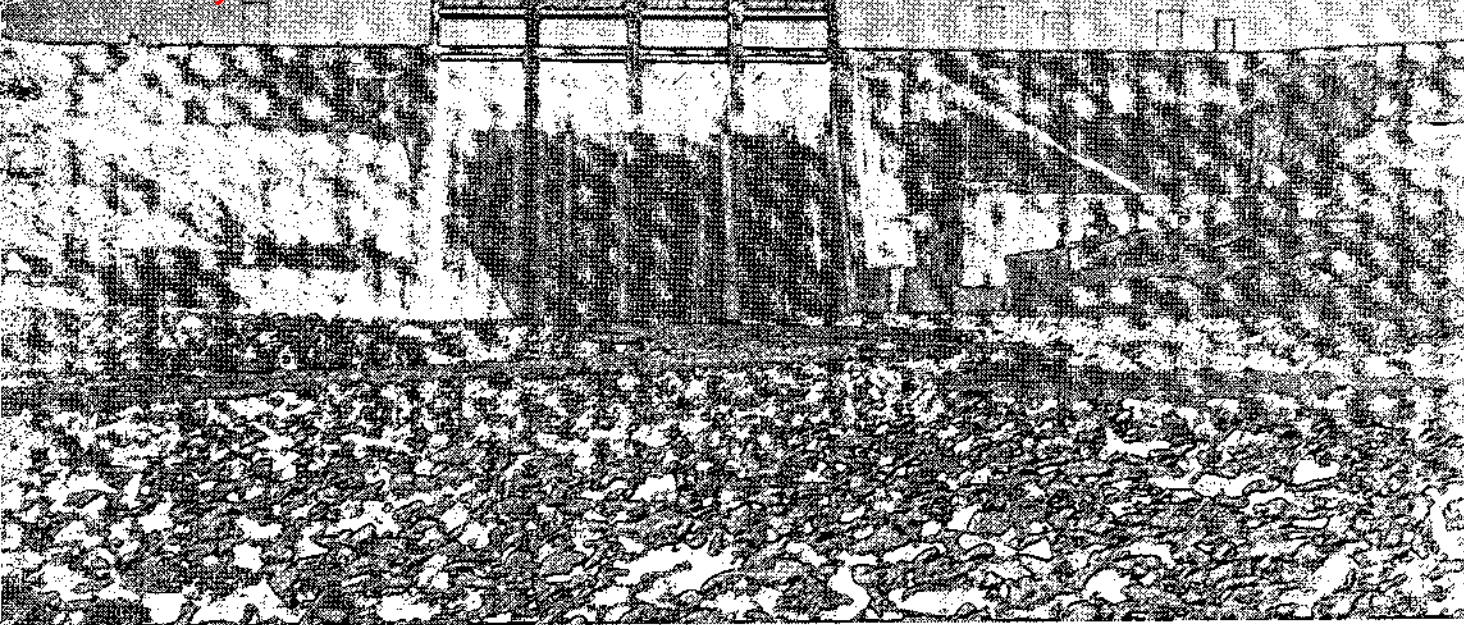
For example, if you are 25 and your son is one year old, you can ensure that he will get Rs. 500 every half-year for five years, from the age of 18, by paying as little as Rs. 20.35 a month. The full policy amount is paid even if the insured does not live long enough to remit all the premiums. No other form of savings offers this advantage.



Don't leave your son's future to chance. Take an Educational Policy for him now so that he will have a splendid start in a competitive world.

There is no substitute for
LIFE INSURANCE

ASP/LIC-2-11



rest is a duct and an open channel. The channel has been completed and its roofing is going on.

Two pressure tunnels, each about 3,500 feet long, will take off from the Talkalale reservoir to two surge tanks, each 200 feet deep and 50 feet in diameter. Five penstocks, each eight feet in diameter, from each surge tank will lead to the power-house in a vertical drop. The pressure tunnels and the surge tanks are almost complete and presently two lines of penstocks are being laid for the two generators.

It should be noted that even before this major project was taken up, the Sharavati river was yielding 120,000 kW. of power through the existing Mahatma Gandhi power-house near the Jog Falls. Besides the new 8.91 lakh kW. mentioned earlier, tail race stations will develop 1.65 kW. more. All this enormous quantity of power will be fed into the southern grid.

A DAM ON BHADRA

NOT too far from Sharavati are two other graceful rivers, the Bhadra and the Tunga. They have their source on the sacred Varaha mountain in Chikmagalur district of Mysore. After flowing separately for 120 miles, the two join near Shimoga and become the celebrated Tungabhadra. A speciality of this river system is that there is a project on the Tunga, another on the Bhadra and a huge one on the Tungabhadra.

A masonry dam, 1,445 feet long and

LAKKAVALLI dam on the Bhadra, with two power-houses on either side.

194 feet high, has been built across the Bhadra at Lakkavalli village in Chikmagalur district. The dam is supplemented by three saddles on the left and one on the right. These have formed a reservoir of 45 square miles to store 71,500 million cubic feet of water. Spillway crest and embellishments, including a road at the top, are under construction.

Two small power-houses have been built on the two sides of the dam. The left bank power-house with a capacity of 26,000 kW. was commissioned in November 1962 and the right bank power-house with a capacity of 7,200 kW. was commissioned in January last.

But the Bhadra project is intended more for irrigation rather than for power generation. Two canals take off from either side of the dam—the left one 48 miles long, and the right one 62 miles long with three branches totalling 130 miles. The two together will ultimately irrigate 2.45 lakh acres in Shimoga, Chitaldurg, Chikmagalur and Bellary districts of Mysore.

The construction of the canal system is not yet complete. The left bank canal, which has been completed along with its distributaries, has already developed irrigation on 17,000 acres of land in Shimoga district. The right bank canal and its branches and distributaries are in different stages of construction.

An anicut on the Tunga was built near Shimoga during the First Plan

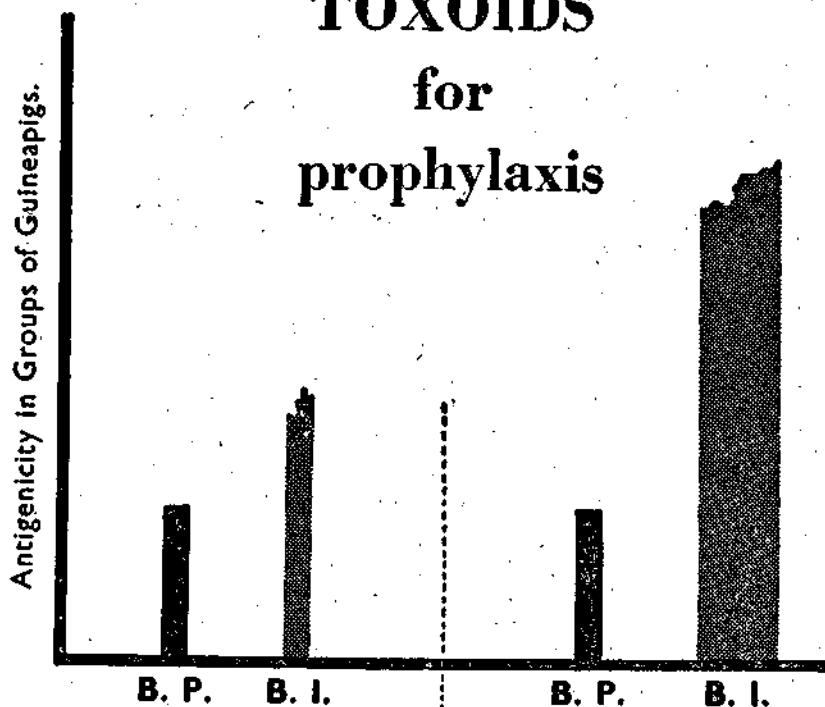
period. Its two channels, 24 miles in length, have already been irrigating about 20,000 acres, out of a total potential of 21,500 acres, in the Shimoga district.

The Tungabhadra project is far better known, of course. This inter-State project was taken up in 1945. Major works have already been completed. The dam, about 7,500 feet long and 162 feet high, has formed a reservoir of 146 square miles. The three canals total up to 466 miles. Two of these canals have already created a potential for irrigating 5.65 lakh acres of land of which 4.20 lakh acres have already been brought under irrigation. The third canal, High Level Canal, which is under construction, will bring 3.88 lakh more acres of land under irrigation. Thus the project will ultimately irrigate about 10 lakh acres of land in the scarcity areas of the craggy Bellary and Raichur districts of Mysore and the Kurnool, Anantpur and

NEXT FORTNIGHT Analysis of the Budget * Regional Development * Forestry Needs More Attention

The articles on "The Plan I Would Like To See" by J.P. Chaturvedi and "Cures from Snake Venom" by R.C. Bhattacharjee have had to be held back for the next issue owing to pressure on space.

TOXOIDS for prophylaxis



PROGRESS MADE IN INDIA

DIPHTHERIA TOXOID (A. P. T.)

Titre of 10 Immunised Guineapigs
(Geometric mean.)
per ml. of Serum
B.P. (1963)—2 units minimum
B.I.—3 units and more

TETANUS TOXOID (A. P. T.)

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



BENGAL IMMUNITY CO., LTD.
153, Dharamtala Street, Calcutta-13.

Work on the Linganamakki Dam as sketched in 1962 by R. Sarangan

Cuddapah districts, of Andhra Pradesh.

The project is also designed to generate 1.72 lakh kW. of power at its power-houses at the dam site, Hampi, Sivapur, Tirumalpur and Mallapur. At present 54,000 kW. of power are being generated at the existing three power houses. By the end of the Third Plan 45,000 kW. more will be added.

WATER FOR BIJAPUR

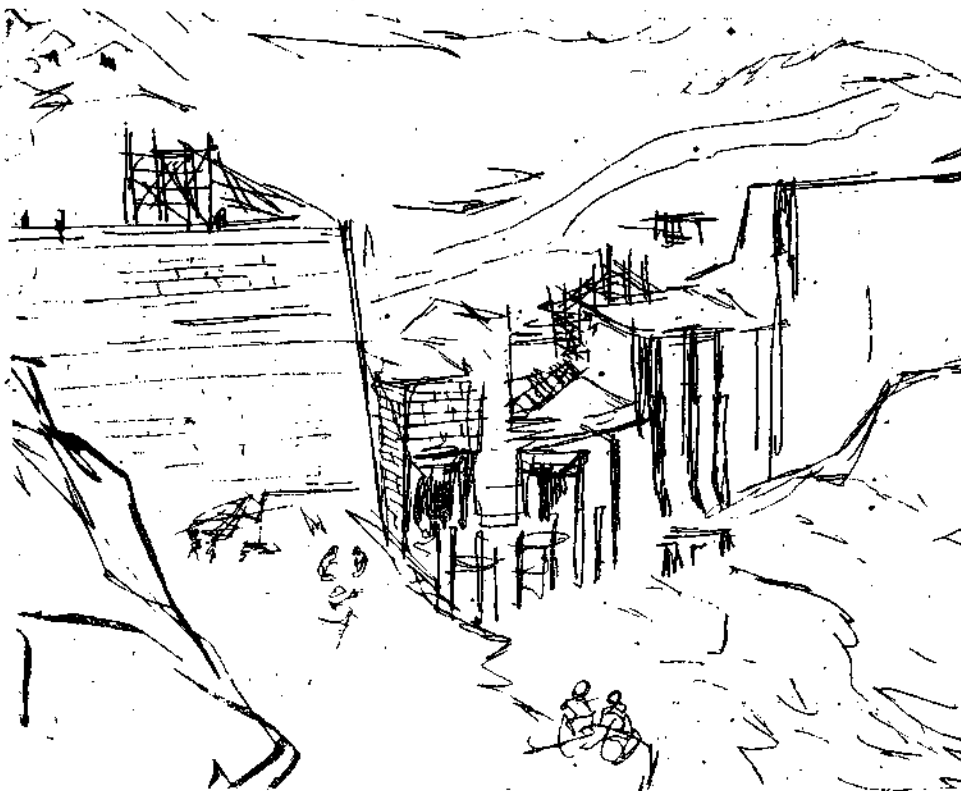
A PROJECT during its construction is like a marriage during celebration. Once completed a project lives a placid life of domesticity. This reporter, although he visited the Sharavati and Bhadra projects, he did not go to the Tungabhadra project near the old capital of Vijayanagar empire.

But he did visit another river project that is coming up in Mysore State, the Ghataprabha, which will water six lakh acres of parched land in the Belgaum and Bijapur districts.

Since 1897 there has been a weir across the Ghataprabha (a tributary of the Krishna river) at Dhupdal. From this weir a canal takes off, to supply water to the Gokak mills ten miles away. The weir was built as a famine relief work in those days.

But this part of Belgaum-Bijapur being a rain-poor area, it was later thought that a major irrigation project should be undertaken. The project, as drawn up in 1947, consists of a dam at Hidkal and two canals 73 and 100 miles long. The dam will be three miles long (with three and a half miles more of dykes) and 200 feet high. Work on it started in the Second Plan period; and excavation for the foundations is going on. Simultaneously the 73-mile-long left bank canal is also being built.

(For earlier *Yojana* reports on Sharavati and Tungabhadra, see issues of Sept. 7, 1958 & March 24, 1957)



YOJANA BHAVAN'S HOMAGE

At a meeting held in Yojana Bhavan on February 14 the members and staff of the Planning Commission mourned the death of Mr. V.T. Krishnamachari, former Deputy Chairman of the Planning Commission.

Mr. Asoka Mehta, Deputy Chairman, paid a tribute to his valuable contribution to the formulation and implementation of the Five Year Plans and the nation's social and economic development. The following resolution was adopted at the meeting:

This meeting of the Members and staff of the Planning Commission places on record its deep sense of sorrow at the sad demise of Shri V.T. Krishnamachari. Shri V.T. Krishnamachari joined the Planning Commission at its inception in March 1950 and relinquished the office of Deputy Chairman after the completion of the Draft Outline of the Third Five Year Plan in June 1960. His contribution to the work of the Planning Commission and the formula-

tion and implementation of the Five Year Plans and his deep knowledge and vision have left a lasting impression on the nation's economic and social development. As Deputy Chairman of the Planning Commission, he not only brought to bear exceptional leadership and wisdom to the task of planning but also took the closest interest in the welfare of the staff of the Planning Commission at all levels. His association with the work of the Planning Commission continued after he relinquished office and his advice and counsel was often sought and was always greatly valued.

The Planning Commission pays its respectful homage to Shri Krishnamachari's memory.

As a mark of respect, the office of the Planning Commission will remain closed today.

Resolved that this Resolution be sent to Shrimati V.T. Krishnamachari and members of the family.

(See also Page 6)

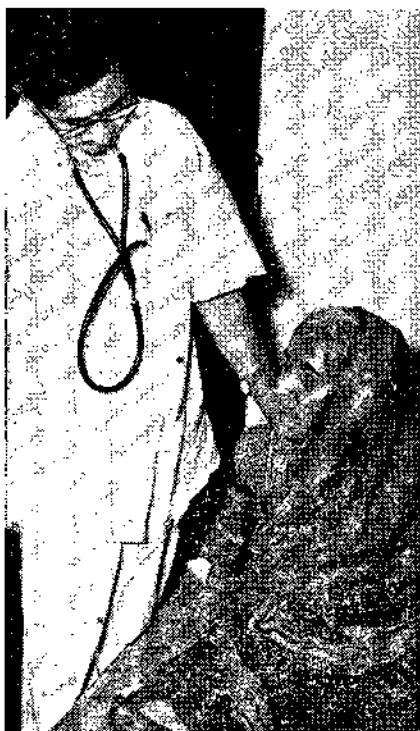


Girl brings little brother to the mobile dispensary of the K.H.I.

Morning drill is "must" for nurses on the staff and those under training at the Karnatak Health Institute. In front row is Canada's Judith Fleming who trains nurses in occupational therapy.



A Home of Learning and a Home of Health



A KHI doctor examining a patient in a village

IT was nearing midnight. I was tired after a long journey on one of the worst roads in India. A *bhajan* in Bhairavi gently poured into my ears and lulled me to sleep. The voice was deep and full, and came over a long distance through the clear night.

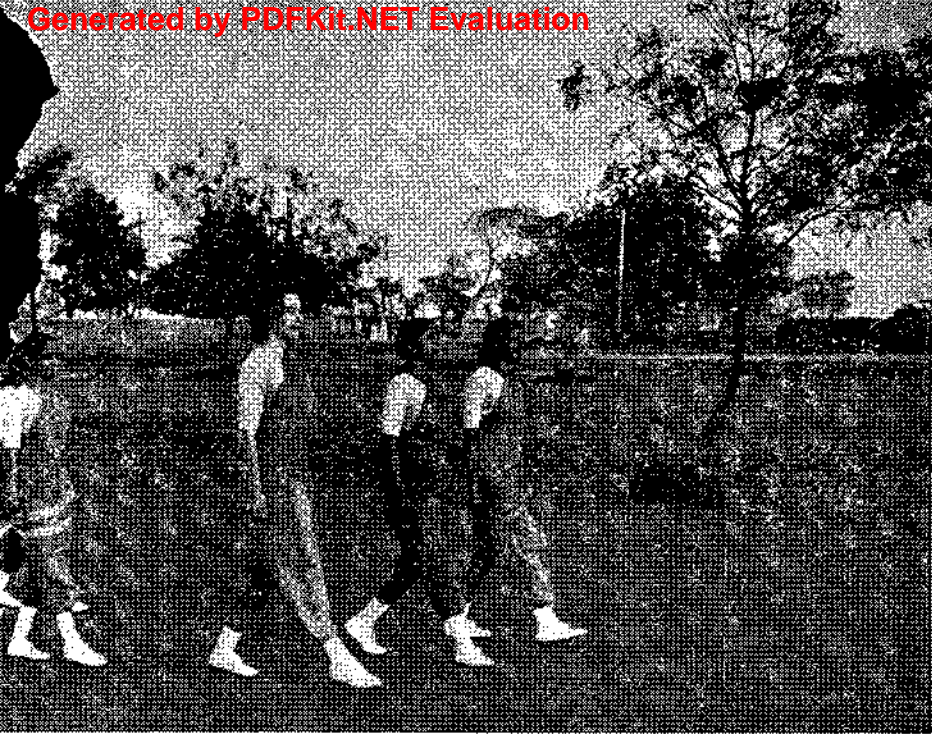
I was a guest at the Mauni Vidyapeeth, a rural educational institution at Gargoti, some thirty miles from Kolhapur in Maharashtra. Good music is rarely encountered in educational institutions, which seem to feel that music degrades their academic respectability. But here was a welcome change from the sombre rule.

Two days later I had a similar musical surprise at the Karnatak Health Institute at Ghataprabha in the Belgaum district of Mysore. I was awakened at dawn by the enchanting melodies of *bhajans*. I soon learnt that it was part of the routine of the place to tune in All India Radio and let the entire campus listen to songs and news.



RIGHT : Children working on their kitchen garden plot at the primary school at Mauni Vidyapeeth, Gargoti

At Gargoti and Ghataprabha are two of the most heart-warming institutions I have visited as a reporter of development. They are more like the ancient *ashrams*



GOOD WORK AT GARGOTI & GHATAPRABHA



caring for the whole person, than like some of our education and health factories where an individual is just a book entry. Both see beyond themselves.

Besides the love of music I found many similarities between the two institutions. Both are situated in the midst of villages, away from urban din. Both are dedicated to the principle that only through the uplift of the rural people can India prosper. Both have organised extension services in addition to their campus activities. Both stress self-reliance.

These common ideals wiped out for me the distinction between their respective fields of activity, namely education and health. At Gargoti, education has become health and at Ghataprabha, health has turned into education. No wonder, then, that the Gargoti Vidyapeeth has a health unit and a family planning clinic and the Ghataprabha Health Institute runs a primary school and a women's craft centre.

THE Mauni Vidyapeeth looks like a lighted wick in the bowl of Gargoti, a brown hollow amidst green hills. The place is sanctified by two sages, one legendary and the other historical. According to the tradition, the Vedic sage Gargya had his hermitage here on the bank of the Vedaganga. (Hence the name Gargoti a corrupt form of the Sanskrit word *Gargya-kuti*, hermitage of Gargya).

REPORT

by MADHAV KRISHNA
PARDHY

A celebrated preacher of history, Mauni Maharaj, said to be the guru of the Maratha hero, Shivaji, lived only 20 miles away. He gave enlightenment to the low and the down-trodden, and when the privileged classes threatened to cut off his tongue if he pursued the mission, he took the vow of silence (*mauna*) to demonstrate that he meant no man any ill.

Both the location and the name were purposely chosen by the founders of this institution which aims at carrying on the mission of the two sages. Gargoti is the centre of the backward hilly tract of the Sahyadri mountains. A farmer with a plough is the apt emblem of the Vidyapeeth and 'Knowledge, Service, Sacrifice' its motto.

In 1946 the Prince Shivaji Education Society of Kolhapur started a secondary school at the place. In 1952 the Society decided, in collaboration with the Govindrao Korgaonkar Dharmadaya Sauntha, Kolhapur, and the Indian Institute of Education, Bombay, to establish a centre for rural education as suggested in the Radhakrishnan Committee Report. The school thus blossomed into the Mauni Vidyapeeth. Education, extension and research are the three main activities of the Vidyapeeth, which is a complex of educational and social institutions on a 65-acre campus besides numerous schools and social organisations in 50 villages in the neighbourhood.

A person once admitted to the Balwadi as a child of five need not leave the campus till he gets his Ph.D. The advantage of such a system is that an individual inhales the pure air of reposeful discipline and a sense of belonging which builds a coherent character.

However, the Vidyapeeth does not cater for the whole range of potentialities of students. Its aim is to be a rural university, devoted primarily to rural education. The twelve institutions on the campus impart training in various subjects vital to village life. The higher secondary school offers courses in agriculture and technology in addition to the normal academic

studies. There are two training colleges, one for primary teachers and the other for high school teachers and basic training college instructors. The Rural Institute offers a diploma equivalent to the Bachelor's degree, in rural service and in civil and rural engineering. The three-year concurrent course in education, equivalent to the B.Ed., has been recently added.

Among other training activities are: (1) a training centre for social education organisers and Mukhya Sevikas for Community Development blocks, (2) a training class for secretaries of Gram Panchayats, Talathis (Patwaris) and Gram Sevaks, (3) short-term courses for members and staff of Gram Panchayats. To help destitute women to stand on their own feet, there is a condensed primary course of two years' duration.

All teachers and students live on the campus. However, the students of lower standards coming from nearby villages need not stay in the hostels. Poor students of merit are given education and hostel facilities free.

Research in rural education is conducted at the Govindrao Korgaonkar Educational Research Institute. One of the difficulties of education in villages is that the size of a school often does not permit the employment of more than one teacher. Education of children of 11 to 14 also poses many problems. The Institute has evolved solutions to them. It also runs a model single-teacher school and four evening schools in adjoining villages for the age group 11-14. At the higher level it prepares scholars of the Poona and Karve Universities for their M.Ed. and Ph. D. degrees.

Mr. V.T. Patil was the originator of the Mauni Vidyapeeth idea and has been its president since inception. Mr. J.P. Naik, now Adviser to the Government of India on Primary Education, is mainly responsible for its development and remains its philosopher. Mr. B.M. Save, the present Director, is assisted by Mr. D.V. Chikarmane and a band of devoted teachers and workers.

