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REPORT

OF

THE VILLAGE INDUSTRIES EVALUATION COMMITTEE

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HADI AND VILLAGE INDUSTRIES COMMISSION
Post Box 482, Bombay-1.

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THE VILLAGE INDUSTRIES EVALUATION COMMITTEE

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KHADI & VILLAGE INDUSTRIES COMMISSION
Mistry Bhavan, Dinshaw Wachha Road,
Post Box No. 482, **Bombay-I**

No. II/5/EVA-VI/59-ECR November 11, 1959

To

Shri V. L. Mehta,
Chairman,
Khadi & V. I. Commission,
P. B. No. 482, Bombay. I.

Sir,

I have the honour to submit the report of the Evaluation Committee for Village Industries appointed by the Commission vide its Resolution No. 279 dated 11th October, 1958.

Yours faithfully,

Sd/- **R. S. Hukkerikar**
Chairman
Village Industries Evaluation Committee

EXPRESS DELIVERY

KHADI & VILLAGE INDUSTRIES COMMISSION
Mistry Bhavan, Dinshaw Wachha Road,
Post Box No. 482, **Bombay – 1**

No. II / 5 / EVA – VI / 59 – ECR November 11, 1959

To

Shri Ramachandran, I. C. S.,
Joint Secretary to the Govt. of India
Ministry of Commerce and Industry
Udyog Bhavan,
New Delhi.

Sir,

I have the honour to submit the report of the Working Group for Village Industries appointed by the Ministry, vide its Memorandum No. 25 (65) / 58 – VIC / KVI dated 11th February 1959.

Your faithfully,

Sd/– **R. S. Hukkerikar**
Chairman
Working Group For Village Industries

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CHAPTER I

APPOINTMENT AND TERMS OF REFERENCE

In pursuance of the resolution passed by the Conference of States' representatives at Poona in July 1958, the Khadi and Village Industries Board at its 7th meeting in September 1958 recommended to the Commission the appointment of an Evaluation Committee. Accordingly, the Commission at its 20th meeting in October 1958 appointed, vide resolution No. 279 of 1958, (Appendix 'A') an Evaluation Committee with the following personnel:

1.	Shri R. S. Hukkeriker	Chairman
2.	Shri A. P. Choudhari	Member
3.	Shri T. S. Gokhale	Member
4.	Shri Chhaganlal Joshi	Member
5.	Shri S. R. Nagappa Shetty	Member
6.	Dr. J. D. Sundram	Member-Secretary

1.2 The Committee was required by the Commission to assess the "progress made in the implementation of its various programmes of development of Village Industries" State by State. Towards the end of October 1958, at the instance of the Planning Commission, the Ministry of Commerce and Industry requested the Commission to suggest names of persons who could be appointed as members of the Working Group for the evaluation of Village Industries. The Commission suggested the appointment of the Committee to which it had already entrusted the work of assessment of the results of Village Industries Development Programmes and which had completed its report on the Punjab. Accordingly, the Ministry appointed as its own Working Group, vide its Memorandum No. 25 (65)/58-VIC/KVI dated 11th February 1959, (Appendix 'B') the Evaluation Committee set up by the Commission in October 1958, with the following Terms of Reference :

i) provision made and the actual expenditure in the first three years of the Second Five Year Plan and the main items on which the expenditure has been incurred,

ii) (a) increase in production, levels of development and employment achieved as a result of the outlay.

(b) improvements achieved in techniques of production and quality of products;

(c) increase in the earnigs or artisans;

(d) number of persons trained and the number of trained persons absorbed in the industry;

(e) increase in exports of products or diminution in imports of corresponding products.

iii) improvements in administrative and organizational set up for the efficient implementation of the programme, with special reference to the progress of industrial co-operatives;

iv) short-falls in expenditure, if any, below the provisions made and the reasons therefor;

v) short-falls in production/development, if any, below the targets or levels of development, envisaged and the factors accounting for the same;

vi) a general appraisal of the extent to which the results achieved have been commensurate with the outlay with particular reference to the cases in which the results have been poor or disappointing. (The appraisal should include an examination of the extent to which the industry has been stabilised and thus enabled to reduce its dependence on subsidies, Government-assisted marketing, Government finance and other forms of Government assistance);

vii) an assessment of the extent to which the short-falls in (iv) and (v) above were due to temporary causes or special difficulties of an unavoidable character and how far they were due to the basic weakness of the programmes or limiting conditions of a durable character;

viii) lessons of experience for the Third Five Year Plan ".

Early in April, the Ministry further elaborated the Terms of Reference to include "the industrial programmes that are being implemented in the Community Development Areas', vide its Memorandum No. 25 (65)/58- KVI/VIC dated 8th April, 1959, (Appendix 'C') and requested the Working Group to submit its report by June 30, 1959.

Programme Of Work

1.3 In view of the limited time available to it, the Committee decided not to visit production centres scattered over the entire country, but send out field investigation teams to collect detailed data on the utilisation of funds for each of the village industries by different agencies in different States. For this investigation, States were classified according to the volume of financial assistance given to them for the development of village industries. The investigation ensured a coverage of 50 per cent of the total disbursements of funds and 30 per cent of the institutions directly assisted by the Commission. The investigation teams visited Andhra, Bihar, Bombay, Kerala, Madras, Madhya Pradesh, Rajasthan and Uttar Pradesh during the eight-week period February 25, 1959 and April 27, 1959.

1.4 Besides the field investigation, the Committee convened a conference in Bombay of the representatives of the assisted agencies in different States and discussed with them the problems of village industries. The Committee also had detailed discussions with each of the organisers in-charge of the different village industries under the purview of the Commission as well as with the officers of the

Commission concerned with the village industries, both on the administrative and on the accounts side.

Acknowledgements

1.5 We wish to place on record our grateful appreciation of the help and assistance given us in our work by the Chairman and members of the State Khadi and Village Industries Boards, Sanchalaks of the major and minor certified institutions and cooperatives, various officials of the office of the Development Commissioners and Registrars of Co-operatives, Directors of Industries, and Organizers of different Intensive Areas, who assisted our investigation teams to collect information under extremely trying conditions. We acknowledge with thanks the assistance given by the representatives of each of the agencies who attended in spite of short notice, the meeting convened by us in Bombay and the help they gave us in assessing the scope for future work in the light of the problems in the field. Also, we thank the Khadi and Village Industries Commission for the arrangements made to hold our meetings with the representatives of the States and institutions during the period June 4 to June 13, 1959. We record our thanks also to the different officers of the Commission and the Organizers of each of the Village Industries for enabling us to understand not merely the administrative difficulties, but also some of the intricate technical problems which face them. Last, but not least, we desire to place on record our appreciation of the work of the investigation teams and of the staff of the Directorate of Economic Research, who despite serious handicaps, shouldered entire burden of both collecting and processing all the data required by us. Above all we must place on record our appreciation of the valuable work done by our Member-Secretary, Dr. J. D. Sundram. In spite of continuous strain and also serious indisposition, he did our workably and in time.

CHAPTER 2

VILLAGE INDUSTRIES IN THE PLANS

In the considered view of the Planning Commission, "Village Industries have a central place in rural development programmes"[1] and the programmes of development for them should be so drawn up as to "develop a great deal of local initiative and co-operation, and an economic environment in which they have a reasonable chance of succeeding."[2] According to the Planning Commission, village industries were in the main concerned "with the processing of local raw materials for local markets."[3] They considered that "while organization in the village provides the base, the development of village industries requires drive and direction from the Central and State Governments. The primary responsibility for carrying out programmes for village industries rests with State Governments, but in many aspects the framework within which they can execute programmes for individual village industries is set by the policies followed by the Central Government. In the Central Government, there is, therefore, need for an organization which will give close attention to the problems of village industries and help to create favourable conditions for action by State Governments, constructive organizations and village co-operatives. In view of the growing importance of the problem of employment, the Central Government must now give the same attention to village and small-scale industries as it has undertaken, in view of the shortage of food and raw-materials, to give to agriculture"[4]. They, however, suggested that the organization at the Centre should be "outside the departmental machinery of the Government".[5]

2.2 Accordingly, the Government of India appointed the All

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1. *First Five Year Plan* Planning Commission, (1953), p. 315
2. Ibid
3. Ibid
4. Ibid, p. 316
5. Ibid p. 317

India Khadi and Village Industries Board in February, 1953 and made it responsible for "preparing and organizing programmes for the production and development of Khadi and Village Industries, including training of personnel, manufacture and supply of equipment, supply of raw materials and marketing, research and study of the economic problems of different industries."[6] The functions allotted to the Board were to help correct the forces that had contributed to the decline of village industries in the country. The Planning Commission suggested that the Board should be in executive charge of the implementation of the development schemes for village industries, and desired that it would not confine its activities to the industries specifically entrusted to it, but extend them to the preparation of new schemes for village industries.[7] The Planning Commission also desired that there should be organizations at the State level similar to the All-India Board it had suggested to the Government to appoint.[8] The industries entrusted to the Board were nine in number:

(i) processing of cereals and pulses, (ii) village oil, (iii) village leather, (iv) cottage match, (v) gur and khandsari, (vi) palmgur, (vii) N.E.O. and soap,(viii) handmade paper, and (ix) bee-keeping.

2.3 For the implementation of a modest development programme for each of these industries, the Planning Commission allotted for the four-year period of the First Five Year Plan Rs. 6.78 crores as detailed below :[9]

TABLE I

Industry		Rs. lakhs
1. Paddy Husking		10.00
2. Village Oil		233.10
3. Village Leather		160.40
4. Cottage Match		20.60
5. Gur and Khandsari		100.40
6. Palmgur		100.00
7, N. E. O. and Soap		18.10
8. Handmade Paper		18.90
9. Beekeeping		16.30
	Total	677.80

6. Ibid, p. 317
7. Ibid
8. Ibid
9. Ibid p. 324

2.4 Right from 1953-54 till the end of 1955-56, the Board was, however, unable to organize the implementation of the development programmes for the village industries owing mainly to a number of financial and procedural difficulties arising from its being an advisory body with executive functions. It repeatedly made representations to Government regarding its difficulties, and in one of its resolutions pointed out that "delays in sanctions had prevented the Board from making a start with some of the schemes whereas for others it had been possible to make only a nominal start. The non-utilisation of sanctions was likely to create a wrong impression on the public mind, and the Board trusted that the future arrangements would be so devised by the Government of India as to save the Board from such undeserved criticism".[10] As a result of the anomalous position of the Board, Government of India decided to set up a Statutory Commission in April 1955 and introduced a draft bill in Parliament for this purpose.

2.5 During the First Plan period, the All India Khadi and Village Industries Board could do no more than make the barest preliminary arrangements for the implementation of the development programmes for village industries. Moreover, the period available for effective operation to the Board was only three years as against the assumption of the Planning Commission that it would have four years of work during the First Plan period. These two causes stood in the way of any effective action towards the implementation of the development programmes, and even the arrangements for setting up the necessary organizational machinery could not be completed owing to the procedural and financial difficulties that continously hampered it. Consequently, out of the total allocations of Rs. 6.78 crores mentioned above, outlay on the village industries during the three years of the First Plan period was only Rs. 1.9 crores or less than a third of the total allocations. Thus, for all practical purposes, development of village industries on an organized

10. Resolution of the Board at its meeting on February 25th and 26th, 1954, quoted in the Board's *Annual Report 1953-54*, P. 66.

or systematic basis may be said to have started only from the end of 1955-56.

2.6 Although actual work was not undertaken on any scale for any of the industries during the First Plan period, the Board had given earnest consideration to the problems of village industries entrusted to it. During the period, on its suggestion Government added village pottery and fibre to the industries under its purview. Thus, by the end of 1955-56, the number of industries under its purview had increased to 11 from the original 9 assigned to it by the Planning Commission.

2.7 A matter of considerable importance during the period was the acceptance of the Board's recommendations by the Government of India regarding the 'D' class match unit with a production upto 25 gross of 60's per day and an enhanced rebate of 9 as. in the excise duty per gross of 60's, payment of a subsidy on retail sales of village oil at the rate of Rs. 2-8-0 per maund, payment of a production subsidy at the rate of 6 as. a maund of handprocessed rice and also subsidies on production of soap with non-edible oils and handmade paper. Besides these specific aids, Government of India had also imposed a cess on oil produced by the mills and had also taken the view that no more expansion of capacity should be permitted in the large scale factories of leather and of rice mills in the country. Thus, although no progress was made in the implementation of the schemes, the Board was able to obtain financial as well as policy assistance from the Government of India.

Board's Draft Second Plan

2.8 With the grant of assistance of different types and also the assurance of protection from competition from large scale industries, on the one hand, and the assurance of its conversion into a Statutory Body, on the other, the Board was confident of being able to organize and implement a considerably larger programme for each of the village industries under its purview during the Second Plan period. Accordingly, it prepared draft proposals for development of village industries on a substantial scale. The Government of India referred these proposals for the development of different industries to the Village and Small Scale Industries (Second Five Year Plan) Committee, (referred to later on as the Karve Committee) along with the proposals of other all-India Boards. On the basis of the recommendations made by the Karve Committee and in the light of the overall availability of finance for village and small scale industries, the Planning Commission allotted Rs. 38.8 crores for the development of the various village industries under the purview of the Commission during the Second Five Year Plan period as detailed below :

TABLE 2

Second Plan Allocations

(Rs. crores)

Industry	Board's Proposals	Karve Committee's allocations	Second Plan's allocations
1. Processing of Cereals & Pulses	42.44	8.26	5.00
2. Village Oil	18.38	13.00	6.70
3. Village Leather	5.40	6.15	5.00
4. Cottage Match	1.65	1.10	1.10
5. Gur and Khandsari	19.44	8.00	7.00
6. Palmgur	15.30	11.00	14.00
7. N. E. O. & Soap	9.45		
8. Handmade Paper	1.34		
9. Beekeeping	0.92		
10. Village Pottery	0.15		
11. Fibre	–		
12. Carpentry and Blacksmithy	–		
Total	114.47	47.51	38.80

2.9 In addition to Rs. 38.8 crores, the Planning Commission also allocated certain amounts of funds for the general schemes of the Board such as the intensive area scheme, technical research, training and marketing. Details of the distribution of funds between the schemes of different All-India Boards, however, were not worked out either by the Planning Commission or by other Boards. So far as the former Board and now the Commission is concerned, most of the general schemes have been included in the general allotment for the development of village industries.

2.10 Although provision for the development of village industries in the Second Plan period was more than five times as much as in the First Plan, the actual sanction of funds for the development of these industries was determined year to year in the light of the availability of resources with the Central Government. Owing to the overall financial shortage, Government of India was compelled to reduce the overall provision for village and small scale industries in the Plan from Rs. 200 crores to Rs. 160 crores and correspondingly revised the financial provision for all industries. Thus, the sanctions of funds during the first three years of the Second Plan period amounted to Rs. 9.21 crores in all (Rs. 2.26 crores in 1956-57, Rs. 3.25 crores in 1957-58 and Rs. 3.70 crores in 1958-59) exclusive of the sanctions for the intensive area scheme. During the current year (1959-60) the Commission has received Rs. 3.15 crores and the tentative allocation for 1960-61 is Rs. 3.25 crores. Thus, the actual sanction of funds for the development of village industries during the Second Plan period as a whole is not likely to exceed Rs. 17 crores. The responsibility, thus, of the Commission for the implementation of the village inudstries programme was considerably less than what the original allocation of funds in the Second Plan implied. Actually, the size of the Plan for most industries was only a fraction of the original allotments made by the Second Plan, the total sanctions so far averaging less than 25 per cent of the allotments.

2.11 Before proceeding to a detailed analysis of the schemes for each of the village industries under the purview of the Commission, it may be useful to review briefly the recommendations of the Planning Commission and of the Karve Committee regarding the pattern of organization, research and training.

Organisation

2.12 The Planning Commission was of the view that programmes for village industries would be successful only if their development was based upon local demand and production was for local markets. As village industries under the purview of the Commission were generally industries that processed agricultural raw materials such as paddy, oil seeds, sugar cane, various varieties of palms, etc. or industries which could thrive on the locally available raw materials, such as non-edible oil seeds for making soap, bamboo for cottage match, etc. the Planning Commission suggested that the programmes must be prepared for and implemented in compact areas.[11] They suggested that "while artisans may form associations on the basis of single craft or multi-craft co-operatives, preferably the latter, carrying on operations connected with their crafts, they are likely to derive the maximum benefits in respect of finance, raw materials and demand for finished goods if the village organization takes upon itself the principal responsibility of developing village industries".[12]

2.13 In the Second Five Year Plan, the Planing Commission recommended the organization of village industries on co-operative lines[13] as the only effective means of assuring the village industries economic viability over a period of time. The Karve Committee in particular suggested "a steadily expanding federalization of economic life on a decentralised and wherever possible on a co-operative basis...not only for maximising the scope for efficient

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11. *The First Five Year Plan,* Planning Commission (1953) P. 316

12. Ibid.

13. *Second Five Year Plan* p. 435 et seq.

utilisation of human and other resources but also for making a democratic control of life possible ".[14] and added that "such federalization is possible only through co-operative organizations".[15]

Research

2.14 The Karve Committee recommended the utilisation of capital and labour engaged in the village industries to meet as large a portion of the demand for consumer goods in common demand as possible during the Second Plan period, because steps could be taken in accordence with a definite plan to replace traditional techniques in the village industries by modern techniques specifically adopted to suit the requirements of a decentralised pattern of industrialisation.[16] In fact, they specifically recommended a stoppage of any increase in the number of traditional types of equipment, because the technical efficiency of the tools was poor and consequently the income of the artisans low. The accent was to be on improved equipment of a type that would not become obsolete within a very short period of time. In other words, the Plan period was to be utilised for a studied and systematic effort to utilise available capital and labour employed in the traditional village industries, and plan, side by side for the replacement of the traditional technique by a significantly more productive technique to suit the production and *modus operandi* of a decentralised economy. Accent, therefore, on technical research for adaptation of modern techniques for decentralised industrialization characterised the recommendations of the Karve Committee, which were wholly accepted by the Planning Commission in its Second Five Year Plan.[17]

Training

2.15 Training in its turn was specifically related to what was

14. *Report of the Village & Small Scale Industries (Second Five Year Plan) Committee, p 28*
15. Ibid, p. 23.
16. Op. citt. p. 16–17.
17. *Second Five Year Plan p 436*

recommended regarding the tools and equipment for village industries. While the Planning Commission and the Karve Committee recognised that even within the limitations of the traditional technique, training to improve the quality of product and economy in the use of raw materials was necessary, they specifically suggested higher levels of training so that the capacity to absorb effectively higher technique was developed side by side. In fact, training was not to be an isolated effort, but related to the trends in the economy towards a more productive and consequently, higher levels of demand and consumption.

2.16 Thus, in brief, the responsibility of the Khadi and Village Industries Commission was not merely the implementation of the development programmes for the village industries under its purview, but their implementation in selected, compact areas with a view to creating an economic environment in which they would have a reasonable chance for success in the immediate future. The Commission was also responsible for conducting technical research with a view to preparing on a planned basis the means as well as the methods of raising the productivity and incomes of the artisans, i. e. the adoption of modern techniques in well-defined stages so as to avoid technological unemployment and to provide training so that the artisans could acquire the necessary skill to use better tools and equipment.

CHAPTER 3

EXPENDITURE ON VILLAGE INDUSTRIES

Before proceeding to review the progress of each of the village industries under the purview of the Commission, it is necessary to refer to the organizational problems at the headquarters and in in the field that faced the All-India Khadi and Village Industries Board and later the Commission because they almost wholly influenced both the pace of expenditure on the various industries and the quantum of work that could be organized in the field.

Board's Problems

3.2 By the Terms of its appointment, the Board was required to work in close co-operation with State Governments and the All-India Spinners' Association.[1] The Plannining Commission specifically suggested that the artisans employed in the village industries could be assisted through registered institutions which had experience of village industries work in the field, pending the organization of artisans into co-operatives at the village level[2] and the formation of organizations similar to the Central Board at the State level. In view of the directives contained in the Terms of its appointment and the suggestions of the Planning Commission, the Board requested the State Governments to set up Statutory State Boards composed of members with adequate knowledge and experience of the work of village industries to undertake the responsibility for the implementation of different programmes for village industries. To initiate development work pending the constitution of State Boards, it contacted various agencies at the State level in charge of

1. Government of India Notification No. 45–Cot. Ind. (5) / 52 dated 14th January 1953.
2. *First Five Year Plan* page 316.

the development of cottage industries and also registered institutions affiliated to either the All-India Spinners' Association or the All-India Village Industries Association. The basic handicap which continued till the end of 1955-56 was its own anomalous position referred to earlier in Chapter 2.

3.3 The financial and procedural handicaps we referred to earlier consisted in the main of the difficulties in obtaining in time sanctions of funds from the Government, on the one hand, and arranging to release them to the applicant agencies, on the other. As a result of the number of hurdles and consequent delays, the net volume of funds that could be released during any financial year was only a portion of the total amount sanctioned, on the one hand, and most of the funds released was invariably concenrated towards the last quarter of the year, on the other. As explained in Chapter 2, the Board found itself so handicapped by these difficulties that it could hardly make any progress with the implementation of the schemes entrusted to it.

Organizational Lacunae

3.4 Between 1953-54 and 1957-58, procedure for the sanction of funds by the Board to the agencies in the States was not uniform. With the wide variations in the organisational machinery in the States, no definite procedure could be evolved. Secondly, most State Governments did not take immediate action to set up Statutory Bodies on the model of the Central Board. Even today, Statutory State Boards have not been set up in Madras, West Bengal and Uttar Pradesh, although all other States have set up Statutory Bodies to undertake the responsibility for village industries. Although Statutory State Boards exist at present, their experience in dealing with village industries varies, because, while in Bombay, Andhra and Madhya Pradesh these bodies have been in existence for some time, in Kerala, Mysore, Punjab and Orissa these bodies have only recently been appointed. The varying conditions in different States resulted in disbursements being made to Directors of Industries in some States, because they were in charge of the development of cottage industries; to Development Commissioners either directly or through the State Governments for work in the Community Project Areas and to registered institutions and co-operative societies which forwarded their applications through appropriate channels. Even in this pattern of disbursements, no uniform policy could be followed owing to the variations in the capacity and experience of personnel available to these agencies to discharge the responsibility taken by them. Consequently, disbursements during the First Plan period were exceedingly small. It was only after the Commission was set up at the Centre and the Statutory Boards in the States that an attempt to evolve a standard procedure could be made.

3.5 It is necessary to point out that the responsibility to prepare and implement development programmes for village industries on an All-India basis entrusted to the All India Khadi and Village Industries Board was indeed onerous, because, till then, no such attempt had been made. As the experience of organizing and implementing development programmes for village industries was limited at all levels, including that of the registered institutions associated with the constructive programme of the All-India Village Industries Association, preliminary difficulties were numerous and complex. Consequently, the first four years since the appointment of the Board were essentially a period of preparation and experimentation. Although, since 1956-57, a start had been made, a number of organizational, administrative and operational difficulties were yet to be resolved. Although strictly the Board and later the Commission have been in charge of the development of these industries for the last six years, effective work had been done in most States only since 1956-57 and this work is confined mainly to the registered institutions, co-operative societies and intensive areas rather than any of the official agencies at the State level, because, as explained later, the bulk of the funds to these agencies were disbursed during 1957-58.

3.6 It is also necessary to refer briefly to the arrangements for the extension of work to Community Development Areas. Although the Community Project Administration desired the Board and its Institutions to initiate development of Village Industries in the Community Development Areas as early as 1954, effective arrangements for the release of funds specifically for work in Community Development Areas could be made at the All-India level only towards the end of 1955-56. Sanctions of funds by the Board for work in the Community Development Areas varied from State to State because of the differences in the organizational set up in the State. Consequently, the share in the disbursements of different States varied. Even today, no uniform procedure is followed for all States because the implementing agencies continue to be different. Hence the shares of different States in the total disbursements of the Commission vary widely.

3.7 The organizational difficulties which still remain though in a mitigated form, have been primarily responsible for the time-lag between the disbursement of funds and the organization of work in the field. As observed earlier, the bulk of the funds for the development programmes of Village Industries could be released only towards the last quarter of each financial year. As almost all village industries under the purview of the Commission are seasonal, late sanction of funds invariably compelled the institutions to wait for the next season to begin work. Conditions, of course, varied from industry to industry; but still this was the regular and normal feature of the work that has so far been done. There is thus in every case and almost in every place a time-lag of nearly a year between the disbursements of funds by the Board/Commission and the organization of work in the field. Here again, the period of time-lag varied from industry to industry, because of the nature of the initial problems that had to be solved before production work could commence. In the analaysis and assessment of work done, therefore, it is necessary to bear these significant features in mind.

II. Sanctions And Disbursements

3.8 Till the end of 1958–59, the sanctions by the Government of India for the Village Industries listed in Table I amounted to Rs.11.9 crores during the six-year period. Of these, disbursements by the Board/Commission amounted to Rs. 10.65 crores or 89.50 per cent. The distribution as between different industries shows that village oil accounted for Rs 3.05 crores or 28.62 per cent, non-edible oils and soap for Rs 1.57 crores or 14.74 per cent,

TABLE I

Sanctions And Disbursements Upto 1958-59

(Rs. lakhs)

Industry	Sanctions	Disbursements
1. Processing of Cereals and Pulses	171.04	127.92
2. Village Oil	324.04	304.86
3. Village Leather	135.09	120.89
4. Cottage Match	61.46	53.54
5. Gur and Khandsari	57.37	56.84
6. Palm Gur	103.20	92.27
7. Non-edible Oils and Soap	152.49	156.94
8. Hand made paper	72.03	60.03
9. Bee-keeping	58.11	41.03
10. Village Pottery	33.81	32.37
11. Fibre	13.74	12.26
12. Carpentry and Blacksmithy	8.00	6.12
Total	1,190.41	1,065.07

processing of cereals and pulses for Rs 1.28 crores or 12 per cent and village leather Rs 1.21 crores or 11.35 per cent. Thus, four of the twelve industries accounted for Rs 7.11 crores or nearly 67 per cent of the total disbursements. The share of the eight other Industries under the purview of the Commission was only Rs 3.54 crores or 33 per cent.

3.9 Analysis of the disbursements plan-wise detailed in Table 2 shows that as against an expenditure of Rs 1.9 crores during the three years of the First Plan period from 1953-54 to 1955-56, disbursements during the three years of the Second Plan period amounted to Rs 8.75 crores.

TABLE 2

Industry-wise, Plan-wise Disbursements

(Rs. lakhs)

Industry	I Plan Period (1953-54 to 1955-56)			II Plan Period (1956-57 to 1958-59)			Total		
	Grants	Loans	Total	Grants	Loans	Total	Grants	Loans	Total
1. Processing of Cereals and Pulses	7.65	13.36	21.01	29.62	77.29	106.91	37.27	90.65	127.92
2. Village Oil	11.53	19.47	31.00	91.92	181.94	273.86	103.45	201.41	304.86
3. Village Leather	17.68	14.11	31.79	51.33	37.77	89.10	69.01	51.88	120.89
4. Cottage Match	7.82	12.00	19.82	16.27	17.45	33.72	24.09	29.45	53.54
5. Gur and Khandsari	0.80	0.10	0.90	28.98	26.96	55.94	29.78	27.06	56.84
6. Palm Gu	10.35	3.75	14.10	57.24	20.93	78.17	67.59	24.68	92.27
7. Non-edible Oils & Soap	15.39	29.83	45.22	43.78	67.94	111.72	59.17	97.77	156.94
8. Handmade Paper	5.81	6.53	12.34	24.12	23.57	47.69	29.93	30.10	60.03
9. Bee-keeping	7.94	1.41	9.35	29.01	2.67	31.68	36.95	4.08	41.03
10. Village Pottery	2.16	1.87	4.03	13.37	14.97	28.34	15.53	16.84	32.37
11. Fibre	0.47	0.25	0.72	6.53	5.01	11.54	7.00	5.26	12.26
12. Carpentry and Blaksmithy	-	-	-	2.37	3.75	6.12	2.37	3.75	6.12
Total	87.60	102.68	190.28	394.54	480.25	874.79	482.14	582.93	1065.07

Repayment Of Loans

3.10 In view of the pace of progress in the implementation of Village Industries Programmes, it appears to us too early to assess whether the manner in which Village Industries are functioning is likely to add to their economic of financial strength to enable them to repay the loans advanced to them. As this is, however, an important question, it is necessary to review the progress in this respect during the six-year period. Of the total loans of Rs. 5.83 crores advanced for various village industries, repayments so far have been Rs. 64 lakhs or 10.98 per cent. The pace of repayment of loans varied very widely between one industry and another. Repayments of loans have been generally of loans for working capital mainly for the purchase of raw materials.

3.11 It is, however, necessary to point out that these repayments of loans do not indicate that the assisted units have acquired adequate financial strength or achieved economic viability, because working capital advanced by the Board and later by the Commsssion have been essentially revolving credits i. e., repayments are more technical rather than actual, because each applicant agency is advanced additional capital for larger work in the succeeding year. We have, therefore considered it necessary to base our analysis of the working of those industries on the total rather than on the net expenditure incurred so far. Moreover, the data available to us regarding the repayment of loans are limited. We have had no detailed data necessary to assess the progress actually made by the Village Industries. In many cases no more than a bare beginning has been made in the organization of a primary producing unit in the major Village Industries and even in this primary organization working has not been towards the objectives prescribed for each of the development schemes. Consequently, we consider that evaluation at present is to be confined by and large to the organizational progress rather than the operational activities. Most of the Statutory State Boards have been only recently set up and just begun to function in the field. In Bombay, Andhra and Madhya Pradesh, States reorganisation has added to the difficulties of effective work in the field. By and large, no more than a beginning has been made by most of them. Similarly, work in the Community Development Areas is yet to be organised on a satisfactory scale. Therefore, what has been done does not provide any reliable index to assess the scope for what can be done in many of the Village Industries. This should, however, not be understood as any justification for the serious shortfalls in the prescribed targets of work in some of the industries. We are conscious that a number of other aspects also need to be carefully examined before a final judgment regarding the scope for the development of these industries can be made.

III. Utilisation

3.12 We observed above that no more than a beginning has been made by most of the assisted agencies. That this was so is more than amply proved by the data collected by the Investigation team on the utilisation of funds by the various agencies in the major States. Utilisation of funds disbursed upto the end of 1957-58 was only a little more than 46 per cent as can be seen from the data presented in Table 3. This shows clearly that work for the Village Industries was not fully organized even by the end of 1957-58 and a beginning has been made only in 1958-59. Secondly, the utilisation of funds by different agencies, particularly by State Boards, Directors of Industries and Development Commissioners cannot be construed as actual utilisation, because in most cases they have merely

TABLE 3

Industry-wise Disbursements And Utilisation Of Funds Upto 1957-58 For Coverage

(Rs. lakhs)

Industry	Disburse-ments	Utilisa-tion	% of (3) to (2)
1. Processing of Cereals and Pulses	41.59	22.06	53.04
2. Village Oil	132.06	59.98	45.42
3. Village Leather	53.50	24.18	45.20
4. Cottage Match	43.53	9.56	21.96
5. Gur & Khandsari	18.96	9.35	49.31
6. Palm Gur	49.94	25.19	50.44
7. Non-edible Oils and Soap	86.89	39.79	45.79
8. Handmade Paper	24.68	15.40	62.40
9. Bee-keeping	14.64	9.68	66.12
10. Village Pottery	10.12	7.11	70.26
11. Fibre	6.08	2.50	41.12
Total	481.99	225.77*	46.84

* Total exclusive of Rs. 0.97 lakhs for which details are not available.

disbursed funds in their turn to other agencies in their respective areas and the majority of them have yet to organize and implement the programmes for the Village Industries.