The campus has a Panchayat of its own, apart from a Mahila Mandal, a recreation club, a library, an arts and crafts centre, a co-operative store and a credit society. There is a special fund to help poor and deserving students and a 'Swadhyay Maha-

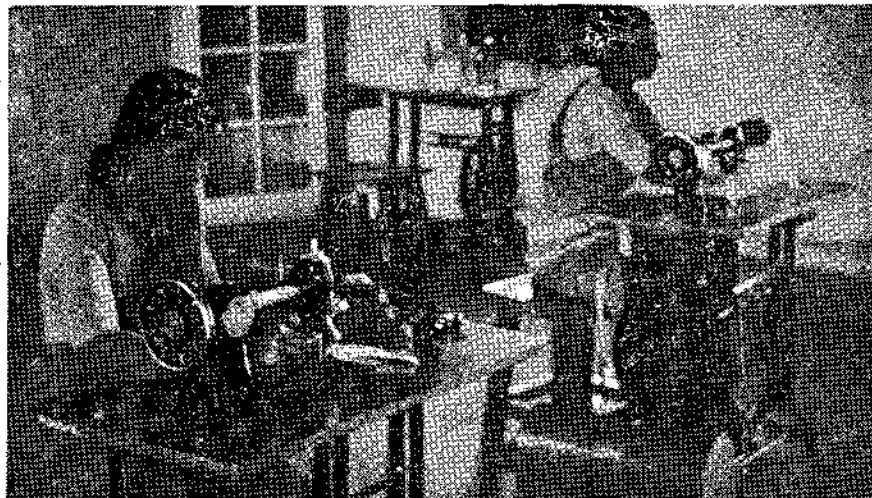
vidyalaya' (college of self-instruction) to prepare external students for Poona University examinations. Members of the staff take food from the mess if they do not want to spend time in cooking.

BUT the outstanding feature of campus life at Gargoti is that it is not a little island in itself but concerns itself intimately with the needs and problems of villagers. It has a well-equipped model farm for agricultural experiments. The dairy and poultry units give demonstrations and guidance to villagers. Poultry birds and eggs are also supplied.

Besides the agricultural demonstrations, villagers are given direct help in agriculture and animal husbandry, health and sanitation, crafts and co-operation and the conduct of social organisations. The Vidyapeeth's units of carpentry, brick-making and lime making for building work also

Three days in a week she tours the villages in her mobile van and for two days attends patients at the Vidyapeeth clinic. So popular is she with the people that they affectionately call her 'Mavshi' (mother's sister). Among her women patients at the clinic was Tara Jadhav, a young mother who had come with her child from Ichalkaranji, 55 miles away. Tara had lost her first child. The second, who could hardly speak, walk or sit, although six years old, lay in her lap like a bundle of bones. Bad case of rickets. But Mavshi was confident that the child would be cured.

What Mavshi is most busy with at the moment is the hospital she is planning to build at Mudhal, nine miles from Gargoti. It will also have a training centre for nurses, midwives, dais, sanitary inspectors and health visitors. It will cost Rs 5 lakh.



Trainees at the Ghataprabha crafts centre

provide training to villagers. Six villages have been selected for intensive extension services. Two welfare extension projects have been undertaken in 34 villages.

The Vidyapeeth runs 52 primary and secondary schools in the neighbourhood. Cultural groups from the Vidyapeeth visit villages and give shows. A mobile library service has been organised.

The health section of the Vidyapeeth organises eye camps, vasectomy camps and inoculation campaigns. A mobile dispensary looks after the medical needs of the villagers. Miss Helen Moos, a nurse from the U.S.A., is in charge of the health section.

HEALTH as more than a physical necessity—as indeed of a moral value — that sums up the outlook of the Karnatak Health Institute at Ghataprabha.

In its grounds stretching over 147 acres you forget that you are in a medical institute. The smell of iodine and the moan of patients are not found or heard except in the hospital building. Elsewhere you see school children at play, women working at sewing machines, young tots of the Balwadi greeting you with folded hands in a loud chorus of insistent 'Namastes'. When you peer into what you are told is the library, you see a number of people surrounding a lanky man, provided he is in station.

(Continued on Page 19)

FOR EVERY MODERN HOME

Two journals we would strongly recommend to every secondary school and every modern home are *School Science* and *Science Reporter*.

Of them *School Science* is somewhat older; it started publication in September 1962. *Science Reporter* is very young, the first issue having come out only last month. *School Science* is issued by the National Council of Educational Research and Training and is a quarterly. Its subscription is eight rupees a year. *Science Reporter* is a monthly journal published by the Council of Scientific and Industrial Research, and a mere five rupees will bring twelve issues.

The inaugural number of *Science Reporter* contains a lucid statement of its aims. It is to be an interpreter between the scientist and the rest of our intelligentsia. The Indian citizen has a duty as well as a right to know what is happening in the world of science, and especially in the research institutions. Having paid for their establishment, he should know what work they are doing. Also, since so much in the world, for good or ill, depends on science he has to be better equipped to take the correct citizenly decisions. This knowledge is even more necessary on the part of politicians and executives.

As the editorial observes, "Unfortunately there has been a failure on the part of the scientist to share his knowledge with the public leaders and the administrators on the one hand and the mass of the intelligentsia on the other. And so between the scientific illiteracy of the former, the apathy of the latter and his own lack of social perspective, much knowledge and technique that exist in our country are frittered away." More immediately, because of this lack of communication, a good deal of learning that can be turned to the economic benefit lies idle.

The first two issues of *Science Reporter*, with a judicious combination of popular articles and functional

notes, promise to improve this lack of communication.

School Science has a less ambitious but none the less important objective—that of serving teachers and students of science in schools. With the determined effort being made to give a scientific bias to our secondary education, *School Science* can play a very useful part. And the December 1963 issue is a proof of it. The articles are to the point and cover a wide range of themes. The "Science Abroad" section has a very readable note on radio telescopes. But the sections we liked most were "Classroom Experiments" and "Young Folk Corner".

While wishing the two journals all success, *Yojana* wants to make one point. Such good material ought to be better known. But Government publications (and *Yojana* includes itself in the group) suffer from a strange shyness, which is another way of describing managerial lethargy. Somebody some time ought to realise that government publishing is also a public sector industry. And since it is likely to serve a large number of people, the business part of it ought to be made more dynamic. Such journals ought to be easily available in Chandausi or Chickmagalur.

Sort of Picnic

A SIKH young man we know married a Malayali girl recently. When we congratulated him on the way he had effectively furthered the emotional integration of the country, he said: "Do you know, my wife tells me that when another Kerala girl married a Sikh and took her husband to her home village, the local school had a half-day holiday? That was to enable the children to have a look at a Sikh! He was the first sardar to be seen in that village."

Mail Maxims

THE seals that post offices use can sometimes be really smart. We came across one on a letter from Canada. It read: "Why Wait For Spring? Do It Now!"

We don't know what *It* means, but we like the cheerful ring of the advice.



IGNORAMAN Wants to Know

*Mr Asoka Mehta
says we are
one Plan behind...
But don't we have
two Plans ahead?*

We in India seem to be less enterprising about such post-office slogans than about issuing new stamps. *Yojana* doesn't remember to have come across any seal designed specially for the Emergency.

Better Late

AT New Delhi Station one waiting person to another: "This Grand Trunk Express is always late....."

The second waiting person: "Hajee. Do you know why? These South Indian station-masters are so cautious they don't give the line-clear easily."

Collector's Item

A true story:

State official to planner from Delhi: "We are hoping to reduce the birth rate by 50 per cent in the next ten years. In fact we have seriously set about the work."

Planner: "Would you enlighten me on what you have done?....."

State official: "As a first step we have produced this pamphlet in large numbers."

YOJANA welcomes articles, features and photographs dealing with development themes. Intending contributors might also send stamps if they desire return of material in case of non-acceptance.

Books

Cases for Scrutiny of Administrators

ASCI Case Collection by A.R. Towl and M.E. Doraiswamy. Asia. 344 pages. Rs. 25.

A. Avasthi

Now that management has come to be regarded as a 'science' and accepted as a 'profession', the need for training managers has been universally recognised. It is sometimes said that managers are born, not made, and that it is better to select a good manager than to try to make him good. It is also claimed that coaching by the boss and the school of experience have been the traditional modes of training. However, the complex and technical nature of the management process today has made a systematic and planned training programme imperative.

Management education, to be effective, must be practice-oriented; mere academic training will not do. A good management training programme must aim at inculcating in the trainees the ability to analyse, to judge trends, to size up a situation, to balance diverse influences and factors and to take a decision. It has to be remembered that a good decision must be appropriate to a given situation, and no two situations are exactly alike. An executive has, therefore, to be trained to adapt himself to different situations and take decisions in the light of the known facts.

The lecture method obviously cannot deliver the goods. It encourages dependence on teachers while in management courses we need to develop self-reliance on the part of the trainees. One way to carry practical experience in management to the trainees is to invite practising executives to participate in seminar and syndicate discussions. Use is also

being increasingly made of new techniques of education like case studies, role playing and business games.

The use of the case method in teaching is not new. For many decades it has been in use in schools of medicine and law. Its use in teaching business administration, however, is comparatively a recent phenomenon. The case method in teaching business administration was adopted by the Graduate School of Business Administration of Harvard University in 1921. It has proved to be very effective and has since been adopted in many other countries. As a matter of fact, the case method is now in full use in the schools of public administration as well.

This method of teaching has a number of advantages: (a) It encourages the habit of thinking about specific situations by taking the trainees as near to actual situations as possible; (b) It develops the capacity to ask discerning questions; (c) It helps in developing the ability to participate in group discussions and trains the participants how to listen and communicate their views; (d) It provides a good opportunity to the trainees to expose their views to the comments and observations of their compeers and to benefit by them.

Of late, a number of institutions, institutes, universities and management associations have started courses in management training and have organised executive development programmes. Many leading business concerns too have their own managerial training and development programmes. Most of these have been using the case method as part of their training programmes. Case studies to be effective must be based on situations with which the trainees are familiar. Cases studies, therefore,

have not only to be indigenous but have to be based on recent experience. This has necessitated development of Indian case material. Some of the institutions have prepared their own cases for teaching purposes. The first big step in this direction, however, was taken with the publication of Professor Murty's *Case Problems in Business Management* in 1962. Another big programme in the development of case material in public administration was started at the same time at the Indian Institute of Public Administration, New Delhi, which published three volumes in a Case Studies Series in 1963.

The Administrative Staff College at Hyderabad, set up to organise executive development courses for the senior executives in business and government, naturally felt the need for preparing its own case studies for use in syndicate discussions. The cases were prepared by persons working in business organisations, who were specifically nominated for the purpose under the advice and guidance of Mr. A.R. Towl, Director of Case Development at Harvard, then working as consultant to the Staff College. These cases were discussed first among the staff members and then among the trainees before being finalised. A case has to prove its teachability before being finally written up.

The result of this Case Research Project has been the publication of the book under review. This is the first series and more are to follow. The volume begins with the foreword by Principal Gupta of the Staff College giving the genesis and development of their Case Research Project. The last part of the book is devoted to Notes written by Mr Towl. These Notes are very comprehensive covering more than 50 pages, and constitute an important portion of the book. With the wealth of his experience in case development Mr Towl has written on: *The Case Method of Study Administration, Working Notes for Preparation of Cases, Working Notes for Use of Cases, and Implications for Management Development*. The Notes are followed by an Appendix indicating "some sources of the conceptual background of the case method."

Between the Foreword and the Notes are presented 55 well written case studies covering 280 pages. These cases have been grouped

under five broad heads—Structure of Organisation; Men, Motivation, and Morale; Management Labour Relations; Government and Industry; and Constructive Administration. There is no ideal or standard method of classifying cases. Each writer or editor makes his own classification best adapted to his scheme or plan. "The general purpose of the collection is to present for analysis and discussion integrated management problems which include such considerations as marketing and structure, product design and development, channels of distribution, human relations, industrial disputes, adaptation to change and relations with Government." The cases are not fictitious but portray actual situations. They are, of course, disguised in regard to names and places.

The editors, undoubtedly, have done a fine job. The writing of cases is an art and teaching through the case method a special gift. Principal Gupta is correct in saying that case writing and case development lead inevitably to research and development of the faculty. One or two suggestions may not be out of place at this stage. First, the cases are confined purely to private business and industrial firms. In these days of expanding public sector it should be a good idea to write some cases on public enterprises—governmental corporations and companies. Municipal enterprises too could be covered with advantage. In the second place, it may well be asked if there could not be given short notes and illustrative questions on each case. It is true that the cases included in the volume do give some details about the nature and organisation of the business concern dealt with, but a few background details could prove additionally useful. The other suggestion of giving a few illustrative questions on each case may well be challenged. It may be argued that such questions tend to limit discussion to the given issues and discourage thinking on the part of the participants. It must also be admitted that the participants in the Staff College executive development programmes are all senior executives fully competent to pose their own questions. However, a published collection of cases may well claim a wider reading clientele for whom cases may assume greater significance and become more meaningful if they have some guide-points to work upon.

A HOME OF HEALTH From Page 16

He is Dr N. S. Hardikar, honorary administrator of the Institute. The building is a gift of Mr V. Nimbkar. He intended Dr Hardikar to live there. But the Seva Dal pioneer, Dr Hardikar, is almost always on the move, and he has turned it into a library and a home for all. The modest building, as indeed the entire area, exudes an atmosphere of cheerfulness and quiet activity.

The seeds of the Institute were sown by Dr G. R. Kokatnur who started a small dispensary there in 1929. During the past thirty-odd years it has developed into a large organisation which looks after the medical needs of thousands of people. It has a 100-bed hospital with well-equipped operation theatres and an X-ray unit. Lung surgery has been taken up, and soon heart operations will be performed.

There is a tuberculosis sanatorium with 150 beds. It is separated from the other buildings by a green belt, 120 feet wide, which is being developed into a garden park. Occupational therapy has been introduced for the patients and Miss Judith Fleming, a young Canadian, has been training the staff nurses. There are separate quarters for convalescent T.B. patients who desire to stay on.

The third major institution on the campus is the training centre for nurses. It admits 50 trainees every year for a two-year course. The trainees live in a hostel and follow a strict regimen that includes physical drill in the morning and prayers twice a day.

The Institute has organised a rural health service. The dispensary van moves from village to village to offer medical relief to about 50 villages in the Belgaum district.

The Institute also runs a maternity and child care centre, a Balwadi, a primary school, a library, a Mahila Mandal, a craft training centre for women and a child welfare centre. Besides, it organises village leaders' conferences, eye camps, holiday homes for village children and other social activities.

It has also undertaken a welfare project at 10 centres with a population of 50,000. An experimental health insurance scheme was introduced in a near village Dhupdal; under it a person received medical care for one year

on payment of only a rupee. The maternity and child care centre and other institutions are run mainly with an educational motive. At the maternity centre, mothers are taught how to take care of the child. The crafts centre gives training to 15 women in tailoring, toy-making and wax fruit making. This is meant to enable destitute women to earn a livelihood.

The salubrious climate and natural condition of Ghataprabha make it a good health resort. The Institute has sponsored a health colony scheme under which people build cottages in the colony, own it as long as they live in it, and donate them to the Institute when they leave. There are also plans to extend the village medical service, to conduct T.B. surveys and services in villages and to set up a bacteriological laboratory and a herbarium.

Dr M. K. Vaidya, the Chief Medical Officer of the Institute, says, "This is not an institution. It is only an agency. It takes from the benefactor and gives it to the beneficiary". In his words, "Medicine is good preacher". Medical aid, according to him, is a sure means of spreading new ideas and new ways of life.

PUBLICATIONS RECEIVED

Planning & Statistics in Socialist Countries by Statistical Publishing Society, Calcutta. Published by Asia Publishing House, Bombay. 250 pages. Rs 25.

Studies in Modern Indian Political Sciences by O.P. Goyal. Published by Kitab Mahal Private Limited, Allahabad. 113 pages. Rs 8.

Kasturi Ranga Iyengar by V.K. Narasimhan. Published by the Publications Division, Delhi-6. 239 pages. Rs 2.50.

Annie Besant by C.P. Ramaswami Aiyar. Published by the Publications Division, Delhi-6. 152 pages. Rs 2.

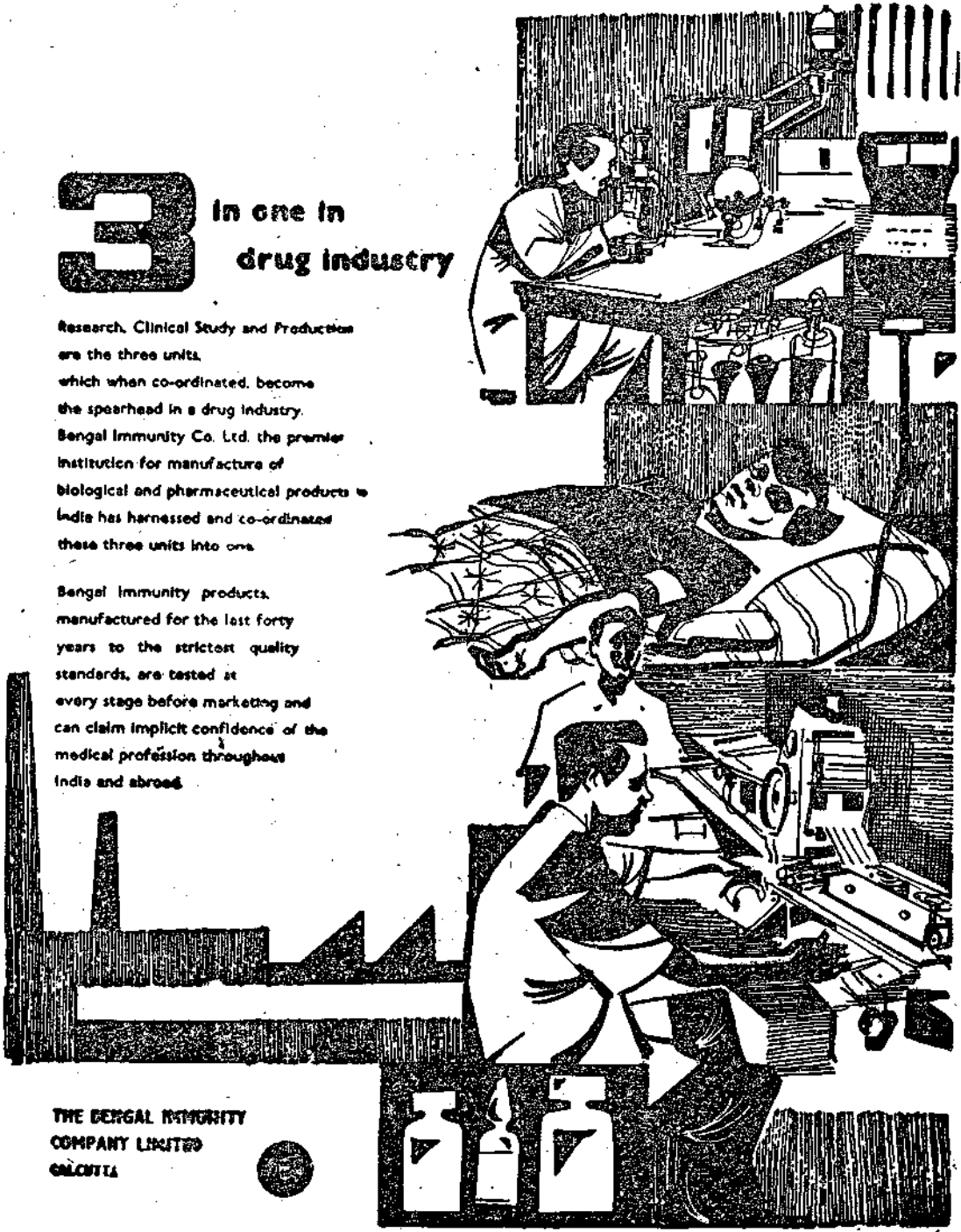
Rural Industrialisation by V.A. Vasudevaraju. Published by De Nobili Press, Madurai-8. 36 pages. Re 1.

Report of Irrigation & Power Team on Rihand Project (U.P.). 65 pages, *Report on Secondary School-Cum-Hostel Buildings in Rural Areas*. 24 pages, *Report on Primary School Buildings in Delhi*, 31 pages - all brought out by Committee on Plan Projects, Planning Commission.

3 In one in drug industry

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WHY DOES FOOD PRODUCTION

LIMP ?

MAIN REASON IS THE BIAS IN FAVOUR OF TOWNSMEN

THAKUR PHOOL SINGH

THE food problem, which assumed crucial importance during the war, has been constantly under public gaze ever since India became independent. Numerous committees and study teams have dealt with some aspect or the other of the problem, but it has so far eluded solution.

Agriculture was declared to be the base of the First Plan, as industry was said to be the base of the Second Plan. From the very beginning of the Second Plan, however, it was felt on all hands that there was something wrong with agriculture. At the Gauhati session of the Congress, Mr U.N. Dhebar, in his presidential address, described agriculture as the core of the industrial base on which the Second Plan stood. When proposals for the formulation of the Third Plan was discussed at the Nagpur session which met at a time when the harvest appeared to be good, emphasis was again shifted from agriculture to industry. However, the Prime Minister reiterated at the recent meeting of the National Development Council (November 8, 1963) that agriculture was the key to all progress. The concern with which he had referred to the lag in agriculture was still echoing when only a few days later Mr A.M. Thomas, Minister of State for Food and Agriculture, declared in the Lok Sabha that the food situation had improved.

Lack of Understanding

This attitude of the Government may well be likened to that of an elderly lady who, unable to bear the cold during the winter nights, resolves to provide herself with a woollen quilt, only to change her decision the very next day when the sun shines brightly. It is time that a permanent or quasi-permanent arrangement should be made to study this problem in all its aspects on a long-term basis and for evolving effective remedial measures applicable to the changing situations from time to time. The policy so laid down should be faithfully adhered to at least for the duration of a Plan.

As matters stand at present, there appears to be something funda-

mentally wrong with our understanding of the problem. The town-bred intellectual regards the peasant's way of life with condescension and patronage, if not contempt. Everybody admits that India lives in her villages and the villager should be the State's first and foremost concern. But when it comes to translating this precept into practice, everybody takes refuge in sophistries and excuses which the philosophy of development readily provides. In the words of M. Beard, the author of *The History of Business Man*, "Men suffered on the land but survived, while in the cities they flourished...and faded". The divergent interests of town and country, of industry and agriculture, have been a perennial issue since the rise of modern industry. Industry has created an insatiable demand for cheap raw materials, while the clamour for cheap food also continues. The farmer is made to produce both the requirements, and sell them at low rates.

Industry, commerce and the town proletariat are, in a way, at war with each other. But curiously enough, they are at one against the unorganised or poorly organised peasantry.

Their common slogan of cheap bread and a low cost of living puts them in the same row against the farmer. The price-fixing process invariably places the interests of the farmers at the mercy of the price-fixing authority. The toiling millions in the countryside look to the State for relief, but when their hopes and expectations are not fulfilled, no amount of argument will convince them that the nation's welfare depends on their impoverishment. They tend to lay the entire blame on the State and the mechanism for managing its affairs called the Government.

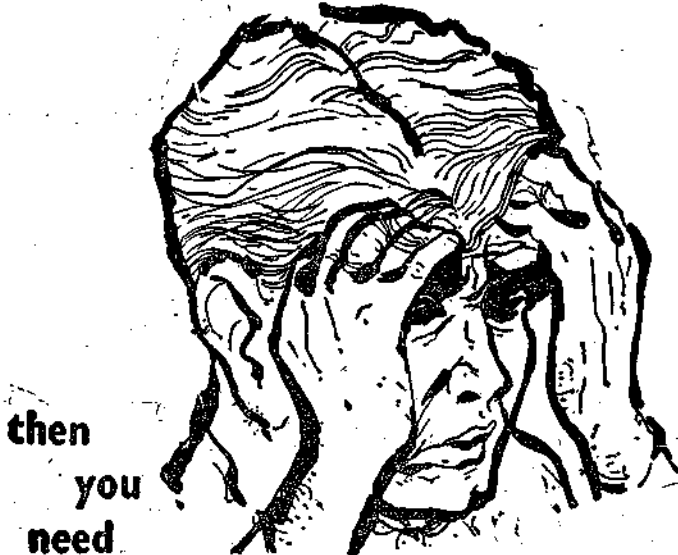
A wag has described socialism as "capitalism with a different pair of pants". Both socialism and capitalism are based on the same set of money values. Their struggle for supremacy is within the same framework of dominant urbanism. Both share the Marxist prejudice against the peasant, and look forward to the day when agriculture would be carried on as an industry, with machines and armies of land workers. The industrial civilisation is radically hostile to the peasants.