CHAPTER 4

PROCESSING OF CEREALS AND PULSES

The development programme for the processing of cereals and pulses industry provided for loans for the purchase and stocking of paddy, manufacture of equipment and its distribution on part-loan, part - grant basis and also for construction of godowns. To facilitate sale of hand-processed paddy, a production subsidy at the rate of 6 as per maund was sanctioned. Financial assistance was provided for training artisans in the use of improved implements and for similar other promotional activities. The provision for training, research and experiments in the scheme constitute a small proportion of the total provision of grants. In brief, financial assistance provided for the development of this industry consisted mainly of loans for working capital for the purchase and stocking of paddy and for the manufacture and stocking of improved implements, payment of a subsidy on production with a view to narrowing the price differential between hand-processed and machine-processed paddy and for the distribution of equipment on a subsidised basis.

I. FINANCIAL

Review Of The Programme

4.2 During the six-year period 1953-54 to 1958-59, expenditure on the Development Programme amounted to Rs 127.92 lakhs, consisting of Rs 37.27 lakhs grants and Rs 90.65 lakhs loans. During the six-year period repayment of loans amounted to Rs 8.19 lakhs and the net expenditure was Rs 119.73 lakhs. The analysis presented below, however, is on the basis of the total and not of the net expenditure on the Programme.

4.3 During the three years of the First Plan period, disbursements amounted to Rs 21 lakhs as against Rs 106.92 lakhs during the Second Plan period. This clearly shows that the implementation of the Programme was taken up in earnest only during the Second Plan period. The details of the disbursement of funds to different States during each of the Plan periods are given in Table I.

TABLE I

State-wise Disbursement Of Funds 1953-54 To 1958-59

(Rs lakhs)

State	I Plan			II Plan			Total		
	Grant	Loan	Total	Grant	Loan	Total	Grant	Loan	Total
1. Andhra	–	1.00	1.00	1.76	6.05	7.81	1.76	7.05	8.81
2. Assam	–	1.20	1.20	0.78	12.87	13.65	0.78	14.07	14.85
3. Bihar	–	1.20	1.20	3.36	7.47	10.83	3.36	8.67	12.03
4. Bombay	6.39	2.90	9.29	13.49	9.19	22.68	19.88	12.09	31.97
5. Jammu & Kashmir	–	–	–	0.10	0.10	0.20	0.10	0.10	0.20
6. Kerala	–	0.49	0.49	0.44	3.86	4.30	0.44	4.35	4.79
7. Madhya Pradesh	0.56	1.05	1.61	0.98	7.21	8.19	1.54	8.26	9.80
8. Madras	0.04	0.56	0.60	2.38	8.61	10.99	2.42	9.17	11.59
9. Mysore	–	0.07	0.07	1.12	5.05	6.17	1.12	5.12	6.24
10. Orissa	–	1.20	1.20	1.58	6.11	7.69	1.58	7.31	8.89
11. Punjab	–	0.05	0.05	1.02	3.35	4.37	1.02	3.40	4.42
12. Rajasthan	0.65	0.05	0.70	0.63	0.82	1.45	1.28	0.87	2.15
13. Uttar Pradesh	–	3.28	3.28	1.28	2.98	4.26	1.28	6.26	7.54
14. West Bengal	0.01	0.31	0.32	0.70	2.81	3.51	0.71	3.12	3.83
15. Himachal Pradesh	–	–	–	–	–	–	–	–	–
16. Manipur	–	–	–	–	0.49	0.49	–	0.49	0.49
17. Tripura	–	–	–	–	0.32	0.32	–	0.32	0.32
Total	7.65	13.36	21.01	29.62	77.29	106.91	37.27	90.65	127.92

State-wise

4.4 From the data set out in Table I, it is seen that disbursements to Bombay accounted for Rs 31,97 lakhs or about 25 per cent of the total disbursements of Rs 127.92 lakhs. Bombay was followed by Assam with Rs 14-85 lakhs, Bihar with Rs 12.03 lakhs, Madras with Rs 11.59 lakhs, Madhya Pradesh with Rs 9.80 lakhs, Orissa with Rs 8.89 lakhs, Andhra with Rs 8.81 lakhs, and Uttar Pradesh with Rs 7.54 lakhs. Distribution of expenditure between the States may, thus, be described as fairly even, although most of the promotional activities tended to be concentrated in Bombay. Moreover, Bombay was responsible for the purchase of paddy for a large number of institutions concentrated in it.

Agency-wise

4.5 It is, however, necessary to examine the pattern of disbursements to different agencies in the States. Of Rs, 127.92 lakhs, State Boards in different States received Rs 67.40 lakhs, registered institutions Rs 25.52 lakhs, Directors of Industries in different States Rs 15.74 lakhs, Development Commissioners Rs 12.09 lakhs, Co-operative Societies Rs 5.35 lakhs and the Intensive Areas of the Commission Rs 1.82 lakhs. Thus, one-half of the total disbursements were to State Boards, a little over one-fifth to registered Institutions and a little over 10 per cent each to the Directors of Industries and Development Commissioners. The share of the other agencies was comparatively very small.

Scheme-wise

4.6 Statement I sets out the details of disbursements, scheme-wise and year-wise and Statement II presents the same information, agency-wise. As observed at the outset, loans for the purchase of raw material (paddy) accounted for Rs 84.06 lakhs or 92 per cent of the total loan of Rs 90.65 lakhs. Working capital for manufacture and stocking of implements accounted for Rs 2.71 lakhs and assistance to the artisans for the purchase of shares in co-operative societies for Rs 1.26

lakhs. Thus, loans for working capital accounted for Rs 86.77 lakhs or 95 per cent, assistance for purchase of shares in co-operative societies Rs 1.26 lakhs or 1.39 per cent and the balance for other promotional activities such as construction of godowns and distribution of improved implements.

4.7 Of the total disbursements of grants of Rs 37.27 lakhs, subsidy on production at 6as a B. maund accounted for Rs 21.92 lakhs or 58.8 per cent, subsidised distribution of implements for Rs 11.05 lakhs or 29.7 per cent. Thus, these two items alone accounted for Rs 72.97 lakhs or 88.5 per cent of the total disbursements of Rs 32.97 lakhs. Thus, as observed above the principal items of the development programme were purchase and stocking of paddy, raw materials required for the manufacture of implements and disbursement of subsidy on production and for the distribution of equipment and implements.

4.8 Agency-wise, the Director of Industries and the Development Commissioners of C. D. areas each received about Rs 9 lakhs for the stocking of paddy, the State Boards Rs 47.47 lakhs and the registered institutions Rs 11.95 lakhs. Co-operative societies and intensive areas between them accounted for Rs 6.64 lakhs. Of the total subsidy on production of Rs 21.92 lakhs, State Boards accounted for Rs 11.18 lakhs, registered institutions for Rs 5.67 lakhs, Directors of Industries for Rs 3.41 lakhs. Disbursements to the Development Commissioners and the co-operative societies were Rs 1.49 lakhs and Rs 17,000 respectively. Thus, in almost every important activity, the share of State Boards in the total disbursements was sizeable.

4.9 As pointed out earlier in Chapter III, it is necessary always to bear in mind that utilisation of funds disbursed to different agencies was only a small percentage of the total. As in the rest of the industries, the pace of utilisation in the handpounding of rice also was slow, amounting to about 50 per cent of the total disbursements upto the end of 1957–58. This was due partly to the late disbursements of funds by the Commission and partly to the difficulties in organising work immediately after their receipt. The review of the work done is confined mostly to what the registered institutions have been able to do, because the other agencies, State Boards, Directors, of Industries and Development Commissioners, received the bulk of the funds during the last two years and the time available to them for organising work in the field has generally been very limited

II. PHYSICAL

(a) Institutional Progress

4.10 During the six–year period, the institutional progress in the industry was substantial. As against 127 co–operative societies and 21 registered institutions at the end of 1954-55, there were 591 co–operative societies and 221 registered institutions at the end of 1958–59. With the increase in the volume of financial assistance to artisans to purchase shares in co–operative societies, the number of co–operative societies increased substantially between 1955–56 and 1958–59. Also; small registered institutions in different States tended to convert themselves into co–operative socities as a result mainly of the increasing emphasis on the co–operativization of work. This probably accounts for the relatively small increase in the number of registered institutions as compared with that of the co–operative societies.

4.11 The analysis of the growth of the institutions State–wise, details of which are set out in Table 2, shows that Orissa and Madras had the largest number of co–operative societies with 117 and 113 respectively, followed at a considerable distance by Andhra with 62, Bihar and Mysore with about 60 each, West Bengal with 38, and Assam with 37. The progress in the co–operativisation of work was the highest in Madras and Orissa followed by Bihar, Andhra and Kerala. The number of registered institutions increased also very fast in Kerala. Orissa and Assam are the two States which seem to have entrusted the development of this industry entirely to co-operative societies. In brief, as compared with the

TABLE 2

State-wise, Year-wise Institutional Progress

State	1954-55		1955-56		1956-57		1957-58		1958-59	
	Co-op-eratives	Regd. Instns.	Co-op-eratives	Regd. Instns.	Co-op-eratives	Regd. Instns.	Co-op-eratives	Regd. Instns.	Co-op-eratives	Regd. Instns.
1. Andhra	7	5	12	17	16	27	35	33	62	36
2. Assam	5	1	11	–	29	–	32	–	37	–
3. Bihar	7	–	22	5	58	14	57	28	61	18
4. Bombay	97	v	7	12	8	9	32	12	22	28
5. Kerala	–	–	4	4	18	28	11	31	20	41
6. Madhya Pradesh	–	–	10	9	19	15	12	18	14	17
7. Madras	–	9	4	28	14	44	26	42	113	36
8. Mysore	1	–	45	5	61	7	62	8	60	10
9. Orissa	6	3	11	5	21	1	36	–	117	–
10. Punjab	–	–	–	2	4	12	1	7	3	6
11. Rajasthan	–	3	3	6	7	3	4	2	5	4
19. Uttar Pradesh	–	–	12	12	21	5	12	5	13	3
13. West Bengal	4	–	11	–	11	8	23	16	38	22
14. Tripura	–	–	–	–	–	–	22	–	26	–
Total	127	21	152	105	287	173	365	202	591	221

conditions in 1954-55, the institutional base at the end of 1958-59 was certainly larger; but from the point of view of the States where processing of paddy by hand is popular and there is a marked preference for hand processed rice, institutional expansion during the six-year period does not appear to have been commensurate with the needs of a full-fledged programme. In many States such as Uttar Pradesh, Rajasthan and Punjab, institutional base can hardly be considered adequate.

(b) Distribution Of Implements

4.12 One of the primary objectives of the Programme was the distribution of improved implements on a subsidised basis. The details of the distribution of implements by varieties are shown in Table 3. During the six-year period 1953-54 and 1958-59, 5,387 Chak-

TABLE 3

Distribution Of Implements

State	Chakkis	Dhenkis	W. Fans	Atta Chakkis	Ball Bearings
1. Andhra	405	13	86	56	–
2. Assam	6	13	–	216	–
3. Bihar	405	22	26	371	29
4. Bombay	1,314	134	80	6,126	61,026
5. Jammu & Kashmir	6	–	–	5	–
6. Kerala	48	7	28	37	–
7. Madhya Pradesh	511	85	62	1,429	119
8. Madras	529	3	52	65	2
9. Mysore	617	132	30	38	4
10. Orissa	16	–	1	66	–
11. Punjab	628	11	17	1,216	1,058
12. Rajasthan	68	21	26	3,500	4,281
13. Uttar Pradesh	598	13	48	3,670	4,199
14. West Bengal	223	31	1	362	–
15. Delhi	–	–	–	362	–
16. Himachal Pradesh	–	–	–	1	–
17. Manipur	12	–	–	7	–
18. Tripura	1	–	1	–	–
Total	5,387	485	458	18,327	70,718

kis, 485 Dhenkis and 458 Winnowing fans were distributed for hand-processing of paddy; 18,327 Atta Chakkis and 70,718 ball-bearing sets were distributed all-over the country. State-wise, Bombay received the largest number of Chakkis accounting for 1,314 out of a total of 5,387, followed by Punjab with 628, Mysore with 617, Uttar Pradesh with 598, Madras with 529. and Madhya Pradesh with 511. In the receipt of Atta Chakkis as well as ball-bearings, the share of Bombay was unduly large accounting for about 38 per cent of the Chakkis and 86 per cent of the ball-bearing sets distributed.

4.13 The year-wise analysis of the distribution of these improved implements, shown in Statements III and IV brings out certain interesting features. After the first year when Bombay absorbed the largest number of Chakkis for processing of paddy, the year-wise distribution shows a sharp fall during each successive year. Similarly in the case of a large number of States, absorption of these improved equipment shows a progressive fall year after year. This reflects the variations in the preference of States for different types of implements. The overall shortage of stone-chakkis, for which there is generally a good demaned in the country probably accounts partly for the progressive diminution in the number of Chakkis absorbed by different States Except in a few States, dhenkis do not appear to have been popular. There is, therefore, urgent need to examine whether it will not be more to the purpose to improve the implements in use in each State than to recommend implements on an All-India basis.

4.14 Even making allowances for the overall financial limitations, the scale of distribution cannot be considered to have in significant manner improved the technique of hand-processing of either paddy or wheat or any of the pulses. Consequently, it would appear that there has been no effective attempt to improve the technique in hand processing.

(c) Production And Sales

4.15 The data available to assess the progress in production and sales are inadequate, incomplete and defective in many respects. The coverage of the data varies from year to year and consequently year-wise analysis of progress on their basis presents a number of problems. They serve, however, to illustrate the general trends at least in some of the States and, hence, we have set out the information on production available for the last four years in Table 4.

TABLE 4

Production

(B. Mds.)

State	1955–56	1956–57	1957–58	1958–59
1. Andhra	20,796	59,649	1,11,826	1,51,400
2. Assam	14,519	54,635	56,284	21,518
3. Bihar	54.638	2,15,481	2,47,180	1,80,801
4. Bombay	13,602	14,135	36,634	30,667
5. Kerala	1,777	31,373	39,903	42,747
6. Madhya Pradesh	5,830	31,048	54,001	26,849
7. Madras	25,748	63,258	70,495	1,74,406
8. Mysore	2,64,937	4,58,351	2,84,056	2,57,727
9. Orissa	20,124	27,359	28,745	92,431
10. Punjab	220	2,03,983	80,000	9,753
11. Rajasthan	6,374	8,541	3,134	2,727
12. Uttar Pradesh	69,826	80,948	90,000	42,358
13. West Bengal	12,629	36,342	61,419	76,036
14. Tripura	—	—	10,000	7,880
Total	5,11,020	12,85,103	11,73.677	11,17,400

4.16. Production of rice through hand-processing during 1953-54 is reported to have been 3.60 lakh mds. Between 1954-55 and 1955-56 production increased by about 25 per cent from 4 lakh mds to 5.11 lakh mds. The maximum rate of increase was between 1955-56 and 1956-57 when production increased by nearly 250 per cent from 5.11 lakh mds. to 12.88 lakh mds. In spite of the additional assistance, production of rice appears to have fallen during 1957-58 and 1958-59. While the decline in production in 1957-58 was due mainly to the sharp fall in production in Mysore and Punjab, production reported for 1958-59 is incomplete. The State-wise figures, however, show a sharp rise in production in Madras, Orissa and Andhra and a sharp fall in production in Assam, Bihar, Madhya Pradesh, Punjab and Uttar Pradesh. The trend in production in Bombay cannot be assessed in the absence of complete reports.

Sales

4.17 We attempted to obtain details of sales year by year on some kind of a comparable basis for even illustrative purpose, but without success. The information made available to us in this respect is as defective and incomplete as the figures of production. We are, therefore, unable to assess progress in sales of rice produced by different institutions. From our discussions with the representatives of different agencies in the field as well as from the information supplied by the investigation teams (not statistical information), it is clear that most institutions that produced rice on a commercial basis faced marketing difficulties.

4.18 The reasons are two. Most institutions purchased inferior quality of paddy. As a result, the quality of rice produced by them was poor and the percentage of brokens high and of recovery poor. Consequently the price at which it could be marketed as compared with the price of mill processed rice was not competitive in spite of the subsidy. Quite a number among the registered institutions produce rice for their own consumption. In their case losses incurred due to the reasons mentioned above tend to be concealed. According to the information collected by the investigation teams, quite a large number of both cooperative societies and registered institutions that had undertaken this industry, incurred losses, though it was not possible to ascertain the exact amount of the losses in each case or how they were met. All the representatives of different agencies are agreed that production and sale of handpounded rice present a number of organisational difficulties and they were unanimous in the view that these problems are likely to continue so long as the commercial aspects of the development predominated. The outlook for the industry is slightly different in States like Bihar, Orissa and Assam, where there is a marked preference for hand-processed rice; but the size of the programmes organised in these States, in relation to the total production of paddy, is very small.

(d) Employment And Wages

4.19 As in the case of production and sale, information available to us on employment and wages is meagre. We endeavoured without much success to obtain information on the categories of personnel employed and the increase in their number together with the period of work per day and the duration of the season. We were informed that generally the processing of cereals provides seasonal employment both part-time and full-time for a maximum of 150 days and a minimum of 90 days. Rice is produced by artisans for payment of wages in cash, or partly in cash and partly in kind. Where processing of paddy is given out on a contract basis, payment is wholly in kind. We are not, however, able to indicate how many persons were employed under each of these categories in different States.

4.20 A fairly skilled artisan, we have been told, can produce on the improved equipment about one Bengali maund per day of 8 hours. As we have seen above, the number of improved implements introduced during the six-year period is only a fraction of the total number that are in use. Consequently, production per day per person engaged will be much smaller than one maund per day. During 1958-59 payment of wages to artisans, on the basis of information available to us amounted to Rs 10.37 lakhs. Making allowannces for the variations in productivity per day, we estimate that about 8,000 to 12,000 persons would have been employed on a full time basis or about 16,000 to 20,000 persons on a part time basis. The average earnings per artisan on a full-time basis would work out to Rs. 18 per month at best or Rs. 9 per month on a part-time basis for a period of five months in the year.

Training

4.21 The training programme in the industry has neither been large nor of any special significance. Expenditure of the training programme during the six-year period was a bare Rs. 74,000 (Statement I). During the six-year period 231 supervisory personnel were trained at Nadiad, the headquarters of the industry. We have, however, no information on the State-wise distribution of the number of supervisory personnel trained. This training was discontinued from 1958-59. At the State level, 544 persons are reported to have been trained. The State-wise distribution of the number trained over the six-year period is set out in Table 5.

TABLE 5

Training

State	No. trained upto 1958-59	Production (B. Mds.)
1. Andhra	62	1,51,500
2. Assam	15	21,518
3. Bihar	64	1,80,801
4. Bombay	59	30,667
5. Kerala	18	42,747
6. Madhya Pradesh	68	26,849
7. Madras	47	1,74,406
8. Mysore	7	2,57,727
9. Orissa	15	92,431
10. Punjab	30	9,753
11. Rajasthan	—	2,727
12. Uttar Pradesh	102	42,358
13. West Bengal	11	76,036
14. Tripura	—	7,880
Total	544*	11,17,400

* State-wise break-up for 46 persons not available.

4.22 A study of the number of persons trained in relation to the volume of the work organized in different States shows that there has been no attempt to relate training with the volume of production organised in different States. Thus, for example, only 18 persons were trained in Kerala for a total production of 42,747 mds. whereas for a little smaller production in Uttar Pradesh 102 persons have been trained, while in Bengal 11 persons were trained for a total production of 76,000 mds. By and large, it would appear that the nature of the training given could not have involved learning of a new technique or skill as the equipment distributed was not significantly different from those already in use. If our suggestion regarding the equipment is accepted, and consequently different implements are introduced, the training programme may have to be completely redrawn. So far as we can see, the training programme in this industry has hardly served any purpose.

Conclusions And Recommendations

4.23 The review of the programme, as it has been worked out during the last six years, shows that only a very small beginning has been made. Even in the area covered, arrangements for the distribution of improved implements, purchase and stocking of paddy required by the different institutions and assistance to market rice produced are each unsatisfactory in volume and quality. During the last three years, when the assistance for the programme was stepped up, no serious attempt has been made to select areas where the conditions for the development of this industry on this pattern were favourable. We are, therefore, of the view that both the content of the programme and the manner of its implementation need revision in the light of experience.

4.24 We are, however, convinced that from the nutritional point of view, hand processed rice is superior to mill processed rice. The trends in consumer preference in both urban and rural areas in most parts of the country, however, indicate that the scope for organising this industry on a progressively expanding basis is strictly limited except in some States and in some selected areas in the others. As consumption of nutritively better rice is in the national interest, we suggest a planned, intensive propaganda drive to familiarise the people in general, and students in particular, with the merits of hand-processed rice. In this connection, demonstration in the art of cooking hand-processed rice seems also to be necessary because defective cooking may undo all the good of the rice itself. We, therefore, suggest that provision be made for this purpose in the amended programme we have suggested above.

4.25 The productivity of the implements distributed so far as compared with the traditional implements in use, is only fractionally higher. They have not, therefore, appealed to the mass of the artisans even in areas where hand-processing of paddy is customary. No attempt has been made at evolving types of implements which, while incorporating all the advantages of hand-processing, are sufficiently productive to yield a living wage to the artisans and, at the same time, sufficiently cheap to be owned by them. We are of the view that technical research of a high order is necessary to evolve and construct improved implements that will meet these two basic criteria, viz., cheapness of the implements and a considerably enhanced productive capacity, side by side with a high rate of recovery of rice from paddy. We are told that in hand-processing, the percentage of recovery of rice is less than, in even the hullers. We are, however, not competent to express an opinion on this aspect of the question. We suggest that this question be examined by a body of technicians and, on the basis of their report, steps be taken to reduce the percentage of brokens and increase that of recovery.

4.26 We were told by almost all representatives that the subsidy on production paid to institutions has given rise to a number of avoidable malpractices. We recommend the substitution of the production subsidy by a management grant on a progressively decreasing scale; but this should be related to the volume of production and sales organised by an institution or agency.

4.27 We recommend that steps be taken to assist those engaged in the industry to purchase and stock adequate quantities of paddy to assure the artisans work for at least 150 days in the year. This involves an immediate need to examine how far and at what conditions funds can be obtained from the normal financing agencies. There is need to examine this aspect of the problem very much more in detail so as to make the industry self-supporting over a period of time.

4.28 We recommend that in future the programme should be organised in areas which have favourable conditions for its development. Emphasis should primarily be on production for consumption within the area rather than production for sale outside the area and exports of rice from an area should ordinarily be restricted to the surplus over local consumption. Unless handpounding of rice industry becomes an integral part of a seheme for the development of an area, the scope for its expansion in view particularly of the rise in the cost of living, is strictly limited. One half of the major organisational problem facing the industry, we consider, will be solved, if the work of expansion and development is entrusted to Statutory State Boards at the State level and funds are allotted to them on the basis of their capacity to implement the scheme. This will facilitate a more careful selection of areas and development of the industry on a planned basis in each State according to its capacity. The functions of the Commission's Organiser in-charge of the industry should be provision of technical guidance, supervision and arrangements for research, training and, where necessary, assistance to co-ordinate work in different States. We are of the view that if the work is thus decentralised, much greater results will be possible through more effective planning at the implementing level.

4.29 The most important requirement for the development of the industry on a scale commensurate with the scope and possibilities is the need for an integrated policy. Although the Rice

Milling Industry (Regulation) Act was passed some time ago, the number of hullers has not decreased, but has increased in many areas. Hand-processing industry has not, however, been developed to a level where any valid and tenable claim for allocation of production can be made. We are, however, of the view that, if development of this industry is taken up in specific areas and planned to meet all local requirements, it may be possible to ensure a pattern of development that will have inherent strength. We, therefore, suggest that during the Third Plan period, development of this industry is taken up in Community Development Blocks, Intensive Areas and other areas favourable for this purpose so as to gain fuller experience of the scope and pattern most suitable for the industry. As the success of any programme will ultimately depend upon the cost per unit of production, technical research to evolve better implements is imperative.

CHAPTER 5

VILLAGE OIL INDUSTRY

Among the village industries under the purview of the Commission, village oil industry, as noticed earlier, is the most important from the point of view of the total volume of expenditure on its development. The development scheme for this industry consists in the main of financial assistance for the purchase and stocking of oil seeds, the distribution of improved ghanis and financial and organizational assistance to them for the retail sale of oil. The scheme, thus, operates simultaneously on two planes: distribution of improved ghanis, on the one hand, and registration of existing ghanis with a view to extending the facilities of assured supplies of oil seeds and the sale of oil through registered selling agencies, on the other. For the manufacture of improved ghanis, the scheme also provides for loans for working capital to ghani manufacturing centres. During the Second Five Year Plan period the scheme also provided for assistance to telis to purchase shares in co-operative societies. Thus, the development scheme sought to improve the conditions of the telis from both the operational and organisational sides.

I. FINANCIAL

5.2 During the six-year period, 1953-54 and 1958-59, expenditure on the development programme for the village oil industry amounted to Rs 304.86 lakhs, consisting of Rs 103.45 lakhs grants and Rs 201.41 lakhs loans. Repayment of loans during the period amounted to Rs 23.86 lakhs and the net expenditure on the industry till the end of 1958-59 was thus Rs 281 lakhs. As in the case of all industries, analysis is on the basis of the total and not of the net expenditure.

5.3 The data set out in Table I shows that during the First Plan period expenditure on the industry was only Rs 31 lakhs and during the Second Plan period Rs 273.86 lakhs. This clearly shows that the implementation of the programme for this industry also was taken up only during the Second Plan period.

TABLE I

Disbursement

(Rs lakhs)

State	I Plan			II Plan			Total		
	Grant	Loan	Total	Grant	Loan	Total	Grant	Loan	Total
1. Andhra	0.80	0.78	1.58	8.38	7.99	16.37	9.18	8.77	17.95
2. Assam	0.46	0.22	0.68	1.89	3.88	5.77	2.35	4.10	6.45
3. Bihar	0.95	0.67	1.62	9.43	26.25	35.68	10.38	26.92	37.30
4. Bombay	2.87	5.00	7.87	17.41	30.09	47.55	20.28	35.09	55.37
5. Jammu and Kashmir	0.06	–	0.06	0.25	0.15	0.40	0.31	0.15	0.46
6. Kerala	0.24	0.22	0.46	4.30	4.46	8.76	4.54	4.68	9.22
7. Madhya Pradesh	0.89	2.18	3.07	6.13	13.68	19.81	7.02	15.86	22.88
8. Madras	0.73	1.36	2.09	11.12	24.80	35.92	11.85	26.16	38.01
9. Mysore	0.12	0.02	0.14	2.16	4.56	6.72	2.28	4.58	6.86
10. Orissa	0.26	0.13	0.39	5.31	7.65	12.96	5.57	7.78	13.35
11. Punjab	0.63	1.38	2.01	4.51	6.92	11.43	5.14	8.30	13.44
12. Rajasthan	1.82	4.59	6.41	8.74	11.55	20.29	10.56	16.14	26.70
13. Uttar Pradesh	1.31	2.23	3.54	9.00	31.75	40.75	10.31	33.98	44.29
14. West Bengal	0.38	0.69	1.07	2.93	7.76	10.69	3.31	8.45	11.76
15. Delhi	–	–	–	0.18	0.26	0.44	0.18	0.26	0.44
16. Manipur	–	–	–	0.07	0.02	0.09	0.07	0.02	0.09
17. Tripura	0.01	–	0.01	0.11	0.17	0.28	0.12	0.17	0.29
Total	11.53	19.47	31.00	91.92	181.94	273.86	103.45	201.41	304.86

State-wise

5.4 Analysis of Table I shows that expenditure on this industry tended to be concentrated in a few principal oil seeds growing States. Thus, six States, (Bombay, Uttar Pradesh, Madras, Bihar, Rajasthan and Madhya Pradesh) between them accounted for Rs 224.55 lakhs or 73.65 per cent of the total expenditure. Bombay received Rs 55.37 lakhs, followed by Uttar Pradesh with Rs. 44.29 lakhs, Madras with Rs 38.01 lakhs, Bihar with Rs 37.30 lakhs, Rajasthan with Rs 26.70 lakhs and Madhya Pradesh with Rs 22.88 lakhs. The rest of the States in the country received during the six-year period considerably less than Rs 20 lakhs each. The distribution of expenditure between the States followed, by and large, the relative concentration of oil seeds in different States and the conditions for a more repid development in different areas.

Scheme-wise

5.5 Statement V presents the details of the expenditure year-wise and scheme-wise. Analysis of expenditure by different schemes shows that of the Rs 201.41 lakhs advanced as loans, Rs 127.69 lakhs or a little over 63 per cent were loans for the purchase and stocking of oil seeds, Rs 3.70 lakhs or 1.83 per cent were advances of working capital to ghani manufacturing work-shops. Thus, 66 per cent of the expenditure by way of loans was for working capital. The second largest item of loans was financial assistance to the telis for the purchase of shares in co-operative societies accounting for Rs 42.43 lakhs or 21 per cent. Of the balance, Rs 15.21 lakhs were loans for the purchase of improved ghanis and Rs 8.58 lakhs for the construction of sheds for production of edible oils in more hygienic conditions.

5.6 Of the total expenditure of Rs 103.45 lakhs by way of grants, subsidised distribution of improved ghanis accounted for Rs 22.91 lakhs or 22 per cent and rebate on retail sales of oil for Rs 22.46 lakhs or 21 percent. Expenditure on the organisation of model centres accounted for Rs. 9.92 lakhs and financial assistance for the construction of sheds for Rs 14.40 lakhs. Expenditure on the organizational machinery at the State and district levels and assistance to retail sales centres together accounted for Rs 25.23 lakhs, training for Rs 4.04 lakhs and Rs 4.49 lakhs were on miscellaneous items such as publicity, propaganda, improvements and experiments etc.

Agency-wise

5.7 Of the total expenditure of Rs 304.86 lakhs, the largest share was of the State Boards accounting for Rs 155.38 lakhs. The Directors of Industries and Development Commissoners accounted, respectively, for Rs 51.28 lakhs and Rs 30.40 lakhs, whereas the registered institutions received Rs 25.66 lakhs and the Intensive Areas of the Commission Rs 7.77 lakhs and co-operative societies directly assisted by the Commission for Rs 34.37 lakhs. As shown in Statement VI, scheme-wise, the share of the State Boards in the total disbursements was the highest. Their share in the distribution of improved ghanis, responsibilitiy for retail sales, manufacture of ghanis and organisation of co-operative societies and federations for them was about three-fourths of the total disbursements on these items. In brief, the analysis of the disbursements, agency-wise, shows that the State Boards were assigned the largest single responsibility for the major items of development. The analysis of the disbursements to different agencies, year-wise, presented in Statement VII, shows that, although assistance to State Boards was given since 1954-55, over two-thirds of the disbursements were concentrated during the last two years to the State Boards and the Development Commissioners and Directors of Industries in the States, whereas disbursements to registered institutions sharply decreased after 1956-57 from Rs 7.42 lakhs to Rs 3.65 lakhs in 1957-58 and to Rs 1.84 lakhs in 1958-59, whereas during the same corresponding period, assistance to co-operative societies nearly quadrupled from Rs 3.31 lakhs in 1956-57 to Rs 12.48 lakhs in 1958-59. With the volume of assistance provided for share capital, on the one hand, and the pattern of disbursements, on the other, it is clear that development of the industry was on the co-operative pattern and through the State Boards and other official executive agencies in the States.

Utilization Of Funds

5.8 As in the case of processing of cereals and pulses industry, progress of utilization of funds by the assisted agencies was slow. The analysis of the data collected by the investigation teams shows that less than 50 per cent of the funds disbursed upto the end of 1957-58 was utilised by the various agencies. As the bulk of the funds disbursed was to State Boards and other agencies at the State level, the review of work done refers mainly to the work of the registered institutions as the other agencies received funds only towards the end of the last two financial years and they are by and large engaged in the basic work of organisation of the industry in their respective areas.

II. PHYSICAL

I. Institutional Progress

5.9 As compared with other village industries, the conditions facing the village oil industry can be said to have been more favourable because of sizeable demand for ghani pressed edible oils and the existence of a cognisable industry in which a large number of artisans were actively engaged.

Co-operatives

5.10 The primary effort of the Board and later the Commision was to organise the telis into co-operative societies by assisting them to purchase shares of such societies. By the end of 1958-59, there were 2,482 co-operative societies, of which 262 were multi-purpose. These societies, particularly in Bombay and Kerala, have been organised into federations at the district level and efforts are being made to organize such federations in other States. So far, three federations at the State level (Madhya Pradesh, Rajasthan and West

Bengal) have been organized. Thus, by the end of 1958-59, substantial progress had been made in providing a strong and well-knit institutional base.

5.11 Analysis of the data set out in Table 2 shows that co-operativisation has been faster in Bihar, Uttar Pradesh, Bombay and Rajasthan than in other States. Although Madhya Pradesh was one of the principal recipients of financial assistance for this purpose, formation of co-operative societies in it has not been as fast as in other States. Among the smaller States, there was sizeable progress in Kerala, Orissa, Mysore and Andhra. Notwithstanding the formation of co-operative societies, the number of registered institutions continued to be very large in Bombay, Bihar, Kerala and Madras.

TABLE 2

Institutional Progress

State	Primary Co-op. Societies of Oilmen	Multipurpose co-op. societies	Regd. Institutions	District Federation of co-op. societies	State federation of co-op. societies
1. Andhra	101	4	23	1	–
2. Assam	18	–	43	–	–
3. Bihar	601	31	85	–	–
4. Bombay	265	68	169	3	–
5. Jammu and Kashmir	2	–	1	–	–
6. Kerala	179	2	58	2	–
7. Madhya Pradesh	92	9	6	1	1
8. Madras	97	60	71	–	–
9. Mysore	70	32	15	–	–
10. Orissa	96	15	6	–	–
11. Punjab	60	5	17	–	–
12. Rajasthan	202	5	38	–	1
13. Uttar Pradesh	350	N. A	23	–	–
14. West Bengal	52	17	39	–	1
15. Delhi	3	6	4	–	–
16. Himachal Pradesh	1	–	–	–	–
17. Manipur	27	8	–	–	–
18. Tripura	4	–	1	–	–
Total	2,220	262	599	7	3

Model Centres

5.12 In the initial stages the emphasis of the development programme was on demonstration of the advantages of improved ghanis through model centres. They were expected to serve as the principal agency for the popularisation of the improved ghani and centres of training in its operation. Since 1956-57, however, the emphasis was shifted from model centres to direct distribution of improved ghanis. Table 3 shows the distribution of model centres organized so far.

TABLE 3

Model Centres

State	Set up	Operating
1. Andhra	11	9
2. Assam	6	5
3. Bihar	12	12
4. Bombay	12	9
5. Jammu and Kashmir	1	1
6. Kerala	3	3
7. Madhya Pradesh	10	7
8. Madras	5	4
9. Mysore	5	3
10. Orissa	N.A.	N.A.
11. Punjab	10	10
12. Rajasthan	21	16
13. Uttar Pradesh	23	20
14. West Bengal	10	9
15. Manipur	1	1
16. Tripura	3	2
Total	133	111

5.13 Of the 161 model centres for which funds were sanctioned, 133 units were set up of which 111 centres are reported to be operating. Of the number sanctioned, 23 were set up in Uttar Pradesh, 21 in Rajasthan, 12 each in Bihar and Bombay, 11 in Andhra, 10 each in Madhya Pradesh, Punjab and West Bengal.

Registration Of Ghanis

5.14 In accordance with the shift in the emphasis from model centres to registration of both traditional and improved ghanis, the development programme brought into the fold of its beneficial operations, 22,190 ghanis during the three-year period from 1955-56 to 1957-58. The data for 1958-59 are incomplete in respect of Assam, Delhi, Madhya Pradesh, Orissa and Punjab. The largest number of ghanis registered was in Bihar with 6,712, followed by Bombay with 4,227, Rajasthan with 2,621, West Bengal with 1,551, Madras with 1,338 and Andhra with 1,165. In Rajasthan the number of ghanis registered fell sharply from 5,587 to 2,621. In most of the other States, the number of ghanis registered was less than 1,000.

TABLE 4

Ghanis Registered

State	1955–56	1956–57	1957–58	1958–59
1. Andhra	194	798	984	1,165
2. Assam	58	201	153	N. A.
3. Bihar	965	1,615	4,519	6,712
4. Bombay	1,124	2,646	4,138	4,227
5. Jammu and Kashmir	—	—	2	N. A.
6. Kerala	59	397	892	951
7. Madhya Pradesh	107	410	550	N. A.
8. Madras	73	368	900	1,338
9. Mysore	3	213	537	948
10. Orissa	83	442	938	N. A.
11. Punjab	148	172	205	N. A.
12. Rajasthan	3,410	4,440	5,587	2,621
13. Uttar Pradesh	171	491	1,232	N. A.
14. West Bengal	657	1,054	1,311	1,551
15. Delhi	15	15	—	16
16. Himachal Pradesh	—	5	8	29
17. Manipur	—	—	95	97
18. Tripura	—	—	139	178
Total	7,067	13,267	22,190	19,833

5.15 Next only to the formation of co-operative societies is the importance of institutional progress in organizing selling agencies. They enable the telis in the area covered by them to market their output at reasonable prices and supply the consumer with oil of assured quality at reasonable prices. This is made possible, because the rebate on retail sale of oil is payable only on the oil sold by the registered selling agencies. At the end of 1958-59, there were 1,707 registered selling agencies of which 1,362 are reported to be working.

5.16 State-wise analysis of Table 5 which presents the details of the year-wise growth in selling agencies and of the number operating in 1958-59 shows that Bihar with its 427 agencies led the country, followed by Bombay with 257 agencies, Rajasthan with 152, Madras with 125, Uttar Pradesh with 111, Mysore with 66 and West Bengal and Andhra having 55 and 51, respectively.

TABLE 5

Registered Selling Agencies

State	1955-56	1956-57	1957-58	1958-59	
				Organised	Working
1. Andhra	17	49	54	81	51
2. Assam	15	30	26	21	N.A.
3. Bihar	109	171	311	427	427
4. Bombay	252	421	562	340	257
5. Jammu and Kashmir	–	–	1	1	1
6. Kerala	7	43	92	110	55
7. Madhya Pradesh	11	38	34	58	N.A.
8. Madras	24	94	145	167	125
9. Mysore	3	17	44	77	66
10. Orissa	4	18	46	N.A.	N.A.
11. Punjab	20	26	37	36	31
12. Rajasthan	134	196	245	152	152
13. Uttar Pradesh	198	220	270	118	111
14. West Bengal	32	39	62	69	55
15. Delhi	–	5	–	5	3
16. Himachal Pradesh	–	2	2	2	–
17. Manipur	–	–	16	16	11
18. Tripura	–	–	17	27	17
Total	827	1,517*	1,964	1,707	1,365

* State-wise break-up of 148 selling agencies are not available.

5.17 Even if allowances are made for the non-reporting States, the number of agencies which have ceased functioning is pretty large. This points out to the inadequacies in selection and supervision. While it is true that registration by itself does not confer any benefit beyond assistance for management upto a maximum of Rs. 640 per year, the closure of agencies after registration entails considerable disruption of work. There is, therefore, need for greater caution in the selection and registration of agencies.

Ghani Manufacturing Centres

5.18 As in the case of registered selling agencies, appreciable progress was made in organizing centres for the manufacture of improved ghanis during the period. The details of the State-wise distribution of ghani manufacturing centres year-wise are set out in Table 6. At the end of 1958-59, there were 71 centres distributed all over the country. There were 11 each in Uttar Pradesh and Bihar, 8 in Andhra, 7 in Rajasthan, 6 each in Bombay and Madras, 4 each in the Punjab and West Bengal. As in the case of registered selling agencies, the number actually operating was a little over two-thirds. A number of centres was closed down on account of their unsatisfactory work. This also would indicate the need for a more judicious selection of units and closer supervision so as to conserve both organizational and financial facilities available.

TABLE 6

Ghani Manufacturing Centres

State	1954-55	1955-56	1956-57	1957-58	1958-59 Orga-nised	1958-59 Wor-king
1. Andhra	1	1	2	4	8	3
2. Assam	1	3	4	1	1	1
3. Bihar	1	2	9	9	11	9
4. Bombay	6	6	10	4	6	6
5. Jammu and Kashmir	–	–	–	2	2	2
6. Kerala	–	–	1	2	3	3
7. Madhya Pradesh	1	2	15	7	2	2
8. Madras	1	1	5	18	6	5
9. Mysore	–	1	3	3	3	2
10. Orissa	–	1	2	2	N.A.	N.A.
11. Punjab	1	1	3	4	4	4
12. Rajasthan	–	–	6	9	7	5
13. Uttar Pradesh	1	1	2	8	11	7
14. West Bengal	–	1	3	4	4	3
15. Manipur	–	–	–	1	1	1
16. Tripura	–	–	–	1	2	–
Total	13	20	65	79	71	53

Distribution Of Improved Ghanis

5,19 During the six-year period, 8,520 improved ghanis were introduced all over the country. Of these, Bihar accounted for 2,074, Bombay for 1,325, Uttar Pradesh for 1,103, Madhya Pradesh for 712, and Rajasthan for 717. Mandas, Punjab and Andhra each accounted for 476, 452 and 428 improved ghanis respectively, and West Bengal for 328. Most of the other States introduced a very small number of improved ghanis. Although the total number of improved ghanis introduced during the six-year period, was 8,520, the year-wise distribution of ghanis shows that, except in a few States, the scope for a rapid increase in the number has already been fully explored, or at any rate that the improved ghanis are not as popular as its better performance will warrant. Many States appear to prefer the traditional ghani for one or more reasons.

TABLE 7

Distribution Of Improved Ghanis

State	Upto 1955–56	1956–57	1957–58	1958–59	Total
1. Andhra	59	200	136	33	428
2. Assam	48	–	70	42	160
3. Bihar	178	410	402	1,084	2,074
4. Bombay	717	152	169	317	1,355
5. Jammu and Kashmir	–	–	22	42	64
6. Kerala	3	30	27	44	104
7. Madhya Pradesh	352	110	162	88	712
8. Madras	109	194	123	50	476
9. Mysore	2	–	26	37	65
10. Orissa	–	160	87	N.A.	247
11. Punjab	50	277	125	–	452
12. Rajasthan	295	302	110	–	707
13. Uttar Pradesh	90	137	192	684	1,103
14. West Bengal	60	40	50	178	328
15. Delhi	–	–	–	12	12
16. Himachal Pradesh	–	–	4	11	15
17. Manipur	–	–	17	38	55
18. Tripura	–	–	123	40	163
Total	1,963	2,012	1,845	2,700	8,520

Production

5.20 As in the case of processing of cereals and pulses, data available on production are limited in coverage of both institutions and States. Consequently year–wise comparison of progress in production does not convey a correct picture. Still, there has been a steady increase in the quantity of production with the increase in the number of ghanis registered under the programme. The total amount of production during 1958–59 was 8,71,107 B. Maunds of oil valued at Rs 6.34 crores in addition to 13.26 lakh maunds of oil cakes valued at Rs 1.56 crores.

TABLE 8
Production

(Qty. B. Maunds)

State	1957–58 Oil		1958–59 Oil		1958–59 Oil Cake	
	Quantity	(Value Rs)	Quantity	Value (Rs)	Quantity	Value (Rs)
1. Andhra	35,023	18,89,963	83,019	53,05,433	1,19,670	14,27,256
2. Assam	2,380	2,54,671	N. A.	N. A.	—	—
3. Bihar	58,778	58,72,705	2,18,300	1,92,85,725	4,22,213	52,03,690
4. Bombay	1,29,057	73,63,800	2,22,993	1,36,98,225	2,59,415	29,75,147
5. Jammu and Kashmir	92	10,631	139	13,951	264	4,005
6. Kerala	24,926	17,91,792	36,729	33,98,195	34,731	38,419
7. M. Pradesh	4,649	3,54,405	26,625	20,56,377	40,711	4,31,589
8. Madras	42,089	27,12,605	1,14,114	78,72,294	1,63,052	19,57,625
9. Mysore	10,783	5,54,034	37,073	22,68,701	48,671	5,51,912
10. Orissa	8,249	6,75,748	N.A.	N.A.	N.A.	N.A.
11. Punjab	3,307	2,11,063	8,111	6,38,109	13,690	1,56,855
12. Rajasthan	44,901	31,96,468	94,245	63,01,327	1,68,936	19,05,233
13. U. Pradesh	4,906	5,10,012	12,204	9,83,168	23,196	3,00,062
14. W. Bengal	13,706	12,92,821	14,104	12,67,989	25,360	3,67,441
15. H. Pradesh	45	5,062	45	4,929	164	2,244
16. Manipur	642	68,877	1,434	1,26,544	2,802	45,812
17. Tripura	1,800	1,57,977	785	60,179	1,475	22,500
18. Delhi	—	—	1,187	94,544	2,015	27,929
Total	3,85,333	2,69,22,634	8,71,107	6,33,75,660	13,26,365	1,56,15,560

Comparative Production Per Ghani

5.21 Analysis of the figures of production during 1957–58 and 1958–59 shows that there was a considerable improvement in the rate of production per ghani between the two years. As against an average of 17.36 maunds per ghani registered during 1957-58, production per ghani was 41.29 maunds during 1958–59. It is not, however, clear from the figures available how far this improvement was due to more intensive work, how far to greater operational efficiency and how far to more regular supply of oil seeds. On the basis of the available data, it can be said that there was an improvement in the productivity per ghani in all States other than West Bengal in which output per ghani decreased slightly between the two years.

TABLE 9

State-wise Production Per Ghani (B. Mds.)

State	1957–58	1958–59
1. Andhra	35.59	71.26
2. Assam	15.55	N.A.
3. Bihar	13.00	32.52
4. Bombay	31.18	52.75
5. Jammu and Kashmir	46.00	49.66
6. Kerala	27.94	38.62
7. Madhya Pradesh	8.53	N.A.
8. Madras	46.77	85.28
9. Mysore	20.08	39.10
10. Orissa	8.79	N.A.
11. Punjab	16.13	31.68
12. Rajasthan	8.04	35.95
13. Uttar Pradesh	3.98	12.75
14. West Bengal	10.45	9.09
15. Himachal Pradesh	5.62	1.55
16. Manipur	6.75	14.78
17. Tripura	12.94	4.41
18. Delhi	—	—
Average	17.36	41.29

Sales

5.22 As in the case of handpounding of rice, data available on sales are not complete or statisfactory. The available data for the last two years on the state-wise break-up of sales are presented in Table 10.

TABLE 10

Sales

(Qty : B. Mds)

State	1957–58		1958–59	
	Quantity	Value (Rs.)	Quantity	Value (Rs.)
1. Andhra	31,968	17,55,868	82,693	50,05,030
2. Assam	2,380	2,54,770	N.A.	N. A.
3. Bihar	58,070	61,97,198	1,77,482	1,56,83,959
4. Bombay	1,14,331	65,42,424	1,93,808	1,23,66,878
5. Jammu & Kashmir	75	8,807	59	5,884
6. Kerala	24,666	18,68,020	28,179	25,91,306
7. Madhya Pradesh	3,718	2,82,685	19,739	12,03,794
8. Madras	38,552	23,95,281	1,12,060	79,39,701
9. Mysore	9,995	5,46,789	31,590	19,63,426
10. Orissa	N. A.	N. A.	N. A.	N. A.
11. Punjab	3,033	2,92,064	6,333	5,34,245
12. Rajasthan	31,911	22,35,394	87,614	61,40,462
13. Uttar Pradesh	4,018	4,83,994	9,943	8,24,992
14. West Bengal	13,604	11,28,735	9,593	8.70,255
15. Delhi	—	—	1,187	1,00,465
16. Himachal Pradesh	37	4,163	43	4,522
17. Manipur	671	68,144	1,434	1,42,897
18. Tripura	1,800	1,70,956	552	53,944
Total	3,38,829	2,42,35,292	7,62,309	5,54,31,760

5.23 A comparative analysis of sales during the two years with production shows that, by and large, sales of oils nearly doubled between the two years, and more or less kept pace with production. In some of the States, however, there is a marked tendency for accumulation of stocks. We were not, however, able to obtain data on the quantities of oil marketed by the telis directly so as to assess the net stocks of oil. It would, however, appear that so far there has not been any serious marketing problem in any part of the country.

5.24 In the absence of detailed information on the variety-wise production and sales, it is difficult to compare production and sales, In spite of it, a broad comparison of the value of production with that of sales shows that information supplied to us is faulty and also the manner in which costs are calculated is not altogether correct. Thus, for instance, the average cost of production per maund in Andhra in 1958-59 works out to Rs. 63.90 np. whereas the average value per unit of sale is Rs 60.52. np., a loss of Rs 3.38 np. per maund. It is not known how the loss incurred in marketing oil at prices well below its cost of production has been met. There are similar defects in the figures for Madhya Pradesh, Kerala, Punjab, Uttar Pradesh and West Bengal. These defects point to the need for standardisation of the method of computing costs of production. Unless these basic data are reliable, economic analysis is not possible.

TABLE 11

(Value Rs)

State	Value of Production per B. Maund of Oil		Value of Sales per B. Maund of Oil	
	1957-58	1958-59	1957-58	1958-59
1. Andhra	53.96	63.90	54.92	60.52
2. Assam	10.70	N.A.	107.04	N.A.
3. Bihar	99.91	88.34	106.71	88.37
4. Bombay	57.60	61.43	57.22	63.81
5. Jammu and Kashmir	115.55	100.36	117.42	99.73
6. Kerala	71.88	92.52	75.73	91.96
7. Madhya Pradesh	76.23	77.23	76.03	60.98
8. Madras	64.45	68.98	62.13	70.85
9. Mysore	51.38	61.25	54.70	62.15
10. Orissa	81.92	N.A.	N.A.	N.A.
11. Punjab	63.82	78.67	96.29	84.36
12. Rajasthan	71.19	66.86	70.05	70.08
13. Uttar Pradesh	103.95	80.56	120.45	84.97
14. West Bengal	94.32	89.90	82.97	90.71
15. Delhi	-	79.65	-	84.63
16. Himachal Pradesh	112.48	109.53	112.51	105.86
17. Manipur	107.28	88.24	101.55	99.65
18. Tripura	87.76	76.66	94.97	97.72
Average	69.87	72.75	71.52	72.71

Employment

5.25 The development programme for the ghani oil industry is reported to have provided full-time employment to 17,296 persons and part-time employment to 11,699 persons during 1958-59 as compared with 13,757 and 5,256 persons respectively in 1957-58. About 15,350 telis were provided with employment directly and 8,533 assistants were engaged in winnowing of seeds prior to crushing. Comparatively, the total number of emloyed directly increased by about 25 per cent and the number of assistants employed by nearly 84 per cent. The number of carpenters and their assistants who found employment in the industry increased roughly by 142 per cent. The State-wise details of the number employed are set out in Statement VIII.

Earnings

5.26 Analysis of the figures of production shows that, although the per capita productivity increased nearly three-fold, earnings of telis did not increase proportionately. On the basis of the available information the average annual income of telis can be estimated at Rs 500, although the average income varies from State to State.

5.27 The categories of persons, who found employment in the industry are generally traditional telis and their families. The managerial personnel apart, the rates of wages for a full-time worker vary from Re 1 to Rs 3 per day. Consequently, subject to the availability of oil seeds, monthly earnings varied from Rs 30 to Rs 90. The wages payable to the assistants of telis correspond more or less to the variations in the rates of wages for full-time work and range between Rs 12 to Rs 36 per month. Wages to carpenters depend on their skill, experience and intensity of work per day and range between Rs 20 to Rs 150 per month. Sufficiently detailed information is, however, not available to show how many of the reported number employed in each different category earned different levels of wages. On the basis of the available information it would appear that they earned between Rs 20 to Rs 55 per month.

Training

5.28 The training programme for this industry involved an expenditure of Rs 4.04 lakhs during the six-year period. Three types of training courses, one for inspectors, another for mistries and yet a third for telis were conducted. Over the period 293 inspectors, 289 mistries and 1,900 telis were trained. By and large, the bulk of the trained personnel was absorbed in the industry. The details of the number trained State-wise are presented in Table 12.

TABLE 12

Training

State	Trained upto 1958-59			No. of improved ghanis distributed upto 1958-59	No. of ghanis regd. upto 1958-59	Oil production upto 1958-59 (B. Mds.)
	Inspectors	Mistries	Telis			
1. Andhra	25	7	149	428	1,165	83,019
2. Assam	6	5	48	160	N.A.	N.A.
3. Bihar	21	21	64	2,074	6,712	2,18,300
4. Bombay	7	29	83	1,355	4,227	2,23,993
5. Jammu and Kashmir	3	5	2	64	N.A.	139
6. Kerala	9	17	–	104	951	36,729
7. Madhya Pradesh	19	16	42	712	N.A.	26,625
8. Madras	21	22	13	476	1,338	1,14,114
9. Mysore	14	2	49	65	948	37,073
10. Orissa	16	4	–	247	N.A.	N.A.
11. Punjab	17	14	252	452	N.A.	8,111
12. Rajasthan	34	29	102	707	2,621	94,245
13. Uttar Pradesh	67	69	754	1,103	N.A.	12,204
14. West Bengal	23	23	86	328	1,551	14,104
15. Delhi	–	–	4	12	16	1,187
16. Himachal Pradesh	1	1	32	15	29	45
17. Manipur	2	6	–	55	97	1,434
18. Tripura	8	9	–	163	178	785
Total	293	289	1,900*	8,520	19,833	8,71,107

* Break-up for 220 person not available

5.29 The number of each of the categories of personnel trained during the period in differernt States shows no relation to the number of improved ghanis introduced or the total number of ghanis registered in the different States. Thus, for instance, the number of trained inspectors in Bihar, in which 2,074 improved ghanis were introduced and 6,712 ghanis were registered, was only 21 whereas in Uttar Pradesh which had only half the number of ghanis in Bihar, the number of trained inspectors and mistries was 67 and 69, respectively. There are similar, equally striking variations in Madras, Bengal and Rajasthan to mention only the more glaring instances. The number of mistries again, who are expected to maintain the ghanis in good repair and provide other servicing facilities to the telis does not bear any relation to the number of improved ghanis introduced. There is thus a need for a complete revision of the pattern of State-wise training.

Conclusions And Recommendations

5.30 The development programme for the village oil industry as it has been implemented so far covers a little over 22,000 ghanis or 8 per cent of the total of 3,08,512 ghanis in the country. Within even this small coverage, the extent to which the programme has contributed to the improvement in the economic condition of the telis is small because of the number of initial difficulties in setting up the necessary organization and in arranging for the purchase and storage of oil seeds. Making allowances for these initial handicaps, the programme would appear to have made some impression on the conditions of the telis, though it is limited to a few areas in each of the States in which it has been implemented. The organizational strength it has acquired points to the capacity to undertake a larger programme in the future, provided some of the present weaknesses that we have pointed below are removed as early as possible.

5.31 Purchase of oil seeds in season, their storage in appropriate places and arrangements for their distribution to telis in accordance with their requirements constitute the main steps to assure telis fuller employment and higher earnings. Arrangements for this purpose at present are inadequate and in some cases wasteful. Thus, for instance, purchase of oil seeds in Rajasthan and Saurashtra for utilisation in Bihar or Uttar Pradesh involves high incidence of transport costs and results in unduly high prices of ghani pressed oil. This question, viz. controlling the cost of production within definite limits does not appear to have received the attention it deserves and requires to be taken up as early as possible.

5.32 Secondly, purchase and stocking of oil seeds is essentially a commercial function and should, therefore, be excluded from the normal responsibilities of the Commission. We, therefore, suggest that the Commission should take steps to assist its institutions and co-operative societies to borrow from banking and other financial institutions. We suggest that the pace of co-operativisation of the industry should be stepped up so that the essential commercial functions are transferred to the co-operative societies as a matter of course, and the Commission is enabled to devote its energies to other more essential promotional activities.

5.33 We have examined very carefully the economics of the village oil industry. We consider that there is no case for the continuance of the subsidy on ghanis. We are of the view that, for the purchase of ghanis or for the construction of sheds, assistance should be in the form of loans, repayable over a sufficiently long period of time. A teli can earn enough to repay the loan advanced to him if he is assisted to obtain oil seeds at reasonable prices. The distribution of loan for this purpose should also be through co-operative societies as a rule. This function can continue to be the Commission's until other alternatives become available.

5.34 The rebate on retail sales of oil does not appear to have served the purpose for which it was meant. The information supplied by the representatives of the different agencies during our discussions with them would indicate that in many areas in different States subsidy on retail sales has given rise to a number of malpractices. We also understand that payment of this subsidy poses a number of administrative difficulties. Moreover, the case for a subsidy as such itself is weak. For instance, the rebate on *kardi* oil which, in some parts of the country, is considered edible, is not required at all because all of it is produced on ghanis and there is no competition from oil mills. Similarly, we have doubts about the soundness of the case for the continuance of this scheme as far as sesamum oil is concerned. We were told by the representatives that ghani pressed sesamum oil is purchased by consumers mainly for its intrinsic quality. Sales of this oil, therefore, are governed more by considerations of quality than of price. While this is true as far as urban areas are concerned, sales in rural areas where price is a more serious consideration, rebate may be necessary. But here again we are of the view that if arrangements are made for regular supply of oil seeds at fairly constant prices, price of oil can be brought down. In any case, we consider that there is no case for the continuance of the rebate on retail sales at present, because it has not served the purpose for which it was meant, but has given rise to a number of avoidable allegations of malpractices.

5.35 We are, however, of the view that at least in the initial stages selling agencies should be assisted to meet a part of their management expenses. Their functions, as explained above, are important and management grant will act as an incentive to increase their number and their mode of operation. We, therefore, recommend the replacement of the present rebate by a management grant on a progressively decreasing scale. The grant should be related to the number of ghanis covered by an agency and the volume of sales effected. This will also help the Commission to integrate the sales rebate with the management charges which they now pay.

5.36 The data on the distribution of ghanis show that improved ghani does not appear to have commended itself to the telis in all States. In many areas, telis consider the cost of operating the Wardha ghani as high and consequently traditional ghanis, in spite of their low productivity, continue to be worked. We consider that research to improve the operational efficiency on traditional ghanis, particularly the percentage of extraction of oil, is urgent and should, therefore, be taken up immediately.

5.37 One of the major objectives of the development programme, as we understand it, is the retention of the intrinsic merits of ghani pressed oil side by side with a progressive reduction in the percentage of loss in extraction of oil from the seeds. For this purpose, we consider it necessary to examine the scope and the probable effect of a more radical departure from the present technique operating in the industry. Percentage of extraction in both traditional and improved ghanis is low as compared with mechanical methods of extraction. The loss of oil in the ghanis cannot be ignored because oil is one of the essential articles of consumption. National interests would, therefore, indicate that every effort should be made to reduce this loss. We would, therefore, suggest that experiments be made to study the economics as well as the effects of mechanised crushing of oil seeds on a decentralised basis.

5.38 We regret to observe that there seems to be no co-ordination between the Organizer in-charge of this industry and the Research Institute of the Commission at Wardha. The Research Institute has carried out a number of experiments and has made certain claims regarding an implement it has evolved for extracting oil. We consider that there is need to test these claims in the field and, if the tests show satisfactory results from the two points mentioned above, there is every reason to consider the introduction of this implement on a large scale. Thus, in our view, the immediate task before the Commission, as far as this industry is concerned, is, in addition to the arrangements for the purchase and storage of oil seeds, the organisation and conduct of technical research on a more intensive basis.

5.39 One of the specific schemes for technical research suggested to us is a study of the causes of rancidity of ghani pressed oil and the means to eliminate them. This research will yield substantial results in terms of neturns to telis and the capacity of a selling agency to hold stock.

CHAPTER 6

VILLAGE LEATHER

The develop.nent programme of village leather industry aimed at the recovery of the carcasses of naturally dead animals, improvement in the methods of flaying and tanning through the establishment of training–cum–production centres and model village tanneries. The programme provided training facilities for a progressive improvement in the technique of the traditional artisans. Organizationally, the scheme provided for the setting up of carcass recovery and flaying centres, model village tanneries, training–cum–production centres and financial assistance for the construction of new and repair of old tanning pits to improve progressively the quality of tanned leather.

I. FINANCIAL

6.2 Expenditure on the implementation of the development ropgramme for the village leather industry during the six-year period amounted to Rs 120.89 lakhs, of which Rs 69.01 lakhs were grants and Rs 51.88 lakhs loans. As in the case of other village industries, outlay during the First Plan period was only Rs 31.79 lakhs, whereas expenditure during the Second Plan period was Rs 89.10 lakhs. During the five year period 1954–55 and 1958–59, repayments of loans amounted to Rs 3.51 lakhs. The net expenditure on the scheme, thus, was Rs 117.38 lakhs. The analysis presented below is on the basis of the total and not the net expenitiure during the period.

TABLE 1

State-wise, Plan-wise Disbursements (Rs lakhs)

State	I Plan			II Plan			Total		
	Grants	Loans	Total	Grants	Loans	Total	Grants	Loans	Total
1. Andhra	2.05	1.91	3.96	6.18	4.06	10.24	8.23	5.97	14.20
2. Assam	—	—	—	0.77	0.73	1.50	0.77	0.73	1.50
3. Bihar	0.72	0.87	1.59	2.91	2.83	5.74	3.67	3.70	7.33
4. Bombay	6.80	3.53	10.33	10.71	7.04	17.75	17.51	10.57	28.08
5. Jammu and Kashmir	—	—	—	0.01	—	0.01	0.01	—	0.01
6. Kerala	0.15	0.29	0.44	0.42	0.46	0.88	0.57	0.75	1.32
7. Madhya Pradesh	2.36	3.18	5.54	2.32	1.88	4.20	4.68	5.06	9.74
8. Madras	1.08	0.16	1.24	5.32	4.43	9.75	6.40	4.59	10.99
9. Mysore	0.08	0.18	0.26	2.18	1.99	4.17	2.26	2.17	4.43
10. Orissa	0.13	0.22	0.35	4.14	4.27	8.41	4.27	4.49	8.76
11. Punjab	0.66	0.53	1.19	2.64	2.57	5.21	3.30	3.10	6.40
12. Rajasthan	1.44	1.89	3.33	4.93	2.17	7.10	6.37	4.06	10.43
13. Uttar Pradesh	1.38	1.02	2.40	7.58	4.96	12.54	8.96	5.98	14.94
14. West Bengal	0.65	0.20	0.85	1.08	0.08	1.16	1.73	0.28	2.01
15. Delhi	0.17	0.10	0.27	0.14	—	0.14	0.31	0.10	0.41
16. Manipur	0.01	0.03	0.04	—	—	—	0.01	0.03	0.04
17. Tripura	—	—	—	—	0.30	0.30	—	0.30	0.30
Total	17.68	14.11	31.79	51.33	37.77	89.10	69.01	51.88	120.89

6.3 Analysis of the data set out in Table I shows that, as in the case of processing of cereals and village oil industries, distribursements to Bombay accounted for Rs 28.08 lakhs, the largest single share, followed by Uttar Pradesh and Andhra with Rs 14.94 lakhs and Rs 14.20 lakhs, respectively, and Madras and Rajasthan with Rs 10.99 lakhs and Rs 10.43 lakhs, respectively. While Madhya Pradesh received Rs 9.74 lakhs, Orissa and Bihar received Rs 8.76 lakhs and Rs 7.33 lakhs respectively.