No Sampathy for Producer

Recently there have been debates on the trends of prices; both in Parliament and in the State legislatures. In these debates the Opposition and the Treasury Benches have vied with each other to uphold the theory of cheap bread and low cost of living. The poor producer's point of view has received little understanding and hardly any support. There has been no reference to rising costs of agricultural production or any consideration paid to the parity of prices of different articles, especially between the ones the cultivator produces and the others that he needs.

The Third Five Year Plan recognised the importance of assuring minimum remunerative prices for agricultural produce to provide the necessary incentive for increasing production. It was accordingly hoped that the economic and the social controls under the planned economy would resolve the conflicts referred to in earlier paragraphs and would

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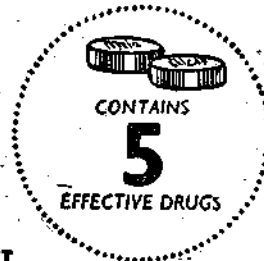


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about a synthesis of the farm and the factory. No doubt some attempts were made in that direction, but even these went the wrong way, to the disadvantage of the rural community.

An examination of the relevant price indices would make this evident. With 1952-53 as the base year, the trends in the prices during the last ten years would show that the index for cereals was below the base year level up to 1956-57, touching the lowest point at 76 during 1955-56. Subsequent rise above the base year level has been rather nominal, varying from 101 in 1957-58 and 107 in 1958-59 to 102 in 1961-62 and 106 in 1962-63. Judged from another angle the total increase above the base year level from 1957-58 to 1962-63 would just suffice to offset the fall below that level to 76 in 1955-56, while the heavy falls during the remaining earlier years have been to the disadvantage of the farmer, without any compensating trends. The upward trend during the period 1957-63 has been accepted on all hands to be compensatory, but seen in the proper light it has offered poor compensation to the farmer's earlier hardships.

Considered individually, the position of wheat has been much worse. The price level has all along been below the base year level except in 1958-59 when the index rose by 5 points above the base year level. This would not suffice to offset the comparatively small falls below the base year level in any single year. Subsequently, not to speak of much larger falls during earlier years with the lowest point at 72 in 1955-56. Pulses fared no better. The years 1958-59 (104) and 1962-63 (105) were the only years with the index above the base year level which can hardly offset the lower levels during earlier years ranging between 59 in 1954-55 and 91 in 1953-54, having remained completely uncompensated for. In the case of rice there were two normal years, three bad years and six good years in the same sequence, the maximum index being in 1962-63 (111) against the minimum in 1955-56 (78). No doubt these prices must have favoured the industrial workers and the entire urban population, but for the farmer the trend of prices has been evidently adverse from all relevant considerations.

The position becomes still worse if the prices during the harvesting season are taken into account, because generally at that time they are much lower than at any other time during the year, and it is these prices that matter for the cultivator who has little capacity to wait for better prices. The bulk of cultivators have to dispose of their produce at very low rates at harvest time and to purchase their needs later in the same year for domestic consumption at much higher rates.

It is sometimes argued that cultivators are also consumers and that a preponderant majority produce good grains for domestic consumption only. It is also said that a sizable section of the rural community does not produce enough to eat and supports itself by following other occupations also. It is therefore suggested that for both these categories of cultivators high grain prices

are no incentive is easily seen. If food prices rise, they would be more interested in growing food on their holdings in order to avoid unduly large expenditure on purchasing their food requirements. It is therefore appropriate that higher prices for food grains should be expected to prove a good incentive for all categories of cultivators.

The picture would remain incomplete without a reference to the prices of the articles which the cultivator needs for his domestic consumption such as textiles and kerosene, as well as for his production purposes such as fertilisers, tools, metal products and fuel. It is common knowledge that the prices of both these categories of articles have been consistently above the base year level. The prices of the articles produced by the cultivator have not kept pace with those articles he needs.

QUOTATION BOX

The common man does not go to the Supreme Court.

—Mr Justice Gajendragadkar

Friends—My heartfelt thanks to you for the reception you have given me. With this I end my speech.

—Mr K. Kamaraj's speech at reception by the Parliamentary Congress Party

All fashionable ladies in Budapest have at least one pair of Indian chappals.

—Mr E. Polgar, a Hungarian diplomat

Even in countries that take pride in their free economy, the share (of government in the gross national product) has steadily grown. In the United States of America, that share went up from 10 per cent in 1929 to 27 per cent in 1960. It is interesting to find that more than half of the new jobs created since 1950 in the U.S.A. are in the public sector.

—Mr Asoka Mehta, addressing the Indian Merchants Chamber

The Indian image abroad is not as brilliant as it used to be some years ago. Labourers and businessmen to a very great extent form the theme of reports on India and the two classes of people can hardly convey the right image.

—Mr Tarzie Vittachi of the International Press Institute

The Publishers' Association of West Bengal has calculated that in the Calcutta riots, books worth Rs 40 lakh were destroyed through loot and arson. Because, bookbin-

ding is traditionally handled by Muslims; but the publishers who too shared the loss are mostly Hindus.

—Scribbler in "Mainstream"

The increased emoluments are: a special allowance of Rs 7 per month and Rs. 5 per month to Halwais and Cooks respectively in addition to their existing pay and dearness allowance; three advance increments in the existing pay scales to Chapati Maker, Tea Maker and Helper to Halwai and two advance increments in the existing scales of pay to Assistant Cook, Tea Vendor, Cleaner, Assistant Chapati Maker, Bearer and Counter-boy.

—From a press note of the Heavy Electricals, Bhopal

Everything points to the private sector getting the traditional place allotted in the hierarchy of Indian castes to the Vaisyas—a tolerated position dependent on the favour of friends at court.

—Mr S. Natarajan

A case involving corrupt practices has been brought against a former official of the National Cadet Corps. The case, it is believed, arose from the purchase of 60,000 "dupattas" for N.C.C. girl cadets.

—A report in "The Hindustan Times"

Here (the Punjab) people do not allow others to do any work... At the bidding of the Opposition I would not even go to Heaven.

—Mr Pratap Singh Kairon in the Punjab Legislative Assembly



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LIVING AT TWO LEVELS

MINA SWAMINATHAN

FREUD discovered the unconscious more than half a century ago, and since then, everyone else has almost worked the idea into its grave. Nevertheless, the realisation that the conflict between unconscious drives and conscious aims and intentions can drive a person insane must have helped countless people to remain sane. We still need a Freud of the social sciences, who can show what dangers lie in the conflict between the forces that shape a society and the sentiments that are expressed by even its sincerest mouthpieces.

Fantasy abounds in our public life, when we plan for what we want or think that we want, while brute economic and social forces carry us in quite opposite directions. English, for example—the very word makes some people froth at the mouth, and dates are set and reset for its abolition from the national scene, rather like the “positively the last” last appearances of famous prima donnas. Parliament legislates on “may” and “shall”, but what is real is the tremendous pressure from the public for more English in education. Every ordinary parent, and particularly those who have little or no English themselves, wants his child to learn as much English as possible, as soon as possible. In Uttar Pradesh, English is an optional language—an optional subject which is chosen, every year, by 100 per cent of the students! To keep a fantasy alive in the face of such an overwhelming reality naturally demands all the mental energy we can muster.

The ‘Noblest Profession’

Teachers, whom we invariably refer to as members of the “noblest profession”, are quite different from what we fondly imagine them to be. Every educational plan and policy of the last fifteen years rests on the assumption that the teacher can deliver the goods—whether it is forming the character, moulding the soul, organising a break-through in science, or spreading the light of social welfare in rural areas. This is done by ignoring the uncomfortable fact that 90 per cent of those who join teachers’ training colleges, for example, have third class degrees, and have entered the “noblest profession” because they could not find employment elsewhere—that is, they cannot *rise to the occasion*. The pay and status of teachers, relative to other occupations which need the same qualifications, are declining—how many bright

young people does each of us know who are *planning* to become school-teachers? The vernacular is no respecter of persons, and the real value we place on the teacher is indicated by the rude equivalent for “schoolmarm” which exists in every Indian language.

And so we are living on two levels all the time. Behind the scenes, women are being weighed in carats, while marriages are made by the heavenly bodies. Every schoolboy knows that it is necessary to be a graduate even to be unemployed, so that high school education is even more “terminal” than the coiners of the phrase intended. What about community development or basic education, or the case of non-returning scientists? Enumeration would be very tedious.

This is not, however, a particularly Indian affliction. Mr Gerard Piel recently referred to the split personality of American economists when he spoke of “Sunday economics” and weekday economics. The attempt to apply the classical definition of economics as the allocation of scarce means among alternative ends to a world of real physical abundance has been slowly driving the economists crazy. Their solution—to operate simultaneously two kinds of economics. If that is not schizophrenia, what is? To bring the two halves of the personality together again, it is necessary to convince the patient, the U.S. Congress in this case, of the reality that foreign aid is not merely not charity, but that it is not even, any more, just a profitable investment. It is a necessary cog to keep the wheels of the American economy turning. The patient being who it is, this will probably take a very long time.

To Terms with Reality

The only known cure for schizophrenia is a long and painful process of getting the patient to come to terms with reality, and to accept that the world he has been living in is not real. It is easier to name the disease than to identify the patient, and it is even more difficult to answer the question—who is to be the psychotherapist? Since India has publicly proclaimed its intention of lifting itself by its own bootstraps, it seems that we have to do this ourselves.

But why should we compel ourselves to take a long, hard look at reality, when the dream is so much more interesting and enjoyable? Because it’s good for us? The patient is hardly likely to be convinced. John Donne gave the only convincing answer, three centuries ago, when he said of his dream,

“It was a theme

For reason, much too strong for fantasy.

Therefore thou waked’st me wisely.”

And having woken up, the next step is to find the courage and the strength to live the dream into reality. The man who could find a satisfactory reason for disentangling dream from reality ended the stanza with

“For since thou thought’st it best

Not to dream all my dream, let’s act the rest.”

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By P.S. MAHAJAN

*This is how
Mr Satyavant Ponshe's
Suyashe plough
works.*

Ponshe's Plough for Single Bullock

IT has always been the plough and the pair of bullocks, like two leaves and a bud. But the centuries old combination is sought to be changed by Satyavant Ponshe of Washim in Maharashtra.

Ponshe, a resourceful farmer who has turned to teaching agriculture, has evolved a single-bullock plough which promises to be a boon to small-holders.

Besides a new kind of plough, Ponshe has also made a harrow, a hoe and *duphaj*. He calls them Suyashe implements.

According to Ponshe, a pair of bullocks are used economically only when the holding is at least 20 acres in size. But the majority of holdings in our country are very much smaller. Those who own bullocks do hire them out often, but the have-nots do not get them when most needed.

Ponshe claims that with his implements, small-holders can save the cost of one bullock and also be able to use the one bullock to full capacity.

He admits that for heavy operations which are obviously beyond the strength of one bullock, his implements will not be useful. But nearly 80 per cent of agricultural operations being light operations, even the larger cultivators, he says, can use his one-bullock implements profitably.

Ponshe says that the economies he claims are based on his own practical experience.



Two bullocks yoked together take a day to harrow an acre of land. But when yoked separately to one-bullock implements, they cover more than an acre. The per-acre expense of cultivation by one-bullock implements comes to Rs 18.80 while it is Rs 21.89 with implements drawn by a pair of bullocks.

What are the modifications made by Ponshe? He has removed the usual long beam which is attached to the headpiece for yoking the bullock. Instead he has attached two small beams 27" to 32" long. The far ends are fixed to a horizontal

piece of wood parallel to the base of the implement. At both the ends of this rod there are two ropes which are attached to the yoke to which the bullock is yoked. An inverted Y-shaped prong has to be attached to this horizontal piece of wood. The entire implement is made of wood and can be prepared and repaired by a village carpenter.

Ponshe says that one of the pronounced advantages of his one-bullock hoe is that it can be used irrespective of the height of the crop. At present hoeing operations can be done only up to a time the crops attain a particular height for fear that the bullocks will harm the taller crops. But with the new hoe, the single bullock could walk between the two rows of crop without causing any loss. This is particularly helpful to jowar because by continuous hoeing the moisture in the field is conserved, helping at heading time.

Ponshe has taken out a patent on his implements (No. 80133). But he says that he has done so not with a desire to have a monopoly but because he wishes his name to be identified with the improved model. To anybody who seeks to prepare them he offers ready permission without any conditions. He would feel sufficiently compensated if small-holders used the implements and derived benefit.

Ponshe is using these implements for the last two years on the farm of the school he teaches, the Government Multi-purpose High School at Washim in the Akola district of Maharashtra State.

Until a few years ago Ponshe was a cultivator himself and had even won the first prize in the *talug* level crop competition in jowar in 1954-55.

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RAILWAYS CAN TAKE

ALL COMERS

The announcement that the capacity of the Indian Railways now outstrips the demand in major sectors was made by the Railway Minister in presenting his budget to Parliament for 1964-65.

He said that Railways expected to lift 211 million tonnes in the coming year, compared to 194 million tonnes in the current year.

Gross traffic receipts in 1964-65 are expected to be 668.00 crore; working expenses will be Rs. 414.82 crore; Rs. 103.23 will go to the general revenues and Rs. 102.00 to depreciation and pension funds. The net surplus will be Rs. 30.87 crore.

The current year's revenue is estimated at Rs. 622.22 crore and the net surplus at Rs. 37.75 crore.

There will be no increase in passenger fares or parcel rates, but small increase in goods freight rates.

The Railways are increasingly becoming self-sufficient in the matter of equipment. Imports now form only 14.27 of the purchases, instead of 30.03 per cent in 1951-52.

YOJANA BHAVAN DIARY

Mr. J.S. Fforde of the Bank of England came to Yojana Bhavan on February 13 and met Dr. D.N. Saxena, Chief (Finance), Economic Division.

Mr. Khairuddin Haseeb, Governor of the Central Bank of Iraq, who was until recently in India as a guest of the Union Government, called on Mr. Asoka Mehta, Deputy Chairman on February 13.

Professor Ingvar Svennilson of the Department of Economics, Stockholm University, at present Adviser to Swedish Treasury on Planning, who was recently in Delhi as a guest of M.I.T. Centre, came to Yojana Bhavan on February 13 and met



Transmitters to Be Made

The State-owned Bharat Electronics has signed an agreement with a German firm, Siemens and Halsko, for the production of 5 kW and 3 kW transmitters.

The Defence Research and Development Organisation has made a light ground-to-air communication set and a compact single and multi-channel airborne trans-receiver. It has also designed several other items of specialised communication equipment. A special feature of the new devices is that they can be utilised in sub-zero temperature and low pressure at high altitudes.

A Central Road Transport is to be formed. This new Central Government Undertaking will have a share capital of Rs 50 lakh and is intended to maintain supplies to Assam, Bihar etc.

Dr. S.R. Sen, Adviser, Programme Administration. Later during his stay in Delhi, he also met the members of the Planning Commission and senior officials. Professor Svennilson was Chairman of the Swedish Planning Commission from 1950 to 1961.

A group of ten members of the 19th session of Administrative Staff College of India, Hyderabad, came to Yojana Bhavan on February 17 and 18 to acquaint themselves with the working of the Planning Commission. They met Mr. T.N. Singh, Member, Planning Commission, and Dr. S.R. Sen. They were also provided an opportunity to meet Professor Ingvar Svennilson on February 18.

SNIPPETS

A new bridge has been opened to traffic over the Uttangan river, 19 miles from Agra. It links U.P. and Rajasthan... Rich oil deposits have been discovered at Mohand, eight miles from Dehra Dun in U.P. Drilling will start soon... Gold has been found in the hills of Assam. The quantity is yet to be estimated... A factory to produce rayon tyre cord has been set up at Kalyan, near Bombay... A corporation is being set up to undertake major portion of construction of new steel works in the public sector. It will have an initial capital of Rs 5 crore... A storm detecting radar has been installed at Bangalore airport; this is the ninth radar airport in the country... The 'Own Your Home' scheme of the Life Insurance Corporation will be extended to 30 more cities from April. It has been applied to 26 cities since January last... The third generator stator has arrived at the site of the Bandel power house near Calcutta. Two stators are already in position and the fourth (and the last) is awaiting transport from the Calcutta port. The four generating units, each having a capacity of 82.5 mW, are expected to be commissioned by the end of 1964... The Posts and Telegraphs Department has introduced a scheme of overtime payment for its employees from March 1... The Department of Atomic Energy has reached an understanding with the U.S. National Aeronautics and Space Administration on the launching of rockets from Thumba in Kerala... The Senior Wing of NCC and NCC Rifles are soon to be merged. The NCC training of all college students will follow a uniform pattern... A naval station (NS Jarawa) has been commissioned in the Andamans... The National Livestock Committee is to be dissolved... A five-year trade pact has been signed with Bulgaria. Under it only engineering products will be exported by India... An ordnance cable factory was formally opened at Chandigarh on February 20. Its capacity is 5,000 miles of cables per month... The loss from the recent fire in the Heavy Engineering Corporation at Ranchi is estimated at Rs 45 lakh...

The production of sugar in the current season up to February 7 was 17.27 lakh tonnes. This compares with 13.23 lakh tonnes last year and 12.13 lakh tonnes in 1961-62.



BHAGIRATHI
Harmalkar
at work

Pride &
Place

95

CLAY FIGURES OF BICHOLIM

BHAGIRATHI Harmalkar has won her place among the clay modelers of Bicholim in Goa. Until two years ago, clay work was only a spare-time work with her, and she attended to it in the hours that she was not occupied with household work. Her husband, Dattaram Harmalkar, is a well-known craftsman of Goa, and she learnt the skill from him in order to be of help.

But Dattaram has been a paralytic patient for the last two years and she has taken the charge of the work. A small verandah in her house serves as a studio where a number of pieces in various stages of production are spread out amidst wooden boxes and household articles.

For the potters of Bicholim, clay modelling is a traditional craft. Even the pots and jars they make for kitchen use are of artistic shapes and designs. They also make dolls, vases and other decorative pieces. In course of time some of them have taken to more fancy work which requires something of the skill and imagination of a sculptor.

There is nothing special in the raw material or the processing. Clay is found in plenty in the neighbourhood. The processing is done as elsewhere in the country. The special-



SPECIMENS of
Bhagirathi's work

ity lies in the individual skill. After baking, the articles are given a glossy resin polish retaining their original earthen colours, or they are painted. Images of the various deities are also made on order.

The clay articles of Bicholim are sold in Goa as well as in the various handicrafts emporia. But the demand is not enough to boost up the trade; the reasons are the fragile nature of the earthen articles and their comparatively high price. Bhagirathi makes a modest living to maintain her small family.

Text & Pictures by M. K. PARDHY

BRIGHT
SPOT

MORE SCOOTERS

Between 35,000 and 40,000 scooters, motor cycles, three wheelers and mopeds are expected to be produced in the country in 1964. Production last year was 26,579. The present demand is 60,000.

The expansion of shipping has been three times faster during the Third Plan than in the previous two Plans. This year the tonnage stood at 13 lakh G.R.T.

EIGHTH
YEAR **5**

THE BUDGET ANALYSED

No-5



**PLAN TO
CONSERVE
FORESTS**

PAGE 7

YOJANA

MARCH 15, 1964

25 NAYE PAISE

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.

It is issued every other Sunday in two separate editions, English and Hindi. 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

The Trouble with Education

THE standards of education in our country are poor. Even graduates appearing at the I.A.S. and I.P.S. examinations are sometimes found to locate Ranchi in Assam. Some are confused between Bangalore and Mangalore. If this is the kind of knowledge our students acquire, we should not call education the "third eye".

So far our emphasis has been on academic education. For the economic development of the nation we have to extend technical education. For a new and better India we require skilled workers, scientists, and technologists and not clerks alone. Now that we have border troubles we also need more planners and technicians. Again, we require progressive agriculturists who will be able to double our food production and help in saving foreign exchange.

One of the basic defects of our education system is wrong choice of subjects for study. Subjects taught in schools and colleges are not selected according to the ability of the students. Neither parents nor teachers take pains to judge the inherent qualities of the boys. The result is that the subjects studied do not help them in their future career. Aptitude tests should be held and students should be allowed to take up the subjects which suit their capacity and temperament.

Another problem requiring solution is the lack of discipline among students. Discipline begets discipline and both parents and teachers have to set an example by their behaviour in life for students to emulate.

The present system of education requires a change. Syllabi should be famed according to the students' power of comprehension. Young minds should not be over-burdened with too many subjects. In middle schools there are no qualified science teachers. Why not withdraw topics on zoology and botany from science books prescribed for students

of class VIII? As regards examinations, the stress should be on objective assessment. *Viva voce* should be introduced to develop the personality of the students. Again, in order to reduce the emphasis on cramming, examinees may be allowed to use dictionaries and reference books.

Secondly, schools are over-crowded. Introduction of compulsory education has added to the number of students. Municipalities and village panchayats should make suitable provision for raising more buildings. Most schools are ill-equipped. Good maps and atlases are not available, particularly in regional languages. Steps should be taken to supply the schools with regional versions of authentic maps produced by the Surveyor-General of India.

Thirdly, more care has to be given to the preparation of text-books. Those prescribed are not up to date and often contain wrong information. For example, in *Modern Geography* prescribed for Class VII by the Education Department of the Punjab, the Amazon has been described as the world's largest river. *The Readers' Digest Great World Atlas* gives the lengths of the main rivers of the world as follows: the Nile—4,145 miles; the Amazon—3,900 miles and the Mississippi—Missouri—3,760 miles. The 1962 edition of the text-book on Social Studies (class VIII) contains the 12-year-old budget figures for 1952-53.

Fourthly, the teaching profession does not attract the right type of people. I have known of teachers who pronounce as 'fiksán' for 'fiction'. Of course it is no use blaming the teachers. Because of low salary they have no place in society. There are cases where a teacher is compelled to sign a receipt for more than what he actually gets. We cannot draw qualified persons to the teaching profession unless we raise the scales of salary.

Ludhiana

B.S.C.

NEXT FORTNIGHT

Monopoly Curbs in U.S.

Khadi—New Dispensation

Development & Disparities

Tarlok Singh

The Fight Against Hunger

Shriman Narayan

Reports on planning and development published in *Yojana* are freely reproducible with a line in acknowledgement.

Not to Stay Stuck But to Get Moving

BUDGETS are to produce revenue and allocate expenditure. But they do more than provide a government with the resources to carry out its primary functions; they help it to pursue its long-term objectives. They are thus "the financial reflection of the settled policy of a nation". The major objectives of our country are defence and development, and the heroic Budget of last year was the nation's response to the Chinese challenge to our integrity and welfare.

This strategy of furthering both defence and development is continued and strengthened by this year's Budget. An allied consideration is to see that there is no undue reliance on either deficit financing or aid from outside.

In the words of the Finance Minister, a budget is a "sensitive and multipurpose tool"—sensitive to changes in national needs, and capable of realising numerous purposes. The urgent national need—as pointed out by Mr Krishnamachari when he became Finance Minister six months ago, and by the Deputy Chairman of the Planning Commission—is to see that the economy does not stay stuck but gets moving. The Budget addresses itself to this task with finesse and determination. Its aims are to encourage production, enlarge corporate and

individual savings, facilitate investment, prevent showy consumption and ensure to the nation and to the individuals that compose it the fruits of their labour. It is a fine reconciliation of competing forces—those that produce revenue, those that promote growth, those that curb inflation and those that reduce the gap in payments. It has not only not imposed any new burden on the people at large, but lightened the load. It seeks to remove scarcities and the obstacles to the flow of goods and money. To companies, public-owned and private, it offers a range of incentives, doing away with various controls and enabling them to augment resources and use capacities. Special stimulation is given to a list of selected key industries. In infusing confidence in the industrial sector the needs of agriculture are not overlooked. More funds are set apart for intensive production in selected districts. Besides outlining an integrated policy in regard to growth, prices and balance of payments, it seeks to lessen the inequalities. It declares battle against monetary delinquents and those who seek to bilk the State. To the needy, on the other hand, it promises more social security. The large goal of the nation is constantly kept in sight while the immediate issues are met with skill and resolution.

SHARPER TEETH FOR TAX LAW

TO vote with judgement is the first of the civic virtues in a democracy. The second is to pay dues promptly. The United States and Britain are proud that their people show the same sense of discipline and honour in paying tax as in obeying traffic rules. Each is regarded as a natural part of personal morality.

Not that taxation lawyers and experts are out of business there. Companies do engage them to pit their skill against that of the tax-gatherers and do everything that is fair in law. But in the matter of declaring and paying of personal income tax there is a high level of honesty. This is one of the fruits of a realised democracy, and it arises from the feeling that the Government is one's own.

A person pays income tax in these countries almost as soon as he begins earning. Exemption limits are negligible. In the United States the tax starts at 600 dollars, which is less than one-eighth of the average family income. The individual is expected to file his own tax return and swear by its truth. In a country of 180 million people only 185 were jailed in 1959 for violation of the income tax law.

Three years ago there were only some nine lakh people who paid income tax in our country, out of a population of 438 million. This low figure is understandable in a poor country where the bulk of the population earns less than Rs. 340 per person per year (the per capita income figure is Rs. 339.4 for 1962-63). But certainly there are more than a million people whose income is above Rs. 3,600 a year. But not all of them pay the income tax they should. Like dodging tax altogether, understating of income is a common

practice. Indeed the dodger often boasts of his cleverness and is looked upon with admiration.

Because of these unsocial ways the nation is denied what is due to it. There is a great deal of 'unaccounted money' which is corrupting life, besides obstructing our progress.

There should therefore be a greater sense of duty in the matter of income tax. The decent do the right thing as a matter of honour. The waverers and would-be strays do so for fear of the law. Deterrents are needed to enforce duty.

The law has not evidently been drastic enough to put the fright into tax-evaders and tax-liars. Under Sections 277 and 288 of the Income Tax Act, until now, tax offences were "punishable with simple imprisonment which may extend to six months, or with a fine which may extend to one thousand rupees, or with both". A thousand-rupee fine, and the "and/or" option about jail, being no terror, the Government now seeks to change the clause to "punishable with rigorous imprisonment for a term which may extend to two years." Also, the jail term normally cannot be for less than six months.

To declare correctly what is due and to pay it promptly are being made the obligation of the citizen. Failure to do so means violation of the law. Greater powers are being sought to search places and seize books and documents for detecting hoards and fraud. The protection offered by the secrecy clause in Section 280 is being withdrawn.

This greater emphasis on *satya* and *dharma* ought to be widely welcomed and respected.

SPUR TO SELECTED INDUSTRIES

Yojana talked to some economists and administrators in an effort to analyse for its readers the force and effect of the main proposals contained in the Union Government's Budget for 1964-65.

The replies and points gathered have been divided into three broad groups: (i) implications for the individuals, (ii) impact on the corporate sector, and (iii) significance in terms of the socialist goal.

Having stirred together views and explanations, *Yojana* is not attributing them to individuals.

A BUDGET for GROWTH

*No New Burden on People * Freer Flow of Capital to Firms*

1. Its Impact on Individuals

What impact will the Budget proposals have on the large mass of the people?

The proposed changes in indirect taxes are designed to yield hardly Rs. 25 crore of additional revenue as against a total collection of over Rs. 1,000 crore in 1963-64. The impact, therefore, cannot be anything more than marginal. Of the specific proposals, the only major item which may have some effect on prices is the tax on fine and super-fine yarn. But as the fine varieties of cloth are consumed mostly by the upper-income group, the mass of the people will not be affected. Moreover the additional tax is so designed as to mitigate the incidence on handloom cloth.

Other changes in respect of excise and customs duties will not affect the common man; in fact to the extent they do, as for instance the revision of duties on cigarettes and the withdrawal of excise on non-power soap, *they would benefit* the poorer class of the population.

The position will also ease in the case of paper, chinaware, glassware, electric bulbs, gramophone records, etc.

The proposed changes in the scheme of personal income taxation affect only a small fraction of the population, because the number of people assessed to income tax, after all, constitutes less than one per cent of all the gainfully employed persons in the country—and these people are in fact the better off in relation to the bulk of the population.

The withdrawal of the Compulsory Deposit Scheme, taken together with the adjustments in the rate of tax-

tion, will mean a substantial increase in the *take-home pay* of persons with annual incomes of Rs. 5,000 or less, though the tax liability in 1964-65 will be only marginally lower than the net liability (after deducting CDS) in 1963-4. For those earning between Rs. 10,000 and 20,000, the net tax liability will be somewhat larger. At higher levels of income, the net tax liability is substantially reduced and even taking the contribution to annuity deposits, the take-home pay will be only marginally smaller than in 1963-4.

The annuity deposit scheme is also a measure that stimulates saving among income groups who can afford to save. To encourage small investors, the income tax deduction at source on this account will be only 20 per cent, against 30 per cent.

Though the changes in the rates of income taxation do not directly affect the mass of the population, the Finance Minister has announced a number of measures to tighten the administration of tax and thereby to reduce avoidance and evasion. It is proposed to do away with the existing provision in the Income-tax Act whereby the tax returns are treated as confidential documents. The Government is to assume wide powers to ferret out concealed incomes and wealth.

These measures, together with more stringent penalties for evasion, are expected to result in more efficient collection of tax from the richer regiments of the community, and thus ensure a more equitable distribution of the effective tax burden between different classes.

A demonstrable improvement in direct tax administration will also make it possible to meet the growing requirements for defence, social services and development with a relatively smaller increase in the tax burden on the broad masses of the people than would otherwise be necessary.

THE WHY AND HOW OF PROPOSALS

2. What It Does to Companies

IN his economic policy statement of December 16 the Finance Minister declared that only by stimulating and sustaining production could we succeed in any of the economic problems of the country—balance of payments, price stability and resources for the Plan. In the Budget Mr. Krishnamachari has announced a packet of measures which simplify the taxation on companies, even lighten the incidence, and give extra concessions to a special list of industries vital to growth. All in all the industrial sector will be enabled to save and plough back profits and have freer access to funds including foreign capital. Thus there are general incentives for corporate savings and specific incentives for basic industries and those helping exports.

The most important of the liberalising measures is the replacement of the super profits tax by surtax. Under the super profits tax, introduced last year, any return of more than 6 per cent on the equity capital and reserves was liable to additional taxation of 50 to 60 per cent. It discriminated between share capital and borrowed capital. Surtax, however, is levied on the *profit* a company makes. The new proposal ends the discrimination referred to above. It regards a company's capital base as the sum total of equity and preference capital, reserves, debentures and long-term loans. After giving a 10 per cent deduction on this capital base, or Rs 2 lakh, whichever is higher, the surtax will be levied only on the remaining profit at a uniform rate of 40 per cent.

Apart from reducing the total incidence of tax, this change will give a company a wider choice in raising funds. The bar against borrowing goes, and the companies can go to the markets for money with more advantage.

Besides being lower, the surtax is also more equitable to the younger companies.

The second most important liberalising measure is the exemption of inter-corporate dividends from super tax. This will enable companies to invest their resources in productive ways and will also induce foreign companies to invest in shares and stocks of Indian companies.

Thirdly, growth and production are to be encouraged in certain selected key industries which occupy an important place in the economy. These include iron and steel, ferro alloys, special steels, steel castings and forgings, aluminium, copper, lead and zinc, coal, lignite, iron ore and bauxite, industrial machinery, boilers, steam engines, turbines, power equipment and its components, machine tools, tractors and earth-movers, cement, refractories, fertilisers, paper and pulp,

tea, coffee and rubber, as also the generation and distribution of electricity. All these business will enjoy some extra concessions. They will get a rebate of 10 per cent in corporation tax and a further 20 per cent rebate in the surtax.

Super tax is also reduced on the smaller and younger companies.

Some groups of companies are exempted from compulsory distribution of dividend to enable them to plough profits back into their undertakings. Tax holiday and development rebate, wherever applicable, will continue to be available for surtax also. However, in order to facilitate evolution of clearer industrial priorities, it has been decided that the present development rebates won't be available automatically to non-basic industries after 1966.

How do the proposals encourage foreign investment?

First of all, there is a relaxation in the tax charge. If a foreign company receives dividends, the deduction at source will be only 15 per cent instead of 25 per cent in key industries. Secondly, on royalties and fees for technical advice, the super tax will be only 25 per cent instead of 40 per cent. Thirdly, foreigners are encouraged to invest in approved securities and debentures by making non-resident's interest income also exempt from tax. This will mean that Indian companies can raise money in foreign capital markets.

Exemption of inter-corporate dividends from super tax will itself encourage foreign companies to invest in Indian companies. Further, foreign companies buying goods in India for export are exempted from paying tax on incomes earned through these operations.

Special concessions are given to foreign technicians. With other foreign residents they are to be allowed a tax rebate in regard to their children's education; and tax exemption of three years is allowed to all technicians without insistence on prior approval of their contracts. Companies can thus engage foreign technicians with less difficulty. And foreigners do not have to pay the annuity deposits.

The loss in revenue due to these concessions is being made up by higher tax on companies that are wholly owned and managed by a small number of business families of the country.

There is liberalisation in supply of materials also. Many irksome restrictions in regard to the flow of materials have been done away with. The principle sought to be applied is that intermediate goods which are important for industries but do not yield any substantial revenue to the State should be *freed of duty*. In pursuance of this principle, the duty on acids and gases has been lifted. There has also been partial but substantial decontrol of iron and steel products.



Better use of resources is sought to be secured by curbing some wasteful expenses. Many companies now spend large amounts on advertisements, allowances, luxury travel, conveyance and accommodation of directors and executives and maintenance of guest houses. Curb on conspicuous display of wealth would also

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AL/62/V

improve the general economic climate. However, in order not to weaken managerial initiative, a certain apportionment for perquisites has been recognised—up to 20 per cent of salary. Discrimination between Indians and non-Indians in the higher levels of management is to be ended, with the removal of the rule that Indians cannot be paid more than Rs. 60,000 a year.

3. Furtherance of Socialism

Another important aspect of the Budget which has attracted widespread attention is the extent to which it promotes the objective of building up a socialist society.

The Finance Minister has concentrated on some major areas for immediate action. The most important of these, perhaps, are his proposals in regard to estates, expenditure, wealth and bequests. The rates of taxation under all these heads have been raised and in some cases made more progressive. Loopholes in existing legislation which permit the avoidance of duty on the estates of deceased persons through gifts are sought to be plugged.

One cannot, however, lose sight of the fact that the enhancement in estate duty will yield only Rs. 300 lakh. In comparison with the size of the tax effort, this is not large. The reintroduced expenditure tax and increases in wealth tax and gift tax will together yield only Rs. 270 lakh more.

Although these yields may not in themselves be striking, their combined effect in reducing the accumulation and growth of large private fortunes is expected to be substantial especially in view of pressures to tighten the administration of these taxes.

There is, further, the proposal to set up a commission to enquire into the existence of monopoly practices. It is to be hoped that it will help in devising means to check the concentration and abuse of economic power by the private sector.

Main Heads of Revenue

	At old rates	+ from new proposals
(in rupees crore)		
Customs	330.00	6.37
Excise	750.39	19.15
Corporation Tax	295.00	11.00
Income Tax	141.55	...
Estate Duty	0.13	0.05
Wealth Tax	10.00	0.20
Expenditure Tax	0.05	1.50
Gift Tax	1.10	2.00
Debt Services	252.14	...
Currency & Mint	53.73	...
All other sources	261.03	...
Total	2095.12	+ 40.27

Rs. 1,984 Crore For Development

A summary within a page, for the record, of the Budget of the Union Government placed by the Finance Minister before Parliament on February 29.

THE nation will spend Rs 1,984 crore on development programmes in the coming financial year and Rs 854 crore for defence.

This announcement was made by Mr T.T. Krishnamachari when he presented the Budget for 1964-65.

On the revenue side, he estimated an income (at current levels) of Rs 2,095 crore and an expenditure of Rs 2,041 crore. Despite a surplus of Rs 54 crore, the Finance Minister made taxation proposals to bring in Rs 40.27 crore additionally on the revenue side and Rs 50 crore on the capital side so as to meet a greater proportion of the capital outlay.

Revenue and capital accounts together, the overall deficit is expected to be Rs 86 crore.

This is the lowest since the beginning of the Second Plan.

Another feature of the Budget is that for the first time both revenue and expenditure will be crossing the 2,000-crore mark.

Besides netting more revenue for the exchequer, the taxation proposals has these three main purposes:

- (i) To stimulate the economy.
- (ii) To reduce the burden on people in lower-income groups.
- (iii) To bring down economic inequalities.

The main measures announced under each of these heads were as follows:

(i) Stimulation of the Economy

Super profits tax replaced by a sur-tax on profits of companies.

Corporation tax rebate on selected key industries in which higher growth is desired, namely metals, minerals, machinery and power.

Excise duty removed on several items like gases and acids. Inter-corporate dividends exempt from super tax.

New incentives given for attracting foreign equity capital.

Higher allocation made for agricultural programmes.

RS 854 CRORE FOR DEFENCE

THE BUDGET IN A PAGE

Rs 90 Crore More In New Proposals

Export duty on jute abolished.

(ii) Relief for Lower Income Groups

The Compulsory Deposit Scheme abolished. An Annuity Deposit Scheme introduced only for those whose incomes are above Rs 15,000 a year.

Income tax structure re-graded so as to lighten the burden at the lower levels.

Lower prices for some commodities like soap.

(iii) Measures, to Promote Social Equality:

Estate duty more than doubled.

Gift tax rates and tax on wealth increased.

Expenditure tax revived.

Regulatory powers taken to check excessive expenditure on perquisites.

Commission of inquiry promised into monopolies and concentration of economic power.

The Finance Minister also reported substantial improvement in:

INDUSTRIAL PRODUCTION: The growth had been 10 per cent.

EXPORTS: The earnings had topped Rs 760 crore in 1963-64.

SMALL SAVINGS: The collections were Rs 115 crore against Rs 73 crore.

REVENUE REALISATION: As a result of which the receipts in 1963-64 were Rs 1913.68 crore instead of the budgeted Rs 1836.18 crore.

FOURTH YEAR OF THIRD PLAN

Rs 333 Crore More

(where resources come from)

Union Government	Rs. 1516 crore*
Revenue Account	Rs. 253 crore
Capital Outlay	Rs. 1263 crore
Public Sector Enterprises	Rs. 115 crore
Railway	Rs. 46 crore
Hindustan Steel	Rs. 25 crore
Others	Rs. 44 crore
State Governments	Rs. 353 crore
Total	Rs. 1984 crore

This total is Rs. 333 crore more than the total budgeted outlay for development of Rs. 1651 crore in 1963-64.

*This figure includes Rs. 559 crore by way of loans to States from the Centre. The State Plans will therefore add up to Rs. 912 crore.

DEFENCE

From revenue	Rs. 718 crore
Capital outlay	Rs. 136 crore
Total	Rs. 854 crore

This compares with Rs. 867 crore originally allocated in 1963-64. The revised estimate is Rs. 808 crore.

OVERALL LOOK

REVENUE BUDGET

Revenue at old rates	Rs. 2095.12 crore
Expenditure	Rs. 2041.31 crore
Surplus	Rs. 53.81 crore

CAPITAL BUDGET

Inflow	Rs. 1739 crore
Revenue surplus	Rs. 54 crore
Internal & External Borrowings	Rs. 997 crore
From loan repayment	Rs. 285 crore
Small savings	Rs. 125 crore
Deposits & Misc.	Rs. 278 crore
Expenditure	Rs. 1915 crore
Capital outlay	Rs. 796 crore
Loans to States	Rs. 860 crore
Debt Repayment	Rs. 259 crore
DEFICIT	Rs. 176 crore

From New Proposals	Rs. 90 crore
On Revenue side	Rs. 40 crore
On Capital side	Rs. 50 crore
OVERALL DEFICIT	Rs. 86 crore

ECONOMY IN EXPENDITURE:

The expenditure in 1963-64 was Rs 1825.34 crore instead of Rs 1852.4 crore budgeted.

Mr Krishnamachari announced that a Fourth Finance Commission would soon be set up.

People

Raghunath Singh: Neither leftist, nor rightist. It is centralist.

H.N. Mukherjee: Bursts the bubble of Bhubaneswar socialism.

H.V. Kamath: I wish there was greater reduction in indirect taxes on primary consumer goods needed by the common man who cannot live on acid, gas or gramophone record.

R.R. Morarka: Budget will kill individual initiative to work and earn.

K. Hanumanthayya: First time in many years the common man has not been asked to tighten his belt.

Kamalnayan Bajaj: Enhancement of the rates of estate duty is almost savage in its incidence.

A.K. Gopalan: A Socialist garb to hoodwink the people.

K.R.P. Shroff: A mixed bag with the Government holding out the carrot and the stick.

U.M. Trivedi: Meets the wishes of the common man and avoids burden upon him.

Tridib Kumar Chaudhuri: A see-saw game again between Krishnamachari and Morarji Desai. The

common people suffer as before.

K. Manoharan: Morarji sowed and TTK reaps.

A.P. Jain: A rationalising budget; will not increase cost of living.

Nath Pai: Reflects the convictions and experiences of a sound and successful business man struggling with a yearning of a man who wants to be a socialist.

M.R. Masani: The objectives which the Finance Minister had set himself to achieve failed to follow through.

THEIR SAY

Gayatri Devi: Really a good budget.

K. Santhanam: The very human urge to restore his old measures which had been discarded by his predecessor has marred an otherwise excellent performance.

S.M. Banerji: A sigh of relief for the middle class.

S.N. Dwivedi: The budget does not appear to be an emergency budget.

Mahavir Tyagi: The budget is absolutely in keeping with our policy.

Babubhai M. Chinai: It has the impress of the personality of the Finance Minister.

Press

The Statesman: Wealthier class heavily hit through the very steep increase in estate duties, gift taxes and expenditure tax.

The Times of India: It is good in parts.

Patriot: Distracting the poor man's attention with a few crumbs.

The Hindu: Shri TTK has sought in a masterly way to rectify the anomalies of Shri Morarji Desai's last budget.

The Hindustan Times: The carrot is not so delectable, nor the stick so formidable as both appeared at first sight.

The Tribune: Two cheers for TTK.

The Deccan Herald: A fair balance between direct and indirect taxes.

Visalandhra: The budget shows an empty hand to the common man.

Dawat: Not a surplus budget but a budget of loans.

The Assam Tribune: One misses the much-looked-for socialistic content.

The Searchlight: Gentle, "no tears" budget.



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VANISHING WEALTH

S. D. N. TIWARI

THE Thar desert of India and the great Dust Bowl of the U.S. are man-made, the result of unwise destruction of forests. There is reason to believe that the area under forest in our country was until a thousand years ago nearly double what it now is.

The fastest destruction has been in the last two decades. The main reason of course is the increase in population. More food and fuel are required, which leads to forests being cleared for agriculture; more agriculture also means more cattle, with more area for grazing.

A second reason for destruction of forests is industrialisation. New towns, new roads, railway lines, dams, canals, power projects and transmission lines, telegraph and telephone links, factory sites, mines—most of these come up at the expense of forests. Destroyers of forests not only acquire extra land but also make a fortune from the felled material.

A third culprit is land reform. While the conferment of holding rights has its justification, it is a fact that wherever there was tree growth on lands, its new owners have hastened to cash in on it.

A TREE takes years to grow; it can be cut in a matter of minutes. We are slow to react to the perils of such denudation. It is not easy to correct our mistakes in forestry. The fast pace of industrialisation and population growth is a special reason why we should devote much more care and attention to planning in forestry.

About 93 per cent of our forests are State-owned and managed by the Government. They yield a gross revenue of Rs 55 crore and net revenue of Rs 30 crore a year and the market value of the raw material produced from forests may be placed at Rs 100 crore. Thus forests can be rightly considered a big enterprise in the public sector giving one of the



Forests Need More Care in Fourth Plan

highest dividend rates. And in the last ten years the forest revenues have nearly doubled.

I do not here intend to deal with the different functions of forests such as protection from erosion, effects on climate and their importance in balanced land use. I shall not also dwell on their aesthetic appeal. I shall confine myself to their importance as a supplier of raw material worth crores of rupees for industries as well as domestic fuel. I believe if the people learn to view forests from this angle there is a better chance of preserving and developing them.

THE three Plans have provided Rs 108 crore for forests. Seen against the total public sector outlay of Rs 14,000 in this period, this is a small provision for so important an economic asset. It does not also take into full consideration the claims that the general economy will make

on forests. In the first place, States like Madhya Pradesh, Assam and Orissa have more than a third of their land area under forests, and ought to think of putting such a big land mass to more productive use. Secondly, the national demand for forest produce will keep rising. Factories and houses need timber to build; a good deal of wood is still burnt as fuel; and as the paper, board and rayon industries grow, more forest material will be consumed as industrial raw material. How can we meet all these needs if we do not take a more positive attitude to forestry and start by giving it more importance in the Fourth Plan than had been done in the three Plans?

A few directions in which action needs to be taken are indicated here:

1. The first thing to do is to be clear about the jurisdiction of the Forest Department. Its authority should not be restricted to the productive forest areas. It should take over all road-side and canal-side areas, waste lands and revenue forests and bring them under trees, shrubs and grasses of economic importance. Thousands of square miles of former private forests have been transferred to Forest Departments in all States, but this area has still to be properly demarcated and formed into legally protected or reserved forests. All this work must be completed during the Fourth Plan. *Any more delay will lead to large-scale encroachments, forest destruction and immediate and long-term economic loss.*

2. India has a fairly good record in managing the reserved forests under "working plans". It is essential, however, that all forests are covered by "working plans" during the Fourth Plan. Policies in the working plans should be controlled and guided by a technically qualified body attached to the Planning Commission which has a clear appreciation of the demand for different kinds of forest produce.

3. Forestry is better managed in States where the forest area is small. In States with huge forest resources the Forest Departments need a

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complete reorganisation. Such expansion is tied up with training programme. Forest Rangers Training Colleges may have to be opened at more centres, in order to avoid congestion at Coimbatore and Dehra Dun. The Fourth Plan must make provision for it.

4. Forests can be of little value unless forest produce can be transported to market places at cheap rates. This leads to development of forest communication by road, waterways and railways. When new railway lines are aligned through forest areas the Railways generally assess the existing forest trade in the area. This is not very logical. The railways ought to consider the fact that forest trade develops only where there is cheap transport.

5. The Forest Department must give greater attention to bringing such areas as have no tree growth under pasture and fodder so that dairy development is helped. The Government must adopt a more dynamic approach to the opening of small and medium factories and industries based on forest raw material. These should go hand in hand with economic methods of felling and logging and the opening of seasoning and treating plants.

6. Most of our tribal population lives inside or near forest areas and the proper development of forests can contribute much to the improvement of the income and living standards of the tribal people. It will always pay if the gap between tribal welfare and the Forest Department is reduced, and for this I would go as far as saying that tribal welfare programmes must be handed over to the Forest Department. Some of the development works which may be taken up for forest villages and forest labour are: provision of better tools; growing of fruit trees of good variety; and better collection of crude drugs.

MORE ALLOCATION NEEDED

THE first three Plans did not give enough importance to forests. At the present rate, there will be a grave shortage of cellulose raw material after ten years. The Planning Commission must give high priority to forests and allocate at least Rs 200 crore in the Fourth Plan and Rs 300

crore in Fifth. This is a small amount to be spent on the development of 25 per cent of the country's total area—and is at the most equivalent to the expenditure on a single river valley or industrial project. It may also be pointed out that 50 per cent of the amount spent on forests will go to unskilled Adivasi labourers. The revenue figures of the last ten years show that about 25 per cent of the extra investment on forestry is recovered even during the Plan period. This high rate of return should count in the eyes of the planners.

Not only in forests inhabited by tribal people but everywhere in the country there is greater need to plant

economic species like teak and bamboo and fast-growing trees which will meet the demand for cellulose-based industries like paper, hardboard and plywood. Roadsides, canal banks and railway lines must be more systematically planted with trees which will yield shade and protection, fuel for villagers and leaves that can be used as manure in fields. With farm forestry, we should also begin growing trees in the compounds of all public and private buildings. Our country is getting too bare. This is not good. It should be greener.

Mr Tiwari is Conservator of Forests, Planning and Development Circle, Madhya Pradesh.

QUOTATION BOX

The relationship Dr. Lohia described as close is that the person concerned is the Minister's mother's sister's son's wife's uncle.