Scheme–wise

6.4 In sharp contrast with other village industries, the proportion of grants to loans was higher in village leather industry. Of the total grants of Rs 69.01 lakhs, expenditure on flaying centres was Rs 15.89 lakhs, on bone–crushing units Rs 1.90 lakhs, on different types of tanneries Rs 22.53 lakhs, on the construction and repair of tanning pits Rs 12.03 lakhs, and on training-cum-production centres Rs 4.46 lakhs. Expenditure on the organization of different types of units thus amounted to a total of Rs 56.89 lakhs. Similarly, analysis of the loans (Statement IX) shows that, of the total loans advanced, working capital to the different types of production centres accounted for Rs 41.88 lakhs and to different types of marketing depots for Rs 9 lakhs. Loans to artisans for purchase of shares in co–operative societies were negligible.

Agency–wise

6.5 Of the total expenditure of Rs 120.89 lakhs, the share of the State Boards was Rs 57.03 lakhs or a little over 47 per cent, that of Directors of Industries in the States Rs 21.53 lakhs and of the registered institutions Rs 20.25 lakhs. Disbursements for work in the Community Development Blocks, Intensive Areas and cooperative societies accounted for the balance of the expenditure. Scheme–wise, agency–wise details are set out in Statement X.

6.6 Analysis of the disbursements to different agencies year-wise set out in Statement XI shows that of Rs. 57.03 lakhs disbursed to State Boards, Rs. 29.19 lakhs or a little over 50 per cent were disbursed during 1957–58 and 1958–59. Similarly, Rs 7.90 lakhs out of a total disbursements of Rs 12.86 lakhs to the Development Commissioners were advanced during the last two years and to the Directors of Industries the entire amount of Rs 21.53 lakhs were disbursed during the two years.

Utilization Of Funds

6.7 As pointed out earlier, utilization of funds by most of the assisted agencies was slow, accounting for not more than 46 per cent of the funds disbursed till 1957–58. With the bulk of the disbursements to official agencies at the State level concentrated during 1957–58 and 1958-59, the review presented in the following pages is of the work done by the registered institutions, Intensive Areas and co-operatives assisted directly by the Commission.

II. PHYSICAL

6.8 As against the sanction of funds for the organization of 567 flaying centres and carcass recovery centres, 137 bone-crushing units, 244 model tanneries and 10 glue manufacturing centres, only 151 flaying centres, 16 bone-crushing units and 55 model tanneries were organized during the six-year period, as can be seen from the details presented in Table 2. No glue manufacturing unit has so far been set up anywhere in the country. The uniform and substantial short-fall in the organization of every type of unit sanctioned, calls for a more detailed examination.

Flaying Centres

6.9 Table 3 presents the details of the allotment of flaying and carcass recovery centres during the last four years and the number set up. Of the 567 flaying and carcass recovery centres allotted, 9 centres, 2 each in Bombay, Madhya Pradesh and Uttar Pradesh and 1 each in Andhra, Mysore, and Orissa were returned. Thus, the total effective number allotted was 558. Of this number 189 were

TABLE 2

Organizational Progress

Type of Units	1953–54	1954–55	1955–56	1956–57	1957–58	1958–59	Total
1. Flaying & Carcass recovery centres:							
a) No. allotted	40	76	110	142	10	189	558(a)
b) No. set up	8	21	48	96	106	151	151(b)
2. Model Tanneries							
a) No. allotted	–	7	49	26	43	119	244
b) No. set up	–	N.A.	N.A.	27	36	55	55(b)
3. Bone–crushing units:							
a) No. allotted	–	–	40	16	1	80	137
b) No. set up	–	–	N.A.	16	16	16	16
4. Glue manufacturing centres:							
a) No. allotted	–	–	–	7	1	2	10
b) No. set up	–	–	–	–	–	–	–

(a) 9 Flaying Centres returned the amount. The number is deducted from the grand total.

(b) The State Government, Punjab, have set up additional 25 centres of each type out of the funds allocated directly by the Central Government.

allotted in 1958–59 and, as the funds were disbursed late in the year, organizational progress must be examined against the 369 allotted till the end of 1957–58. Of these, 142 eentres were allotted to Bombay, the largest single allotment to any State, 66 to Andhra, 52 each to Rajasthan and Uttar Pradesh, 41 to Bihar, 40 to Madras, 93 to Punjab and 37 to Orissa.

TABLE 3

Organization Of Flaying Centres

State	Upto1955–56		1956–57		1957–58		1958–59		Total	
	No. allotted	No. set up	No. allotted	No. set up	No. allotted	No. set up	No. allotted	No. set up	No. allotted	No. set up
1. Andhra	20	3	22	4	1	4	24	5	66	5
2. Assam	1	—	5	N.A.	5	—	7	2	18	2
3. Bihar	16	5	15	5	—	6	10	6	41	6
4. Bombay	58	22	37	34	3	35	46	37	142	37
5. Kerala	3	1	—	1	1	1	2	2	6	2
6. Madhya Pradesh	23	2	—	8	—	8	5	12	26	12
7. Madras	10	—	30	N.A.	—	—	—	35	40	35
8. Mysore	7	—	—	N.A.	—	1	17	1	23	1
9. Orissa	10	4	8	11	—	11	20	11	37	11
10. Punjab	13	1	4	10	—	10a	22	10a	39	10a
11. Rajasthan	30	5	20	15	—	20	2	20	52	20
12. Uttar Pradesh	29	5	1	8	—	10	24	10	52	10
13. West Bengal	5	—	—	—	—	—	10	—	15	N.A.
14. Delhi	1	—	—	—	—	—	1	—	1	—
Total	226	48	142	96	10	106a	189	151a	558	151a

(a) The State Government, Punjab have set up additional 25 flaying centres out of the funds allocated directly by the Central Government.

Madhya Pradesh and Mysore were allotted 26 and 23 flaying units respectively. A study of the number of units organized so far shows that except in Madras, progress was uniformly poor. Among the Sates that received substantial number of units, performance of agencies in Bombay and in Rajasthan was comparatively better than in any other State. Madhya Pradesh set up 12 out of the 26 units sanctioned, Kerala 2 out of the 6 sanctioned or roughly a third of the total number sanctioned. In the rest of the States performance was very poor.

TABLE 4

Organization Of Model Tanneries

State	Upto 1956–57		1957–58		1958–59		Total	
	No. allo-tted	No. allo-tted	No. allo-tted	No. allo-tted	No. allo-tted	No. allo-tted	No. allo-tted	No. allo-tted
1. Andhra	11	1	3	1	15	2	29	2
2. Assam	1	–	–	–	2	1	3	1
3. Bihar	5	2	4	2	3	3	12	3
4. Bombay	23	7	1	7	15	8	39	8
5. Kerala	1	–	1	–	2	4	4	–
6. Madhya Pradesh	18	10	–	10	5	14	23	14
7. Madras	–	–	7	–	12	9	19	9
8. Mysore	3	–	3	N.A.	3	N.A.	9	N.A.
9. Orissa	3	–	10	–	6	2	19	2
10. Punjab	3	3	–	3	8	3*	11	3*
11. Rajasthan	10	3	–	3	21	3	31	3
12. Uttar Pradesh	2	1	12	1	23	1	37	1
13. West Bengal	1	–	1	–	4	–	6	1
14. Delhi	1	–	–	–	–	–	1	–
15. Tripura	–	–	1	–	–	–	1	–
Total	82	27	43	36†	119	55†	244	55†

* State Government, Punjab, have set up 25 model tanneries out of the funds given by the Central Government.

† Break-up of 9 units not available.

Model Tanneries

6.10 During the six-year period, 244 village model tanneries were sanctioned to different States. The largest number was allotted to Bombay (39), Uttar Pradesh (37), Rajasthan (31), Andhra (29), Madhya Pradesh (23) and Orissa (19). The rest of the States merely received token allotments. But, here again, organizational progress was very slow. The details of the number allotted and set up are shown in Table 4. Except Madhya Pradesh which set up 14 out of the 23 model tanneries sanctioned, progress in other States was not satisfactory. While only 1 of the 37 units sanctioned to Uttar Pradesh was set up, only 3 out of the 31 units sanctioned to Rajasthan and only 2 out of the 29 sanctioned to Andhra were organized. Among the major States, performance of institutions in Bombay may be construed to have been better.

6.11 As in the case of flaying centres, 119 units were allotted during 1958-59. If allowances are made for the late sanction of funds, etc., even then organizational progress cannot be considered satisfactory in Andhra, Kerala, Mysore, Rajasthan and Uttar Pradesh which between them, accounted for the largest number allotted. We were not able to ascertain why Uttar Pradesh and Rajasthan, performance of which was totally unsatisfactory, were allotted 23 and 21 additional units in 1958-59.

Bone-crushing Units

6.12 Funds were sanctioned for the organization of 137 bone-crushing units during the period under review. Of these, allotments were made for 34 units in Orissa, 27 in Madhya Pradesh, 18 in Mysore, 15 in Bombay and 11 each in Bihar and Rajasthan. Of the 137 units allotted so far, 80 units were allotted during 1958-59. Of the 57 units sanctioned till the end of 1957-58, only 16 units had been organized as can be seen from the data set out in Table 5. Compared with the total number sanctioned till the end of 1957-58, the number organized till the end of 1958-59 in each of the States was unsatisfactory. In this case as well, there seems to be little justification, in the first place, for the allotment of such a large number of the bone-crushing units in 1958–59, and, in the second, for their State-wise

TABLE 5

Organization Of Bone Crushing Units

State	Upto 1957–58		Upto 1958-59	
	No. allo-tted	No. set up	No. Allo-tted	No. set up
1. Andhra	3	1	3	1
2. Assam	–	–	2	–
3. Bihar	1	1	11	1
4. Bombay	2	2	15	2
5. Kerala	2	1	5	1
6. Madhya Pradesh	15	–	27	–
7. Madras	5	5	5	5
8. Mysore	2	2	18	2
9. Orissa	14	3	34	3
10. Rajasthan	11	–	11	–
11. West Bengal	1	1	5	1
12. Tripura	1	–	1	–
Total	57	16	137	16

distribution. Neither did the agencies in the country organize and run sufficient number of bone-crushing units to warrant an increase in their number, nor the progress in any State such as to justify additional allotments.

Marketing Depots

6.13 Compared to the organizational progress in each of the different items examined above, progress in the organization of marketing depots may be considered to be better. During the period under review, 55 marketing depots were sanctioned, of which 24 were sanctioned during 1958–59. A scrutiny of the State-wise allotments of additional marketing depots in 1958–59 shown in Table 6, again points to the allotment of additional depots with very little justification in the case of Andhra, Madras and Mysore, which had not set up even a single depot out of the number allotted to each of them. Punjab

TABLE 6

Marketing Depots

State	Upto 1956–57		1957–58		1958–59		Total	
	No. allot-ted	No. set up	No. allot-ted	No. set up	No. allot-ted	No. set up	No. allot-ted	No. set up
1. Andhra	3	–	–	–	3	–	6	–
2. Bihar	3	1	–	2	2	2	5	2
3. Bombay	9	3	–	6	3	6	12	6
4. Madhya Pradesh	3	3	–	3	3	3	6	3
5. Madras	–	–	3	–	1	–	4	–
6. Mysore	–	–	1	–	2	–	3	–
7. Orissa	3	–	–	2	2	3	5	3
8. Punjab	–	–	–	–	3	–	3	–
9. Rajasthan	3	1	–	2	2	2	5	2
10. Uttar Pradesh	2	–	1	–	–	–	3	–
11. West Bengal	–	–	–	–	3	–	3	–
Total	26	8	5	15	24	16	55	16

and West Bengal received for the first time allotment of 3 marketing depots each and consequently no comment is possible. By the end of 1959, only about 50 per cent of the depots sanctioned till the end of 1957–58 were organized.

Training-cum-Production Centres

6.14 Training-cum-production centres sanctioned during the period under review are of two types: one group for training in tanning and another for training in flaying. So far 12 training-cum-production centres for training in tanning and 4 centres for training in flaying were allotted, of which 10 in tannining and 3 in flaying were set up. The state-wise distribution of the training centres in tanning and the number set up are shown in Table 7.

TABLE 7

Training-cum-Production Centres

State	Up to 1955-56		1956-57		1957-58		1958-59		Total	
	No. allotted	No. set up	No. allotted	No. set up	No. allotted	No. set up	No. allotted	No. set up	No. allotted	No. set up
1. Andhra	2	1	–	2	–	2	–	2	2	2
2. Bihar	1	–	–	–	–	1	–	1	1	1
3. Bombay	3	2	–	2	–	2	–	2	3	2
4. M. Pradesh	1	–	–	1	–	1	–	1	1	1
5. Madras	1	1	–	1	–	1	–	1	1	1
6. Punjab	1	–	–	–	–	1	–	–	1	–
7. Rajasthan	1	–	–	–	–	1	–	1	1	1
8. U. Pradesh	1	–	–	1	–	1	–	1	1	1
9. W. Bengal	1	1	–	1	–	–	–	1	1	1
Total	12	5	–	8	–	10	–	10	12	10

Tanning Pits

6.15 During the four-year period, 1955-56 to 1958-59 funds were sanctioned for the construction of 4,687 new tanning pits and for the repair of 5,278 old pits. Of these, funds for 2,385 new tanning pits and 2,113 old pits were disbursed during 1958-59, i. e., over 50 per cent of the new. and nearly 40 per cent of the old pits sanctioned were in 1958-59. We do not, however, have any information about the number of pits constructed so far, but the pattern of distribution in 1958-59, as in the case of each of the centres reviewed above, seems to be disproportionately large

TABLE 8

Construction Of Pits

State	New Pits					Old Pits				
	1955–56	1956–57	1957–58	1958–59	Total	1955–56	1956–57	1957–58	1958–59	Total
1. Andhra	20	20	30	290	360	20	115	20	213	368
2. Assam	–	–	20	15	35	–	–	10	20	30
3. Bihar	–	50	170	–	220	–	100	110	–	210
4. Bombay	50	270	433	329	1,082	–	425	574	620	1,619
5. Jammu & Kashmir	–	–	4	–	4	–	–	4	–	4
6. Kerala	–	–	10	–	10	–	–	20	–	20
7. Madhya Pradesh	75	10	85	150	320	210	100	90	150	550
8. Madras	14	–	155	400	569	–	–	235	400	635
9. Mysore	–	–	170	57	227	–	–	179	50	229
10. Orissa	–	10	120	195	325	–	8	210	216	434
11. Punjab	–	–	45	80	125	–	–	220	40	260
12. Rajasthan	41	70	160	555	826	70	50	240	120	480
13. Uttar Pradesh	–	–	240	214	454	–	–	60	214	274
14. West Bengal	–	–	30	100	130	–	–	95	70	165
Total	200	430	1,672	2,385	4,687	300	798	2,067	2,113	5,278

in Rajasthan, Andhra, Orissa and Uttar Pradesh. We saw a little earlier that the progress in the organisation of model tanneries of these States was particularly poor ; prudence and normal caution would have suggested, it appears to us, exactly the opposite of what has been done during 1958–59. The State-wise allocation of pits analysed in Table 8 once again shows a disportionate concentration in Bombay which accounted for 1,082 new pits and 1,619 old pits. State-wise distribution of funds for the construction of new and repair of old tanning pits tended to be concentrated in a few States. The disproportionate concentration is seen more clearly in the distribution of funds for the repairs of old pits more sharply than in that for the construction of new pits.

6.16 The review of the progress made during the last six years in organising production centres of different types points to the conclusion that the bulk of the allotment of different types of production units was made in 1958–59; that the number of units of each different type sanctioned during the year was altogether disproportionate in relation to the organisational progress made by the agencies in different States. Although, generally speaking, Bombay, Madras and Madhya Pradesh made comparatively greater progress, the performance, till the end of 1957–58 warranted a policy of a sustained effort at encouraging and assisting the agencies to set up the centres already sanctioned to them rather than one of expansion. State-wise analysis of the distribution of different types of centres shows a concentration of centres in Bombay. There is thus clear evidence of the absence of effective planning in the development of this industry.

Institutional Base

6.17 As compared with the conditions in 1954–55 or even 1955–56, the number of agencies assisted has increased. As against 52 registered institutions, 51 co-operative societies and 17 Intensive Areas, which had taken up the programme in 1957–58, there were 59 registered institutions, 53 co-operative societies and 28 Intensive Areas at the end of 1958–59.

Production

6.18 The analysis of production presented in the following pages is by different types of units sanctioned so as to assess the nature and content of the work done at each group of centres.

Flaying Centres

6-19 We pointed out above that out of the 558 centres allotted, only 176 centres had been organised. Of these, reports are available for 159 centres. To assess the efficiency of an operating unit,

TABLE 9

Production At Flaying Centres

State	1956–57		1957–58		1958–59	
	No. of centres reporting	Value (Rs)	No. of centres reporting	Value (Rs)	No. of centres reporting	Value (Rs)
1. Andhra	8	2,274	2	419	5	5,304
2. Assam	—	—	—	—	2	4,026
3. Bihar	7	4,725	6	3,403	6	4,086
4. Bombay.	26	91,028	20	1,02,496	37	1,36,854
5. Kerala	1	246	1	59	2	5,882
6. Madhya Pradesh	2	4,306	8	11,857	12	15,073
7. Madras	5	6,342	6	20,048	35	18,351
8. Mysore	2	2,256	1	790	1	2,837
9. Orissa	5	13,150	7	11,625	10	62,705
10. Punjab	4	16,652	21	1,00,635	28	65,573
11. Rajasthan	7	1,508	13	14,385	14	27,346
12. Uttar Pradesn	15	33,567	10	6,681	6	13,090
13. West Bengal	1	108	—	—	—	—
14. Delhi	1	29,550	1	33,589	1	40,460
Total	84	2,05,712	96	3,05,987	159	4,01,587

it is necessary to examine the intensity of work per day and the duration of the work period during the year. The information available to us shows that the majority of centres for which reports are available, worked for an average of six months in the year. The nature of work at these centres varied from State to State, from about three months in Assam, four months in Orissa and five months in Punjab to 11 months in Kerala and 12 months in Mysore. Correlation of the period of work with the production per unit, shows that there has been and continues to be gross under-utilisation of capacity. Except a few centres in the country, the majority worked far below capacity even during the limited period of their work. The data on the value of production during the last three years together with the number of centres to which the value of production refers, detailed in Table 9, show that the value of production per unit has declined between 1957-58 and 1958-59 for the entire country. From an average output worth Rs 3,188 per unit in 1957-58, which may be construed on the basis of the analysis advanced above as a fairly full year, value of production during 1958-59 per unit declined to Rs 2,528. The same feature is noticeable in sharper outlines in Bombay, Madras, Punjab and Rajasthan. The variations in value per unit in some of the other States appear to be accidental.

6.20 An important feature to which we must refer in this connection is that every flaying centre is equipped with bone digester so as to convert waste material into valuable bye-products. The data on the work that has been done shows that, by and large, bone digesters sanctioned to the flaying centres have remained mostly unutilised. Except in Bombay and Orissa, bone digesters have not been worked anywhere near their capacity and even in Bombay and Orissa which were the only States which produced bone manure in some quantity, production was far below capacity. The information available to us which we have summarised in Statement XII shows that all flaying centres need not be supplied with bone digesters as there appears little chance of their being used even partially.

6.21 . Analysis of the number of hides and skins recovered by the flaying and carcass recovery centres in different States shows that intensity of work varied again very widely between one State and another, and between different units in the same State. Here again, the inability of most centres to work to capacity is a point that deserves to be emphasised. Apart from the total amount of funds un-profitably locked up in the centres sanctioned and which have not yet been organised so far, the organised centres can be said to be operating only notionally and not factually. Judged by any standard, absolute or relative, the flaying centres have not been organised in any State in the country in the areas with an assured reasonable supply of carcasses ; nor have steps been taken by those in-charge of these centres to ensure regular supplies of carcasses. Consequently, the bulk of the flaying centres have been worked not only far below their capacity, but have been located in areas from which sooner or later they will have to be either shifted or closed down for good. In fact, a number of centres organised have already closed down for want of work. The entire set of assumptions on which the proposals for the Second Five Year Plan were drawn up are thus found to be invalid.

6.22 We desire to bring to the notice of the Commission a very undesirable practice adopted by some of the flaying centres in the country. Not only have they not attempted to obtain carcasses for flaying, but for purely commercial purposes they have purchased raw bones in the markets and have sought to utilise the bone digester to prepare bone manure or bone meal. Such attempts have, however, not been a success everywhere. Consequently, the cost of production has been also un-economic as the flaying centre has had to compete with organised merchant classes for the limited supplies of raw bones. These operations have resulted in additional losses to the centres.

6.23 The review of the working of the flaying centres thus shows that the main objective of improving the nature of flaying in vogue to-day has not been served. Location of the centres as well as the manner in which they have worked have resulted in huge losses arising from gross wastage of capital and equipment sanctioned. Working capital that has been sanctioned during 1958-59 for these centres either remained locked up or have been utilised for purposes for which they were not meant and centres which are operating are not working in a manner calculated to benefit the chamars, whose cooperation does not appear to have been won so far. Consequently, we are constrained to observe that except a few centres in Bombay, Madras, Madhya Pradesh and Andhra, the rest of the centres do not appear to have served any purpose. We are, therefore, of the view that at present bone digester at the flaying centres is a superfluous equipment and, therefore, needs to be withdrawn.

Bone Crushing Centres

6.24 The inclusion of this item in the programme has really been unfortunate. Of the 137 centres sanctioned, 80 were allotted in 1958-59 and 57 by the end of 1957-58. Of these only 16 centres were organised. Reports available to us refer to only 6 centres in 1957-58 and 5 in 1958-59. We are certain that the rest of the units which have been set up have not worked for all practical purposes and in fact the only centres organised effectively to undertake production are 5 and not 16. Most of the centres in the country have worked for an average of 7 months. The centres in Kerala and Bombay worked for only five months as against 8 months in Bihar and West Bengal and 10 months in Mysore. The intensity of work of these centres can be gauged from the data of production shown in the Table 10.

TABLE 10

Production Of Bone Manure

State	1957–58 No. of centres reporting	1957–58 Production in lbs.	1957–58 Value in (Rs)	1958–59 No. of centres reporting	1958–59 Production in lbs.	1958–59 Value in (Rs)
1. Bihar	1	445	55	1	2,538	309
2. Bombay	2	272	50	1	49,056	1,866
3. Kerala	1	4,548	804	1	1,977	247
4. Mysore	1	33,987	8,322	1	1,945	240
5. West Bengal	1	322	50	1	5,581	696
Total	6	39,574	9,281	5	61,097	3,358

6.25 The bone crushing unit as compared with a flaying or a carcass recovery centre is a single purpose unit, viz., crushing of bones with a view to preparing either bone manure or bone meal and other bye-products. The rated capacity of a bone digester sanctioned to these units is 80 lbs. of raw bone per charge and four charges a day. Even a casual scrutiny of the figures set out in Table 10 shows that not even a single unit in the country has worked on economic lines. State-wise, there is no correlation between production and the period of work. While a unit in Bihar in 8 months produced 2,210 lbs or at the rate of 275 lbs per month, the unit in Bombay produced at the rate of a little over 9,810 lbs per month, whereas the unit in Mysore at the rate of 194 lbs and the one in West Bengal at the rate of a little over 400 lbs.

6.26 The analysis of the working of the bone crushing units sanctioned by the Commission vis-a-vis the operational problems in the field leaves no room for any complacency. We are constrained to observe that these units must be withdrawn, and every effort made to ensure that losses already incurred are reduced. Immediate steps must be taken to recall the funds sanctioned during 1958-59. As observed earlier, we find no justification whatsoever for the allotment of 80 units in 1958-59 when no centre was working satisfactorily and, no serious attempt was made by assisted agencies to organise those already sanctioned. To ensure that the moneys sanctioned are not altogether lost in an endeavour that seems to us to have no reasonable chances of success, the Commission must take immediate steps to recall the funds sanctioned as early as possible. The five units which are working may be allowed to continue. The Commission may direct the officers in-charge of this industry to examine the alternate uses to which the centres which have already been organised can be put so that the land, building, equipment etc., which have already been purchased and installed may not become a total loss.

Model Tanneries

6.27 Although as compared with flaying centres and bone crushing units, progress in the organisation of model tanneries has been better, the work in the model tanneries organised has varied very widely from State to State. Thus, for instance, the period of work of the model tanneries varies from 3½ months in Orissa to 11 months in Mysore and Madras, the average period of work being barely 8 months. Similarly, productivity per unit measured either in terms of months or the entire period worked during the year varies again equally widely. As demand for tanned leather in the country and the availability of raw hides are both of such a nature as to enable a well organised and efficiently run unit to work profitably, there is little justification for the majority of the centres functioning on totally inefficient lines. The details of work and productivity shown in Table 11 more than amply bear out our conclusion.

TABLE 11

Production At Model Tanneries

State	1957-58 No. of centres reporting	1957-58 Value (Rs)	1958-59 No. of centres reporting	1958-59 Value (Rs)
1. Andra	1	12,837	2	9,264
2. Assam	–	–	1	3,077
3. Bihar	2	18,984	3	38,492
4. Bombay	7	52,430	8	1,48,968
5. Madhya Pradesh	10	53,616	14	1,01,993
6. Madras	–	–	5	9,730
7. Mysore	1	29,419	1	13,080
8. Orissa	–	–	2	64,816
9. Punjab	25	3,06,038	24	3,84,294
10. Rajasthan	3	52,241	2	39,782
11. Uttar Pradesh	1	642	1	2,622
Total	50	5,26,207	63	8,16,118

6.28 To a certain extent, the work of the model tanneries has been handicapped by inadequate volume of working capital available. We would, however, like to be very careful in recommending additional grant of working capital for two reasons : the number of units sanctioned in the same State is very large and, as already noticed, working capital is advanced long before production actually commences. Consequently, we would suggest that any increase in the volume of working capital sanctioned for a tannery should be on the basis of the work done during the last two years and the release of funds in accordance with the increase in the volume of work. We are of the view that the sanction of funds for buildings and equipment must be on a State-wise basis rather on All-India basis, Costs of construction and prices of different types of building meterials, apart from the value of land, vary widely between differents States and, consequently, an All-India basis for this purpose seems inappropriate. It is essential, in our view, to ensure through appropriate method of supervision that all model tanneries equip themselves with the full complement of implements and equipment for which funds are disbursed. Information available to us is that the number, quality and variety of equipment actually purchased by tanneries are in many cases smaller than the funds sanctioned. This is undesirable as much from the financial as from the operational point of view.

Marketing Depots

6.29 The marketing depots for the leather industry were sanctioned for a two-fold purpose. The small and large marketing depots were expected to serve groups of production centres as their purchasing and selling agencies. Marketing depots sanctioned to different agencies have, however, confined their operations to the centres organised by the same agency and have not assisted centres belonging to other agencies. Thus the marketing depots have not provided the services they were expected to provide. Consequently, the extent to which they have benefitted the primary production centres, particularly the flaying centres and tanneries, is very small.

6.30 We are, however, of the view that there is need for marketing depots and they can play a vital role in enabling the tanners and flayers to obtain essential raw materials at reasonable prices and fair prices for their finished products. But to be effective, the marketing depots will have to be re-organised and the sooner they are the better for the industry.

Training-cum-Production Centres

6.31 The data available to us pertain to only the training-cum-production centres set up to provide training in tanning. The details of the working of the training-cum-production centres point to the need for considerable improvement, because their working has resulted also in considerable losses. Moreover, capacity for training available at these centres also is not fully utilized, and it is necessary to ensure fullest possible utilisation of available capacity. State-wise, value of production varies very widely, as can be seen from the data set out in Table 12. Neither the

TABLE 12

Production

State	1957–58		1958–59	
	No. of centres reporting	Value (Rs)	No. of centres reporting	Value (Rs)
1. Andhra	2	3,714	2	7,831
2. Bihar	1	14,855	1	46,542
3. Bombay	2	1,25,502	1	1,15,319
4. Madhya Pradesh	1	16,387	1	13,906
5. Madras	1	23,537	1	20,251
6. Rajasthan	–	–	1	7,265
7. Uttar Pradesh	1	12,823	1	12,759
Total	8	1,96,818	8	2,23,873

period of work nor the intensity of training seems to be uniform or satisfactory. We, therefore, suggest that immediate steps be taken to ensure improvement in every aspect of work being done.

Sales

6.32. We have specifically refrained from commenting on the sales of products of different production units. By and large, sales have not been a great problem to model tanneries, training-cum-production centres and even flaying centres producing raw hides and skin, because production has been negligible in relation to capacity. Products have been sold at prices that they can fetch rather than prices that are economic. Quality of production has essentially been traditional and the economics of production and sales have generally been ignored. We, therefore, consider that analysis of sales will serve very little purpose. We refer to sales mainly to invite the attention of the Commission that even with the present level of production, arrangements for marketing bone manures, bone meal and other bye-products of the flaying centres are inadequate and unsatisfactory. There is need for an intensive effort in this direction and our comments regarding the marketing depots were with a view to improving both the quality and the content of the services that they can provide.

6.33 Another point to which we must make reference is that the village leather industry can be worked on economic lines right from carcass recovery to the sale of leather products. There is effective demand for leather products, but they must be of acceptable quality, which is possible only if the industry is looked upon as an integrated whole. What has so far been done reflects, isolated and un-related efforts of institutions with the result that in the field there is no integration at any stage.

Employment And Wages

6.34 We present in Statement XVII, the information available on employment of persons in the industry. The total number of persons directly employed on a full-time basis in the industry has increased from 829 in 1957-58 to 1,625 in 1958-59 and the number of persons employed on a part-time basis from 555 persons in 1957-58 to 1,068 in 1958-59. Here again, there is no correlation between the number employed and the value of production per head. We have not, however, been able to ascertain the reasons for the absence of any correlation.

Wages

6.35 The data available on the wages paid are unsatisfactory. We, however, want to emphasise that this is due to inadequacies of the reports made available to us. The enquiries that we made show that the average rate of wages in the flaying centre is Rs 1–8–0 per day per person and about 12 annas per person employed on a part-time basis. At the bone crushing units, the average rate of wages per day is Rs 1–4–0 and in model tanneries Rs 1.95. State-wise, the rate of wages varies between Re 1–0–0 and Rs 2–4–0. For all practical purposes, these rates of wages are of little significance, because except for the chamars directly employed in the various centres, the organisation of the industry and the manner in which it has been worked so far has not, in our view, materially contributed to the improvement in the quality of the work done or the earnings of the chamar community.

Conclusions And Recommendations

6.36 The basic problem facing the leather industry programme is the non-availability of carcasses. A suggestion was made that Government should declare that all the carcasses of naturally dead animals is State property so that the customary rights which have disabled flaying centres from obtaining the carcasses of naturally dead animals are abolished. Only then, we are told that an earnest attempt can be made to improve the quality of flaying on an organized basis with the corresponding economies in the nature, quality and weight of the hides and skins recovered from animals. The implications of this proposal from the political as well as the administrative point of view need careful study. We do not, however, consider that we can express an opinion on this proposal. We suggest that the Commission take up this question with the Government of India because this is an endemic problem which has stood in the way of successful organization and working of flaying and carcass recovery centres and consequently all other types of centres related to them. But of immediate and of practical significance is the need for a concerted effort on the part of State Boards to secure from their respective Governments priority of rights to naturally dead animals.

It is within the competence of the State Governments to so direct the Panchayats as to accord the first priority to flaying centres in the disposal of carcasses. Early steps must be taken so as to ensure that the flaying and carcass recovery centres already set up get a reasonable chance for full-time working. This should be the immediate objective.

6.37 We agree with the suggestion made before us that no additional flaying centres should be sanctioned on the present pattern. There should be peripatetic parties to demonstrate and train flayers in the improved methods of flaying. A flaying bed or a platform can be given as an outright grant to centres visited by the peripatetic parties so that instead of flaying the carcasses at odd places, the carcasses can be flayed at a central place where all facilities are available. If assistance is given directly to flayers for the purchase of improved tools and equipment necessary, the original purpose, viz., training the flayers in the art of scientific flaying will be better served.

6.38 The review of the working of the industry points to the need for consolidation rather than expansion and to the immediate urgency of withdrawing all the units under each type sanctioned during 1958–59, with the exception of marketing depots. Every effort should be made to revitalise the units which have already been started and which today are functioning far below capacity.

6,39 We suggest the appointment of a special committee to go into the question of alternate uses of the bone-digesters in consultation with all the assisted agencies in the field. The centres at which the bone–digesters have so far been successfully worked may be allowed to continue. But every effort should be made to utilize at least 75 per cent of their capacity in the centres by a systematic drive to obtain larger number of carcasses. We are of the view that there is in the present circumstances very little chance of successful operation of bone–crushing units and consequently we recommend their withdrawal as a part of the scheme. The Commission may give this question immediate attention and examine how best and in what manner the funds sanctioned in 1958–59 at least can be withdrawn.

6.40 We suggest that no addition is made to the number of model tanneries till all the units sanctioned have been organized. We recommend, that to serve the purpose for which they were meant, the Commission should not merely lay down standard specifications of the buildings but ensure that these specifications are in fact observed by every assisted agency. As there has been a steep rise in the cost of building materials since the programme was originally drawn up and as the cost of construction varies from State to State, financial provisions for building may be revised upwards. But the actual sanction for the buildings may be left to be decided by the authorities at the State level. Similarly sanctions for the equipment and tools need to be revised. Here again the exact amount to be sanctioned for each unit should be decided at the State level in accordance with the local conditions. In consultation with State Boards and after careful scrutiny of the working of each tannery in the State, provision for working capital may be revised so as to facilitate full utilization of the capacity of the tannery.

6.41 As in the case of bone crushing units, no serious attempt has been made to organize glue manufacturing centres in the country. This also may be dropped from the effective programme till the working of the flaying and of the model tanneries comes up to the expected standards. Glue manufacturing centres may be reallocated such-wise that there is a resonable chance of organizing them at least in a few places.

6.42 The working of the training–cum–production centres though generally satisfactory can be very much improved. As referred to earlier, production in the tanneries, as in the training–cum-production centres, can be increased substantially. But the economics of the working of the centres can be substantially improved if adequate care is taken to purchase and sell products at economic levels. Data available to us show that this aspect of the question has not received the attention that it deserves.

6.43 Our review and comments on the working of the industry and its future are no doubt adverse. We are fully conscious that from the social, economic and cultural points of view the development of the village leather industry in which are to be found some of the most depressed sections of the population, is necessary and urgent. But we are equally conscious that the manner in which the scheme has been worked so far, has hardly affected for the better conditions of the community for the uplift of which it was meant. Unless the programme is reorientated and the original objectives are restated and the manner of working is properly amended, continuation of the programme, as it is, will serve no useful purpose. Convinced as we are of this position we have made the recommendations above and commend them to the Commission for acceptance.

CHAPTER 7

Cottage Match Industry

The development programme for the cottage match industry provided for loans and grants to approved institutions and agencies for the organization of 'D' Class match manufacturing units, facilities for training personnel required to run them and assistance for marketing of matches through sales depots. The review of the programme presented in the following pages is based mostly upon the report of the Special Committee for Cottage Match appointed by the Commission last year.

I. FINANCIAL

7.2 During the six-year period disbursements for the cottage match programme amounted to Rs 53.54 lakhs, of which Rs 24.09 lakhs were grants and Rs 29.45 lakhs loans. Of the total loans advanced, Rs 11.62 lakhs have been refunded and steps are being taken to recover both grants and loans from institutions and agencies which have not started any units. The net expenditure on the scheme is likely to be half of the total amount shown. As in the case of most other industries, disbursements during the Second Plan period amounted to Rs 33.72 lakhs as against Rs 19.82 lakhs during the First Plan period.

TABLE I

State-wise, Plan-wise disbursement

(Rs lakhs)

State	I Plan			II Plan			Total		
	Grant	Loan	Total	Grant	Loan	Total	Grant	Loan	Total
1. Andhra	1.43	2.62	4.05	1.67	2.43	4.10	3.10	5.05	8.15
2. Assam	–	–	–	0.54	0.81	1.35	0.54	0.81	1.35
3. Bihar	–	–	–	1.29	2.14	3.43	1.29	2.14	3.43
4. Bombay	2.46	4.51	6.97	1.14	2.12	3.26	3.60	6.63	10.23
5. Kerala	0.61	1.02	1.63	1.77	2.59	4.36	2.38	3.61	5.99
6. Madhya Pradesh	1.07	1.86	2.93	–	–	–	1.07	1.86	2.93
7. Madras	0.04	0.05	0.09	0.96	1.85	2.81	1.00	1.90	2.90
8. Mysore	–	–	–	0.94	1.60	2.54	0.94	1.60	2.54
9. Orissa	–	–	–	0.18	0.27	0.45	0.18	0.27	0.45
10. Punjab	0.18	0.27	0.45	0.21	0.33	0.54	0.39	0.60	0.99
11. Rajasthan	0.07	0.11	0.18	0.36	0.54	0.90	0.43	0.65	1.08
12. Uttar Pradesh	0.83	1.24	2.07	1.48	2.66	4.14	2.31	3.90	6.21
13. West Bengal	1.13	0.32	1.45	5.73	0.11	5.84	6 86	0.43	7.29
Total	7.82	12.00	19.82	16.27	17.45	33.72	24.09	29.45	53.54

7.3 State-wise, Bombay accounted for Rs 10.23 lakhs, Andhra for Rs 8.15 lakhs, West Bengal for Rs 7.29 lakhs, Uttar Pradesh for Rs 6.21 lakhs and Kerala for Rs 5.99 lakhs. Thus five States accounted for 70 per cent of the disbursements. The shares of Bihar, Madhya Pradesh, Madras and Mysore were comparatively smaller. Statement XVIII sets out the details of the disbursements, scheme-wise.

7.4 Of Rs 53.54 lakhs disbursed on the seheme, Rs 42.60 lakhs represent disbursements on the organization of 'D' Class units, Rs 4.22 lakhs on the organisation of marketing depots and about Rs 5 lakhs on training at the special centre in Sodepur and in the field and the balance on research, publicity and propaganda.

7.5 Statement XIX presents the details of disbursements agency-wise. As in the case of the rest of the industries, the bulk of the disbursements was to the State Boards, which accounted for Rs 22.55 lakhs; the share of the Development Commissioners was Rs 14.23 lakhs and that of registered institutions Rs 11.62 lakhs. The shares of co-operative societies, Intensive Areas and Directors of Industries were each comparatively very small. During 1958-59, expenditure on the industry was very small owing to the decision of the Commission to review the working of the programme.

II. PHYSICAL

7.6 During the six-year period, a total of 467 units were allotted to different agencies in different States as shown in Table 2. Bombay and Andhra were allotted 87 and 81 units, respectively and followed by Kerala and Uttar Pradesh with 65 and 63 units respectively. Bihar, Mysore and Madhya Pradesh received 35, 32 and 28 respectively and all other States received only a small number. Of the 467 units sanctioned upto the end of 1956-57, Bombay returned 35 units, Kerala 15 and Andhra 1, or a total of 51 units. Thus, the number of units actually allotted till the end of 1958-59 were 416. The agency-

TABLE 2

Organizational Progress

(No. of Units)

State	1954-55	1955-56	1956-57			1957-58			1958-59		
	Allotted	Allotted	Allotted	Returned	Working	Allotted	Returned	Working	Allotted	Returned	Working
1. Andhra	15	36	71	–	12	81	–	11	81	1	6
2. Assam	–	–	10	–	–	15	–	1	15	–	1
3. Bihar	–	–	20	–	–	35	–	–	35	–	1
4. Bombay	38	57	87	15	19	87	35	18	87	35	13
5. Kerala	–	17	50	–	9	65	–	18	65	15	4
6. M. Pradesh	16	28	28	–	7	28	–	8	28	–	9
7. Madras	–	1	6	–	2	26	–	1	26	–	4
8. Mysore	7	7	17	–	5	32	–	6	32	–	8
9. Orissa	–	–	5	–	1	5	–	–	5	–	1
10. Punjab	–	5	11	–	4	11	–	6	11	–	6
11. Rajasthan	–	2	12	–	–	12	–	–	12	–	–
12. U. Pradesh	–	23	43	–	6	63	–	12	63	–	14
13. W. Bengal	–	–	1	–	–	7	–	1	7	–	3
Total	76	176	361	15	65	467	35	82	467	51	70

wise allotments of these units in the different States are shown in Table 3.

TABLE 3

Institutional Progress

(No. of Units)

State	Development Commissioner	State Government	State Board	Intensive Areas	Co-operatives	Registered Institutions	Total
1. Andhra	40	–	35	–	5	–	80
2. Assam	5	–	5	–	5	–	15
3. Bihar	15	20	–	–	–	–	35
4. Bombay	–	–	48	1	–	3	52
5. Kerala	–	–	–	10	–	40	50
6. M.Pradesh	–	–	26	2	–	–	28
7. Madras	20	–	–	–	5	1	26
8. Mysore	10	10	12	–	–	–	32
9. Orissa	–	–	5	–	–	–	5
10. Punjab	–	–	–	–	5	6	11
11. Rajasthan	–	–	12	–	–	–	12
12. U.Pradesh	20	40	–	2	–	1	63
13. W.Bengal	–	6	–	1	–	–	7
Total	110	76	143	16	20	51	416

7.7 It will be seen from the data set out in the two tables above that the number of units that have commenced production is very small. At the end of 1957–58, 82 units were operating in the country. Of these 18 each were located in Kerala and Bombay, 12 in Uttar Pradesh; 11 in Andhra, 6 each in Mysore and Punjab. 5 units each in Bombay and in Andhra and 14 units in Kerala closed down during the year owing to accumulation of stocks. As shown in Table 4 at the end of 1958–59 there were 70 units, which were still operating.

7.8 It is, however, necessary to point out that though the productive capacity of each of these units sanctioned was 15 gross of 60's per day, hardly a single unit anywhere in the country attained this

TABLE 4

Units Working

State	1957–58		1958–59	
	Co–op. Societies	Regd. Institutions	Co–op. Societies	Regd. Institutions
1. Andhra	11	–	6	–
2. Assam	–	1	–	1
3. Bihar	–	–	–	1
4. Bombay	4	14*	4	9†
5. Jammu & Kashmir	–	–	–	–
6. Kerala	–	18§	–	4‡
7. Madhya Pradesh	1	7	–	9
8. Madras	–	1	–	4
9. Mysore	–	6	–	8
10. Orissa	–	–	1	–
11. Punjab	3	3	2	4
12. Rajasthan	–	–	–	–
13. Uttar Pradesh	5	7£	3	11
14. West Bengal	–	1	–	3
Total	24	58	16	54

* Includes 3 in Intensive Area Scheme
† Includes 1 in Intensive Area Scheme
§ Includes 1 in Intensive Area Scheme
‡ Includes 1 in Intensive Area Scheme
£ Includes 1 in Intensive Area Scheme

level of production. Consequently, there was considerable wastage of productive capacity in most of the units. In spite of the under–utilisation of capacity, accumulation of stocks with most units resulted in the appointment of a Special Committee to investigate and recommend steps to improve the working of the units.

Production

7.9 The maximum production attained during the six-year period was in 1957-58, when 82 units produced between them 11,679 gross boxes or roughly about half a gross a day taking the working period in the year as 300 days. During 1958-59, production per unit decreased further, falling from about 142 gross boxes per year in 1957-58 to 138 gross boxes in 1958-59 as shown in Table 5.

TABLE 5

State-wise, Year-wise Production

(Qty. Gross Boxes)

State	1954-55	1955-56	1956-57	1957-58	1958-59
1. Andhra	—	958	7,689	3,892	691
2. Assam	—	—	—	11	43
3. Bihar	—	—	—	—	329
4. Bombay	—	1,291	5,669	3,509	4,087
5. Jammu & Kashmir	—	—	—	—	—
6. Kerala	—	210	1,232	1,906	1,312
7. Madhya Pradesh	—	231	1,059	746	619
8. Madras	—	—	—	91	174
9. Mysore	—	—	—	362	271
10. Orissa	—	—	—	—	12
11. Punjab	—	—	—	104	481
12. Rajasthan	—	—	—	—	—
13. Uttar Pradesh	—	—	353	502	620
14. West Bengal	112	873	929	556	1,052
Total	112	3,563	16,931	11,679	9,691

The main reason for the poorer rate of production was reorganization of the entire scheme as recommended by the Special Committee. According to the Special Committee the assumptions of the Cottage Match Scheme regarding its economics as well as employment potential required to be tested intensively and extensively. In its view, the working of the scheme so far did not result in any of the benefits claimed for it. For this purpose the Committee suggested a specially designed trial programme with 40 carefully selected units from among those distributed to different agencies. The trial programme is to be worked for a period of 6 months from October 1959 to March 1960 before any decision is taken about the nature of the programme for the future.

Training

7.10 During the six-year period, expenditure on training amounted to Rs 3.96 lakhs. Two courses, one for chemists and the other for operatives were provided under the scheme. The training programme was in charge of Khadi Pratisthan. As pointed out by the Special Committee for Cottage Match, 787 persons were trained during the six-year period. Of this, only 200 persons have been absorbed in the industry. Expenditure on the rest of the candidates trained has, thus, been wasted.The State-wise distribution of the candidates trained to far is shown in Table 6. In view of what we have observed about the progress in organisation of the units and production, it is not possible to compare the number trained with production.

TABLE 6

Training–Number Trained

State	Upto 1956-57	1957-58	1958-59	Total
1. Andhra	23	12	16	51
2. Assam	4	4	9	17
3. Bihar	8	22	86	116
4. Bombay	56	8	11	75
5. Kerala	52	56	106	214
6. Madhya Pradesh	23	5	–	28
7. Madras	2	5	48	55
8. Mysore	13	8	–	21
9. Orissa	4	5	–	9
10. Punjab	6	3	8	17
11. Rajasthan	5	–	–	5
12. Uttar Pradesh	45	35	53	133
13. West Bengal	16	9	14	39
14. Delhi	3	–	2	5
15. Himachal Pradesh	1	–	–	1
16. Tripura	1	–	–	1
Total	262	172	353	787

CHAPTER 8

GUR AND KHANDSARI INDUSTRY

The development programme for the gur and khandsari industry provided financial assistance for the purchase of improved equipment, subsidised distribution of different types of material for the improvements of the quality of production, training and technical guidance in the construction of improved furnaces and working capital for storage and marketing of gur, rab and sugar.

I. FINANCIAL

8.2 On the development of gur and khandsari industry in the country, both the State Governments and the Government of India spent considerable sums of money, but the Commission does not have the details of either the disbursements or the results achieved. Consequently the review of the disbursements of funds presented in the following pages is exclusive of the expenditure incurred by State Governments from their own and/or from the funds received by them directly from the Union Government prior to 1957–58.

8.3 During the six-year period, expenditure incurred by the Commission on the implementation of the programme amounted to Rs 56.84 lakhs of which Rs 29.78 lakhs were grants and Rs 27.06 lakhs loans. The bulk of the expenditure on this industry, as in the case of other village industries, was during the Second Plan period. During the six-year period, repayment of loans amounted to Rs 1.56 lakhs. The net expenditure on the programme, thus, was Rs 55.28 lakhs.

Details of the disbursements State-wise and Plan-wise are presented in Table I.

TABLE I

State-wise, Plan-wise Disbursements

(Rs lakhs)

State	I Plan			II Plan			Total		
	Grant	Loan	Total	Grant	Loan	Total	Grant	Loan	Total
1. Andhra	–	–	–	4.00	1.94	5.94	4.00	1.94	5.94
2. Assam	–	–	–	1.15	0.73	1.88	1.15	0.73	1.88
3. Bihar	–	–	–	2.06	2.39	4.45	2.06	2.39	4.45
4. Bombay	–	–	–	4.42	5.18	9.60	4.42	5.18	9.60
5. Kerala	–	–	–	0.16	0.41	0.57	0.16	0.41	0.57
6. Madhya Pradesh	0.05	–	0.05	1.74	0.97	2.71	1.79	0.97	2.76
7. Madras	0.05	–	0.05	2.85	1.27	4.12	2.90	1.27	4.17
8. Mysore	–	–	–	1.64	1.70	3.34	1.64	1.70	3.34
9. Orissa	0.20	–	0.20	1.62	1.81	3.43	1.82	1.81	3.63
10. Punjab	0.05	–	0.05	1.56	1.72	3.28	1.61	1.72	3.33
11. Rajasthan	0.05	–	0.05	1.20	1.97	3.17	1.25	1.97	3.22
12. Uttar Pradesh	0.35	0.10	0.45	4.99	5.14	10.13	5.34	5.24	10.58
13. West Bengal	0.05	–	0.05	1.59	1.73	3.32	1.64	1.73	3.37
Total	0.80	0.10	0.90	28.98	26.96	55.94	29.78	27.06	56.84

State-wise

8.4 State-wise, the programme was essentially confined to Uttar Pradesh (Rs 10.58 lakhs), Bombay (Rs 9.60 lakhs) and Andhra (Rs 5.94 lakhs) which between them accounted for Rs 26.12 lakhs or a little less than one half of the total expenditure. While Bihar and Madras received Rs. 4.45 lakhs and Rs. 4.17 lakhs respectively, most of the States, except Assam and Kerala, received a little over Rs 3 lakhs and Madhya Pradesh a little less than Rs 3 lakhs; but Assam and Kerala received only Rs 1.88 lakhs and Rs 0.57 lakhs, respectively. The wide variations in the receipts of different States were due to the earlier start that some of the States, particularly Uttar Pradesh, Bombay and Andhra had made in the development of the industry.

Scheme-wise

8.5 . We have been considerably handicapped for want of accurate information on the scheme-wise disbursement of funds. We made every effort to get complete figures, but we were not able to do so. It is, therefore, not possible for us to attempt any analysis of the funds disbursed scheme-wise. The figures presented in Statement XX should, therefore, be considered illustrative. They cannot be subjected to any analysis.

Agency-wise

8.6 Of the total expenditure of Rs 56.84 lakhs, disbursements to State Boards accounted for Rs 28.75 lakhs or a little over 50 per cent. Nearly 95 per cent of this amount was disbursed to State Boards during 1957–58 and 1958-59, more than 50 per cent of the amount being disbursed during 1958–59. Similarly, disbursements to Directors of Industries amounting to Rs 19.31 lakhs and to the Development Commissioners amounting to Rs 2.54 lakhs were made during the last two years. Disbursements to co-operative societies and Intensive Areas together were Rs 5.90 lakhs, whereas those to registered institutions amounted to only Rs 34,000. Disbursements during 1958–59 amounted to Rs 26.45 lakhs or 46.53 per cent of the total disbursements, as detailed in Statement XXI.

Utilization Of Funds

8.7 As in the case of other industries, utiliaztion of funds was slow. Of the disbursements made till the end of 1957–58, utilisation of funds by the assisted agencies averaged only 49 per cent till the end of 1957-58. As observed earlier, the review of physical results cannot be correlated with the financial disbursements shown above because they are exclusive of expenditure financed directly by the Union and State Governments.

II. PHYSICAL

8.8 At the end of 1958-59, the implementation of the Gur and Khandsari Industry was in charge of 187 co-operative societies and had been introduced in 72 C. P. Areas. But the bulk of the work was in charge of Directors of Industries in both Uttar Pradesh and in Andhra in sharp contrast with that of any other industry.

Distribution Of Implements

8.9 Till the end of 1958-59, 6,505 bullock-driven kolhus and 216 power-driven kolhus were distributed. Similarly, 288 power-driven centrifugals, 286 hand-driven and 11 peddle-driven centrifugals were distributed. In addition to these, 5,422 pans and 8,056 moulds, cube frames etc., were distributed among the artisans engaged in the industry. The State-wise distribution of different types of implements till the end of 1958-59 are shown in Table 2. State-wise, the largest number of power-driven kolhus was introduced in Andhra (82), followed by Mysore (66), Bombay (34) and Uttar Pradesh (24), but the pattern of distribution of bullock-driven kolhus was entirely different. Uttar Pradesh received 2,132 kolhus while the next largest was Andhra with only 404 and Mysore 314. The rest of the States received only a negligible number. Similarly 222 power-driven centrifugals were distributed in Uttar Pradesh, but only 27 and 22 such centrifugals were introduced in Bombay and Andhra respectively. Only Bengal and Kerala experimented with peddle-driven centrifugals and hand-driven centrifugals also were concentrated in Uttar Pradesh. The distribution of other types of implements such as pans, moulds, cube frames etc., tended to be concentrated in the three States, viz., Uttar Pradesh, Andhra and Bombay.

TABLE 2

Distribution Of Implements Till The End Of March 1959

State	Kolhus		Centrifugals			Pans	Others
	Power driven	Bullock driven	Power driven	Hand driven	Peddle driven		
1. Andhra	82	404	22	23	–	1,434	1,082
2. Assam	–	268	–	15	–	117	117
3. Bihar	1	231	–	–	–	166	5
4. Bombay	34	144	27	13	–	1,068	378
5. Kerala	2	14	2	–	2	15	–
6. Madhya Pradesh	–	200	–	–	–	–	–
7. Madras	2	175	2	2	–	84	45
8. Mysore	66	314	8	6	–	76	89
9. Orissa	–	262	–	–	–	194	263
10. Punjab	–	216	–	–	–	156	–
11. Rajasthan	5	229	5	12	–	217	15
12. Uttar Pradesh	24	2,132	222	151	–	959	2,839
13. West Bengal	–	154	–	16	9	236	917
Total	216	6,505*	288	286@	11	5,422£	8,056†

* Break-up of 1,762 not available
@ Break-up of 48 not available
£ Break-up of 700 not available
‡ Break-up of 2,306 not available

8.10 One of the principal activities, as observed above, was the construction of economical furnaces and the repair of traditional furnaces with a view to reducing the quantities of fuel consumed. During the six-year period 8,501 furnaces were repaired and 28,142 new economical furnaces constructed. Details of the State-wise break-up of the furnaces repaired and constructed are, however, incomplete, and the available information is set out in Table 3.

8.11 Demonstration in the improved methods of gur manufacture particularly through the use of carbon, juice clarificants etc., also constitute one of the important activities under the development programme. During 1958-59, the mobile demonstration units covered 7 States. During the period December to April 1958-59, the mobile demonstration units covered 1,07,650 farmers in 94 villages in 7 States.

TABLE 3

Furnaces Constructed And Repaired

State	1957-58		1958-59	
	Constructed	Repaired	Constructed	Repaired
1. Andhra	2,051	829	1,413	724
2. Assam	83	–	70	–
3. Bihar	125	–	110	–
4. Bombay	287	142	497	200
5. Kerala	–	–	–	–
6. Madhya Pradesh	–	–	44	16
7. Madras	150	–	362	476
8. Mysore	10	2	5	–
9. Orissa	180	10	335	–
10. Punjab	41	79	157	95
11. Rajasthan	160	82	251	158
12. Uttar Pradesh	2,566	1,387	–	–
13. West Bengal	120	–	200	–
Total	5,773	2,531	3,444	1,669

(State-wise break-up of 18,925 new furnaces constructed and 4,301 old furnaces repaired upto 1956-57 are not available.)

III. PRODUCTION

8.12 Production of gur under the programme increased from 40.64 lakh mds in 1957-58 to 53.81 lakh mds in 1958-59, as shown in Table 4. Specially improved quality of gur

TABLE 4

Production

Products	Unit	1954-55		1955-56		1956-57		1957-58		1958-59	
		Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value
1. Ordinary Gur	Lakh B.Mds.	12.88	139.40	34.44	370.60	39.76	426.00	40.64	492.40	63.81	1,132.73
2. Quality Gur	,,	4.48	50.90	8.40	98.70	5.60	68.86	*	*	*	*
3. Cream	B. Mds.	700	0.10	2,408	0.34	56	0.01	308	0.05	—	—
4. Rab	Lakh B.Mds.	—	—	1.12	12.00	—	—	5.31	64.25	—	—
5. Khandsari	,,	—	—	0.28	5.50	0.33	8.15	0.52	12.48	1.82	55.96
6. Mollasses	,,	—	—	0.28	1.00	0.49	1.96	0.74	2.21	—	—
Total			190.40		488.14		504.98		571.39		1188.69

* Included in ordinary gur.

has been one of the items of the development programme, but details are, however, not available for 1958-59. One of the striking changes in 1958-59 is the increase in the production of khandsari sugar. As compared with 28,000 mds in 1955-56, 33,000 mds, in 1956-57 and 52,000 mds in 1957-58, production of khandsari sugar amounted to 1.82 lakh mds in 1958-59. The bulk of the production of khandsari was in Uttar Pradesh which accounted for 1.1 lakh mds out of a total production of 1.82 lakh mds. State-wise details of production are presented in Statement XXII.

Sales

8.13 The details of the sales of gur and khandsari set out in Statement XXIII show that progress in sales was in accordance with that in production, most of the States being able to market the entire quantity of production.

Employment

8.14 Employment in this industry should be construed more as the coverage of farmers by the demonstration parties rather than provision of additional employment. As compared with the position in 1957-58 the industry provided fuller employment to 1,07,952 persons in 1958-59 and seasonal employment to 30,780 persons and casual jobs to 10,873 persons during 1958-59 as compared with the corresponding figures of 8,632, 17,594 and 20,103 persons respectively during 1957-58.

8.15 The figures of employment presented in Table 5 for the two years are not, however, wholly reliable nor are we in a position to comment on the manner in which they have been computed. There is no correlation between the volume of production and number employed of any category. Thus, for instance, production of gur in Andhra was 28.71 lakh mds produced by 40,000 full-time and 12,000 part-time workers, whereas for 9.81 lakh mds, Uttar Pradesh provided full-time employment to 14,000 persons and seasonal employment to 839 persons. For a negligible volume of production in West Bengal, 13,850 persons are reported to have found full-time employment and 800 persons part-time employment.

TABLE 5.

Employment

State	1957-58			1958-59		
	Full time	Seasonal		Seasonal		Causuals
		Full time	Part time	Full time	part-time	
1. Andhra	108	228	—	40,160	12,580	6,502
2. Assam	38	320	—	42	N. R.	N. R.
3. Bihar	60	246	—	5,300	2,943	1,500
4. Bombay	3,961	6,740	8,103	7,140	1,600	125
5. Madhya Pradesh	—	—	—	N. R.	N. R.	N.R.
6. Madras	51	248	—	750	20	N.R.
7. Mysore	24	214	-	7,000	1,400	N.R.
8. Orissa	-	-	-	3,437	5,560	2,541
9. Punjab	19	250	-	15,000	5,000	N.R.
10. Rajasthan	63	268	-	1,253	38	205
11. Uttar Prades	4,272	8,800	12,000	14,020	839	N.R.
12. West Bengal	36	200	-	13,850	800	N.R.
Total	8,632	17,594	20,103	1,07,952	30,780	10,873

Consequently, it is diffficult to correlate the volume of employment with the quantity of production. Similar contradictions are noticeable in the figure for the other States as well.

Wages

8.16 On the basis of the information available to us, the employment found in the industry is mostly seasonal. The bulk of those employed are self-employed farmers who come within the purview of the beneficial activities of the scheme. Employment in the industry varies between 100 to 120 days, depending upon the duration of the season. Besides the farmers who benefit by the scheme, skilled and unskilled artisans are employed at the production units on a regular wage basis. Where gur is produced at a definite centre, employment is found for mechanics, juice boilers and unskilled work for cartmen and others. The average level of wage for skilled jobs in this industry varies from Rs 2-8-0 to Rs 3-8-0 per day and the seasonal earnings between Rs 250 to Rs 350. With the introduction of centrifugals of different types and production of khandsari sugar employment found for skilled artisans may be said to have increased, The extent of such increase, however, cannot be indicated in the absence of reliable data.

Training

8.17 The training Scheme under the industry is of two types: first by demonstration through peripatetic parties which tour areas

TABLE 6

Training Of Honorary Workers

State	1956-57	1957-58	1958-59	Total
1. Andhra	75	47	60	182
2. Assam	25	11	25	61
3. Bihar	32	25	N.R.	57
4. Bombay	21	40	84	145
5. Kerala	–	–	5	5
6. Madhya Pradesh	30	25	17	72
7. Madras	10	25	20	55
8. Mysore	–	–	N.R.	–
9. Orissa	25	30	30	85
10. Punjab	–	30	54	84
11. Rajasthan	13	24	25	62
12. Uttar Pradesh	230	304	128	662
13. West Bengal	3	5	3	11
Total	464	566	451	1,955*

* Break-up not available for Honorary workers training in 1954-55 – 186, and in 1955-56 – 288.

of production and demonstrate the economics and utility of different methods of producing quality gur, and, second, provision of training facilities for honorary workers, who, after completing their training, undertake to popularise the improved methods in their own areas. During the six-year period, as shown in the Table 6, 1955 of such workers have been trained.

Conclusions And Recommendations

8.18 As compared with the progress made by other village industries, the development programme for gur and khandsari industry would appear to have brought within its beneficial fold a larger number of artisans. But the review of the distribution of implements during the six-year period, however, shows that the extent of the three-fold benefits, an improved crusher, centrifugal, and the pan, which constitute the major items of improved implements, has covered hardly a fraction of the total number engaged in the manufacture of gur in all States. Secondly, the extent of improvement effected in the quality of gur produced cannot also be accurately measured in the absence of relevant information. But the available data show that comparatively speaking larger number of persons in this industry have been taught methods of improved manufacture.

8.19 What has been done points to what remains to be done, because without an improved crusher, the extraction of juice from sugarcane is small and involves considerable wastage. Moreover, the improved strains of cane now being introduced for their higher sucrose content are generally not amenable to economic crushing in the traditional kolhus and consequently there is need for the introduction of improved kolhus on a considerably larger scale. As the primary assistance to a producing unit consists of kolhus and pans, we are of the view that considerable expansion of activities is necessary in this respect. Good quality gur, we were told by each representative from the major cane growing States, fetches

Rs 2 to Rs 3 per maund more than ordinary gur. We, therefore, consider that although this industry is not capable of providing additional employment except in the manufacture of Khandsari and that, too, for an entirely different category of persons, the industry provides an excellent opportunity for improving the economic conditions of the farmers. We, therefore. are of the view that in selected States where conditions are most favourable, intensive expansion is necessary.

8.20 Suggestions have been made by several representatives that the Commission should assist the distribution of power-driven crushers and centrifugals on a more liberal scale. We are fully aware that khandsari manufacture at present is confined to Uttar Pradesh and generally it is a wasteful process. Many of the States such as Andhra, Madras and Bombay have attempted the manufacture of khandsari on an experimental scale. But in Andhra this process has gone farther than in the others. It is essential to take a very objective view regarding the use of power driven implements in this industry. There are two primary reasons why in this case use of power is essential. An improved kolhu, according to the information that we have, is able to extract 65 per cent on the weight of cane as against 58 per cent or less in the traditional kolhu. In the national interest, it is necessary to reduce progressively the percentage of wastage at present. Besides, the returns to the farmer themselves are higher, because he is able to make larger quantity of gur. We would, therefore, recommend a reconsideration of the present policy of the Commission towards the expansion of this industry. Secondly, we are not sure whether the present differential advantage that khandsari enjoys will continue. But certainly assistance to manufacture sugar strengthens the bargaining position of the gur producer inasmuch as he is not compelled to market his gur at whatever prices prevail in the market, but enables him to convert his rab into sugar or gur in accordance with the price trends in the market. The view was expressed that the excise differential today has benefitted the khandsari manufacturer and, if necessary, an excise duty also could be levied on Khandsari. In any case if centrifugals are to be introduced at all, they must be power-driven units and no production units should be equipped with more than two centrifugals of the type now in use, so as to retain the scope for co-operative ownership of the productive implements. Subject to these two provisions, we are of the view that there is scope for expansion of this programme, because power-driven centrifugals do not displace labour and give the farmer a means to produce a commodity which has a ready market and assures him fair returns.