—Mr B.R. Bhagat

Unplanned growth of population is paralysing the plans of development... People in charge of raising families do not see eye to eye with the Planning Commission; naturally, because they belong to the private sector.

—Dr Zakir Husain

In view of the soaring prices, beggars and lepers in Rishikesh have decided not to accept 1 nP. coins as alms. The minimum acceptable sum would now be 2 nP.

—Report in 'The Hindustan Times'.

Reduction in personnel in the Planning Commission by at least 50 per cent will increase its efficiency.

—Prof. A.R. Wadia, M.P.

Reduce the staff (of the Planning Commission) to a fourth and you will get four times more efficiency.

—Mr K. Santhanam, M.P.

The French Planning Commissariat has a total strength of 3,137 while the strength of the Indian Planning Commission is 786, excluding Class IV employees.

—The Planning Minister

Industrialists, professional men and landowning peasants—and not the Constitution—are the guarantors of freedom of the individual in India.

—Mr M.R. Masani, M.P.

IAS officers, who now remain aloof from the common man, should work

as gram sevaks before they are made administrative chiefs of districts.

—Mrs K. Bharathi, M.P.

The Indian concept of welfare does not confine itself to human beings alone but extends to every form of life.

—Mr A.M. Thomas, Minister for Food

Planning should be the responsibility of the Central Government and there should be a Central agency in each State to carry out the Plan.

—Prof. M. Ruthnaswamy, M.P.

In India I have recruited junior colleagues of considerably greater ability and enterprise than I could in London... I do not attribute this to any innate superiority of Indians, but to the fact that India has a tradition of higher education longer than that of Europe, and a century of university education of the European type.

—Prof. J.B.S. Haldane

There is a great demand for experienced men in geology but, strangely enough, a large number of geologists remain unemployed.

—Dr Husain Zaheer, Director-General of CSIR

There are many old things which are progressive.

—Mr C. Rajagopalachari

Fair, decent, Goan Catholic Kshatriya spinster, age 29, slim, wheat complexioned, Portuguese, English speaking, invites matrimonial correspondence from Goan Catholics.

—From the matrimonial column of a newspaper

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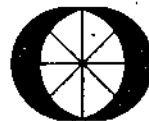
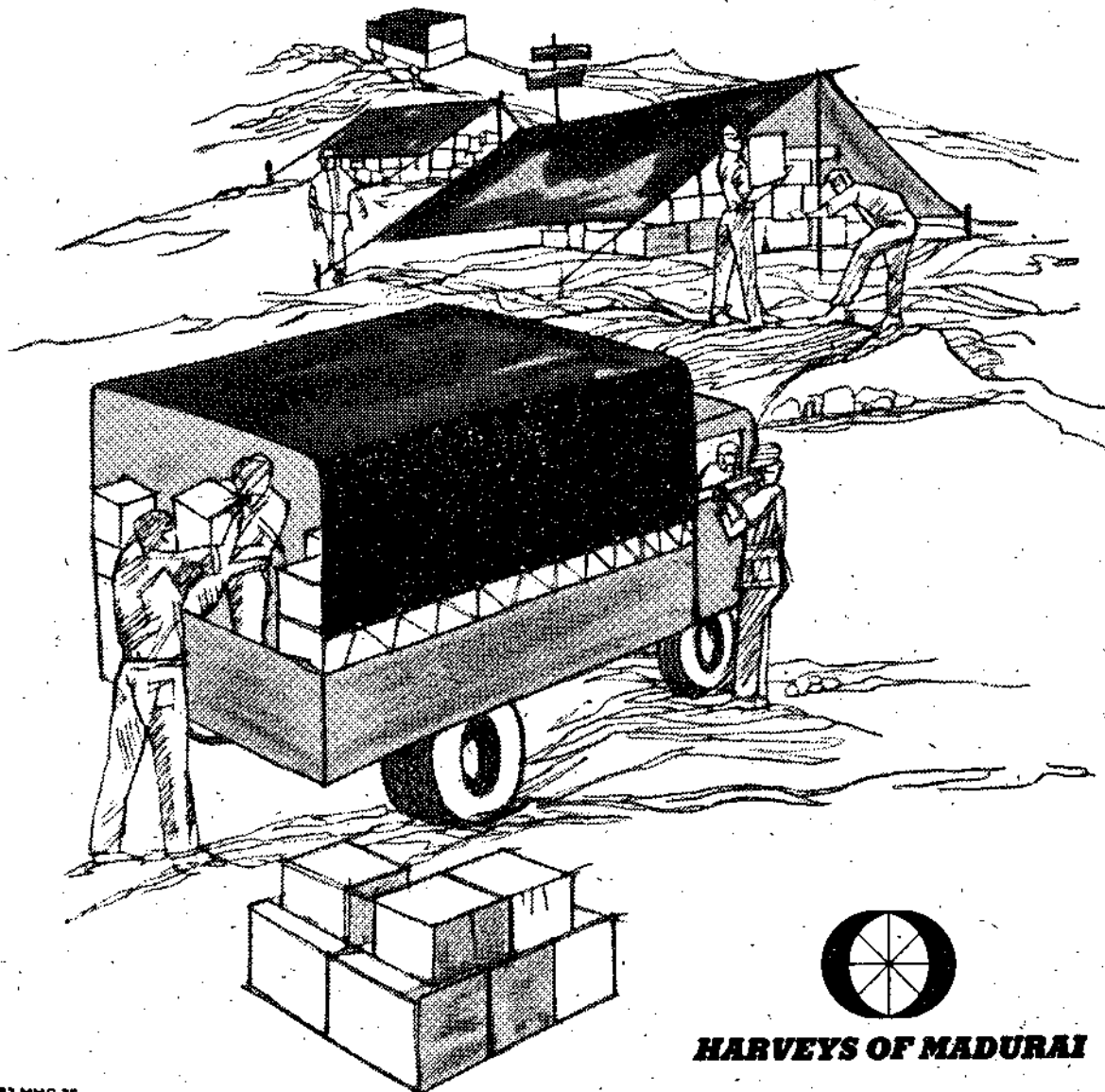
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By J. P.
CHATURVEDI

A LEANER PLAN

Plea for Writing the Great State Paper

in Plain Words

I AM a believer in planning. The national plan, I strongly feel, is something in which everybody should participate. But participation presupposes interest, and interest presupposes that people should know what the Plan is. The citizen, in order to work for the Plan, must appreciate how he is affected by the Plan. He should know what he will get from the Plan. He must be told these things directly: I mean he must be able to find out from reading the Plan document itself what improvements he can expect and what burdens he is supposed to carry and for how long a time.

Our Third Five Year Plan runs into 762 pages of royal size. It has 35 chapters. Each chapter has, on an average, ten sub-sections. It is difficult for the citizen to have the time, the energy and the capacity to gather the information he needs from in this leviathan. If there is a general feeling that few people understand what is conveyed in the Plans and still fewer appreciate it, this is one of the reasons. It is possible that there may be need to put all this information in the Plan document for the benefit of Plan executives or those who deal with the departments. But experts, economists and those responsible for executing Plan programmes have access to information even otherwise. When more than a lakh of copies of such documents are published, the intention evidently is that many more should read them.

For this reason I hope that the Fourth Plan document will be a smaller one even though the size of the Plan itself is bound to be larger. *I want to see a Plan document which gives precise information in succinct sentences and easily understandable words.* A.E. (George Russell) wrote a few decades ago that the days of Panini are coming back

when ideas will have to be expressed in *sutras*. His reason was that the world's forests were fast dwindling and that soon there would be a famine of paper. The forests in our land may last longer, thanks to the low rate of literacy, but in the interests of the success of the Plan itself it is essential that brevity should be cultivated. The famous editor, C.P. Scott, used to say that when writing, one should think that one was sending a cable and that every word used would have to be paid for. Economists and administrators might feel otherwise but in newspapers we find that the fewer the words used, the greater is the impact.

SO MANY WORDS NOT WANTED

THAT Plan information can be conveyed in simple words and short space is substantiated by the experience of some other countries that have taken to planning. On November 30, 1963, the plenum of the Poland's United Workers Party considered a report submitted by the political bureau on the "Key Problems of 1964 Economic Plans". The report had the same purpose as the Mid-Term Appraisal which our Parliament considered about the same time. Our Mid-Term Appraisal ran to 179 pages. The Polish appraisal barely took 20 foolscap typed pages; and it has been further abridged by their publicity department into one printed page for worldwide circulation.

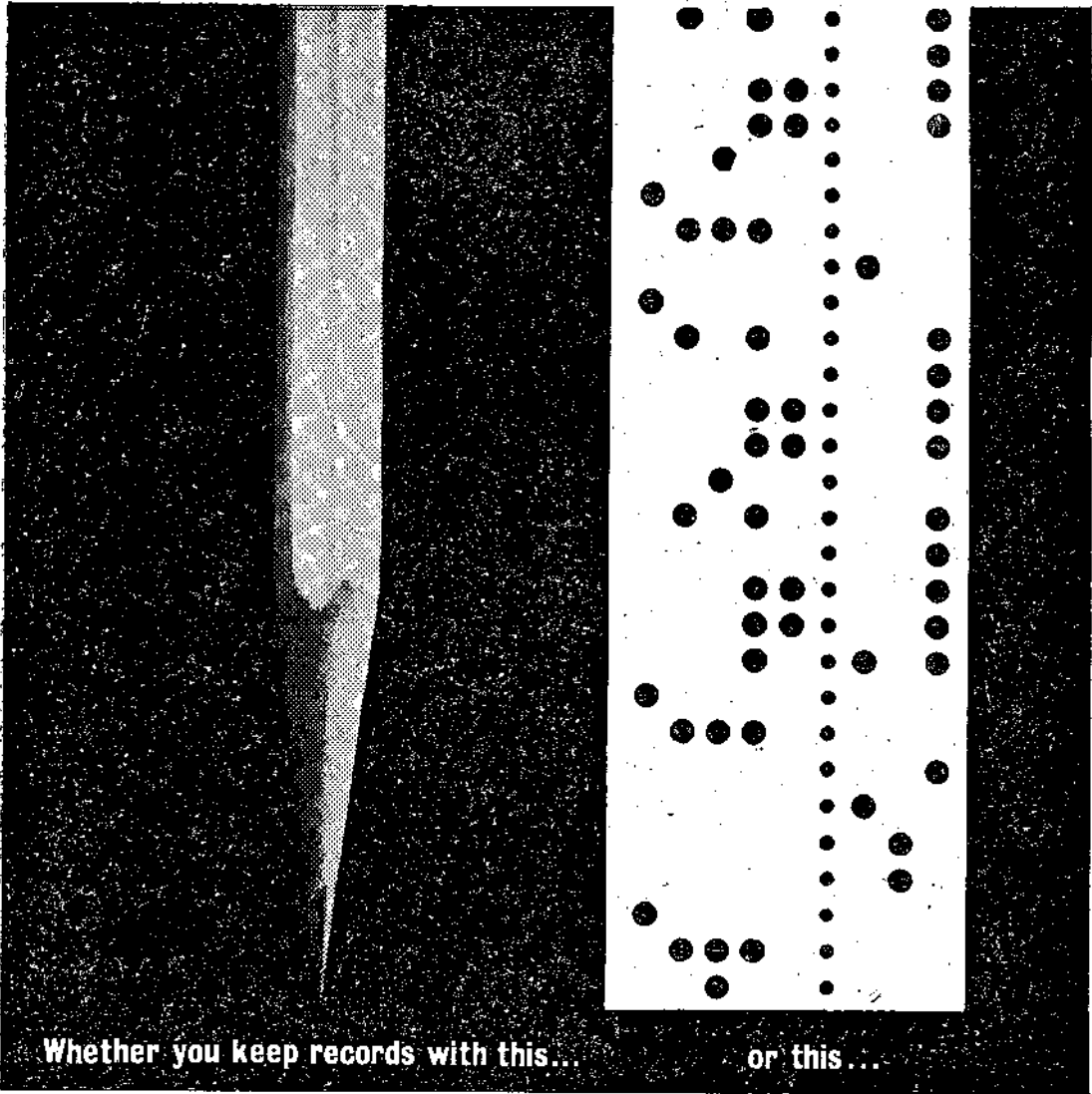
The chief benefit of such brevity is that at a glance you get to the core

of the problems of the Polish planning, its achievements as well as failures. That is, too much demand is not made on mental effort merely to know what is happening to the Polish plan.

In effect some of their problems are our own problems. They had a bad harvest; we had a bad harvest. Their agriculture failed to produce the results; so did ours. The only difference is that they plainly accepted their weakness; we hedged it with so many ifs and buts.

As an example, this is how the criticism in the Polish document of certain aspects of industrial management ran: "The unrhythmical work of our factories, the execution of plans at any price, causes serious overgrowths in employment and an excessive increase in overtime. If a factory executes 49 per cent of its production in the last ten days of the month it must have overgrowths in employment. Otherwise, despite the overtime, it could not execute nearly one half of its production plan in one-third of the month."

This is straight talk, the kind that the layman, who is the ruler's master, can understand. It may be said that ours is a big country and we have more problems than a small country like Poland. Granted. But it does not mean that we need more words to speak of our successes and failures. The speech that the Prime Minister delivered in Parliament summed up the entire achievements of the Plan in one paragraph. If the Prime Minister, who is the Chairman of the Planning Commission, could do it, why can't the others, on whose advice he must have prepared that speech, do it? If the size of our Plan documents is reduced, it will follow that there will be emphasis only on the essentials.

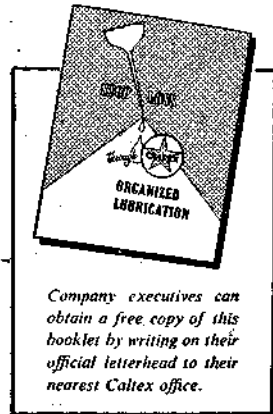


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THIS leads me to a second point. We are told that our approach combines physical planning and financial planning. We were also told that the emphasis in the Plan is on the achievement of physical targets. *But the administrative habits of equating a project with expenditure has not been given up.* Take any chapter in the Plan document or the Mid-Term Appraisal. You will find the pride of place given to the financial aspect. For example, Chapter 11 of the Mid-Term Appraisal starts with: "The development programme for industries and minerals envisaged in the Third Plan was estimated to require an investment of Rs. 2,993 crore. In addition an outlay of Rs. 150 crore was envisaged for replacement and modernisation. The details are as under:

"...As against the estimated investment requirements of Rs 1,800 crore for the programmes in the public sector the provision made in the Plan for industries and minerals was Rs 1,520 crore, that is about Rs 300 crore less than the requirements."

So, as soon as we proceed with the discussion of our progress on the industrial front, we are confronted with how much money we are likely to invest and what has been the shortfall. Paragraphs 3, 4, 7 and 21 also do the same thing. The physical achievements are described later. Discussion of outlays is appropriate in chapters relating to financial resources or foreign trade and payments. But why should every chapter start with the finances as though they are the main criterion? Even the chapter on agricultural and rural economy starts with a table showing outlays on production programmes. *The crucial part of a plan, namely what is actually added to the nation's stock of goods and plants, comes later, as though they are of less importance.* This is psychologically revealing. It shows that the emphasis in the minds of those who work out the Plan is always on showing the fulfilment of figures as far as the financial side is concerned. The physical results go to the background.

GENERAL INSTEAD OF PARTICULAR

THERE is a third difficulty from which our Plan and its appraisal suffer. That is a difficulty common

to everybody in the Government of India: the habit of giving long lists of historical—rather than immediate—excuses for anything that goes wrong: the weather, foreign aid or the lack of it, and now of course the Emergency.

I do not want to go into details here, because I do not want this article to be construed as a charge-sheet against the Government. But what I want to say is that this habit on the part of planners, or those who have to supply the planners with necessary information, does not evoke conviction or sympathy in the public, and to that extent it inhibits public enthusiasm for the Plan. *Also if officials implementing the Plan know that if any mistake is made, it will have to be publicly admitted and the results faced, their performance will certainly improve.* The people in turn also gain the confidence that vague excuses are not tolerated and lethargy is not shielded.

In fairness I must say that the Third Plan document was an improvement on the Second in the sense that it was critical of the Administration in certain matters. But it is essential that the criticism should not be lost in verbiage and in a big tome. Let us have a creative economy in the words we use.

A JARGON HAS DEVELOPED

THE Planning Commission and the agencies connected with it have developed a particular jargon and whenever anything is discussed, certain pet phrases are repeated. Much of the jargon is the result of vague thinking. The result is you find such statements as these in the Third Five Year Plan:

"Certain upward pressures on prices are implicit in development and they have to be accepted..."

"There are, on the other hand, factors that tend to moderate these upward pressures..."

"The Plan between the expansionary and the moderating factors mentioned above tends, however, to be shifting and uncertain..."

"And yet the dangers of continued or excessive price rise are obvious..."

"Execution of development programmes meets with several practical difficulties and limitations..."

"Nevertheless these policies provide general guidance in formulating and carrying out development programmes..."

HARANGUES WILL NO LONGER DO

SOME of this circumlocution is also due to the feeling that the wish can serve for action. There is always an appeal to the people to make the Plan a success. But if they have to contribute their enthusiasm, understanding and co-operation to the making of a Plan, each person must learn what is expected of him under the Plan. Of course the Planning Commission alone cannot undertake it. But there must be a machinery down to the lowest level which will have contact with the average citizens and will speak to them in their own language and in concrete terms. Slogans have begun to lose point. The effort and the reward must be spelt out clearly. The industrial worker, the farmer, the agricultural labourer, the town tradesman, the hawker, the weaver, the teacher, the lawyer—each must know how exactly he can fulfil his quota to make the Plan a success. He must be induced to go to the sources. Otherwise, human nature being what it is, people will listen only to gossip and to the prophets of gloom.

Yojana Bhavan Diary

Mr. Shriman Narayan, Member, Planning Commission, visited Kuala Lumpur, Malaysia, in the last week of February where he addressed the meeting of the Afro-Asian Committee on Freedom from Hunger Campaign held under the auspices of the Afro-Asian Rural Reconstruction Organisation. He returned on March 2. On his way back he spent two days at Bangkok and visited the headquarters of ECAFE and the Asian Institute for Economic Development and Planning. He also spent two days at Rangoon.

Mr. B.N. Datar, Chief, Labour and Employment Division, and Adviser in the Ministry of Labour and Employment, left for Lagos, Nigeria, on February 26 to take part in the International Seminar on Manpower Problems, held under the auspices of the Nigerian National Manpower Board between March 2 and 11.

Mr. Roland Bird, Deputy Editor of *The Economist*, London, visited Yojana Bhavan on March 4 and 6 and met Mr. Asoka Mehta, Deputy Chairman, and Members of the Planning Commission. (See also Page 25)



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A PLAN TO LIFT EASTERN U.P.

Four Districts with 78 Lakh People Needing More Income

SETTING up of large-scale industries in the private sector and accelerated increase in agricultural production have been recommended by the Joint Study Team in its Report on the Eastern Districts of Uttar Pradesh.

Because of high pressure of population, frequent recurrence of floods and drought and low productivity in agriculture the eastern region of Uttar Pradesh has been known as a low-income area. A reference to the backward condition of the region was made in Lok Sabha in June 1962. The Chairman of the Planning Commission asked the Deputy Chairman to study the question of accelerated development of the region and similar areas elsewhere. Accordingly a Joint Study Team composed of experts of the Government of India and the State Government was set up with Mr B. P. Patel, until recently Adviser, Programme Administration, Planning Commission, as chairman. The terms of reference were:

(1) To make a study of economic and social conditions and problems of development in the three districts of Ghazipur, Jaunpur and Deoria in eastern Uttar Pradesh;

(2) To make an assessment of the progress under the two Plans and development envisaged in the Third Plan in the three districts; and

(3) To suggest administrative and development measures for acceleration of progress in these three districts.

At the first meeting of the Team held on January 19, 1963, it was decided to include the district of Azamgarh also.

To facilitate the work at the technical level, the Team set up three representative but compact technical

groups: (1) Group on Rapid Sample Survey, (2) Group on Industries—large, medium and small; and (3) Group on Transport and Communications. The Chief Engineer (Floods), Central Water and Power Commission, and the State Chief Engineer (Irrigation) examined in detail the various aspects of flood and irrigation problems. Though work was delayed owing to emergency, the Programme Administration Division of the Planning Commission and the Directorate of Economic Intelligence and Statistics, U.P. Government, collected relevant data and the Team visited the four districts.

Team's Impressions

The Team found that the four districts have a population of 78.32 lakh. The density per square mile is 1,094 as against 649 persons in the State as a whole, the entire eastern region having a density of 855. The area is backward, with a higher than average incidence of poverty and illiteracy. Agriculture is the mainstay, accounting for more than 60 per cent of the output as against 52 per cent in the State as a whole. Because of the relatively small area per person the per capita income was Rs. 172 in 1960-61 (at 1960-61 prices), much lower than that of the State (Rs. 261.33) and the country (Rs. 330). The fully employed labour force forms 84.4 per cent of the population. The daily wage of agricultural labour is 69 nP. in Azamgarh, 98 nP. in Deoria, 66 nP. in Ghazipur and 69 nP. in Jaunpur. The respective rate for non-agricultural sector is Rs. 1.02, Rs. 1.20, Rs. 1.20 and Rs. 1.43. The low rate is due to relatively lower investment

for development of economy and overabundant supply of labour.

Industrial development is inadequate. Of over 78 lakh only 2 lakh people are engaged in industrial occupation. Power supply is inadequate and the rate is higher than in other areas of the State.

Reviewing the progress of development in the districts under the two Plans the Team found that the emphasis during the First Plan was on the development of the whole State rather than any particular area. The total outlay was Rs. 9.59 crore. Apart from construction of 534 tube-wells there was improvement in medical and health facilities. During the Second Plan the total outlay was increased to Rs. 18.17 crore and the per capita outlay was also increased from Rs. 14 in the First Plan to Rs. 26.5 in the Second Plan. It was however much lower than the State outlay (Rs. 33.7) and for all States (Rs. 50). In spite of important irrigation schemes launched in Azamgarh and flood protection measures taken in Deoria the progress in the Second Plan was slow.

The backwardness of the eastern region was recognised in the Third Plan and the total outlay was increased to Rs. 29.95 crore. Though most of the flood control schemes have been completed and irrigation potential created for 40,000 acres the Team found the rate of progress not satisfactory. First, there was initial lag in development in the pre-Plan period; secondly, no agency had been created to solve the problems of backward areas; thirdly, no detailed study of slow progress of schemes was available.

Since control of population is considered urgent for the region the Team has suggested introduction of vigorous measures for reducing the growth of population to 1.2 per cent per year by 1965-66 and progressive reduction beyond that period.

The Team has recommended an accelerated outlay amounting to Rs. 10.49 crore under different heads. It feels that foodgrains production is expected to increase to 22.67 lakh tons in 1970-71 as against 11.49 lakh tons in 1960-61. By 1975-76 the total income in the four districts would be of the order of Rs. 330 crore (1960-61 prices) subject to recommendations being implemented. Of this, agriculture sector would

(Continued on Page 31)

*Madhav Krishna
Pardhy reports on
the burgeoning
of small
industries of
Kolhapur which
he calls the
LUDHIANA
of western India*



LAKSHMAN BAJAJI SHINDE
with the printing machine which
he has designed

the larger units have their own foundries. The total turnover is 10 crore rupees every year. They provide employment to three thousand workers.

Udyam Nagar Comes Up

IF Kolhapur has had no industrial tradition, what is it that triggered off this new development? We can only guess. The first thing that strikes one if one were to visit the place is that it is situated in a prosperous agricultural region and on the Poona-Bangalore road which heavy traffic plies. So in the last couple of decades some automobile repair shops sprang up. Technicians then turned their hands to the repair of imported oil engines and other agricultural machines. Several skilled workers, trained in the large industries like Kirloskar

To everyone in Maharashtra, the mention of Kolhapur summons up the picture of the temple of Amba with its three tapering shrines and five huge spiralling lamp pillars, graceful and finely chiselled. Amba of Kolhapur has been the presiding deity of the Bhonslas for centuries. And the town, which was the second seat of Maratha power after Shivaji, is full of monuments associated with Maratha glory—like the old palace and the Rankala tank. Until the integration of States, descendants of Shivaji ruled in Kolhapur, and some of them made a name for their progressive outlook.