8.21 There is, however, one aspect of the question of the supply of kolhus and centrifugals to which we would like to invite the attention of the Commission. The monopoly at present enjoyed by the Union Government in the manufacture of crushers has affected the supply position considerably.* Secondly, repair and servicing facilities provided are altogether inadequate, and the experience in most States is that service facilities are irregular and frequent stoppage of work for considerable periods of time become unavoidable. There is, therefore, need to consider how far it is feasible to manufacture improved crushers at selected centres in each State. Further, centrifugals of the type and quality required are not manufactured at economic prices because orders are small and irregular. If the Commission revises its present policy as regards both power-driven crushers and centrifugals, supply and service position can considerably be improved.

* There are considerable delays in the supply of kolhus.

CHAPTER 9

PALM-GUR INDUSTRY

The palm-gur industry was transferred from the Ministry of Food and Agriculture to the Board in 1954 and development programme for the industry provided financial assistance for the organization of different types of production units, demonstration in the use of improved equipment, manufacture of gur, and improved types of furnaces and different types of promotional activities such as plantation of palms and colonisation of advantageous areas by tappers. The development programme is thus, a multi-faced programme implemented mostly through State Governments and State Boards.

I. FINANCIAL

9.2 During the five-year period, expenditure on the implementation of the development scheme for the industry amounted to Rs 92.27 lakhs, of which Rs 67.59 lakhs were grants and Rs 24.68 lakhs loans. Expenditure during the Second Five Year Plan period aggregated to Rs 78.17 lakhs as compared with the expenditure of Rs 14.09 lakhs during the First Five Year Plan period. Thus expenditure in the Second Five Year Plan period was over five times as much as during the First Five Year Plan period. Repayment of loans during the period amounted to Rs 1.63 lakhs and consequently the net expenditure on the industry amounted to Rs. 90.64 lakhs. Analysis of the disbursements and results are on the basis of the total and not the net expenditure on the industry. Details of the disbursements State-wise and Plan-wise are presented in Table I.

TABLE I

State-wise, Plan-wise Disbursements

(Rs lakhs)

State	I Plan			II Plan			Total		
	Grant	Loan	Total	Grant	Loan	Total	Grant	Loan	Tota
1. Andhra	1.10	0.95	2.05	6.65	3.76	10.41	7.75	4.71	12.46
2. Assam	0.21	–	0.21	0.51	0.03	0.54	0.72	0.05	0.75
3. Bihar	0.73	–	0.73	4.17	2.72	6.89	4.90	2.72	7.62
4. Bombay	2.90	0.32	3.22	10.67	1.83	12.50	13.57	2.15	15.72
5. Jammu & Kashmir	–	–	–	0.08	–	0.08	0.08	–	0.08
6. Kerala	0.77	0.58	1.35	4.32	1.29	5.61	5.09	1.87	6.96
7. Madhya Pradesh	0.60	0.04	0.64	4.67	1.42	6.09	5.27	1.46	6.73
8. Madras	0.66	1.38	2.04	8.80	4.86	13.66	9.46	6.24	15.70
9. Mysore	0.49	0.08	0.57	1.65	0.58	2.23	2.14	0.66	2.80
10. Orissa	0.50	0.21	0.71	2.93	0.60	3.53	3.43	0.81	4.24
11. Punjab	0.41	0.01	0.42	2.19	0.40	2.59	2.60	0.41	3.01
12. Rajasthan	0.81	0.08	0.89	3.26	0.71	3.97	4.07	0.79	4.86
13. Uttar Pradesh	0.36	0.10	0.46	1.36	0.29	1.65	1.72	0.39	2.11
14. West Bengal	0.81	–	0.81	5.98	2.44	8.42	6.79	2.44	9.23
Total	10.35	3.75	14.10	57.24	20.93	78.17	67.59	24.68	92.27

State-wise

9.3 The study of Table I shows that States in which the development of palm-gur has been traditional since time immemorial received the bulk of the financial assistance. Thus, for instance, Madras, Andhra, West Bengal and Kerala received Rs 15.70 lakhs, Rs 12.46 lakhs, Rs 9.23 lakhs and Rs 6.96 lakhs, respectively, accounting together for Rs 44.35 lakhs or over 48 per cent of the total disbursements. Madhya Pradesh and Bihar in which tapping of palm trees is also fairly developed, accounted together for Rs 14.35 lakhs. Bombay, which is relatively new to this industry, received Rs 15.72 lakhs, because most of the development and promotional activities were concentrated in it. Thus, seven States accounted for Rs. 74.42 lakhs or over 80 per cent of the total disbursements. In all other States, such as Mysore, Punjab, Rajasthan and Orissa, experimental schemes were sanctioned for the development of the industry. A point worth noticing in the pattern of disbursements is that a sustained effort has been made to reach out to every State and introduce tapping of palm trees with a view to organizing production of palm-gur.

Scheme-wise

9.4 Analysis of the figures in Statement XXIV which presents disbursements scheme-wise, shows that the bulk of the expenditure amounting to Rs 44.11 lakhs was on the organization of different types of production centres. Promotional activities such as the organization of palm products, palm plantation and palm colonization units, accounted for Rs 2.54 lakhs and the organization of neera and sherbat units for Rs 4.70 lakhs. Thus, over Rs 50 lakhs of the total expenditure of Rs 92 lakhs were on the organization of production units. As observed above, in addition to financial assistance for production centres, the scheme specifically provided for organization of different types of demonstration activities to popularise improved methods of working. Consequently pilot production centres and model demonstration centres were also organized, though the expenditure on these items was only Rs 1.31 lakhs. The next largest item of expenditure was the provision for the implementation of the scheme by different State agencies.

Agency-wise

9.5 The details of the distribution of expenditure by different agencies presented in Statement XXV and XXVI show that Rs 53.89 lakhs out of a total of Rs 92.27 lakhs were disbursed through the different official agencies in the States, such as Directors of Industries (Rs 11.97 lakhs), Development Commissioners for implementation of the scheme in the Community Development Blocks (Rs 5.74 lakhs) and State Boasds (Rs 36.18 lakhs). In sharp contrast to most other village industries, palm-gur industry is organized on cooperative lines, the number of co-operative societies organized so far exceeding 2,700. Co-operative societies received Rs 22.60 lakhs as against Rs. 15.46 lakhs received by registered institutions. The pattern of disbursements by agencies detailed in the above Statements, shows that, by and large, the implementation of the scheme was entrusted to official agencies at the State level and co-operative societies. Whatever improvement was sought to be effected was through demonstration and training in the field.

Utilization

9.6 As in most other village industries, utilization of funds by most agencies was slow. Thus, of over Rs 72 lakhs disbursed till the end of 1957-58 only Rs 25.44 lakhs or a little over one third was utilized, and mostly by co-operative societies. Consequently, the review presented below is of the work done by co-operative secieties.

II. PHYSICAL

9.7 The major development in the pal-mgur industry which needs to be noted first is the reorganization of the entire industry throughout the country. At the time the former Board took up the programme, there were already quite a large number of co-operatives particularly in Madras and Andhra which may be considered to be the traditional areas of this industry. Since the Board took over the development of this industry, the numbr of co-operative societies has increased in all the States in which it was introduced in spite of a decrease in the number of societies in Madras, as can be seen from the data presented in Table 2. In Andhra and Kerala the number of societies increased from 788 and 61, respectively in 1956-57 to 852 and 146, respectively in 1958-59. In the new areas such as Bihar, Mysore, Orissa, Rajasthan and Uttar Pradesh, the number of societies increased substantially.

TABLE 2

Progress Of Co-operative Societies

State	1956-57		1957-58		1958-59	
	Co-op. No.	Federations No.	Co-op. No.	Federations No.	Co-op. No.	Federations No.
1. Andhra	788	–	791	–	852	1
2. Bihar	25	1†	32	1	38	1
3. Bombay	30	1	33	1	33	1
4. Kerala	61	1	146	1	146	1
5. Madhya Pradesh	2	–	5	–	16	1
6. Madras	1,600	–	1,430	1	1,430	1
7. Mysore	10	–	55	1	55	1
8. Orissa	17	–	20	1	20	1
9. Punjab	2	–	1	–	3	–
10. Rajasthan	16	1†	22	1	22	1
11. Uttar Pradesh	11	1†	15	1	18	1
12. West Bengal	56	1†	76	1	83	1
Total;	2,618	6	2,626	8	2,716	11

† Set up in 1955-56.

9.8 To enable the workers in the industry to stand on their own feet, primary co-operative societies have been organized into federations at the State level. Such federations of co-operative societies have been organized in all States, except Orissa and Punjab where the co-operative reorganization has not yet acquired the desired momentum. The State federation in their turn have been organized into an All-India Federation. Co-operativisation in palm-gur has proceeded further than even in village oil industry which as we noted earlier, has accorded priority to this pattern of organization. In the palm-gur industry, there has thus been a sustained endeavour to organize tappers into co-operatives and entrust to them both the production and commercial functions.

9.9 The bulk of the units of different types sanctioned were to co-operative societies and State Boards. We do not, however, have details of the different types of centres that have been organized and have gone into actual production. . From the information made avilable to us, it would appear that production units have been classified into different groups with a view more to deciding the volume of assistance to different agencies rather than setting up new centres of any particular type. Assistance, in the main, has been given to co-operative societies to assist members to purchase better tools and equipment particularly in Andhra, Madras, Kerala and West Bengal. It would, thus, appear that for all practical purposes production units allotted have been in fact organized, though the details of the areas in which they have been set up are not available.

9.10 In areas where neera and sherbat units have been permitted to be organised under the present excise rules, returns to tappers generally have been good, as the demand in most of the areas where these units are functioning has been large and sustained. This has enabled tappers in these areas and their societies to acquire greater economic strength than in areas where permission to tap the trees and organize distribution of neera has not been possible. If production of gur from neera becomes merely the residual part dealing only with the surplus of neera over the actual sales, we feel that the economics of the industry will completely change.

9.11 Another equally important point to which reference is necessary is the need for a considerably larger organizational effort to set up palm product training centres with a view to training tappers in the production of the bye-products during the off season. The details available to us about the functioning of these units, the sales of the products and the returns that have been obtained, though incomplete and inadequate for an overall assessment of the scope for a sustained development, show that the results are sufficiently promising to warrant more intensive experiments in a larger number of areas.

Production And Sale

9.12 Data available on production and sales are altogether inadequate to present any overall assessment. For the last three years data are incomplete even on production. The available data presented in Table 3 are misleading. We are not in a position to assess the reasons for a steady decline in the levels of production in Andhra, Kerala, Madras and West Bengal. In each of these States production seems to have started decreasing since 1955-56. The decrease in Andhra, particularly is striking. Production in other States as well does not show any trend which can be reconciled with the trends in the expenditure. We, therefore, consider that the insufficiencies in the information are far too many even in the information available for 1957-58 to attempt any comparative study. We, therefore, suggest to the Commission to impress on those in charge of the industry both at the centre and in the States the importance of collecting data on the essential aspects of this indudustry. Though we have no data as such to support any view, for or against, in our discussions with the representatives of different agencies, no one referred to any decline in production though, judging from the data set out in the Table, there would appear to be a serious reversal of trends since 1955-56. We suggest that the

TABLE 3

Production

(Qty. in B. Mds.)

	1954-55	1955-56	1956-57	1957-58	1958-59
State	Quantity	Quantity	Quantity	Quantity	Quantity
1. Andhra	1,52,152	2,23,069	2,34,371	1,21,255	97,955
2. Assam	N.A.	N.A.	N.A.	100	19
3. Bihar	3,000	5,000	5,000	5,000	3,857
4. Bombay	2,867	1,447	1,461	1,766	1,118
5. Kerala	7,50,000	7,20,347	7,00,000	6,00,000	6,00,000
6. Madhya Pradesh	286	764	605	670	901
7. Madras	7,26,000	8.23,590	8,00,000	6,48,431	7,50,792
8. Mysore	N.A.	N.A.	N.A.	1,654	1,000
9. Orissa	2,116	4,736	4,553	8,659	7,000
10. Punjab	–	–	–	100	N.A.
11. Rajasthan	2,238	2,811	1,500	2,526	4.000
12. Uttar Pradesh	2,250	3,306	4,463	4,454	2,863
13. West Bengal	5,00,164	4,93,250	4,95,960	5,00,000	5,00,000
Total	21,41,073	22,78,320	22,47,913	18,94,615†	19,69,505†

† Figures are incomplete.

Commission examine this question in detail.

Sales

9.13 Similarly, we have no statistical information on the sales and stocks of palm-gur. We were, however, told that there is need both for organizational and financial assistance to improve the marketing of palm-gur and also a more sustained effort to improve the arrangements for stocking of palmgur in conditions which will obviate deterioration. We are not, however, in a position to express an opinion on one of the essential aspects of the development of this industry because of the incompleteness of the data available to us.

Employment

9.14 Here again information available is unsatisfactory and suffers from the same defects pointed out above and consequently we are not in a position to assess the trends in the employment during the period the scheme has been in force.

Wages

9.15 Although information on most essential aspects of the industry are not available, there are three or four points, which can safely be made about both the nature and content of employment by the industry. The palm-gur industry, particularly in traditional areas, provides seasonal employment for periods varying between 6 to 9 months, depending upon the verieties of palms available in an area and the occurance of the season. While, on the average, employment provided by the palmyra palms in Madras is for an average of 6 months, employment in the industry in Kerala is for 9 months because Kerala has both palmyra and sago, the seasons of which are consecutive. Similarly, in Bengal, the seasonal employment is for a period about 5 months on date palms and for 3 months on the palmyra palms because their seasons also are consecutive. Similarly, in Bihar also period of employment extends to 9 months.

9.16 Earnings of tappers who obtain trees on lease from landlords vary from State to State from about Rs 1-4-0 to Rs 1-8-0 in Kerala, Madras, and Andhra to Rs 1-12-0 to Rs 2-4-0 in Bengal and Bihar. Tappers who are employed by the co-operative societies or by private institutions or private landlords are paid daily wages ranging between Re 1 and Rs. 1-8-0 during the season. The rate of wages varies from one variety of palm to another. Whereas in the palmyra and sago palms, tapping is in the morning as well as in the evening, the input of work per day varies between 4 to 6 hours in the beginning of the season to many as 8 to 10 hours per day at the peak of the season. The rate of wages, however, does not correspondingly vary, because the tapper, wherever he is an employee, is engaged for the season as a whole.

9.17 Payment of wages is partly in kind and partly in cash. The gross earnings of tappers, who take trees on lease vary between Rs 300 to Rs 360 per year depending, as noted above, on the variety of palms, the duration of the season and the State in which they occur. The co-operativisation of the industry has not materially improved the lot of the tappers in most areas, because the financial as well as the organizational strength of the co-operative even today is not sufficiently large to make any impression on the economic condition of the tappers.

9.18 On the basis of the evidence given by the representatives of different agencies, the most significant result of the effort of the last five years is the improvement in the operative conditions of the artisans viz. the difficulties in obtaining trees for tapping in States which have prohibition, amendment of irksome and often crippling excise regulations and the provision of improved marketing facilities through the co-operatives. Besides these, the effort made to improve the technique of gur making, the use of different materials as fuel and construction and demonstration of economy furnaces may together be construed as one of the most important changes that have been effected to improve quality of gur and reduce the cost of manufacture. A number of other changes also have been brought about in scientific tapping of trees so as to increase the yield and lengthen the productive period of life of the trees and also the collection and preservation of neera to avoid fermentation. What has been done, however, underlines what remains to be done because the beneficial results obtained are confined to a very small part of the areas in which work has been newly organized.

Training

9.19 During the six-year period expenditure on training amounted to Rs 9.87 lakhs. There are three courses of training : an instructor's course, a specialized course for specially selected candidates for supervisory functions and a refresher course for artisans. During the six-year period, 66 instructors were trained. The other two courses covered 480 and 81 candidates. Details of the State-wise distribution of the candidates covered by these courses of training are not, however, available.

Conclusions And Recommendations

9.20 Although the organizational progress in the industry appears impressive, we are not in a position to assess its impact on the working of the industry for want of data on production, sales and employment. The approach to the development of the industry seems, however, to have improved the technical as well as the operational condition in the industry. While this is all to the good, every effort, in our opinion, should be made to collect adequate and sufficiently detailed information on production, sales and employment in the industry so that assessment can be on the basis of accurate and comprehensive data and not on broad impressions which may or may not accord with facts. In the absence of such data, we are not in a position to express any opinion on the most essential aspects of the industry.

9.21 Organization of the industry on cooperative lines is theoretically a sound proposition; but the formation of single purpose co-operative societies for a community of such illiterate and economically weak a class of people as the tappers, in our view, does not appear to be a wholly satisfactory approach. So far as we were able to ascertain, the volume of production that the co-operative societies today are able to organize and the volume of sales they are able to effect, by and large, is only a small fraction of the total production and sale of palmgur in the country. The greatest achievement of the co-operatives so far is that they have been able to obtain licences for tapping trees on terms more favourable than what individual tappers may have been able to secure, and as this is a primary condition for work, it certainly is a great achievment. But the spirit of co-operation as such does not appear to have been inculcated, because the bulk of the gur produced by the tapper members is marketed by themselves directly instead of through co-operative societies. The reasons for this as well as the manner in which a more satisfactory organization of sales can be evolved deserve to be investigated.

9.22 Although there have been a number of technical improvements in the industry through the introduction of better implements, construction of more economical furnaces, etc., we are of the view that the programme implemented over the last five years has not contributed significantly to the increase in the earnings of tappers. If this objective, viz. the improvement in the economic condititon of the tappers, is accepted as the primary objective of any development programme, we are of the view that a considerably advanced technique must be accepted as a *sine qua non*. We are convinced that the introduction of any improved technique for the processing of juice into gur or sugar or any of the manifold types of products that can be manufactured therefrom is not likely to reduce the present volume of employment; but, in fact, is likely to expand it. Tapping cannot but be a manual process, but the quality of the product manufactured from neera cannot be significantly improved so as to secure a market for itself unless the technique of converting neera into gur or sugar is radically improved. We are, however, not in a position to express an opinion on the actual technique that must be accepted. We, therefore, suggest that the Commission appoint a small body of technical experts as soon as possible to examine the technical and economic aspects of the adoption of improved techniques, particularly the cost structure of different products.

9.23 Our recommendation above is based on an objective appraisal of the conditions of the supply and demand position of sugar in the country. With all the difficulties facing the country, particularly the land-man ratio and the rate of increase in the population, we are convinced that sooner or later a need may arise to utilise palm trees to the maximum extent possible to augment the supply of sweetening agents. The cost per unit of production of gur and sugar from neera today is prohibitive. Without a significant change in technique, costs of production cannot be lowered and productivity per unit of effort cannot be raised. We, therefore, commend our recommendation to the earnest consideration of the Commission and the early appointment of a Committee to report on the most suitable technique that can be adopted in selected pockets in different States on an experimental basis to assess its economics.

9.24 The economic condition of the tappers, as we observed a little earlier, leaves much to be desired, because, unlike any other group of artisans, their work is tied up with their indebtedness. Consequently, unless opportunities for gainful employment are created in the very areas where they live and work, no significant change in their condition can be brought about. The experimental centres for the manufacture of products with palm leaves and other waste material of palm trees indicate a line of activity which requires to be more carefully and intensively explored. Integration of tapping with off-season activities of this nature may contribute to the provision of employment all through the year and also yield satisfactory rates of returns. We are, however, not sure whether there is a sufficiently large market for such products and whether the quality and price of such products can be such as to assure them a secure and steadily expanding market. Consequently, we recommend the organisation of experimental production units in both the 'traditional' and in the 'virgin' areas and provision of training to the tapper community by skilled artisans. But again, we would caution the Commission that the technique of manufacture should be sufficiently high to facilitate manufacture of quality products. As this is an altogether new venture, there is no question of displacement of labour. In fact, in addition to improving the condition of the tappers by providing them with fuller employment throughout the year, these activities may draw a class of people who have not found profitable employment anywhere else.

9.25 The acceptance of our suggestions will involve a complete change in the training programmes that are in force. Even pending the acceptance of all our suggestions, we consider that training in the manufacture of palm products from waste material must be given as this is likely to bring about a complete change in the economic condition of the artisans.

9.26 The success of any programme for the development of this industry depends, however, on the basic condition that excise rules and regulations are uniform all over the country. Variations in them between one State and another have presented far too many difficulties to the community of tappers and consequently the Commission must take up this question as early as possible, at the highest levels. Secondly, although prohibition is desirable from many points of view, it is not likely to be adopted in the immediate future by all the States. Consequently, in the States where total prohibition has not yet been introduced, there is need to secure palm trees for the development of this industry on a non-competitive basis at least in some well defined areas in such States. This again is a matter which only the Commission can take up. Another matter which the Commission alone can take up is the allotment of trees owned by State Governments to co-operatives of tappers who should be given preference in the use of leaves and other material.

9.27 The economic as well as the social potential of a well-knit programme for the development of the industry is such that it is neccessary to consider what steps can be taken to grow palm trees in appropriate areas so that their utilization can be fuller and less costly. We are, however, not in a position to express an opinion on the suggestion that some definite area should be allocated for the plantation of palms. This question may, however, be more fully examined by the Commission through appropriate means.

9.28 Research activities so far carried out have shown a number of beneficial uses of neera, particularly as a corrective to malnutrition among children from poorer classes. We, however, feel that sufficient publicity has not been given to these findings and we recommend that steps may be taken to give wider publicity to the research findings that such a valuable nutritive food is not wasted and in areas where there is not yet a good market for neera, markets can be built up.

CHAPTER 10

NON-EDIBLE OILS AND SOAP INDUSTRY

The development programme had a two-fold objective, viz, the collection, storage and crushing of non-edible oil seeds in the country and the utilisation of the oil obtained from them for the manufacture of soap. Towards this end, the development programme provided for financial assistance for the organisation of manufacturing centres of different capacity graded into 'A', 'B' and 'C', training of personnel for the newly established centres and technical assistance to schoools for introducing manufacture of soap with non-edible oils as one of the crafts.

I. FINANCIAL

10.2 The total disbursements for the development of the industry during the six-year period, aggregated to Rs 156.94 lakhs, of which Rs 59.17 lakhs were grants and Rs 97.77 lakhs loans. Expenditure during the three years of the Second Five Year Plan period was Rs 111.72 lakhs or about two and half times as much as during the First Five Year Plan period. Of the total loans advanced, Rs 8.81 lakhs were repaid during the period and the net expenditure on the industry was Rs 148.15 lakhs. Our analysis is, however, on the basis of the total expenditure incurred so far.

10.3 As shown in Table I, Bombay received the largest amount for the development of the industry, accounting for Rs 37.46 lakhs or 23.86 per cent, followed at a considerable distance by Andhra with Rs 20.18 lakhs, Bihar with Rs 13.76 lakhs, Rajasthan and Punjab with Rs 11.65 lakhs and Rs 11.31 lakhs respectively and by Uttar Pradesh with Rs 10.42 lakhs. While the share of Orissa and Madhya

TABLE I

Disbursements, State-wise And Plan-wise

(Rs lakhs)

State	I Plan			II Plan			Total		
	Grants	Loans	Total	Grants	Loans	Total	Grants	Loans	Total
1. Andhra	2.00	4.70	6.70	5.64	7.84	13.48	7.64	12.54	20.18
2. Assam	0.04	0.09	0.13	2.62	4.36	6.98	2.66	4.45	7.11
3. Bihar	0.40	0.82	1.22	3.81	8.73	12.54	4.21	9.55	13.76
4. Bombay	5.88	9.46	15.34	9.37	12.75	22.12	15.25	22.21	37.46
5. Jammu and Kashmir	—	—	—	0.06	0.10	0.16	0.06	0.10	0.16
6. Kerala	0.48	0.92	1.40	2.07	3.55	5.62	2.55	4.47	7.02
7. Madhya Pradesh	1.69	3.60	5.29	1.48	2.48	3.96	3.17	6.08	9.25
8. Madras	0.48	0.99	1.47	2.22	2.69	4.91	2.70	3.68	6.38
9. Mysore	0.17	0.37	0.54	2.45	4.19	6.64	2.62	4.56	7.18
10. Orissa	0.63	1.30	1.93	2.87	4.87	7.74	3.50	6.17	9.67
11. Punjab	0.35	0.74	1.09	4.06	6.16	10.22	4.41	6.90	11.31
12. Rajasthan	1.88	3.89	5.77	2.38	3.50	5.88	4.26	7.39	11.65
13. Uttar Pradesh	0.93	1.96	2.89	3.04	4.49	7.53	3.97	6.45	10.42
14. West Bengal	0.46	0.99	1.45	1.65	2.12	3.77	2.11	3.11	5.22
15. Manipur	—	—	—	0.06	0.11	0.17	0.06	0.11	0.17
Total	15.39	29.83	45.22	43.78	67.94	111.72	59.17	97.77	156.94

Pradesh was a little over Rs 9 lakhs each and of Mysore and Assam a little over Rs 7 lakhs each, the share of Madras and Bengal was each a little more than Rs 6 lakhs and Rs 5 lakhs, respectively. Thus, as in the case of most other village industries, Bombay's share was the largest.

Scheme-wise

10.4 Of the total disbursements of Rs 156.94 lakhs, Rs 152.08 lakhs or 96.9 per cent represent the disbursements on the organisation of different types of production centres (Statement XXVII). The bulk of the grants and the entire volume of loans were utilitised for the organisation and operation of the production centres. Expenditure on training during the period amounted to Rs 2.78 lakhs and expenditure on the school units amounted to a little over Rs 76,000. Expenditure on setting up marketing depôts for the sale of soap was only Rs 66,000 as the scheme was taken up only in 1958–59. The rest of the expenditure by way of grants was on miscellaneous items such as recearch and publicity.

Agency-wise

10.5 Of the total expenditure of Rs 156.94 lakhs on the industry, disbursements to State Boards were Rs 79.43 lakhs or about 51 per cent, to Development Commissioners for work in the Community Development areas Rs 15.02 lakhs or a little less than 10 per cent, and to Directors of Industries Rs 12.79 lakhs or a little more than 8 per cent (Statement XXVIII). About 48 per cent of the total disbursements to each of these different agencies were made during the last two years. Thus, for example, over Rs 36 lakhs of the total of Rs 79.43 lakhs to State Boards and over Rs 13 lakhs out of Rs 15 lakhs to Development Commissioners and the entire amount of Rs 12.79 lakhs to Directors of Industries were made only during the last two years. The share of registered institutions in the total disbursements amounted to Rs 34.82 lakhs, of which Rs 25.24 was disbursed to them prior to 1957–58. Similarly, of the Rs 11.25 lakhs disbursed to co-operatives directly assisted by the Commission, disbursements prior to 1957–58 amounted to Rs 8.36 lakhs. Of Rs 3.63 lakhs, which were the aggregate share of Intensive Areas, the major portion had been disbursed to them also prior to 1957–58 (Statement XXIX). Thus as in the case of most other village industries, the review of progress is essentially the work done by registered institutions and co-operative societies directly assisted by the Commission.

Utilization Of Funds

10.6 As in the case of each of the other village industries reviewed so far, utilisation of funds by the agencies in the field was slow, accounting for only 40 per cent of the funds disbursed till the end of 1957–58. The comparatively slow rate of utilisation of funds in this industry is to be attributed wholly to the time taken in completing the preliminary organizational arrangements for production of oil and soap. By the end of 1957–58, more than one half of the assisted agencies had completed this work, and the pace of utilisation is likely to be comparatively faster from this year onwards.

II. PHYSICAL

a) Organisational Progress

10.7 As observed at the outset, the major objective of the programme was to organise production units of different capacity. On the basis of the productive capacity, units were classified into 'A', 'B' and 'C'. The 'A' units have an annual productive capacity of 30 tons, 'B' units 15 tons and 'C' units 8 tons. The full utilization of productive capacity is to be attained over a period of 3 to 5 years from the date of commencement of operations. During the six–year period, 77 'A', 125 'B' and 446 'C' types of units were sanctioned. The year–wise increase in the number of units sanctioned (Table 2) shows that the bulk of the 'A' and 'B' units had been sanctioned by 1956–57, where as the bulk of the 'C' class units were sanctioned between 1956–57 and 1958–59. Consequently, in the actual organisation of different types of units, there was a variation as between one type and another. While 64 out of the 77 'A' units and 41 out of the 125 'B' units were organised, only 118 out of the 446 'C' units sanctioned were set up by the end of 1958-59. Considerable progress, however, has been made in the organisation of the different types of production units.

TABLE 2

Organizational Progress

Unit		1953-54	1954-55	1955-56	1956-57	1957-58	1958-59
'A'	i) Allotted	5	24	57	69	77	77
	ii) Working	–	4	18	44	59	64
'B'	i) Allotted	–	1	34	64	114	125
	ii) Working	–	–	3	19	35	41
'C'	i) Allotted	–	4	43	162	317	446
	ii) Working	–	–	6	14	67	118
Total	i) Allotted	5	29	134	295	508	648
	ii) Working	–	4	27	77	161	223

10.8 Tables 3 and 4 present State-wise details of the types of units sanctioned and operating. Of the 77 'A' units, 19 were allotted to Bombay, 10 to Andhra, 9 to Rajasthan, 7 to Mysore and 6 to Uttar Pradesh. Of the 125 'B' units, Bombay had 35, Punjab 15, Andhra 14, Bihar and Rajasthan 10 each and Mysore 11. Among the 'C' class units as well, Bombay led with 85 units followed by Mysore with 38, Madhya Pradesh and Uttar Pradesh with 37 each, Punjab, Orissa, Kerala with about 30 each and Assam and Andhra with 29 and 28 respectively.

10.9 Analysis of Table 4 shows that the number of operating units was more or less in accordance with the broad pattern of their allotment, the largest number of operating units of each different types being in Bombay, Punjab, Rajasthan, Mysore and Andhra.