As a centre of culture it has been the home of famous musicians, actors and other artists like Alladiya Khan, Manji Khan, Govindrao Tembe, Shankarrao Sarnaik, Bapurao Painter and Bhalji Pendharkar. It has fostered the Indian cinema. Kolhapur is also famous for silver jewellery of Hupari, a village 20 miles away.

In the era of planned development, the place has an additional claim to fame: some 260 small industries have developed at Kolhapur.

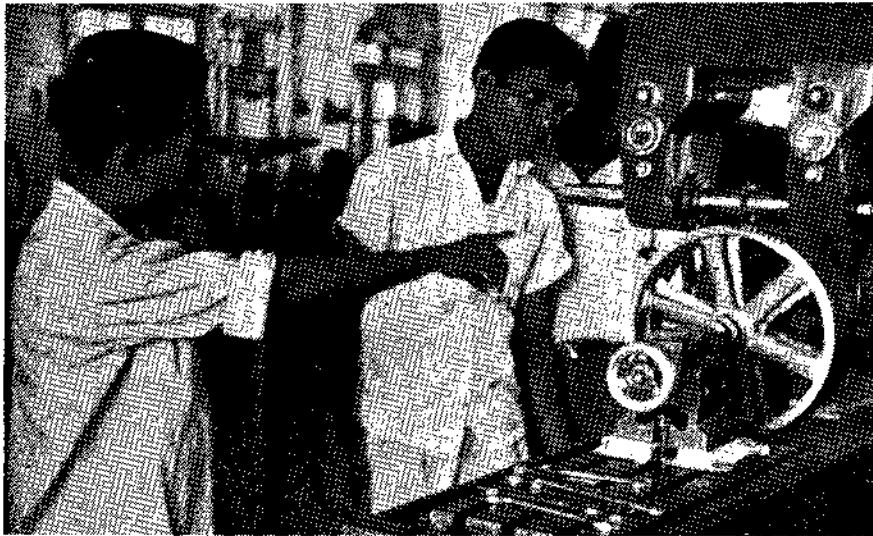
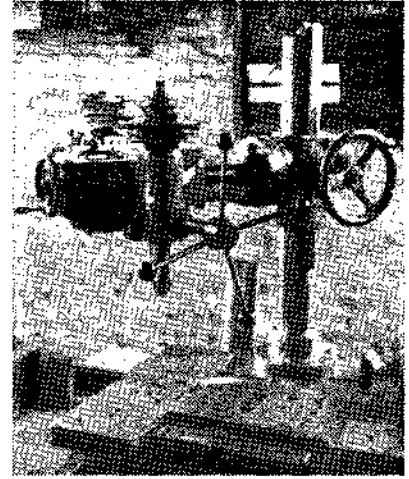
And this despite the fact that it had no known industrial tradition or obvious raw materials or a glut of power. Yet, within a mere fifteen years, the place that had hardly half a dozen small workshops has become the largest small industries centre in Maharashtra. It is the Ludhiana of Maharashtra.

Most of these 260 units make light engineering goods. Among the products are diesel engines, centrifugal pumps, agricultural implements, machine tools, steel structurals, automobile batteries, rice hullers, looms, electric starters, cigarette lighters, fire fighters and steel furniture. Many of them function as ancillaries and they supply components and spare parts to big firms like Cooper Engineering Limited, Kirloskar, Hindustan Machine Tools (Bangalore), Ruston and Hornby (Bombay) and Mahindra and Mahindra (Bombay). Some of



Iver Spot in

Maharashtra



like machine tools and ancillaries. Of the 260 units now, only about a score make oil engines. Some of them are aware of the fact that the phase will go with power from Koyna and have begun to move over to the making of power engines.

The industries are located in a separate colony named Udyam Nagar at one end of the city. The colony owes its existence to Mr. J.P. Naik, the well-known educationist. When he was the Diwan of Kolhapur he took several measures to improve the city and one of them was the development of a colony for industries with a range of facilities.

Small Men Built It

MANY of these industries have been built by small men—a driver, a fitter, a skilled labourer. Not only were they poor when they started; many were almost illiterate. But with hard labour and ingenuousness and by remaining workers first and business men later, they have built up creditable establishments.

S.-Yashwant, who designed his first oil engine in 1948 and was awarded a gold medal for this achievement, was only a skilled worker at Kirloskarwadi. His workshop, now owned by R. N. Samani, has an annual turnover of Rs. 15 lakh. Yashwant has since set up another workshop of his own.

Another pioneer is Mahadba Mistri. He started as a stable boy earning 1½ annas a day. From horses, he moved to automobiles and became a *mistri*, and soon set up a motor repair shop. After some years

(Continued on Page 32)

TEMPLE OF GODDESS AMBA (left), centrally situated, is the historical pride of Kolhapur, while Udyam Nagar is its new pride built in the development era. Picture above shows an instructor guiding a trainee at the service workshop run by Government at Udyam Nagar. Top right is the radial drilling machine designed by Arawade.

Coopers and Walchandnagar, started their own business. Gradually the repair workshops grew into spare-parts makers. With the 'grow more food' campaign and the rapid increase in the irrigated crops like sugarcane, demand for oil engines zoomed, and by 1959 there were 70 oil engine manufacturers in the city.

A slump which followed worked as a blessing in disguise. It weeded out inferior products and diverted the attention of the entrepreneurs from oil engines to other industries



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floors, linens, etc.



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WHAT DO THE BOOKS SAY ?

WHAT part do books play in economic development? That was the theme of a paper read at last year's Geneva Conference on Science and Technology.

Its authors, three leading American publishers, were not dealing with the influence of certain seminal books on the course of history—like Rousseau's *Social Contract* and Marx's *Capital*—but about books in bulk, books in general, books that are functional.

They start with a big and simple observation—that education is the basic capital investment for economic development. Each country has to become self-sufficient in the books it needs; in school books, certainly, but even more in the technical, 'how-to' books. The right books, suited to local conditions, written in the mother-tongue, can't come from outside. They have to grow on the national tree.

But in the developing countries education often has a literary bias; and would-be writers lack even the basic technical vocabulary of the different trades. To bridge the gap between thinkers and doers, the authors of the paper say, purposive planning is needed in the creation of a vigorous and indigenous book industry.

One of the suggestions of the authors is that, since publishing fits so admirably into the small industry pattern, business loans at non-extortionate rates should be given to publishers. The problem, in their opinion, is how to finance printing-publishing on a basis that will permit editions of efficient size. This would

be better than subsidy, because subsidising is false economics. The only kind of subsidising that they favour is help to institutions to buy books—and put them into circulation.

The burden of the paper is that books from foreign countries can serve only as interim aid. This needs to be grasped in our country.

AUTO-MOTION

THERE are a number of jibes about our having entered the bicycle age. A Western visitor to Calcutta refuses to believe we have; he points to all those man-pulled rikshaws. So we told him to go to Poona and look at the girls on wheels; or peep out of his Delhi window and notice the pedalling clerks.

U.P., which was planning to get out of the bicycle age, intends to stay in it a little longer, we find. Six years ago the U.P. Government advised the municipalities to stop renewing cycle-rikshaw licences and promote auto-rikshaws instead. The first part of the advice has now been modified because of the hardship to these hard-working people. But the auto-rikshaw scheme is being pushed through. Their whirring, we are assured, will soon fill the air in the KAVAL cities and in Dehra Dun, Hardwar, Meerut, Ghaziabad and Bareilly.

A COMPLIMENT

WHILE deploring the practice of charging very high prices for volumes of historical material published by Her Majesty's Stationery Office a correspondent in 'The Times Literary Supplement' has a



IGNORAMAN

Wants to Know

*Has the New Budget
Levied an
Expenditure Tax
on
Expenditure
of Ink?*

word of praise for our Survey of India. Says the correspondent:

"...the Survey of India is producing a history of the Survey; inevitably each volume is intricate to print, owing to the mass of figures and other data shown. Yet Dehra Dun charges only 38s. 6d. a volume. If the O.U.P. (Oxford University Press) or Dehra Dun can work to reasonable figures, why not H.M.S.O.?"

SWADESHI

WHAT a change there has been since the days when the Congress passed an Indianisation resolution at every session! The dream of the Moderates has come to pass. The Brown Sahibs are bosses even in the foreign firms. The press note says that as on January 1, 1963, "by and large, the targets set for Indianisation of superior posts in these firms have been achieved".

In the 1,000—2,000 pay group almost all (that is, 93.6 per cent) are Indians. This is considered fair enough, because of "limitations of administrative and technical difficulties". In the 2,000—3,000 bracket, 73 per cent are Indians, against a target of 60 per cent. And almost a third of those getting more than 3,000 rupees a month are Indians.

Good show. But, with Naipaul's hilariously sad article "Jamshed into Jimmy" still in mind, one would want to know what the test of Indianness is: just being born in India, of Indian parents?

A jingle heard inside Yojana Bhavan

Blessed are the planners;
Don't mind their manners.
Aren't they wise?
They can't be otherwise.....
Dimensions don't matter,
Amidst all their patter.

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STEPPING
OUT
TO TOMORROW

Day by day, month by month, the face of India changes fast. Mighty steel penstocks guide the rushing river waters to turn the turbines to produce electric power. Massive generators, dotted across the country, send this power vibrating along wires to turn the wheels of industry. Electric lamps are switched on in village homes. Long lines of steel pipes girdle vast stretches of land, carrying water to thirsty villages and liquid gold to refineries. Automatic signals guide rolling wheels along a criss-cross of steel tracks. Radio waves race across the skies to help mighty Jet planes land on our soil with their precious cargo. And thus a nation steps out to tomorrow.

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Books

THE EMERGENCY Problems and Awareness

Economic Implications of the Present Emergency: Occasional Papers No. 5, National Council of Applied Economic Research, New Delhi. 66pages. Rs4.50

T. Georges David

THE Third Plan, already behind schedule for various reasons, is faced with the formidable task of meeting the additional burden of improving the country's defence-preparedness. The emergency itself has not given the necessary impetus for a generalised growth in the economy. Many vital sectors continue to be sluggish in spite of the best efforts; agriculture and basic industries continue to be our despair; export earnings, despite the improvement in 1963, are still far from adequate to meet our increasing imports; and worst of all, the immediate future is not going to be different from the present. All the more reason to concentrate all efforts in mobilising our resources and energies.

The efforts needed to face up to the situation are dealt with in detail in the first chapter, and important recommendations have been made in view of strengthening the financial resources of the country. The measures suggested to extend the coverage of present taxation include taxes on salt, bank advances and advertisements, revision of income tax and corporation tax and inclusion of land revenue in the tax system. It is argued that now is the time to bring certain rural incomes under the tax system, and to rationalise the prohibition policy of the States to yield better revenue. The latter, it is pointed out, will relieve the Centre as far as the present grants towards non-plan expenditure of the States are concerned. As for extension of direct levies to rural income the study

was evidently completed before the Compulsory Deposit Scheme had had to be revised.

In Chapter 2, an effort has been made to define the task facing the vital sectors of the economy to catch up with the minimum requirements of the present situation. Steel, heavy engineering and basic chemicals, it is suggested, should be subjected to detailed study in view of a review of investment decisions. The widespread under-utilisation of capacity in engineering industries, and the possibilities of import substitution through reduced consumption and development of small-scale industry, have been treated in detail, and rigorous remedies have been recommended. An important suggestion relating to agriculture is the creation of Area Agricultural Executive Committees composed of Panchayat Samitis and various Governmental agencies to improve production at the village level. The suggestion that the Community Development Organisation should concern itself mainly with irrigation, improved seed and fertiliser supply, extension work, co-operation and the provision of short-term credit, and shelve all other activities for the time being, is sure to be welcomed in many quarters. The areas of action proposed for immediate consideration are the linking of the minor irrigation programme with the drive to increase the double cropped area, production of green manures and discriminatory distribution of fertilisers. As for the problems of transport, energy and manpower, the book suggests many measures to increase operational efficiency.

Dealing with the Central Budget, 1963-64, the programme of the Government has been justified, in view of the sacrifices called for by the emergency.

On the whole, this book is a valuable contribution to the study of the problems posed by the emergency. The rigour of many of its recommendations only denotes that the authors of the book have taken the emergency very seriously, and sometimes it would seem, more than the Government and the public.

★

Perception of National Emergency in Village India. 58 Pages. Perspectives of the National Emergency. 62 pages. Both published by the National Institute of Community Development.

THE first book gives an analysis of a survey of the attitude of the villagers of India towards the Chinese aggression. The second gives the impressions of scholars of four different disciplines—Professor S.C. Dube, Dr. Kali Prasad, Mr. R.F. Kothari and Mr. T. Balakrishnan. The two short books thus complement each other and give us an idea of how the people in India feel in general about the problems posed by the emergency.

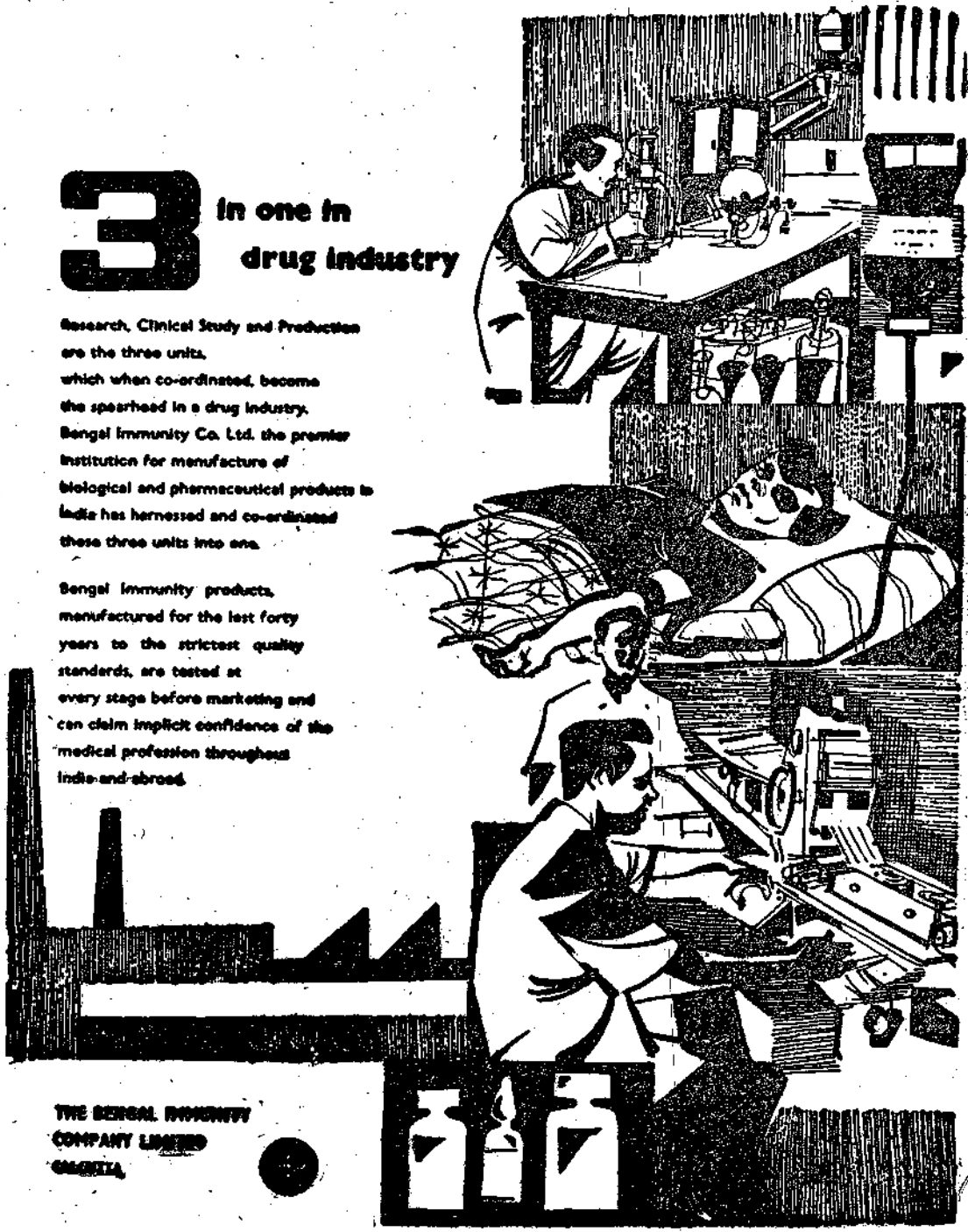
An enquiry was held to find out the nature of the people's perception of the emergency so that a realistic base may be provided to educate and arouse the people. A questionnaire was prepared with the object of (i) assessing the impact of the Chinese aggression on the minds of the village people, (ii) identifying the channels of communication and social information in regard to the emergency, (iii) appraising the relative importance of some of the major determinates of perception in terms of situational factors or in relation to the social characteristics of the village people, and (iv) ascertaining the image that the village people have of the Chinese and the Indians.

Armed with the questionnaire, 22 teams of 49 investigators visited 14 States of India, selecting 207 villages, and reported the reactions of the people ascertained personally. The booklet contains an analysis of the replies received. In all 3,158 villagers were interviewed and 83 per cent of them knew that there was Chinese aggression. Even in 28 remote villages where there were no communication facilities, 76 per cent of the village people had heard

3 In one in drug industry

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about the Chinese attack. The report says: "More important than this is the fact that on the whole about 60 per cent of the village people interviewed responded positively to the test of deeper levels of perception. It is again noteworthy that even in the far-off States of the Western and Southern zones, the awareness is very widespread and in the four of the eight States in these two zones, namely Gujarat, Rajasthan, Madras and Kerala, the percentage of awareness is higher than the national average. One may reasonably assume that the efforts at consolidating the integration capability and strengthening the sense of national identity have not proved ineffective in the case of a threat to the nation."

The report shows some very interesting features of the Indian national scene. For example, newspapers did not play a large part in contributing to the knowledge of the Chinese aggression. Only in Kerala 65 per cent learnt of the aggression through newspapers while in States like Rajasthan and Himachal Pradesh the percentage was only 6. On the other hand, the radio played a very important part in conveying the news, the percentage knowing the news from the radio being 44 in Punjab, 39 in Himachal Pradesh, 29 in Madras, 31 in Rajasthan and 23 in Maharashtra. Neighbours or friends were another main source of information. The all-India averages for the three sources were 17 from newspapers, 22 from the radio and 39 from neighbours. It is seen that States with a higher level of literacy, like the southern States, are also the States where the press is more active, and States with a higher level of income, like the Punjab, are also the States which have benefited more from the radio.

It was found that the reaction to the emergency in States like Mysore and Orissa was not very enthusiastic. At the other extreme was the Punjab and U.P. where indignation was marked. What do our villagers think of the Chinese? The report reveals that the Chinese are mostly regarded as cunning and dishonest, while there are a large number of people who think that they are also hard-working, rich and independent. But the bulk of people have registered a reply of

'do not know'. It would seem that in Orissa, Gujarat, Kerala, West Bengal and Andhra Pradesh, the picture of an average Indian is not very good while there is a favourable image of the Chinese. This is possibly the result of earlier pro-Chinese propaganda in these regions. This is a point to be borne in mind by those who have to plan publicity campaigns for the Government.

The second booklet, *Perspectives of the National Emergency*, consists, as stated at the outset, of the individual views of four people. The paper of Mr. T. Balakrishnan, giving the administrative perspective, is perhaps the most useful. He has pointed out the weakness of the bureaucracy and has suggested positive measures for improvement. Mr. R.F. Kothari has discussed the motives of the Chinese moves and has suggested certain political solutions. One cannot but agree with him when he says: "With the respite now provided, the time has come for administering the necessary shake-up to the governmental machine. It is also time for the leadership to show some imagination in dealing with chronic problems such as tax evasion, large-scale smuggling and administrative corruption, by demonstrating effectively that it means business... War is usually a time for a greater improvement in standards of public life. The present crisis will provide a serious test of the character of our administrative and political leadership."

J.P.C.

Nation of Ants

Anthill. Suzanne Labin. Eurasia Publishing House. 438 pages. Rs. 5.

CHINESE refugees entering Hong Kong have been an unflinching source of news from behind the bamboo curtain. A thesis on the "descending spiral of Chinese economy" published recently by the "China Quarterly" touched off a lively controversy as to the credibility of these refugee accounts on what is happening in Peking's China. It can be said that while these accounts could generally be taken as providing a clue to the state of things inside China, their utility as a precise index to the overall economic and social set-up is extremely limited. However,

with practically no other sources from which one could secure authentic information, the temptation to fall back heavily on the Hong Kong refugees' reports is understandable.

Suzanne Labin's book seeks to portray the human condition in Communist China using solely these refugees as the source material; even as one reads through the 400 pages and more of it, it will be worthwhile to keep in the background the limitations inherent in the source relied upon. Apart from this, Suzanne Labin's brave attempt suffers from another serious handicap. First published in U.S.A. in 1960, the book admittedly deals with the conditions inside China a year or two before that. Most of the source material referred to in the footnotes relates to the years 1956 to 1958. How far these deductions will be helpful in understanding today's Peking, particularly after its open rupture with the Soviet Union and confrontation with India, needs to be examined.

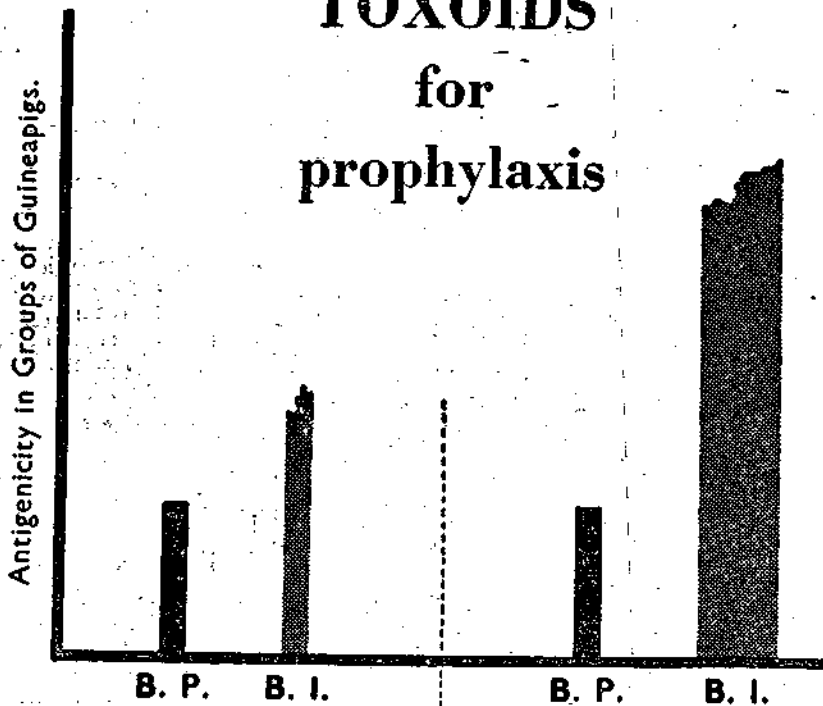
These drawbacks notwithstanding, the impression that emerges foremost from the tales of woe so faithfully recorded by the French political analyst is the tragedy of ruthless suppression of a people who had a history, tradition and culture to cherish. The individual acts of cruelty pale into insignificance as one gets an insight into the totality of human suffering in all its depth and poignancy. The oppressed everywhere are the same. It is those who oppress them that often change their methods and brutality in accordance with the time and location. Peking's dealings with the poor peasants, school-teachers, students, women and the family, as revealed in these pages, have no parallel for heartlessness. To think that all this was inflicted in the name of social reconstruction merely underscores the common point that fanaticism is not the exclusive hallmark of religious faiths alone.

K.S.R.

PUBLICATION RECEIVED

Communication & Leadership in Baipakbar Gram Sabha (A Case Study of Panchayat Study) brought out by Planning Research & Action Institute, Planning Department, Uttar Pradesh, Lucknow. 30 pages.

TOXOIDS for prophylaxis



PROGRESS MADE IN INDIA

DIPHTHERIA TOXOID (A. P. T.)

Titre of 10 Immunised Guinea pigs
(Geometric mean)
per ml. of Serum
B.P. (1963)—2 units minimum
B.I.—3 units and more

TETANUS TOXOID (A. P. T.)

Titre of 9 Immunised Guinea pigs
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



BENGAL IMMUNITY CO., LTD.
153, Dharamtala Street, Calcutta-13.

50-Crore Bank To Help Industries

A bill to establish an Industrial Development Bank has been introduced in the Lok Sabha. The Bank will provide credit and other facilities to industries. It will have an authorised capital of Rs 50 crore, to be later increased to Rs 100 crore. It will be a subsidiary to the Reserve Bank. It will co-ordinate the activities of all the agencies that provide finance for industries.

SNIPPETS

Some 45,000 cheap radio sets (Rs 125 or less) were produced in 1963... The large-scale sector produced 822.2 million razor blades in 1963. Blades valued Rs 6 lakh were exported in 1962-63... A programme has been drawn up to produce 40,000 to 50,000 small tractors every year. Two firms have already been licensed... Work has started on the second medium-size irrigation project in the Buldhana district to irrigate about 11,000 acres of land.... The Indian Trishuli Hydro-electric Project Organisation has built a bridge across Tadi Khola river to link Kathmandu with Trishuli. The bridge, along with another across the Trishuli, was declared open by King Mahendra... India will participate in the World Book Fair to be held in London in June next.... U.P. Government is setting up an electroplating plant at Moradabad at a cost of Rs 4.5 lakh.



MORE POWER FROM KUNDAH

The fifth generator (35 mW) of the Kundah powerhouse No. 2 in Madras State has been commissioned. The installed capacity has increased to 175 mW.

By the end of the year the Canada-aided project will have 235 mW installed capacity after the commissioning this month of the third unit in power house No. 1.

The U.P. Government has decided to set up a hydro-electric power station at Bhali in Uttar Kashi district to generate 100,000 kW of power. A 100-foot high dam will be built on the Bhagirathi at Maneri and a 10-mile long tunnel from there will divert the course of the Bhagirathi river into a 1,200-foot-high fall at Bhali. The project, to cost Rs 30 crore, will be completed by 1970.

The Soviet Union has built a turbine of 50,000 kW for India's Patratu thermal power project in Madhya Pradesh.

Rs. 107 Crore Loan From U.S.

The United States has given India a loan of 225 million dollars (Rs 107 crore) to finance imports of steel, fertilisers, machinery, chemicals and other industrial requirements.

The loan is part of the U.S. commitment of 435 million dollars in the Aid India Consortium for the third year of the Third Plan.

Yugoslavia will supply ships to India and will help to improve the Visakhapatnam shipyard under an agreement. Yugoslavia will also trade more with us.

PRAGA FOR DEFENCE

The Praga Tools, Secunderabad, has been taken over by the Ministry of Defence for manufacturing weapons and other requirements of defence production.

CHEAPER DRUGS

The Government is reducing the prices of penicillin to 43 nP from 58 nP per unit.

The Synbiotics Limited, a private firm of Baroda, has set up a streptomycin plant. It will produce 12 tons of streptomycin every year. Hindustan Antibiotics of Pimpri produces 45 tons of the drug every year.

BRIGHT SPOT

LIC HAS DONE IT AGAIN: Another bonus to policyholders at Rs. 17.50 per thousand for whole life policies and Rs. 14 for endowment policies.

L.I.C. earned a total profit of Rs. 26.71 crore in 1961-62 of which Rs. 25.39 crore will go for bonus.

BHOPAL HAS NEW ONE: Heavy Electricals has produced the first India-made on-load tap changer (for power transformers) of the range of 400 amperes and 5.5 lakh impulse voltage. Fifty of them will be made in 1964-65, saving the country Rs. 22.5 lakh.

HANDICRAFTS SCORE: Exports in April-December 1963 brought Rs. 24.22 crore, an increase of Rs. 8.46 crore over April-December 1962.

Yojana Bhavan Diary

from Page 13

Mr. Patrick Keatley, Commonwealth correspondent of *The Guardian*, who was recently in India on a lecture tour under the auspices of the British Information Services, visited Yojana Bhavan on February 26 and met Professor V.K.R.V. Rao, Member, Planning Commission.

The Committee on Transport Policy and Co-ordination has been reconstituted with Mr. Tarlok Singh, Member, Planning Commission, as the Chairman. The members of the Committee will be Mr. R. L. Gupta, Mr. S. Ranganathan, Mr. Kripal Singh, Mr. L. K. Jha, Mr. G. V. Ayyar and Dr. I. G. Patel. Mr. K. L. Luthra, Director, Transport Division, Planning Commission, will be the secretary.

To study the scope of participation in the development programmes in India on the lines of the American Peace Corps, a two-man German team came to Yojana Bhavan and met Mr. U.S. Rana, Director, Liaison, in this connection.

Among others who visited Yojana Bhavan were: a Soviet Parliamentary delegation on March 7; H.E. Dr. Abdul Karim al-Ali, Minister of Planning, Iraq, on March 4 and a Nigerian press delegation on March 10.

Dr. A. Nagaraja Rao took over as Adviser, Industry and Minerals Division, on March 5. Until recently he was Chairman, Heavy Engineering Corporation, Ranchi.



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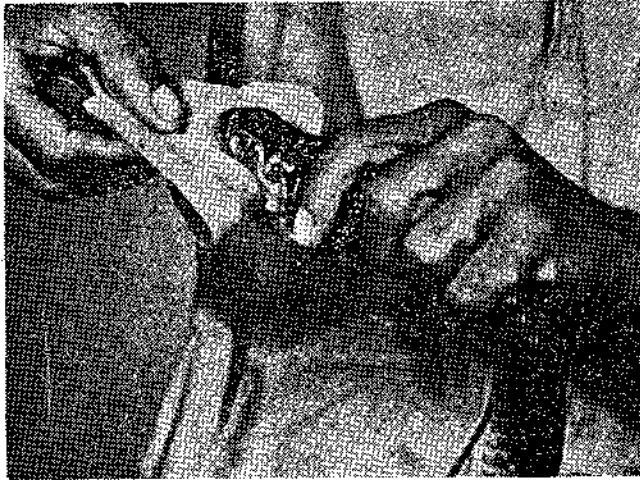
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CURES FROM SNAKE VENOM



THIS DANGEROUS FORM OF RESEARCH DEPENDS ON PRYING OPEN REPTILES' MOUTHS

THERE are some countries in the world which have no snakes at all, but tropical countries cannot hope for this distinction. India has a large variety of snake species.

The better known of Indian snakes are the cobra, the krait, Russell's viper and the *phoorsa*. All these are poisonous and they account for a large share of the 400,000 snakebites that is the annual average in our country. It should not be thought that deaths result only when poisonous snakes bite a person. Often the bites of non-poisonous snakes also lead to death, owing to heart failure caused by fright.

The World Health Organisation estimated in 1954 that at least 15,000 people died in India from snakebite every year. To me this figure seems low. It would be more correct to place it around 40,000. The victims, understandably, are mostly those who are at work in fields and forests, especially in the summer months. It has been found that males in the age group 11-40 predominate.

How much venom will kill a man? The quantity of poison ejected in a single bite depends on a number of factors. But by experiments on animals it has been ascertained that a man weighing 60 kilograms needs less than 0.006 gram of dried venom to die.

Snake-worshippers, of whom there have been many in different countries throughout history, may have their own views on why snakes are endowed with poisons. But naturalists tell us that venom is not meant to be an armour in its defence system, but a secretion evolved in its system for the digestion of food. Venoms contain enzymes which help the snakes to digest what they eat. It is only accidentally and because of their chemical nature that they have become a fatal weapon. It is natural for snakes to bite when in danger. But the venom is spilled through the fangs in the process. All venoms do not spread at the same rate. Tests at the Ciba laboratory in Switzerland show that the venom of krait has a surprisingly high spreading power. The venom of krait is absorbed by the body much faster than that of cobra and the vipers. Cobra venom, in fact, has a slow spreading power.

Clinical records of 1,231 snakebite cases all over India maintained between 1940 and 1953 show that 541 were poisonous snakebites and the remaining 690 non-poisonous. Mortality among the 541 victims of poisonous snakebites was 117 (or 21.6 per cent.). Of the deaths, 11 were traced to cobra, 27 to krait, 7 to Russell's viper and 19 to *phoorsa*. The rest were from undetermined species. Experienced doctors can

R.C. BHATTACHARJEE

Dr Bhattacharjee, who was educated in France and Germany, was Director of the Cancer and Venom Research Institute, Dum Dum, and earlier was Chief Research Chemist to the Tata Iron and Steel Company.

easily tell between a cobra-bite and a bite of a Russell's viper; the fangs of the viper are wider apart and also thicker.

The untreated victim lives for two to three agonising hours after snakebite. Often paralysis of limbs occurs before death. In Russell's viper bites coagulation of blood starts within seconds of the bite.

It is the very deadliness of snake venom that has proved a challenge to research scientists. It may safely be said this is one of the most dangerous fields of research in India. The Central Research Institute, Kasauli, and the Haffkine Institute, Bombay, have been the leaders in the field in our country. They make different kinds of antivenin for treating snakebite victims. The researchers are often obliged to collect the venom from live poisonous snakes. A little carelessness may prove fatal. They may also suffer from certain allergic conditions. I experienced the following disadvantages while collecting venoms of poisonous Indian snakes. There was a burning sensation in the mucous membrane of the nose. The nose ran to such an extent that in the course of two hours about a dozen handkerchiefs got wet. The eyes became blood shot. I have known colleagues who developed virulent types of eczema and asthma.

Handling of dry venom is no less dangerous. I have suffered from the effects of accidental inhalation of snake venom dust. The uneasiness and the pain in the abdominal muscles were so intense that injections of morphia failed to give me relief. Thanks to this little accident, I learnt to be more careful—although 30 years later I still suffer sometimes from eczema of the same type which

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I experienced in the early period of my researches.

The toxic principle in the venom of vipers was isolated by L. Bonaparte in 1843. The toxic principle of cobra venom is called nayain. These principles are the mixtures of different chemical bodies. Wolfendon found the presence of three different proteins—a globulin, a syntonin and a serin.

Some of the more recent researches may now be mentioned.

Grasset and collaborators made analytical studies of various Indian snake venoms by chemical, physico-chemical, biological, immunological tests at the Institute of Hygiene, Geneva, Switzerland. The venoms were found to contain variable quantities of albuminglobulin and peptides. In India B.N. Ghose and collaborators have shown the presence of one enzyme of tryptic type in cobra venom. But Shanta Rao and collaborators have suggested the presence of more than one protolytic enzyme. Ghosh, De and Chatterjee were able to purify neurotoxin of cobra-venom. Chatterjee has isolated an enzyme from cobra-venom which inhibits respiration. Anima Devi and Sarkar observed an increase in the force of contraction and relaxation of heart beat when profused with a one in 10,000 dilute solution of cobra-venom. Sarkar and Maitra observed complete paralysis of nerve junctions due to cobra venom. Sarkar, Maitra and Anima Devi observed that cardiotoxin of cobra venom had no action on neuromuscular junction. It meant cardiotoxin is different from neurotoxin. De isolated the haemolytic principle from cobra-venom in crystalline form.

Anima Devi, Bose and Sarkar have studied the coagulant properties of Russell's viper venom and Taylor and his collaborators the coagulant action of viper venoms.

Because of the fatal fascination of snakes—their grace and danger—snake poison has been regarded by the ancients as a medicine for certain diseases. In the Tantric times in our countries and earlier in Greece venoms were widely used in therapy.

Since so much of modern medicine rests on the chemical action of poison against poison, snake venoms are employed for curative purposes. The present writer might claim, with modesty, some part in intro-

WHEN A SNAKE BITES . . .

What must one do when one is bitten by a snake? If the venom has not yet spread, application of a solution of potassium permanganate to the tissues helps. Immediate injection of a watery solution of carbolic soap into the site of bite is worthy of a trial in cobra and krait bite cases. It should be injected in the subcutaneous tissues to a depth of not more than half an inch. The quantity should not exceed 2 cc. of a 0.5 per cent solution. This, however, has no action on Russell's viper venom.

But this only constitutes first aid. Quick recourse has to be had to anti-venom injection.

All snakebite cases should be treated with anti-venin as long as there is sign of life of the victim. In at least four out of five cases life can be saved.

duction of cobra-venom in allopathic form as medicines to alleviate the suffering of victims of cancer (carcinoma and sarcoma), cholera and neuro leprosy cases. Cobra-venom is also useful in relieving sciatica and other nerve pain. His viper venom preparation has been found useful in various types of haemorrhages.

How is cobra venom collected? A pond-shell is held in the right hand. A rubber band or leaf is placed in it. The snake is held with the left hand in such a way that the neck of the snake is gripped tightly with the thumb and the third, fourth and fifth fingers. The second finger presses the lower jaw of the reptile against the upper jaw. In this position, the reptile cannot open its mouth. Then slowly and cautiously the shell with the band is brought near its mouth, and the pressure exerted by the second finger against the lower jaw is loosened a little. Now the reptile can bite, and as it is angry it bites at the band in the shell. The fangs pierce the band, and venom comes out of the fangs which have the structure of a hypodermic needle. This is illustrated in the picture.

Viper venom can be collected in the same manner but as vipers have bigger fangs one proceeds in a slightly different manner. Instead of taking a pond-shell one can take a petridish and when the reptile is in a position to bite one can introduce the rim of the petridish in its mouth and hook the fangs with the rim of the dish. In this case, venom will be collected in the petridish.

FORUM EVENTS

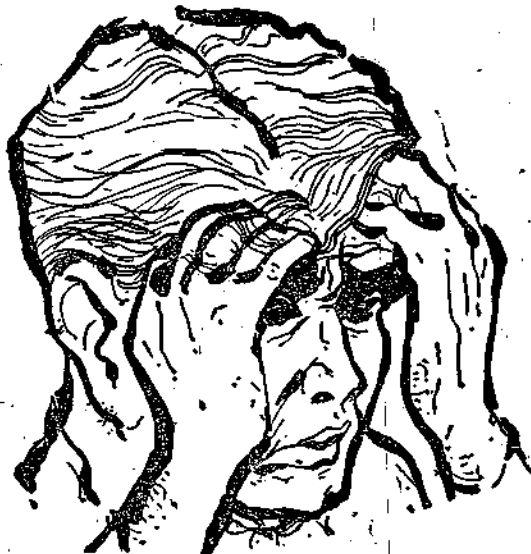
THE Planning Forum of the Arts and Science College, Warangal (Andhra Pradesh), organised three seminars and a symposium. Both teachers and students took part in the discussions and exchanged views on some important aspects of planning and development.

At the first seminar held on October 22, 1963 Miss G. Asha Latha and Mr. N. Ramakrishna Moorthy (III-Year B.A.) read two papers—Miss Asha Latha on the "Role of Women in Emergency" and Mr. Moorthy on "Effects of Gold Control". Mr. Y. Radhakrishnan, Lecturer in Commerce, read a paper on "Planning and Balanced Regional Development" at the second seminar held on the next day, followed by a paper on "Food Policy Under Planning" by Mr. K. Prabhakar Reddy (III-Year B.A.). "The Need for Stabilisation of Population" and "Problem of Unemployment in India" were the respective papers presented at the third seminar held on November 28 by Mr. T.P. Raman and Mr. C. Lakshmaiah, Lecturers of Commerce.

A symposium on "Economic Welfare and Redistribution of National Income" was held on January 24. Those who took part were: Mr. K.V. Srinivasan, Lecturer in Public Administration, Mr. G. Raghava Reddy, Lecturer in Economics and Miss K. Asha (II-Year B.A.).

Emphasising that only a good democratic government can remove the inequalities between man and man and between one part of the country and another, Miss Asha observed, "The introduction of parliamentary system of government and universal suffrage is itself a measure meant to infuse in the minds of common people an assertive claim to work for the general progress of their country and to share equally the benefits accruing from such progress."

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BETTER LIFE FOR EAST U.P.

(Continued from Page 15)

contribute Rs. 215 crore and non-agriculture sector Rs. 115 crore. The Team has suggested measures for increasing yields of cash crops like sugarcane and jute and recommended increase in the area of double cropping. Besides, stress has been laid on fertilisers, green manuring, fuel plantation and land reclamation. Attention has been particularly drawn to the prospects of animal husbandry and fisheries. For irrigation the Team has suggested loans on easier terms, extension of State assistance and more liberal subsidy rates. It has also been emphasised that rural electrification should be extended to compact areas having a number of tube-wells. As for flood control measures, a number of new schemes including construction of embankments, drains and canals have been recommended.

Though the survey and potential resources do not show any prospect for industries in immediate future,

the Team feels there is scope for large-scale industry in the private sector including eight new sugar mills, two in each of the four districts, besides distillery, paper and chip board factories, a fabrication plant and units for manufacturing pumps, electric motors and cotton textiles in other areas. As for small-scale industries, the Team has emphasised on the following: open-pan *khand-sari* units, ice factories and cold storages, engineering units for manufacturing automobile parts, bone crushing units, and power being available, power crushers and sulphitation plants in different parts.

Since adequate supply of power and transport facilities are pre-requisites for industrial development, the Team has suggested the following among other measures: (1) formulation of suitable procedure for quick acquisition of land; (2) specific allocation of loans for construction of factory buildings; (3) supply of power at the lower rate as in other areas of the State; (4) setting up one marketing intelligence centre in the districts. As regards communications, the Third Plan outlay is Rs. 1.82 crore. The Team has recom-

mended building of new roads and bridges involving an expenditure of Rs. 13.72 crore.

Finally, the Team has underlined the importance of the role of administration in accelerating the development of the eastern region of Uttar Pradesh or for that matter other backward areas in the country. Among the recommendations made in this connection are: (1) Increase in the number of Village Level Workers in each block; (2) posting of A.D.O.s (agriculture) in each block and one A.D.O. (Minor Irrigation); (3) posting of State civilians of 8 or 10 years' standing to act as B.D.O.s; (4) closer co-ordination between irrigation and power departments and block authorities; (5) delegation of more financial and administrative powers to local officers; (6) setting up of an engineering cell for small power/irrigation/industries costing up to Rs. one lakh and (7) creation of a Special Areas Cell at the State capital under a senior official for watching the progress of the scheme. To get overall information on progress in the four backward districts the Team has suggested a number of indicators of development.

NATIONAL INCOME

THE national income of India (at 1948-49 prices) was Rs. 13,370 crore in 1962-63. This compares with Rs. 13,060 crore in 1961-62 and Rs. 12,730 crore in 1960-61.

The *per capita* income at 1948-49 prices is estimated at Rs. 294.7 in 1962-63, Rs. 294.3 in 1961-62 and Rs. 293.2 in 1960-61.

The eleventh annual White Paper on national income just released by the Central Statistical Organisation gives these figures. The estimates for 1962-63, it explains, are still preliminary and based on partial material; they show a slight upward change compared to the 'quick' estimates released last November.

The increase in total national income in 1962-63 over that of the previous year was 2.4 per cent. This comparatively low increase was due to a fall of 2.2 per cent in agricultural output in 1962-63. The contribution to national income from agriculture in that year was less by Rs. 110 crore compared to the previous year. However, there was a total rise of Rs. 420 crore in the contribution made by all other sectors together.

Columns (2) and (3) of the following statement show the trend in net national output at current and at 1948-49 prices respectively during the last twelve years 1950-51 to 1962-63, and columns (4) and (5) reveal the trend in *per capita* income based on the latest available Census figures of 1941, 1951 and 1961 released by the Registrar-General.

	Net national output (in Rs 100 crore)		Per capita net output (in Rs.)	
	at current prices	at 1948-49 prices	at current prices	at 1948-49 prices
	(1)	(2)	(3)	(4)
1950-51	95.3	88.5	266.5	247.5
1951-52	99.7	91.0	274.2	250.3
1952-53	98.2	94.6	265.4	255.7
1953-54	104.8	100.3	278.1	266.2
1954-55	96.1	102.8	250.3	267.8
1955-56	99.8	104.8	255.0	267.8
1956-57	113.1	110.0	283.3	275.6
1957-58	113.9	108.9	279.6	267.3
1958-59	126.0	116.5	303.0	280.1
1959-60	129.5	118.6	304.8	279.2
1960-61	141.4	127.3	325.7	293.2
1961-62	148.0	130.6	333.6	294.3
1962-63 (preliminary)	154.0	133.7	339.4	294.7

After adjustment for purely statistical differences between the crop production estimates of 1960-61, 1961-62 and 1962-63, the increase in national income and *per capita* income in real terms amounts to 5.0 per cent and 0.5 per cent respectively during the first two years of the Third Five Year Plan period.

Expressed at *current prices* the national income and *per capita* income in the last three years were:

1962-63—Rs. 15,400 crore; Rs. 339.4
1961-62—Rs. 14,800 crore; Rs. 333.6
1960-61—Rs. 14,140 crore; Rs. 325.7

KOLHAPUR'S SILVER SPOT

Continued
from Page 17

he made battery sets for automobiles; and when petrol became scarce in the war days he supplied gas plants to power the automobiles. Today his Auto Works is the biggest and the best equipped workshop in the colony. His 'Vishwas' diesel engines are very popular.

Another pioneer, Y.P. Powar, also started with a small car repair shop in 1937. His investment was only Rs. 750. Then he designed a small machine on which he earned Rs. 75 per month. He took to manufacturing oil engines in 1950. He established, in partnership with two others, the Pakco Limited which produces oil engines in the range of 5 to 20 H.P. Annual production is valued at Rs. 20 lakh. He has also set up a foundry, under the name United Castings, which produces castings of Rs. 4 lakh every year.

These were men of the 'thirties. The present generation does not lag behind. B.A. Arawade fights shy to disclose that he went only to primary school. In his workshop, set up in 1959 as ancillary to the Pakco Limited, he has developed a radial drilling machine which costs only Rs. 2,850. He completed the first machine in 1962 only in six months and has already sold 35 machines.

Lakshman Bajaji Shinde was born in a scheduled caste farmer family. Even when he followed the plough, he had dreams of becoming an industrialist. He taught himself mechanics by working in a workshop in spare time. Now he owns his own shop which makes studs and nut-bolts. He has designed a printing machine which costs only Rs. 1,700.

MOST of these industries could not have grown but for the spirit of mutual help which pervades Udyam Nagar. There is a sense of corporate adventure, and this has found expression in the Kolhapur Udyam Co-operative Society. Formed in August 1957, it now has 168 members in two categories. The society has so far built 51 sheds (and 4 more are in progress) at a total cost of Rs. 12 lakh and given them to members on hire-purchase. It has also applied to the Government for acquiring 16 acres of land to expand the colony. It has plans to open a sales depot, and proposes to take up supply of raw materials.

The Government has given the Society a loan of Rs. 8.76 lakh. But the outstanding official contribution to Udyam Nagar is the servicing centre set up under the small industries programme of the Union Govern-

ment, and equipped with machinery supplied by the U.S. Agency for International Development. Started in 1959 the centre gives technical advice to industries in three more districts besides Kolhapur, namely Sangli, Satara and Ratnagiri. It has also been training apprentices through a workshop.

OVER TO YOU *from Cover ii*

GOLD CURRENCY

IN reply to Mr. R. V. Iyer's suggestion for use of gold coin currency in our developing economy (Why Not Gold Coins, *Yojana*, December 8, 1963), Mr. C. L. Jangra has tried to convince us of the uselessness of such currency. (Gold Coins, *Yojana*, January 5).

Mr. Jangra rightly points out that 'the main value of currency today is (its) general acceptance. If paper notes are generally accepted then why gold coins?' But, if I may say so, gold coins are recognised as international medium of exchange and have the quality of general acceptance throughout the world unlike the paper currency issued by our Government which has no value outside the Indian territory.

Also, it is possible that the paper currency may, at some-time, be worth no more than a scrap of paper. But this cannot be the case with gold coins unless there is abundant gold due to the discovery of large gold mines in future. Therefore, Mr Iyer is justified in advocating the use of gold coin currency in our developing economy.