TABLE 3

Production Units Allotted

State	1953–54			1954–55			1955–56			1956–57			1957–58			1958-59			Total		
	A	B	C	A	B	C	A	B	C	A	B	C	A	B	C	A	B	C	A	B	C
1. Andhra	3	-	-	-	-	-	5	-	-	1	5	9	1	4	8	-	5	11	10	14	28
2. Assam	-	-	-	-	-	-	-	-	-	2	4	10	-	1	9	-	-	10	2	5	29
3. Bihar	-	-	-	-	-	-	1	2	1	1	4	12	1	4	11	-	-	18	3	10	42
4. Bombay	-	-	-	10	-	-	6	14	14	2	4	26	1	17	20	-	-	25	19	35	85
5. Kerala	-	-	-	-	-	2	2	-	1	1	-	5	-	-	15	-	2	7	3	2	30
6. M. Pradesh	-	-	-	1	-	-	1	3	19	-	-	2	-	3	12	-	-	4	2	6	37
7. Madras	1	-	-	1	-	1	2	-	-	-	-	3	-	1	14	-	-	3	4	1	21
8. Mysore	-	-	-	2	-	-	3	7	-	2	2	16	-	1	6	-	1	16	7	11	38
9. Orissa	-	-	-	1	-	-	2	1	-	1	2	12	1	2	10	-	1	9	5	6	31
10. Punjab	-	-	-	-	-	-	1	2	-	1	5	10	2	6	9	-	2	11	4	15	30
11. Rajasthan	1	-	-	1	1	-	6	3	1	1	4	9	-	2	7	-	-	1	9	10	18
12. U. Pradesh	-	-	-	3	-	1	2	-	-	-	-	3	1	6	23	-	-	10	6	6	37
13. W. Bengal	-	-	-	-	-	-	2	1	2	-	-	1	1	3	10	-	-	4	3	4	17
14. Manipur	-	-	-	-	-	-	-	-	1	-	-	1	-	-	1	-	-	-	-	-	3
Total	5	-	-	19	1	4	33	33	39	12	30	119	8	50	155	-	11	129	77	125	446

TABLE 4

Units Producing

State	1953–54			1954–55			1955–56			1956–57			1957–58			1958–59		
	A	B	C	A	B	C	A	B	C	A	B	C	A	B	C	A	B	C
1. Andhra	-	-	-	-	-	-	-	-	-	5	-	-	8	-	1	7	2	5
2. Assam	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	1	1	5
3. Bihar	-	-	-	-	-	-	1	1	1	1	1	1	2	2	4	3	4	7
4. Bombay	-	-	-	3	-	-	9	-	-	13	5	4	15	11	10	16	10	18
5. Kerala	-	-	-	-	-	-	-	-	2	2	-	3	3	-	7	3	-	10
6. Madhya Pradesh	-	-	-	-	-	-	1	-	-	1	-	1	2	3	13	2	-	16
7. Madras	-	-	-	-	-	-	2	-	1	3	-	1	4	-	2	4	-	14
8. Mysore	-	-	-	-	-	-	4	-	-	4	5	-	5	7	8	6	6	5
9. Orissa	-	-	-	-	-	-	-	-	-	3	1	-	4	1	-	4	1	5
10. Punjab	-	-	-	-	-	-	-	1	-	1	2	-	2	6	11	2	9	11
11. Rajasthan	-	-	-	1	-	-	1	1	-	5	4	-	7	4	3	8	6	9
12. Uttar Pradesh	-	-	-	-	-	-	-	-	1	5	-	1	5	-	3	5	1	6
13. West Bengal	-	-	-	-	-	-	-	-	-	1	1	2	2	1	3	3	1	5
14. Manipur	-	-	-	-	-	-	-	-	1	-	-	1	-	-	1	-	-	2
Total	-	-	-	4	-	-	18	3	6	44	19	14	59	35	67	64	41	118

School Units

10.10 In addition to the main production centres, the scheme provided for the organization of small production-cum-training centres in the schools. During the three-year period for which complete data are available, 158 units were sanctioned to schools in different States. The details of the annual allotment of units, State–wise, is shown in Table 5. The largest of such units were allotted to Madras which accounted for 40. Punjab and Bombay received 26 and 24 units respectively, Bihar 18, Orissa 12, Rajasthan 10. All other States received less than 10. Most of the school units sanctioned were to familiarise students with the scope and possibility of manufacturing good quality soap with non–edible oils and as such they are to be construed more as expenditure on propaganda rather than on production. We have, however, no detailed information on the number of units that have been set up in the schools so far.

TABLE 5

School Units

State	1956–57	1957–58	1958–59	Total
1. Andhra	3	4	–	7
2. Bihar	–	3	15	18
3. Bombay	3	11	10	24
4. Kerala	–	4	5	9
5. Madras	5	5	30	40
6. Mysore	2	1	–	3
7. Orissa	–	2	10	12
8. Punjab	3	3	20	26
9. Rajasthan	–	–	10	10
10. Uttar Pradesh	–	6	–	6
11. West Bengal	2	1	–	3
Total	18	40	100	158

10.11 During 1958-59, the Commission sanctioned 12 oil pressing units in addition to the various production centres. The sanction of these specific types of centres became necessary owing mainly to the non-availability of non-edible oils of different types required by the production centres. Of the 12 centres sanctioned, 8 were to Madras and 4 were to Rajasthan. These units were, however, sanctioned towards the end of the year and no information is available regarding the number that have so far been organized.

Institutional Base

10.12 At the end of 1958-59, the development programme for the non-edible oils and soap industry was in-charge of 162 registered institutions, 49 cooperative societies and 20 Intensive Areas. Besides these, on the basis of the reports available, the scheme had been introduced in 26 Community Development Blocks. Of the 241 centres allotted, State Boards had set up 84 centres through different agencies.

b) Production

10.13 Table 6 presents the data on production and value of soap State-wise and year-wise. Between 1955-56 and 1958-59 production of soap in quantity increased over six-fold from 5.35 lakh lbs to 34.29 lakh lbs and in value from Rs 2.67 lakhs to Rs 20.19 lakhs. State-wise, Bombay accounted for 9.10 lakh lbs, Punjab for 5.05 lakh lbs, Rajasthan for 3.6 lakh lbs, Mysore for 2.53 lakh lbs. and Madras, Uttar Pradesh and Bengal for over 2 lakh lbs. Strangely enough, there was a fall in production in the units in Andhra between 1957-58 and 1958-59, whereas production uniformly increased in all other States, though

TABLE 6

Production Of Soap

State	1955-56 Quantity lbs	1955-56 Value Rs	1956-57 Quantity lbs	1956-57 Value Rs	1957-58 Quantity lbs	1957-58 Value Rs	1958-59 Quantity lbs	1958-59 Value Rs
1. Andhra	–	–	33,168	14,838	1,95,893	91,873	1,84,062	90,672
2. Assam	–	–	–	–	9,881	5,460	89,218	48,583
3. Bihar	4,343	3,022	48,266	35,683	97,877	66,979	1,71,006	1,25,513
4. Bombay	3,77,044	1,90,746	5,82,028	3,20,762	7,87,870	4,60,146	9,10,227	5,41,281
5. Kerala	10,103	5,012	15,401	6,713	96,354	42,191	1,49,163	69,359
6. M. Pradesh	1,840	800	25,103	6,893	1,60,483	87,147	29,452	15,256
7. Madras	32,782	18,136	38,615	21,031	67,777	53,754	2,19,591	1,68,459
8. Mysore	22,130	12,047	1,31,681	64,016	2,38,863	1,42,427	2,53,229	1,56,043
9. Orissa	—	—	29,778	18,637	67,595	36,382	88,640	45,506
10. Punjab	26,060	10,418	1,17,716	56,999	3,86,732	1,97,821	5,04,922	2,58,129
11. Rajasthan	37,384	11,804	99,421	54,411	2,51,187	1,43,531	3,60,121	2,09,907
12. U. Pradesh	1,343	1,343	55,286	27.383	78,823	47,483	2,09,273	1,28,977
13. W. Bengal	—	—	26,537	15,942	1,03,760	64,671	2,07,363	1,32,607
14. Manipur	22,222	13,550	49,716	29,616	47,747	28,225	52,294	28,957
Total	5,35,251	2,66,878	12,52,716	6,72,924	25,90,842	14,68,090	34,28,561	20,19,249

the rate of increase varied widely depending upon the number of new centres that had been set up and the number of old centres worked more intensively. The analysis of the State-wise volume of production shows that production more or less corresponded with the State-wise pattern of disbursements of funds.

10.14 It is, however, necessary to point out that the efficiency of the units in different States appears to have been varied very widely. Table 7 sets out the available information for two years in accordance with the different types of units for which reports are available. This analysis shows that although the average rate of production of all 'A' and 'B' units increased between the two years, production per 'C' unit registered a fall, due probably to many of the units being recently set up. State-wise analysis of production of 'A' and 'B' units during the two years shows that in Andhra, Kerala, Madhya Pradesh and Orissa, production per 'A' unit decreased in 1958-59 although production per 'B' unit sharply increased in Orissa, and West Bengal. In Bihar, Bombay, Mysore, Punjab and Rajasthan, production per 'B' unit decreased sharply in 1958-59. This indicates the need to examine whether the fall in the rate of production at 'B' units was due to any decrease in efficiency itself or to other causes. We could not, however, obtain any detailed information to ascertain the cause.

Sales

10.15 Sales of soap improved from 2.3 lakh lbs in 1955-56 to 30.19 lakh lbs in 1958-59. Correspondingly, the value of sales increased from Rs 1.25 lakhs to Rs 19.16 lakhs. Comparative analysis of production and sales, State-wise, shows that sales did not keep pace with production in all States. While the average surplus of production over sales is about 4.10 lakh lbs, which is little more than 12 per cent, stocks with some of the States, particularly Madras, Rajasthan and Uttar Pradesh, constitute a considerably higher percentage of production as detailed in Table 8. With the increase in production, there is thus need to watch progress in sales. As soap is a perishable commodity, which in storage suffers an absolute loss in value, it is necessary to accord greater attention to marketing.

TABLE 7

Production of Soap per unit (lbs)

State	'A' Unit		'B' Unit		'C' Unit	
	1957–58	1958–59	1957–58	1958–59	1957–58	1958–59
1. Andhra	23,903	23,379	4,670	2,268	—	3,174
2. Assam	—	51,298	—	8,396	9,931	5,905
3. Bihar	33,276	42,555	7,324	5,066	3,969	3,297
4. Bombay	39,434	43,614	13,148	12,991	7,366	4,583
5. Kerala	21,114	17,883	—	—	4,743	9,552
6. Madhya Pradesh	21,622	8,643	6,747	—	7,239	869
7. Madras	15,063	35,040	—	—	3,663	4,964
8. Mysore	16,312	18,488	17,312	16,948	4,790	8,122
9. Orissa	16,070	10,468	1,884	13,553	—	6,643
10. Punjab	40,964	27,845	28,466	23,380	11,328	21,710
11. Rajasthan	22,107	28,388	21,152	13,884	4,965	5,523
12. U. Pradesh	13,555	34,096	—	3,056	3,623	5,957
13. W. Bengal	31,427	33,879	22,947	67,214	5,667	7,703
14. Manipur	—	—	—	—	47,747	26,147
Ayerage	25,920	30,613	16,267	15,667	7,387	7,008

TABLE 8

Sales

State	1955-56 Quantity lbs	1955-56 Value Rs	1956-57 Quantity lbs	1956-57 Value Rs	1957-58 Quantity lbs	1957-58 Value Rs	1958-59 Quantity lbs	1958-59 Value Rs
1. Andhra	–	–	8,457	4,851	1,27,559	72,542	1,43,106	87,410
2. Assam	–	–	–	–	4,996	2,988	83,183	47,895
3. Bihar	2,912	2,738	25,675	20,371	76,460	51,161	1,34,823	1,05,115
4. Bombay	1,30,951	80,120	5,10,399	3,16,231	6,77,802	4,53,448	8,27,004	5,32,144
5. Kerala	1,890	1,092	8,259	3,771	77,672	32,966	1,28,087	62,315
6. Madhya Pradesh	–	–	–	–	56,965	35,628	72,058	47,863
7. Madras	418	312	22,595	21,540	50,203	39,832	1,41,799	1,15,453
8. Mysore	8,363	5,088	74,165	44,553	2,00,519	1,28,390	2,40,716	1,59,656
9. Orissa	–	–	4,184	2,500	23,271	14,544	64,824	35,877
10. Punjab	17,312	9,999	1,11,345	61,613	3,22,237	1,77,313	4,78,131	2,51,677
11. Rajasthan	20,061	12,654	63,048	38,276	2,09,054	1,24,191	2,96,756	1,77,105
12. Uttar Pradesh	139	70	14,483	10,641	57,117	46,026	1,59,633	1,14,360
13. West Bengal	–	–	14,537	10,735	85,918	60,065	1,95,454	1,44,885
14. Manipur	21,320	13,031	48,659	33,695	48,445	32,635	53,757	34,497
Total	2,03,366	1,25,104	9,05,806	5,68,777	20,18,218	12,71,729	30,19,331	19,16,252

Cost Of Production

10.16 In this connection we should like to invite the attention of the Commission to the wide variations in the cost per unit of production and the value per unit of sales in different States as shown in Table 9. While the increase in the cost per unit of production over the period is due to the rise in the prices of all raw materials

TABLE 9

Cost Of Production And Sale

State	1957-58		1958-59	
	Production cost per lb	Sale value per lb	Production cost per lb	Sale value per lb
1. Andhra	0.47	0.57	0.49	0.61
2. Assam	0.55	0.60	0.54	0.57
3. Bihar	0.68	0.67	0.73	0.78
4. Bombay	0.58	0.67	0.59	0.64
5. Kerala	0.44	0.42	0.58	0.49
6. Madhya Pradesh	0.54	0.62	0.52	0.66
7. Madras	0.79	0.79	0.76	0.81
8. Mysore	0.60	0.64	0.61	0.66
9. Orissa	0.54	0.62	0.51	0.55
10. Punjab	0.51	0.55	0.51	0.53
11. Rajasthan	0.57	0.59	0.57	0.60
12. Uttar Pradesh	0.60	0.81	0.61	0.72
13. West Bengal	0.62	0.70	0.63	0.74
14. Manipur	0.60	0.67	0.55	0.64
All India	0.57	0.63	0.58	0.63

required for manufacture of soap, variations in the cost per unit of production between the States from 49 nP per lb in Andhra to 76 nP per lb in Madras points to a fundamental defect either in the methods of costing or the economics of the units themselves. We were not able to obtain any satisfactory explanation for the variations in costs. Of even greater significance are the variations in the price per lb charged by the various units. The margin over the cost of production varies very widely. Thus, for instance, while Andhra charges 12 nP more than its average cost of production, Punjab charges only 2 nP over the cost per unit of production ; and Kerala would appear to sell soap at 9 nP less than its average cost of production. While the figure for Kerala is probably defective, because of incompleteness or any other causes, the figures show beyond reasonable doubt that there is no uniform policy followed by production units in fixing prices for their products. How far variations in the cost of production are due to the ~~use of edible instead~~ of non-edible oils and how far to other causes like higher wages, lower efficiency or larger wastage etc, need to be more fully investigated. As costing of the products is of fundamental importance, there is need to prescribe a uniform policy so as to ensure that costs and prices do not vary beyond prescribed limits.

III. Employment And Wages

10.17 The soap industry provides employment to four distinct categories of personnel : seasonal employment for periods varying between 3 to 8 weeks in seed collection, depulping, decortication; full-time employment to telis and their assistants in oil-pressing for the major portion of the year; skilled artisans in different types of work at the production centres; and trained personnel in managerial and technical jobs at the production centres. Employment again varies from centre to centre not only in accordance with the size of of the unit but also with the intensity of work done.

10.18 Table 10 presents the details of the employment provided through the industry. As against 168 persons employed in 1955-56, the number employed in 1958-59 was 876. But the rate of increase between one year and another shows wide variations. While the number employed almost doubled between 1957-58 and 1958-59, the increase between 1956-57 and 1957-58 was only fractional, The trends in employment in different States, however, vary. While the number employed full-time, actually fell between 1956–57 and 1957–58, in Bihar, Kerala, Madras and Rajasthan, the rate of increase in most other States between these two years varied widely. Neither the decrease nor the increase in the number employed can be correlated, with the volume of production which, between 1956–57 and 1957–58 doubled over the entire country. Some of the States in

TABLE 10

Employment

State	1956–57 Full time	1956–57 Part time	1957–58 Full time	1957–58 Part time	1958–59 Full time	1958–59 Part time
1. Andhra	50	313	51	542	68	584
2. Assam	–	–	3	–	22	36
3. Bihar	25	3,895	14	1,591	35	496
4. Bombay	107	4,027	137	849	227	4,225
5. Kerala	31	66	23	292	53	352
6. Madhya Pradesh	22	528	30	72	40	145
7. Madras	43	423	29	1,898	51	1,050
8. Mysore	35	927	64	2,470	97	1,215
9. Orissa	34	2,743	18	966	42	849
10. Punjab	8	909	29	569	83	385
11. Rajasthan	41	1,264	32	518	82	1,068
12. Uttar Pradesh	14	505	17	101	36	146
13. West Bengal	9	190	15	465	32	594
14. Manipur	3	363	8	17	8	32
Total	422	16,153	470	10,350	876	11,177

which there was actually a decrease in employment, as in Rajasthan, increased their production by more than 200 per cent. Similarly, there is no correlation between the number employed in 1958-59 and the rate of increase in production. This clearly shows that intensity of work and consequently productivity per person employed at the production centres varied from State to State.

10.19 That this is so is more than borne out by the analysis of figures of the number employed on a part-time basis. This statement, however, needs to be modified so far as the number of persons employed part-time, because of the very wide variation in the period of employment of those shown as employed on a part-time basis. As observed above, in the number shown as employed part-time are included those engaged in the collection of seeds. As these workers are subject to no supervision but are entirely influenced by the availability of seeds in the field, content of employment and consequently their contribution to production varies from individual to indiviaual and group to group, not to mention from State to State.

Wages

10.20 In view of what has been said above, it is not possible to correlate the number employed with the wages paid. According to the data on the rates of wages in force in different States, it would appear that wages for full-time employment in the non-edible oil pressing units vary beween Re 1 to Rs 2 per day depending on the skill of the individual teli. Skilled artisans employed at the production units earn between Rs 1-8-0 to Rs 1-12-0 per day again depending upon their skill. As pointed out above, the rates of wages for non-edible oil seeds collection vary from area to area depending upon the quantity of seeds collected. Where seeds are available and are easily accessible, seasonal earnings (3 to 8 weeks) range between Rs 120 to Rs 250 per season depending on the quantity of seeds collected and supplied.

Training

10.21 The expenditure on training during the six-year period was Rs 2.78 lakhs. There were two training courses, one for chemists, and a nother for operatives. During the six-year period 224 chemists and 923 operatives were trained. Besides these, to conduct the training courses in schools, 18 school teachers were trained. There are 8 training centres for operatives and 1 training centre for chemists at present. The details of the number trained are shown in Table 11.

TABLE 11

Training

Category	State†	No. of training contres	Number trained 1954-55	1955-56	1956-57	1957-58	1958-59	Total
Chemists	Bombay		3	42	31	25	23	124
Others	Andhra	1	–	–	25	–	39	64
	Bombay	3	25	131	84	105	48	393
	Madras	1	–	–	63	51	38	152
	Orissa	1	–	–	–	37	–	37
	Punjab	1	–	–	13	46	40	99
	Rajasthan	1	–	–	16	37	29	82
	West Bengal	1	–	–	–	66	30	96
Total (Others)		9	25	131	201	342	224	923

† Location of centere only.

10.22 A comparative study of the number of operatives trained so far shows no relation between the number trained and production as in the case of other village industries. As in the case of other village industries, it would appear necessary to obtain detailed information regarding the number of persons who have been absorbed in the industry and their contribution to the work organised in different States.

IV. Conclusions And Recommendations

10.23 The review of the programme shows that one half, and what we consider the major and more important half of the progamme, yet remains to be implemented. As explained at the outset, the objective of the scheme was the collection, storage and crushing of non-edible oil seeds for the manufacture of soap. The manufacture of soap was to be related to the availablity of non-edible oils. The representatives of different agencies were unanimous in the view that the soap manufacture so far has been with a generous admixture of edible as well as non-edible oils. In some of the centres in some States, edible oils have been used upto 50 and 60 per cent. We consider that production of soap by such means is not the purpose of the scheme. Only very recently and that, too, in 1958-59 has the problem of seed collection been given any serious attention. Attempts, we understand, were made earlier as well to survey different areas to ascertain the nature and variety of non-edible oil seeds available; but we feel that this process ought to have preceded the organization of soap centres. The number of centres allotted so far seems to us *prima facie* more than the number warranted by the arrangements made for the supply of non-edible oils to the production centres. What to our mind appears rather surprising, to say the least, is the arrangement made by a few centres to obtain non-edible oils from private commercial agencies. This, in our opinion, can hardly be considered satisfactory. The manner in which the programme for the industry has been implemented provides no firm basis for a judgement on the scope for the development of a decentralised soap industry for the utilization of non-edible oils. We are not in a position to assess whether the availability of non-edible oils warrants the number of soap centres sanctioned so far. We would, therefore, recommend that till a thorough assessment of the availability of non-edible oil seeds and their suitability for use in the manufacture of soap is made, no additional production units other than for oil pressing should be sanctioned except in areas to which no unit has been allotted. Before passing to other aspects of the programme, we would like to invite the attention of the Commission to some of the outstanding and urgent problems that need examination.

10.24 Most representatives of the different agencies are not familiar with the technique of the storage of different non-edible oil seeds. Consequently, there has been considerable loss due to deterioration of oil seeds. One of the important and urgent needs of the industry is dissemination of available technical information regarding the manner in which the different types of non-edible oil-seeds should be processed and stored.

10.25 There is need for intensified technical research to study the alternate uses of different types of non-edible oils so as to draw the maximum advantage from the collection of non-edible oil-seeds. Information available to us indicates that the use of non-edible oils for the manufacture of soap is one among many alternate uses and usually a less profitable use. It is, therefore, urgently necessary to investigate into the alternate uses of these oils.

10.26 Many representatives pointed out that crushing of several of the available non-edible oil-seeds by ghanis is wasteful and suggested that the Commission should permit the use of power for this purpose. We are, however, not competent to express an opinion on the subject. We, therefore, recommend the appointment of a Committee of technical experts to examine this question, particularly in view of what we have said above.

10.27 As most agencies to whom production centres have been allotted have already organized and some have taken all steps to set up the rest, it is necessary to improve the present arrangements for the purchase and distribution of essential raw materials and chemicals to these centres at uniform, standard prices. Among the chemicals needed by the production centres, Caustic Soda, Rosin and Silicate are the most important. Supplies of each of these three essential raw materials at present are uncertain, irregular and inadequate from the point of view of volume, quality and price. The arrangements made through the recently organized federation also do not appear to be wholly satisfactory in certain respects. While we are not in a position to express an opinion on the various statements made before us by the representatives, we recommend that the rates at which the federation supplies essential raw materials to production centres be periodically reviewed so as to avoid allegations of high handling margins by the federation.

10.28 While we fully appreciate the efforts made so far for the improvement of the quality of soap manufactured, we should like to caution the Commission regarding the need for expansion of the supervisory personnel to minimise marketing problems.

10.29 This is the only industry in which the maximum advantage of the research facilities at the Central Institute have been taken. In view particularly of the comparatively good market available for the soap so far manufactured, we suggest closer co-ordination of research with a view to progressive improvement in the quality of soap.

10.30 The location of the different types of production centres bears no relation to either the availability of non-edible oils or the occurance of non-edible oil-seeds in the periphery of the centres, both large and small. We consider that this is the result of lack of planning on the part of both the Commission and the applicant institutions. In our opinion, sanctions for a centre should be on the basis of the availability of oil-seeds in a given area and no agency should be allotted a centre unless it satisfies the Commission that the centre will be located in a definite area with proved availability or access to essential raw materials other than chemicals. This will obviate high distributional cost, which are reflected in costs of products to which we referred above.

10.31 In this connection we also invite the attention of those in charge of the industry that funds should be sanctioned in accordance with implementation of the programme in the field and not in one lump-sum. Thus, for instance, long before any arrangements have been made for the construction of a shed to house the different types of equipment required for the manufacture of soap, working capital required for the full utilisation of the productive capacity of a unit has been released to the implementing agency. This is obviously an unsound procedure and should be revised.

10.32 While we recognize that the development of this industry so far holds out considerable promise, we are of the view that to derive maximum benefit from the expenditure already incurred, it is necessary hereafter to plan its development far more carefully, particularly as regards the survey and development of non-edible oil seeds and their collection, storage, crushing and location of the production units. We would suggest a complete revision of of the follow-up of the programme in the field both from the financial and administrative points of view.

CHAPTER 11

HANDMADE PAPER INDUSTRY

For the development of handmade paper industry, the programme provided financial assistance for the organization of different types of production centres, purchase of equipment, training of personnel required for the management and supervision of the newly established centres, working capital for the marketing of paper and for promotional activities such as research, publicity etc.

I. FINANCIAL

11.2 During the six-year period, disbursements on the implementation of the development programme amounted to Rs 60.03 lakhs consisting of Rs 29.93 lakhs grants and Rs 30.10 lakhs loans. As in the rest of the village industries, disbursements during the Second Five Year Plan period amounted to Rs 47.69 lakhs as compared with Rs 12.34 lakhs during the First Five Year Plan period. Repayments of loans during the period amounted to only Rs 1.74 lakhs and the net expenditure on the industry was thus Rs 58.29 lakhs. The analysis presented in the following pages is based on the total and not on the net expenditure as in the case of the other village industries. Details of the State-wise and Plan-wise disbursements are shown in Table 1.

TABLE I

State-wise, Plan-wise Disbursements

(Rs akhs)

State	I Plan			II Plan			Total		
	Grant	Loan	Total	Grant	Loan	Total	Grant	Loan	Total
1. Andhra	0.52	0.78	1.30	1.59	1.17	2.76	2.11	1.95	4.06
2. Assam	0.01	–	0.01	0.77	0.84	1.61	0.78	0.84	1.62
3. Bihar	0.14	0.15	0.29	1.25	0.96	2.21	1.39	1.11	2.50
4. Bombay	2.50	2.15	4.65	6.20	7.26	13.46	8.70	9.41	18.11
5. Jammu & Kashmir	0.01	–	0.01	0.27	0.27	0.54	0.28	0.27	0.55
6. Kerala	0.09	0.13	0.22	2.35	2.13	4.48	2.44	2.26	4.70
7. Madhya Pradesh	0.09	0.39	0.48	1.48	1.52	3.00	1.57	1.91	3.48
8. Madras	0.22	0.41	0.63	3.07	2.28	5.35	3.29	2.69	5.98
9. Mysore	–	–	–	1.47	1.44	2.91	1.47	1.44	2.91
10. Orissa	0.07	–	0.07	0.79	0.77	1.56	0.86	0.77	1.63
11. Punjab	0.29	0.79	1.08	0.84	0.78	1.62	1.13	1.57	2.70
12. Rajasthan	1.22	1.19	2.41	0.78	1.43	2.21	2.00	2.62	4.62
13. Uttar Pradesh	0.37	0.40	0.77	1.42	1.20	2.62	1.79	1.60	3.39
15. West Bengal	0.27	0.14	0.41	1.67	1.37	3.04	1.94	1.51	3.45
14. Delhi	–	–	–	0.02	–	0.02	0.02	–	0.02
15. Tripura	0.01	–	0.01	–	–	–	0.01	–	0.01
17. Pondicherry	–	–	–	0.15	0.15	0.30	0.15	0.15	0.30
Total	5.81	6.53	12.34	24.12	23.57	47.69	29.93	30.10	60.03

11.3 Analysis of the disbursement, State-wise shows that Bombay alone accounted for Rs 18.11 lakhs followed by Madras with Rs 5.98 lakhs, Kerala with Rs 4.70 lakhs, Rajasthan with Rs 4.62 lakhs and Andhra with Rs 4.06 lakhs. Madhya Pradesh, Uttar Pradesh and West Bengal received a little over Rs 3 lakhs each, while Bihar, Mysore and Punjab received Rs 2.50 lakhs, Rs 2.91 lakhs and Rs 2.70 lakhs. respectively.

Schme-wise

11.4 Scheme-wise analysis of disbursements detailed in Statement XXX shows that of the total amount of Rs 60.03 lakhs, disbursements on the organization and equipment of production centres amounted to Rs 46.89 lakhs or over two-thirds of the total expenditure. The bulk of the loans and grants were for the organisation of production units. The provision of working capital for marketing handmade paper amounted to Rs 9 lakhs. Expenditure on training was only Rs 1.40 lakhs and the balance was on miscellaneous items.

Agency-wise

11.5 Analysis of the disbursements agency-wise set out in Statement XXXI shows that disbursements to State Boards were Rs 25.11 lakhs and to registered institutions Rs 18.42 lakhs. Among the other official agencies at the State level, disbursements to Directors of Industries amounted to Rs 7.54 lakhs and to Development Commissioners Rs 4.04 lakhs. Disbursement to the Intensive Area of the Commission was only Rs 68,000. As in the case of all other village industries, the bulk of the disbursements to the State

Boards, Development Commissioners, Directors of Industries were made during 1957–58 and 1958–59. (Statement XXXII)

Utilization Of Funds

11.6 As in the case of all other village industries, the pace of utilization of funds was slow, particularly because the bulk of the funds disbursed to the official agencies at the State level accounting together for over Rs 36 lakhs remained unutilized as they were disbursed only during the last two years. The review of work is thus confined to the work done by the registered institutions and co-operatives because the volume of work organised by the official agencies is very small.

11.7 As observed above, the main item of development was the organization of different types of production units. During the six-year period, 13 big, 53 medium, 103 small and 7 home units were allotted to different agencies in different States. Besides these, 7 training-cum-production centres and 217 school units also were allotted, Statement XXXIII sets out details of school units allotted State-wise.

11.8 The analysis of the data set out in Table 2 shows that Bombay received allotments of funds for 5 big units and 17 medium units, the largest single share among the States. While Andhra received 3 big units, all other States to whom such units were allotted received only one each. Of the 53 medium units, 17 were received by Bombay, but all other States except Mysore received less than 5 each. Of the 10? small units, 18 were allotted to Madras, 12 to Uttar Pradeth, 11 to Kerala, 10 each to Bombay and West Bengal and

TABLE 2

Units Allotted And Working, State-Wise

State	Centres allotted						Centres working					
	Big	Medium	Small	Training cum-prodn centre	Home unit	Total	Big	Medium	Small	Trng. cum prodn centre	Home unit	Total
1. Andhra	3	2	9	1	–	15	3	2	4	1	–	10
2. Assam	–	2	3	–	–	5	–	1	2	–	–	3
3. Bihar	–	3	7	–	–	10	–	1	2	–	–	3
4. Bombay	5	17	10	1	5	38	5	8	9	1	1	24
5. Jammu and Kasmir	–	1	2	–	–	3	–	1	–	–	–	1
6. Kerala	–	4	11	–	–	15	–	3	5	–	–	8
7. Madhya Pradesh	–	3	5	–	–	8	–	1	3	–	–	4
8. Madras	1	4	18	–	–	23	1	2	12	–	–	15
9. Mysore	–	5	6	1	–	12	–	2	1	–	–	3
10. Orissa	–	2	3	–	–	5	–	1	–	–	–	1
11. Punjab	1	3	2	–	–	6	1	2	1	–	–	4
12. Rajasthan	1	1	3	1	–	6	1	1	3	–	–	5
13. Uttar Pradesh	1	1	12	1	–	15	1	1	10	1	–	13
14. West Bengal	1	3	10	1	–	15	1	3	5	1	–	10
15. Tripura	–	1	1	1	–	3	–	1	1	1	–	3
16. Manipur	–	–	1	–	2	3	–	–	1	–	2	3
17. Pondicherry	–	1	–	–	–	1	–	1	–	–	–	*1
Total	13	53	103	7	7	183	13	31	59	5	3	111

9 to Andhra. The shares of the rest of the States were small. Of the 7 home units allotted, 5 were to Bombay and 2 to Manipur, and training-cum-production centres were allotted one each to Andhra, Bombay, Mysore, Rajasthan, Uttar Pradesh, West Bengal and Tripura.

11.9 Of the 13 big, 53 medium and 103 small units sanctioned, all the 13 big, 31 medium and 59 small units were set up by the end of 1958-59. Of the 7 home units, 2 in Manipur and 1 in Bombay had been organized, and 5 out of the 7 training-cum-production centres were organised, one each in Andhra, Bombay, Uttar Pradesh, West Bengal and Tripura. Mysore and Rajasthan had not taken adequate steps to organize the centres allotted to them. Thus, of the 183 units of different types allotted, 111 were working at the end of 1958-59.

11.10 At the end of 1958-59, the handmade paper industry scheme was being implemented by 88 registered institutions and 27 co-operative societies. The scheme was introduced in one Intensive Area and 22 centres had been allotted to the Development Commissioners in different States. Of the 25 units allotted to the State Boards, 8 were operating at the end of 1958-59.

Production

11.11 Production of different varieties of paper increased in quantity and value from 400 tons valued at Rs 11.43 lakhs in 1954-55 to 1,091 tons valued at Rs 21.16 lakhs in 1958-59. The actual increase in production was probably more because the reports available to us cover only 75 of the 111 centres functioning in the country.