But from the point of view of the economy (which is much more important) to suggest a 'gold coin currency, as a medium of exchange is highly undesirable when the paper currency is performing its functions satisfactorily. Moreover, even if gold coins are introduced, they will soon disappear because of the present state of affairs.

New Delhi

B. R. K. KHANDAL

FARM PRODUCTION

THE Mid-Term Appraisal of the Third Plan has proved that our economy is falling below the targets. It is distressing to note that national income has risen only by 2.5 per cent per annum as compared with the rate of 5 per cent originally envisaged. Besides, 'the over-all agricultural production suffered a set-back during the last crop year (July 1962-June 1963) which corresponds roughly the second year of the Third Plan.'

Why has this situation arisen? Is it due to complacency or are we not capable of going ahead?

I feel we can raise our agricultural production to 100 million tons by the end

of the Third Five-Year Plan provided we take the following steps:

Firstly, the rural credit system should be overhauled. In spite of its long standing it is in no way helpful to the peasants. A survey on the rural land holdings and finance in a small village of Andhra Pradesh showed that the farmers are not satisfied with the present set-up of rural credit system. They do not get loans at proper time. So they have to approach the indigenous money-lenders who charge high rates of interest. Formalities of our rural credit system have therefore to be reduced. Credit societies should be located as nearly as possible to the key villages so that farmers can avail themselves of the facilities.

Secondly, more agricultural colleges should be started. Apart from merit and merit and means scholarships, there should be a number of other incentives in colleges to attract students. Prospects of agricultural scientists also have to be improved.

Thirdly, top-ranking officials and Agriculture Ministers should visit villages frequently and ask the farmers to avoid litigation and work in a spirit of mutual understanding and co-operation.

Fourthly, educational authorities would do well in organising students' survey camps at villages, especially during summer vacations. The voluntary help of the students in the form of Shramdan or manual labour during vacations will inspire the farmers to take up agricultural work in right earnest.

Lastly, the youth should be conscious of their responsibility towards the village.

Tirupati (A.P.)

K. RAMANUJULU

TRUE SOCIALISM

PROFESSOR Shigeto Tsuru (*Yojana*, February 2) defines socialism 'as an economic system where the major portion of the economic surplus takes the form of a social fund under the control of the State rather than the form of private profit.' The definition is helpful to all those who speak about socialism. You should publish this definition in every issue of your journal, so that the parliamentarians may be made aware of it.

The answer presupposes *economic surplus*. Where is economic surplus in India when we exist mainly on borrowings and foreign aids? Please stir up the idle masses.

Tanjore

R. V. IYER

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.

SCIENTISTS' POOL AND ITS PROGRESS

Y. S. SHAH, Ahmedabad.

What has been the progress of the Scientists' Pool? Has the purpose in creating it been fulfilled?

ANSWER: The Scientists' Pool was created in 1958 for the temporary placement of well-qualified Indian scientists, engineers, technologists and medical personnel until they are absorbed in regular employment. Though intended mainly for those returning from abroad, persons with Indian qualifications are also selected to the Pool. The number of persons selected to the Pool until January 1, 1964 is given below, with an indication of the countries in which they secured their degrees:

Country of training	Sci-ence	Engi-neering	Tech-nology	Medi-cine	Total
U.S.A.	430	334	65	85	914
Canada	64	22	3	15	104
U.K.	97	233	38	455	823
W. Germany	29	72	13	2	116
Other Euro-pean Countries	28	43	9	5	83
Other Countries	10	12	—	1	23
India	30	3	3	18	54
Total	688	719	131	581	2,119

Those who are selected to the Pool are attached to universities, scientific and technical institutions, national laboratories and other establishments including the private sector. At the commencement of the year 450 persons were attached to more than 150 institutions, as shown below:

Organisations	No.	Per cent
1. Universities and other institutions of higher education	221	49
2. C.S.I.R. Organisations	49	11
3. Other Research Organisations	43	10
4. Medical Institutions (Hospitals)	65	15
5. Industrial Organisations	24	5
6. Government Organisations	28	6
7. Defence Organisations	18	4
8. Other Organisations	2	—
Total	450	100

So far nearly 750 persons selected to the Pool have secured regular employment. During 1963 as many as 218 persons got regular employment and left the Pool.

Approved scientific institutions and public undertakings have recently been authorised to create a certain number of supernumerary posts which can be filled quickly from among the Pool Officers. The object of the Scientists' Pool and the supernumerary posts is mainly to utilise services of the qualified persons coming from abroad. The Pool is thus serving a useful role as a reserve for meeting the need of scientific and technical personnel in the country.

CARE OF SHEEP

R. P. SINGH, Kotah

The article on Wool (*Yojana*, February 2) did not say anything on the management of a sheep farm. Can you give some hints?

ANSWER: Apart from management, successful sheep rearing requires good breeding, feeding and weeding. Some hints on management are given below:

(1) Sheep-pens should be erected on high lands; (2) lambs should be weaned from mothers' milk on attaining fourteen weeks; (3) the tail, if long, should be clipped; (4) castration should be done in winter months, and (5) sheep should be sheared twice a year at the beginning of spring and at the beginning of autumn.

For further information write to the Sheep and Wool Development Officer, Indian Council of Agricultural Research, Krishi Bhavan, New Delhi.

SOCIAL SERVICES

A. K. SINHA, Shillong

Education, medical services, public health, labour welfare etc. are included in the "Social Services" Group. In fact, many other departments render social service to the people. Kindly let me know why only those subjects mentioned above are included in the "Social Services" Group?

ANSWER: In our Plans, the sector comprising social services has a much wider coverage than what has been noted by the correspondent.

The full list includes education, health, housing, labour welfare, welfare of backward classes and social welfare. In addition, rehabilitation of displaced persons and community services incidental to prohibition also form a part of social services. It might further be added that though community development, being itself a composite programme, does not feature under social services, it has a large component of social services.

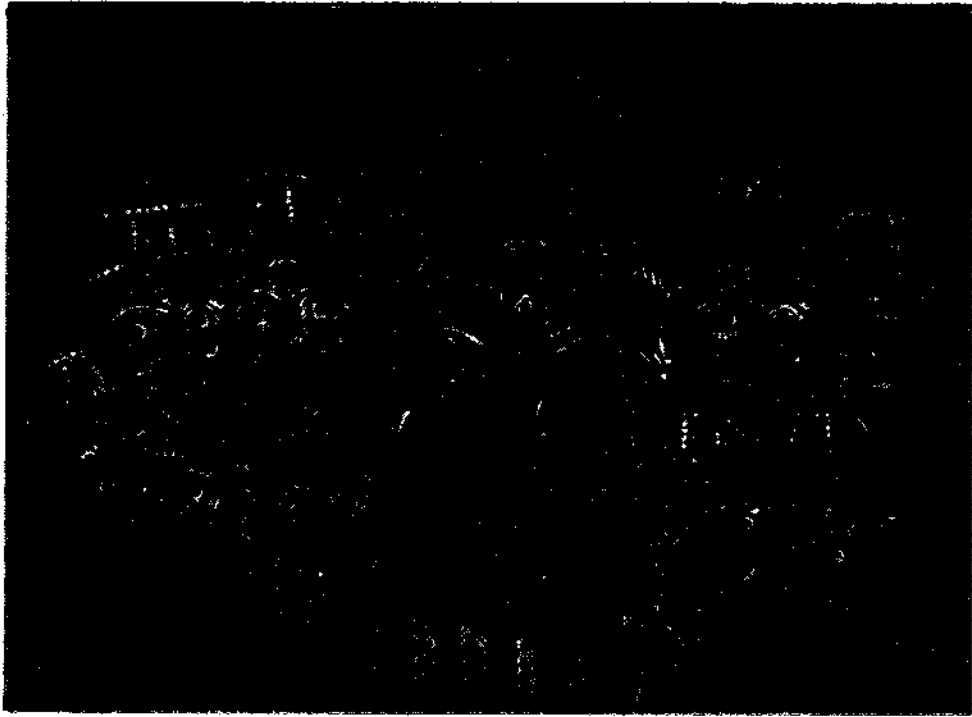
It is not clear what the correspondent means by saying "many other departments render social service to the people". If the reference is to the railways, posts and telegraphs, the defence establishments and other similar departments, the answer is that their welfare programmes are restricted to their own employees, and thus come under the category of staff welfare. Thereby the departments cannot be characterised as social service departments because they are established to run services of a different character. In the Plans, only those services have been characterised as social services which contribute directly to the building up of human resources. The term social services is, therefore, applied only to such of the services as fulfil that criterion. If the correspondent had in mind the voluntary and non-official organisations rendering social service, it might be pointed out that they are helped under the Plan primarily through the Central Social Welfare Board and the Planning Commission's Public Co-operation Division.

POCKMARKS

MEERA JAIN, New Delhi

Your editorial on smallpox (*Yojana* March 1) did not give an idea of the extent to which smallpox still menaces the world. What are the figures?

ANSWER: The World Health Organisation says that between January and November 29, 1963, some 88,442 smallpox cases occurred in the world, with 25,544 deaths. In the whole of 1962 the totals were 73,728 cases and 14,737 deaths. More than half of all cases, according to an earlier finding, originate in the India-Pakistan subcontinent.



MASKS OF PURI

PRIMITIVE and sometimes even grotesque, masks have a fascination all their own. They continue to have religious associations in many parts of the country. A festival or fair brings out the masks of a region. For tribal people, indeed, masks are a part of the ritual life, and are prominently used in dance and marriage. And little by little they are also invading the urban home as articles of display and decoration.

Puri is one of the places known for masks. During the Rathajatra festival the chariot of Lord Jagannath is decorated with a number of colourful masks. And pilgrims take back Puri masks with them.

Two kinds of masks are made in Puri, one from the locally available soft wood called Katrang and the other from paper pulp. Both are traditional crafts of Orissa and depict mythological characters.

Wooden masks are made by skilled carpenters who are known for their decorative wood-carving, particularly on the chariot wheels. The carpenter

**PRIDE OF
PLACE**

96

takes a vertical block of wood and scoops out the back portion. With great care he carves out the face of a Mahavira or a Ganesha on the outer portion left which he paints with bright indigenous colours. Paper pulp masks are made by the Chitrakars or scroll painters using moulds. When dry the details are painted with a brush.

Puri masks are known for their vigour and craftsmanship. Demand for the masks is increasing, particularly among the tourists. Specimens of the masks have been sent to the New York World Fair.

NEXT ISSUE

Hupari near Kolhapur in Maharashtra is one of the four centres which are well known in the country for silver jewellery. The other three are Rajkot in Gujarat, Salem in Madras and Cuttack in Orissa. Each has its own individuality and distinction. An article on the pride of Hupari will appear in the next issue of Yojana.

EIGHTH
YEAR

6

YOJANA

110-6



REKHA ($7\frac{1}{2}$) 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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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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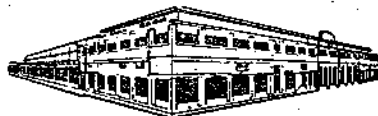
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13 CO-OPS IN THIS VILLAGE

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 Ingle, 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 Ingle 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

HUNGER 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 unflinching 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

SOMEONE, SOMEWHERE NEEDS ELECTRICAL EQUIPMENT AND TRAINING

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AEI is India's largest supplier of electrical equipment and the Commonwealth's biggest. 60 AEI factories and 100,000 employees the world over manufacture every type of equipment for the generation, distribution, control and use of electricity. Many of the

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Remember how the acorn grew into an oak

From a small start in 1941 with 150 workers and an output of Rs. 1.5 lakhs annually, the AEI factory in Calcutta has grown into an important manufacturing unit. Today, it employs 726 men and produces a wide range of electrical equipment. AEI also markets



lamps and fans in India and plans to extend its lines of industrial and domestic appliances. 'The aim,' says Works Manager C. M. Meek, 'is to increase productivity using the same manpower and machinery.'

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AEI, by virtue of the collaboration agreement concluded in 1960 between Tatas and W.T. Henley's Telegraph Works Co. (since merged with AEI, U.K.) are now progressively increasing the manufacture of world

famous Henley cables in India. At the new cable factory near Poona, thermoplastic and rubber insulated cables are manufactured for domestic and industrial use. The factory employs 400 people and output has already exceeded two million metres per month.

Planning 6,000 futures

AEI helps in the training of engineers the world over. In AEI's British factories more than 6,000 apprentices are undergoing training. 250 AEI U.K. trained engineers are now working at Heavy Electricals (India) Limited, Bhopal, where AEI are consultants; another 150 Bhopal-destined engineers are under training with AEI U.K. In addition 500 Indian engineers have taken their training in AEI's U.K. factories. This is a record believed to be unsurpassed by any other electrical engineering company operating in India. AEI's factory near Calcutta takes on 6 to 12 graduate engineers every year on a two year course. It also trains, by special arrangement with the Government, senior officers from defence services like the Navy. The training school at Bhopal, for which AEI are consultants, can train 3,000 men at a time. 6,200 trainees have registered so far; 4,200 have completed training; the rest are still under training. On graduation, some will be absorbed by the project; others will work at similar projects in different parts of the country. The Bhopal training school is fast becoming an important seat of technical learning in India.

40 years is a responsible age

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

Elevenses 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)

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.

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 is 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.



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.

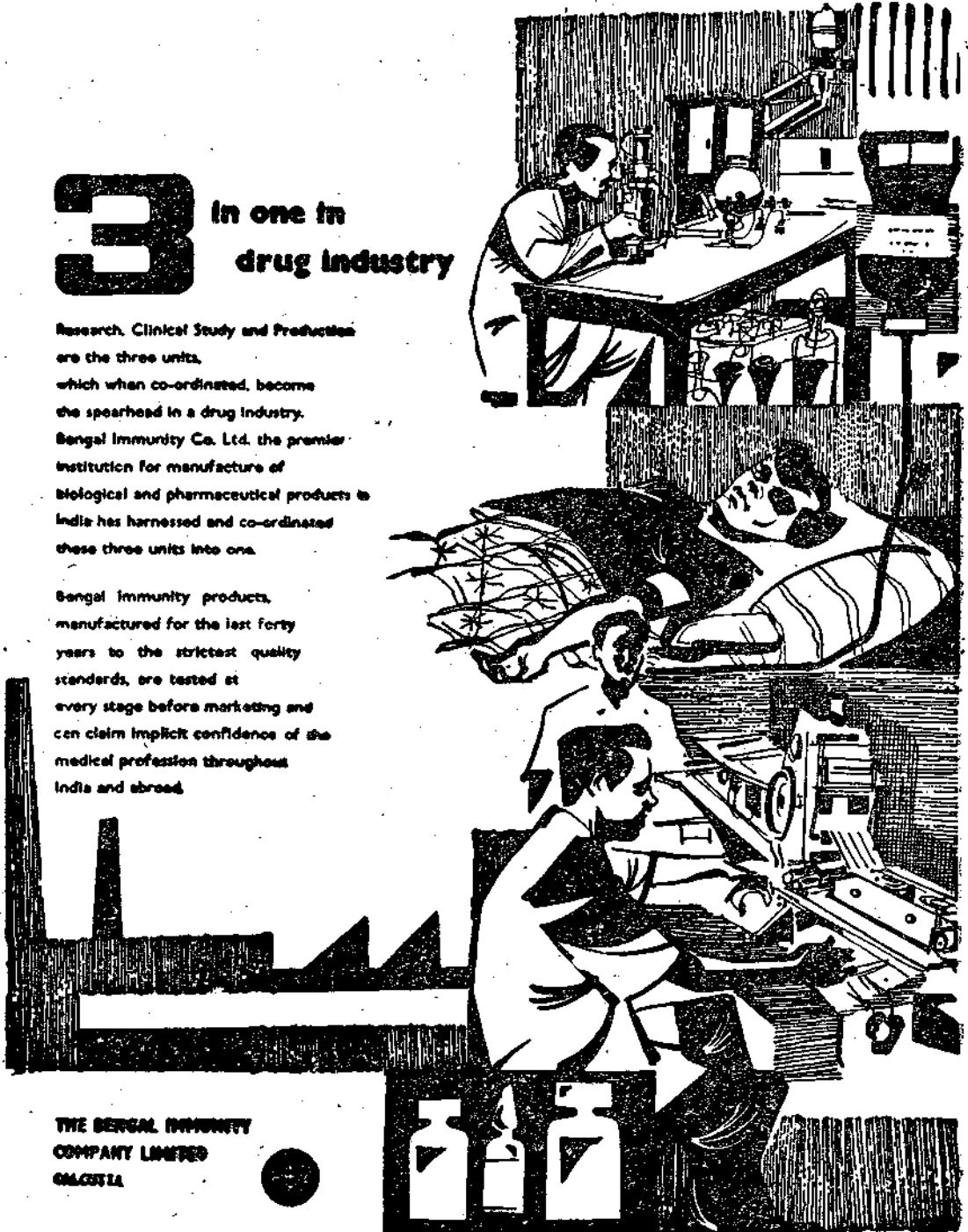
"Seems a bright fellow... But he hadn't bothered to call on me although he has been here five years... But when they have work they come running..." Mr A said.

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
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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 combinè 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

IN 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.

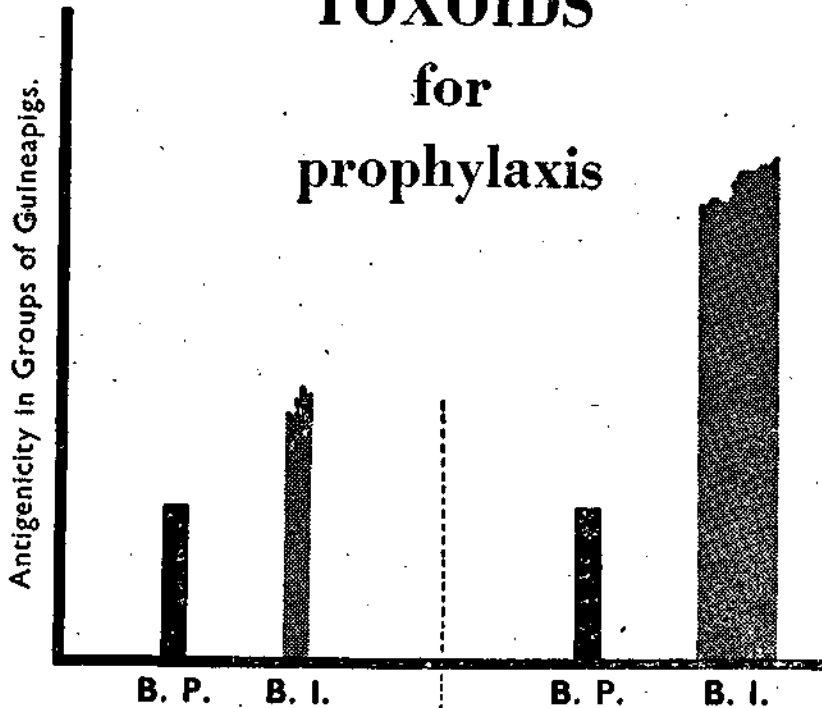
The author has not made any attempt to study whether such proposals are practicable and what their implications would be to the U.K. and the E.C.M.

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



PROGRESS MADE IN INDIA

DIPHTHERIA TOXOID (A. P. T.)

Titre of 10 Immunised Guinea pigs
(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 Guinea pigs
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.

THE 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

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% 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)

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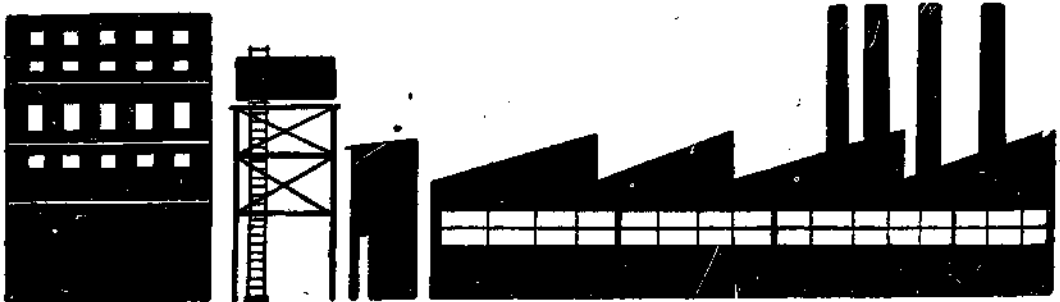


PAPER TO PLANT

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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 Dandakaraniya 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

ENGINEERING 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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insect bites and
stings, for mouth
wash and gargle, and
disinfection of rooms,
floors, linens, etc.



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

a 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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A BENGAL
IMMUNITY
PRODUCT

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.

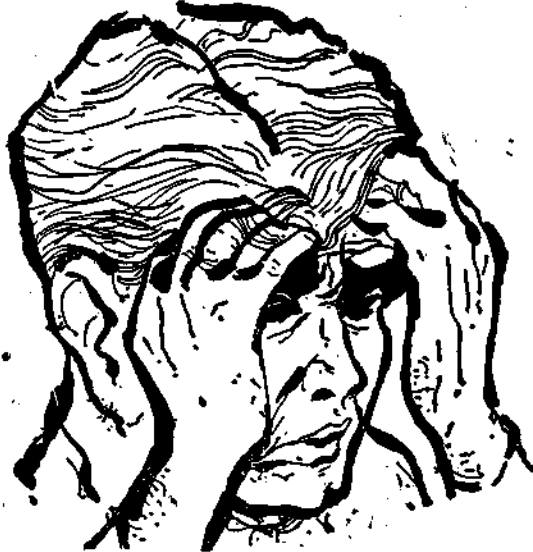
Production at the Jharia coalfields in Bihar will be speeded up with the installation of winding equipment worth Rs 1.6 crore.

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?

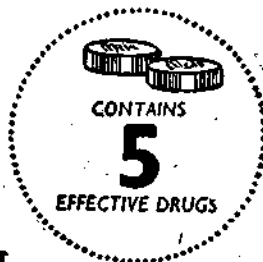


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A. BENGAL IMMUNITY PRODUCT

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 Tangatur 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.

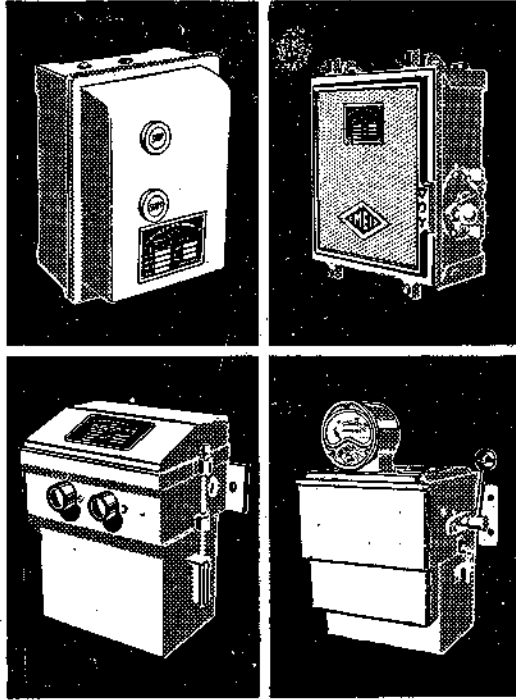
Public Finance in Under-developed Countries by R. N. Tripathy. 288 pages. Rs. 15, 25s. net. *Monetisation of An Economy* by Santikumar Ghosh. 82 pages. Rs. 6.50, 12s. 6d. net. Both published by the World Press (P) Ltd., 37, College Street, Calcutta-12.

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 Chakrabaria 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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MEI-57

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 Vidyapeeth 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*.

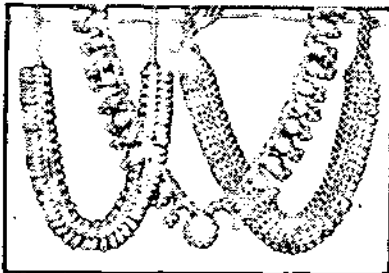
(2) The National Sample Survey has so far completed 18 rounds and prepared 124 reports of which 84 have been published.

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

HUPARI 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.