11.12 Analysis of figures of production set out in Table 3 variety-wise shows increase in the number of all varieties other than of blotting paper, production of which has fallen steadily from 1956-57. Analysis of the figures of production unit-wise, shows that the big units accounted for 11.15 lakh lbs out of a total output of 25.05 lakh lbs or 44.5 per cent. Small units contributed 8.26 lakh lbs or 33 per cent to the total production. It is

TABLE 3

Production

Year	Variety	Big	Medium	Small	Training cum production centre	Home unit	Total
1957-58	High Grade	1,54,227	61,697	2,650	2,095	—	2,20,669
	Utility	3,45,178	2,54,644	41,063	36,158	606	6,77,649
	Blotting	1,89,753	1,05,249	8,978	3,336	—	3,07,316
	Boards	4,77,687	76,837	1,08,795	1,307	8,170	6,72,796
	Total Quantity lbs	11,66,845	4,98,427	1,61,486	42,896	8,776	18,78,430
	Value Rs	9,77,377	4,61,090	1,14,229	8,715	3,899	15,65,310
1958-59	High Grade	1,70,395	53,363	40,173	—	—	2,64,231
	Utility	4,81,465	2,37,902	4,31,470	—	—	11,50,837
	Blotting	89,615	1,30,587	27,297	—	—	2,47,499
	Boards	3,73,681	1,40,985	3,27,280	—	—	8,41,946
	Total Quantity lbs	11,15,456	5,62,837	8,26,220	—	—	25,04,513
	Value Rs	10,80,893	5,09,438	5,26,024	—	—	21,16,355

not possible to indicate the contribution of production of training-cum-production centres to the total. While the contribution of the big units to the total production was more or less the same as in 1957-58, the contribution of the small units increased faster than that of the medium units. Variety-wise, the largest share of production of both high-grade and utility paper continue to be that of the big units and the share of medium units in each declined in 1958-59.

11.13 A point worthy of note is that in spite of the recent start, the small units have acquired sufficient amount of organisational and productive strength as to be able to contribute a little over 40,000 lbs of high grade paper and 4.31 lakh lbs of utility paper as compared with the contribution of medium units of 53,000 lbs of high-grade paper and 2.38 lakh lbs of utility paper The contribution of different types of units to the total poduction and contribution to the ptoduction of each variety of paper shows that comparatively speaking much fuller utilisation of capacity was made of the smaller units than of the medium units. This is more than borne out by the analysis of the production per unit for each of the two years. As against the production of 4,900 lbs per small unit in 1957-58, the average production increased to 19,214 lbs in 1958-59 as against the comparative production of medium units of 24,921 lbs in 1957-58 to 25,584 lbs in 1958-59.

11.14 The study of the production figures with the number of units set up year-wise shows that not even half of the installed capacity of most of the units is being effectively utilised for production. This problem requires immediate attention so that the time-lag between the installation of machinery and production is reduced to the minimum. The increase in production recorded, therefore, is considerably smaller than the increase in the installed capacity. As this constitutes under-utilisation of productive capacity, it is essential to take every possible step to ensure full utilization of available productive capacity.

11.15 Analysis of the production State-wise shows varying trends. Production between 1957-58 and 1958-59 fell in Andhra and Madhya Pradesh, but increased in all other States. Analysis of the figures by varieties shows that while production of high-grade paper in Andhra ceased altogether and Madras commenced production of high grade paper on a substantial scale, production in Uttar Pradesh and West Bengal fell very sharply from 26,926 lbs and 26,511 lbs, respectively in 1957–58 to 6,775 and 22,674 lbs, respectively in 1958–59. Similar trends are also noticeable in the figures of production of other States as set out in Statement XXXIV. In Andhra, production of every variety of paper, except utility paper, decreased between the two years. Production of utility paper decreased in many States, particularly in Kerala and Madhya Pradesh. Production of boards, however, increased very sharply in most of the States except in Andhra, Kerala and Rajasthan. Analysis of production agency-wise, shown in Table 4 very clearly brings out the fact that over 90 per cent of the total production was contributed by the cooperatives and the registered institutions and the contribution so far of the official agencies at the State level was neglegible for reasons already mentioned.

Sales

11.16 The trends in the sales of handmade paper are on the whole satisfactory. Sales of all varieties of paper increased from 17 lakh lbs in 1957–58 to 22.40 lakh lbs in 1958–59. While sales of high grade, utility papers and paper boards increased between the two years, there was a sharp fall in the sales of blotting papers from 2.74 lakh lbs in 1957–58 to 1.93 lakh lbs in 1958–59.

11.17 A point that deserves to be emphasised is that although at present there is an assured, almost a closed market for handmade paper, there are substantial stocks of paper in Bombay and Uttar Pradesh. Variety-wise also the trends in sales show different degrees of accumulation of stocks in different States. This is a point that needs to be examined. Details of the variety-wise sales during 1957–58 and 1958–59 are presented in Table 5. As in the case of production so also in sales registered institutions and cooperative societies accounted for over 90 per cent of the sales as can be seen from the details presented in Table 6.

TABLE 4

Agency-wise Production

Year	Variety	Unit	State Govt. etc.	Dev. Commissioner	State Board	Other Agencies: Intensive Areas	Other Agencies: Co-operatives	Other Agencies: Regd. Instns.	Total
1957–58	High Grade	lbs	3,134	1,000	–	–	30,015	1,86,520	2,20,669
	Utility	,,	42,986	1,600	–	880	4,44,436	1,87,747	6,77,649
	Blotting	,,	17,349	100	–	6,200	2,29,415	54,252	3,07,316
	Boards	,,	19,711	2,538	–	642	1,79,127	4,70.778	6,72,796
	Total	,,	83,180	5,238	–	7,722	8,82,993	8,99,297	18,78,430
	Value	Rs	36,303	7,031*	–	5,770	6,89,263	8.26,943	15,65,310
1958–59	High Grade	lbs	8,728	2,875	–	–	55,343	1,97,285	2,64,231
	Utility	,,	3,719	–	–	300	6,03,662	5,43,156	11,50,837
	Blotting	,,	12,546	–	–	280	1,86,675	47,998	2,47,499
	Boards	,,	55,682	–	8,000	–	1,33,770	6,44,494	8,41,946
	Total	lbs	80,675	2,875	8,000	580	9,79,450	14,32,933	25,04,513
	Value	Rs	60,868	8,685	6,746	495	8,98,186	11,41,385	21,16,365

TABLE 5

Sales

(lbs)

State	1957–58 High Grade	Utility	Blotting	Boards etc.	Total	1958–59 High Grade	Utility	Blotting	Boards etc.	Total
1. Andhra	3,912	78,016	–	1,74,058	2,55,986	–	1,06,278	415	1,34,583	2,41,276
2. Assam	–	–	–	4,169	4,169	–	–	–	3,035	3,035
3. Bihar	–	–	–	–	–	–	4,383	482	1,350	6,215
4. Bombay	1,30,664	1,21,801	1,32,938	38,567	4,23,970	1,74,708	1,39,199	1,24,654	55,466	4,94,027
5. Jammu and Kashmir	–	165	–	2,050	2,215	–	–	–	3,000	3,000
6. Kerala	955	27,109	311	38,020	66,395	2,032	12,379	867	26,962	42,240
7. M.Pradesh	–	13,855	–	–	13,855	–	4,950	–	–	4.950
8. Madras	–	4,327	150	3,19,025	3,23,502	21,098	8,810	–	3,27,037	3,56,945
9. Mysore	494	10,588	–	–	11,082	–	12,185	–	–	12,185
10. Punjab	–	19,815	–	–	19,815	1,479	34,454	–	1,388	37,321
11. Rajasthan	1,046	2,28,894	1,10,191	22,604	3,62,735	742	4,13,317	14,275	11,793	4,40,127
12. U. Pradesh	26,826	91,801	30,545	5,740	1,54,912	6,775	3,10,528	42,380	1,86,817	5,46,500
13. W.Bengal	26,511	25,858	100	–	52,469	20,613	21,411	9,742	–	51,766
14. Manipur	–	–	–	7,940	7,940	–	–	–	–	–
15. Tripura	–	–	12	487	499	–	–	–	–	–
Total	1,90,408	6,22,229	2,74,247	6,12,660	16,99,544	2,27,447	10,67,894	1,92,815	7,51,431	22,39,587

TABLE 6

Ageny-wise, Variety-wise Sales

Year	Variety	State Govt.	Dev. Commi-ssioner	State Board	Other Agencies			Total
					Inten-sive Areas	Co.-op.	Regd. Instns	
1957-58	High Grade	2,505	1,000	—	—	24,038	1,62,865	1,90,408
	Utility	42,959	1,600	—	880	4,05,270	1,71,520	6,22,229
	Blotting	13,638	100	—	6,200	2,07,927	46,382	2,74,247
	Boards etc.	15,338	2,538	—	642	1,71,649	4,22,493	6,12,660
Total	Qty. lbs.	74,440	5.238	—	7,722	8,08,884	8,03,260	16,99,544
	Value Rs	30,253	6,269	—	5,770	7,11,651	7,24,425	14,78,368
1958-59	High Grade	4,241	814	—	—	39,110	1,83,282	2,27,447
	Utillity	4,388	—	—	75	6,03,371	4,60,060	10,67,894
	Blotting	2,865	—	—	200	1,45,042	44,708	1,92,815
	Boards etc.	38,086	—	3,035	—	98,242	6,12,068	7,51,431
Total	Qty. lbs.	49,580	814	3,035	275	8,85,765	13,00,118	22,39,587
	Value Rs.	38,387	3,286	2,565	232	8,81,185	11,46,618	20,72,273

11.18: As in the case of most other village industries, in hand-made paper industry also the system of assessing the value per unit of production does not appear to have been systematised. While we are fully aware that costs of production necessarily have to vary between centre to centre because of a number of essential factors, the variations that can be observed are between very wide limits. This question also needs to be examined in considerable detail. The margin of difference between costs of production and sale must generally be kept within prescribed limits, particularly as most of the production centres are assisted by the Commission in one way or another to a larger or a smaller degree. On such an essential aspect of the programme as costs and prices, there should be uniformity of policy.

Employment

11.19 Employment provided by the industry set out in Table 7 increased from 2,586 persons in 1956–57 to 3,627 persons in 1958–59. Analysis of the average per capita earnings between the three years shows that the average earnings of the artisans in 1958–59 fell between the two years by Rs 5.80 from Rs 309.36 in 1956–57 to Rs 303.56 in 1958-59 This, however, does not convey a true picture owing to the inadequacies of the data available to us.

TABLE 7

Employment

Year	No of persons	Earnings Rs lakhs
1956–57	2,586	8.00
1957–58	2,969	8.78
1958–59	3,627	11.01

Wages.

11.20 Generally speaking handmade paper industry provides employment throughout the year to artisans of varying skills. A skilled worker in a unit located in an urban area may earn anywhere between Rs 2 and Rs 4 taking the gross wages paid. Net wages, i.e. exclusive of contributions to the provident fund, State insurance etc. vary between Rs 1.50 and Rs 3.00. A point that needs to be mentioned is that handmade paper industry as it has been organised so far is essentially "factory employment" and consequently rates of wages in this industry as compared with those of any other village industry are higher and more regular because it is "wage employment" instead of "self-employment" and consequently labour unions affect the level of wages far more. Comparatively speaking, the number of people employed in the industry is small in relation to the total amount invested. This is natural inasmuch as mechanisation of processes in this industry is very much greater than in any other village industry. Consequently, investment per capita averages about Rs 1,200.

Training

11.21 The development programme provides for the training of operatives and artisans in addition to supervisors, who generally have a higher educational background. The total expenditure on training during the six-year period was Rs 1.40 lakhs. The details of the different categories of personnel trained till 1958–59, State-wise are presented in Table 8.

TABLE 8

Training

State	No. trained upto 1958–59				
	Higher course	Opera-tives	Teachers	Artisans	Total
1. Andhra	1	6	10	5	22
2. Assam	–	–	2	–	2
3. Bihar	2	3	5	–	10
4. Bombay	13	15	32	36	96
5. Jammu & Kashmir	1	–	1	–	2
6. Kerala	4	9	2	18	33
7. Madhya Pradesh	2	4	3	–	9
8. Madras	1	2	15	9	27
9. Mysore	11	4	–	10	25
10. Orissa	2	4	15	2	23
11. Punjab	1	7	22	19	49
12. Rajasthan	–	6	10	6	22
13. Uttar Pradesh	9	12	13	13	47
14. West Bengal	3	3	14	12	32
15. Delhi	–	1	1	–	2
16. Tripura	1	1	1	–	3
Total	51	77	146	130	404

11.22 The analysis of the distribution of personnel State-wise, shows that in the case of other industries, the training programme does not correspond with the production programme. Most of the persons trained are employed as supervisory personnel by the Commission or by the State Boards or by the institutions. Here also the policy has not been uniform and needs to be looked into.

Conclusions And Recommendations

11.23 The review of the working of the development programme for the handmade paper industry shows that so far the organizational progress made has been mostly through large, medium and small units. Some of these large and medium units were already in existence prior to the formulation of the scheme. The major achievement of the programme is that it has enabled a large number of these units to step up the level of their production. Among the new units that have been started during the period, very few have been able to achieve a rate of production commensurate with the installed capacity. While production as a whole has increased, it has not been commensurate with capacity and consequently there is considerable leeway to be made up.

11.24 Trends in production show that emphasis is more on utility paper and boards rather than on production of quality paper. While from the immediate point of view of shortage of paper in the country, the shift in production is understandable, the overall decrease in the output of high grade paper is indeed disturbing. It may be recalled that the main emphasis of the programme originally approved by the Planning Commission was on the production of high-grade handmade paper. This was because highgrade handmade paper, blotting and drawing paper enjoyed competitive superiority. This aspect of the development programme does not appear to have received the attention that it merits.

11.25 Of even greater importance is the absence of a serious or sustained attempt to create a market for handmade paper independently of the special closed market that it now enjoys. This is a serious short-coming inasmuch as the future of the industry depends upon its capacity to market its goods in competition with others. This aspect of the question as well requires careful exanination and appropriate steps.

11.26 We are of the view that as in the case of most other industries, the pattern of disbursement of funds should be altered. Long before an agency has been able to select the site and erect the necessary building to house a paper centre, funds have been disbursed in *toto*, including working capital. So far the non-availability of the necessary equipment for the units has led to a delay of nearly a year or more between allotment of funds and the actual erection of a production unit. Consequently considerable amounts of money have been unprofitably locked up. It is, therefore, of great importance to spread out the release of funds in accordance with requirements so that a more effective check can be maintained over the actual expenditure of money on different purposes, the progress of the units and their production. This in fact should be the normal policy in disbursements of funds.

11.27 Expert opinion regarding the working of the industry at present and in the future is that organization of decentralised home units deserves far greater attention because of their greater efficiency as well as economy of production. So long as the factory type of work continues to be the main objective, decentralised development is not likely to be realised. This is not, however, to say that there is no scope for the continuance of medium and small scale units, but the main objective should, as far as possible, be the organization of large units on co-operative lines of artisans and decentralised units in cottages and schools. An effort also should be made through the State Governments to get handmade paper as one of the recognised subjects for the S. S. C. or corresponding examinations in different States. This will facilitate systematised training and production in schools and the original objective of teaching a craft to school children with a view to enabling them to earn at least partially their livelihood will then become easier of realization.

11.28 We are of the view that there is no case for the continuance of production subsidy and this must be discontinued. But, on the other, we recommend a far more intensive and widespread training particularly of the artisans in the skilled jobs so that when decentralised units are set up, they and the members of their families can become independent self-supporting persons.

11.29 We are not, however, competent to express any opinion on the proposals made before us for the organization of regional pulp making units. Technical opinion available to us indicates that the organization of such units is not likely to be economic. However, steps may be taken to obtain the technical opinion as well as conduct research in devising appropriate implements suitable for the home and school units.

11.30 We are of the view that there is considerable room for the improvement of the different items of machinery at present supplied to the production units, as well as in the nature and quality and services available for their maintenance and repair. We would suggest that the managerial personnel trained at the centre be given sufficiently intensive technical training so as to be in a position to assist units which need their services.

11.31 Simultaneously, arrangements should be made to reduce the time-lag between the placing of an order and the receipt of equipment. A Technical Committee may be appointed to examine how far it is possible to increase the number of recognized manufacturers of equipment. Except for the increase in the number of home units at suitable places, we are of the view that, there is no need at present for any expansion in the number of existing production units. Instead the primary attention that needs to be paid is to provide necessary facilities and technical guidance to enable the existing units to utilize their capacity,

CHAPTER 12

BEE-KEEPING

The development programme for the bee-keeping industry provided financial assistance for the manufacture and distribution of improved hives, training in bee-keeping for apiarists and field men, and assistance for the organization of different types of agencies in the field to organize and develop bee-keeping industry on a scientific basis.

I FINANCIAL

12.2 Over the six-year period, the expenditure on the implementation of the scheme amounted to Rs. 41.03 lakhs, of which Rs 36.95 lakhs were grants and Rs 4.08 lakhs loans. As compared with the First Plan period, outlay on the industry during the three years of the Second Plan period amounted to Rs 31.68 lakhs or more than 3 times as much as during the First Plan period. Repayment of loans during the period amounted to Rs 1.06 lakhs and the net expenditure on the scheme thus was Rs 39.97 lakhs The review is, however, based on the total expenditure on the scheme, details of which are presented in Table. I.

State-wise

12.3 The analysis of the disbursements of funds shown in Table I shows that Mysore and Madras between them accounted for Rs 22.57 lakhs or 55 per cent of the total disbursements during the period. While Mysore and Madras received Rs 14.12 lakhs and Rs 8.45 lakhs, respectively, Bombay received Rs 4.66 lakhs, Kerala Rs 2.55 lakhs, Uttar Pradesh Rs 2.22 lakhs and Punjab Rs 1.98 lakhs. The shares of the rest of the States in the country were comparatively very

TABLE I

State-wise, Plan-wise Disbursements (Rs lakhs)

State	I Plan			II Plan			Total		
	Grant	Loan	Total	Grant	Loan	Total	Grant	Loan	Total
1. Andhra	0.17	—	0.17	1.32	—	1.32	1.49	—	1.49
2. Assam	0.08	—	0.08	0.09	—	0.09	0.17	—	0.17
3. Bihar	0.20	—	0.20	1.08	—	1.08	1.28	—	1.28
4. Bombay	1.52	0.68	2.20	1.78	0.68	2.46	3.30	1.36	4.66
5. Jammu and Kashmir	0.10	—	0.10	0.24	—	0.24	0.34	—	0.34
6. Kerala	0.12	—	0.12	2.08	0.35	2.43	2.20	0.35	2.55
7. Madhya Pradesh	0.20	—	0.20	0.56	—	0.56	0.76	—	0.76
8. Madras	2.10	—	2.10	5.97	0.38	6.35	8.07	0.38	8.45
9. Mysore	3.00	0.64	3.64	9.87	0.61	10.48	12.87	1.25	14.12
10. Orissa	0.14	0.09	0.23	1.28	0.20	1.48	1.42	0.29	1.71
11. Punjab	—	—	—	1.78	0.20	1.98	1.78	0.20	1.98
12. Rajasthan	0.02	—	0.02	0.14	—	0.14	0.16	—	0.16
13. Uttar Pradesh	0.14	—	0.14	1.88	0.05	2.08	2.02	0.20	2.22
14. West Bengal	0.11	—	0.11	0.79	—	0.84	0.90	0.05	0.95
15. Delhi	0.04	—	—	0.01	—	0.01	0.05	—	0.05
16. Himachal Pradesh	—	—	—	0.14	—	0.14	0.14	—	0.14
Total	7.94	1.41	9.35	29.01	2.67	31.68	36.95	4.08	41.03

small. Disbursement of funds for the development of the bee-keeping industry has been confined to only a few States, which offer maximum scope for development. Even making allowances for this, it would appear that there is considerable scope for expansion in areas such as Jammu and Kashmir, Assam, Himachal Pradesh and parts of Punjab.

Scheme-wise

12.4 As observed above, the maid items of development of the industry consisted of the supply of improved hives, on the one hand, and provision of technical assistance through different types of field organizers, on the other. As a result, of the total expenditure of Rs 41 lakhs, supply of hives on a subsidised basis accounted for Rs 10.81 lakhs grants and Rs 4.08 lakhs loans or a total of Rs. 14.89 lakhs or 36.29 per cent. Organization of area offices, sub-stations, model apiaries, bee-clubs and school units accounted for Rs 17.46 lakhs or 42.55 per cent. The Commission paid towards the payment of salaries and contingencies of persons employed at the State level by State Boards etc. Rs 4.98 lakhs. Thus, the expenditure on the oganizational assistance and the distribution of equipment accounted for Rs 33.25 lakhs out of a total of Rs 41.03 lakhs.* Expenditure on training during the six-year period amounted to Rs 1.99 lakhs and the rest of the expenditure was on miscellaneous items such as research, conferences and seminars and ad-hoc assistance to different groups of population for specific purposes. Details of the scheme-wise disbursements of funds, year-wise, are shown in Statement XXXV.

Agency-wise

12.5 In sharp contrast to the pattern of disbursements in all other village industries, disbursements of funds for the development of bee-keeping industry to the registered institutions amounted to Rs 17.87 lakhs, and to co-operative societies Rs 12.85 lakhs as against Rs 8.26 lakhs to the State Boards and Rs 1.09 lakhs to Directors of Industries and Rs 0.92 lakhs for the implementation of the scheme in the Community Development Blocks. Thus, the major responsibilty for the programme and its success was of the registered institutions and co-operative societies, which between them accounted for Rs 30.76 lakhs or roughly 75 per cent of the total disbursements. Statements XXXVI and XXXVII detail the information on scheme-wise, agency-wise and year-wise disbursements.

II. PHYSICAL

12.6 As observed earlier, the principal forms of assistance for the development of this industry were organization of different field agencies and distribution of hives. In sharp contrast with the progress in several of the other village industries, progress in setting up the basic organizational frame-work for the sustained development and expansion in different areas consisting of area offices and sub-stations was satisfactory. All the 42 area offices and 557 out of the 600 bee-keeping sub-stations were organized during the period. Even the small short-fall in the number of substations organized was due to the comparatively late sanction of funds for this purpose in 1958-59. Similarly, out of 40 model apiaries, 34 were organized and 119 out of the 122 school units were set up. Thus, the performance of the industry so far as its organizational base is concerned can be considered commendable. Details of the organisational progress are shown in Statement XXXVIII.

12.7 State-wise analysis of the different types of organizational agencies shows that Mysore, Madras and Kerala which between them accounted for over 60 per cent of the total disbursements of funds had the largest number of area offices, sub-stations and model apiaries. Among other States, the number of sub-stations was the largest in Uttar Pradesh which had 3 area offices and 39 sub-stations. Uniformly, organizational effort made in different States was in accordance with the sanction of funds. Of the 122 school units allotted during the period, Mysore, Madras and Kerala received the largest number. In the Community

Project Areas 364 sub-stations, 13 model apiaries and 55 bee-clubs were organised. These were located mainly in Mysore, Madras and Kerala, although quite a substantial amount of work was done in Punjab, Andhra, Bihar and Uttar Pradesh, as detailed in Statement XXXIX.

Distribution Of Equipment

12.8 During the period, 87,384 hives were distributed all over the country, of which Mysore received 44,404, Madras 25,379, Kerala, 6,957, and Andhra, West Bengal and Bihar 1,626, 1,487 and 1,402 respectively. Details of hives distributed State-wise, year-wise are given in Table 2.

TABLE 2

State-wise Distribution Of Hives

State	1953-54	1954-55	1955-56	1956-57	1957-58	1958-59
1. Andhra	–	–	393	886	1,283	1,626
2. Assam	–	–	–	17	80	309
3. Bihar	18	308	541	486	1,003	1,402
4. Bombay	95	517	499	562	560	597
5. Jammu and Kashmir	–	–	–	253	795	981
5. Kerala	–	–	180	780	3,698	6,957
7. M. Pradesh	–	–	2	14	98	109
8. Madras	346	3,262	5,888	13,335	17,719	25,379
9. Mysore	316	3,512	8,610	12,991	31,703	44,404
10. Orissa	25	81	297	918	1,395	2,278
11. Punjab	–	–	–	178	342	830
12. Rajasthan	–	–	–	–	10	13
13. Uttar Pradesh	–	18	117	349	767	958
14. West Bengal	–	–	30	281	825	1,487
15. Himachal Pradesh	–	–	–	–	59	54
Total	800	7,698	16,557	31,050	60,337	87,384

12.9 As compared with the conditions in 1953-54, the foundations for a systemetic development of the industry have been laid, The programme is now in charge of 17 registered institutions, 10 co-operative societies and is being worked in 16 Community Development Blocks as can be seen from Table 3.

TABLE 3

Institutional Progress

State	1957-58				1958-59			
	State Boards	Coop-eratives	Regd. Institutions	No. of centres in CPA & NES blocks	State Boards	Coop-eratives	Regd. Institutions	No. of centres in CPA & NES blocks
1. Andhra	1	1	2	2	1	–	–	1
2. Assam	1	–	–	–	2	–	–	–
3. Bihar	2	–	–	–	2	–	–	1
4. Bombay	4	–	1	–	4	–	2	–
5. Jammu & Kashmir	–	–	2	–	–	–	1	–
6. Kerala	1	–	1	–	2	–	1	1
7. Madhya Pradesh	1	–	1	1	1	–	1	1
8. Madras	–	1	2	3	–	1	2	4
9. Mysore	–	9	–	2	–	9	1	2
10. Orissa	3	–	–	1	3	–	–	1
11. Punjab	–	–	1	2	–	–	1	2
12. Rajasthan	1	–	–	–	1	–	–	–
13. Uttar Pradesh	–	–	4	2	–	–	4	1
14. West Bengal	–	–	1	1	–	–	1	1
15. Himachal Pradesh	–	–	1	1	–	–	1	1
Total	14	11	16	15	16	10	17	16

Production

12.10 As a result of the organizational effort, production of honey through the agency of the sub-stations organized by the Commission, increased from 20,000 lbs in 1954-55 to 5.32 lakhs lbs in 1958-59. Although production in most States increased almost steadily year after year, a few contrary trends need, however, to be pointed out. Production in Bombay since 1955-56 has steadily fallen from 2,625 lbs in 1955-56 to 2,508 lbs in 1956-57 and at the end of 1958-59 it was a bare 858 lbs. Secondly, production also was extremely small in Madhya Pradesh and Rajasthan. It would appear that the volume of work done by the sub-stations and the area offices sanctioned in both the States was significantly lower than in the rest of the country. Production in relation to the amount of money spent in Assam as well as in Jammu and Kashmir was very large. In most of the States the progress in production was uniformly satisfactory particularly since 1956-57. Table 4 presents information on production year-wise and Table 5 sets out the same

TABLE 4

Production of Honey (in lbs)

State	1954-55	1955-56	1956-57	1957-58	1958-59
1. Andhra	—	617	3,251	4,125	6,751
2. Assam	—	—	5	126	1,290
3. Bihar	501	1,3559	2,946	6,276	10,493
4. Bombay	659	2,625	2,508	2,259	858
5. Jammmu & Kashmir	—	—	8,162	16,323	16,762
6. Kerala	—	94	1,294	10,719	22,776
7. Madhya pradesh	—	—	—	81	151
8. Madras	9,014	14,842	55,189	94,076	1,87,422
9. Mysore	9,304	26,324	50,948	1,52,990	2,61,903
10. Orissa	32	187	4,931	4,426	7,933
11. Punjab	—	—	—	1,089	5,026
12. Rajasthan	—	—	—	—	7
13. Uttar Pradesh	—	52	888	3,004	3,819
14. West Bengal	—	—	419	2,772	6,011
15. Himachal Pradesh	—	—	—	243	308
Total	19,510	46,100	1,30,541	2,98,459	5,31,510

TABLE 5

Production Of Honey (in lbs)

(Agency-wise, year-wise)

Agency	1954-55		1955-56		1956-57		1957-58		1958-59	
	Centres reporting	Production	Centres reporting	Production	Centres reporting	Production	Centres reporting	Production	Centres reporting	Production
1. State Governments	1	–	1	–	1	–	1	–	3	501
2. State Boards	3	5,472	4	8,155	5	7,414	12	19,870	13	36,251
3. Khadi Commission	–	–	1	–	1	8,162	2	16,323	1	–
4. Co-operatives	3	4,523	3	20,981	4	50,978	6	1,52,990	6	2,61,903
5. Registered Institutions	3	9,515	6	16,964	9	63,987	17	1,09,276	19	2,32,855
Total	10	19,510	15	46,100	20	1,30,541	38	2,98,459	42	5,31,510

data classified into the different agencies. Statement XL sets out the details on production in various types of units.

Sales

12.11 So far as this industry is concerned, whatever is produced is sold and there is sizeable unsatisfied demand. There is thus considerable scope for expansion of the programme.

Employment

12.12 The objective of the development programme for the bee-keeping industry was and continues to be the provision of an effective source of subsidiary income to farmers and others interested in learning a skill. During the six-year period about 33,000 persons have been benefited by the industry, the largest number among them being in Mysore (17,258), Madras (6,666), Kerala (3,215), Orissa (1,110), and West Bengal (1,043). The number in the other States was small as the scheme is yet to be organized in most of the States. The number of persons benefited by the industry between 1957–58 and 1958–59 more than doubled whereas the increase between 1956-57 and 1957-58 was only 50 per cent. Employment details are set out in Statement XLI.

Wages

12.13 It is not possible to compute the income of those engaged in the industry. Income from this industry depends firstly on the number of hives that a person maintains and secondly the area in which the work is done. As production of honey is not the result of human effort but of bees, the nature of flora and the quality of the bees in a given area necessarily play a decisive role. Consequently the earnings vary from State to State. On the basis of the available information, the average production per bee-keeper in the country in 1958–59 was 16.02 lbs of honey and the average per capita income from this industry was Rs 14.70. The data set out in Table 6 show that the per capita income from the industry varies from Rs 60 in Jammu and Kashmir and Rs 31 in Madras to as little as Rs 4 and less than 2 in Madhya Pradesh.

TABLE 6

Average Earnings Per Bee-keeper

State	1958-59 (Rs)
1. Andhra	9.05
2. Assam	9.57
3. Bihar	17.61
4. Bombay	4.07
5. Jammu and Kashmir	60.40
6. Kerala	6.86
7. Madhya Pradesh	1.72
8. Madras	31.16
9. Mysore	16.79
10. Orissa	7.88
11. Punjab	23.71
12. Rajasthan	—
13. Uttar Pradesh	12.09
14. West Bengal	7.12
15. Himachal Pradesh	12.48
All India	14.70

Training

12.14 Expenditure on training schemes in the bee-keeping industry over the six-year period amounted to Rs 1.99 lakhs. Training was given mainly to apiarists and fieldmen. Upto 1958-59, 38 apiarists and 912 fieldman were trained. The details of the candidates trained State-wise are presented in Table 7. Comparison of production with the number of fieldmen in each state has some broad relationship unlike many of the village industries we have so far reviewed.

Variations noticed are probably due to the difference in the duration of work in each different States.

TABLE 7

State	No. trained up to 1958–59 Fieldmen	1958–59 Production of Honey (lbs)
1. Andhra	50	6,751
2. Assam	—	1,290
3. Bihar	45	10,493
4. Bombay	115	858
5. Jammu and Kashmir	—	16,762
6. Kerala	35	22,776
7. Madhya Pradesh	–	151
8. Madras	173	1,87,422
9. Mysore	302	2,61,903
10. Orissa	38	7,933
11. Punjab	35	5,026
12. Rajasthan	–	7
13. Uttar Pradesh	80	3,819
14. West Bengal	39	6,011
15. Himachal Pradesh	–	308
Total	912	5,31,510

Conclusions And Recommendations

12.15 The review of the working of the different items of development programme for the bee-keeping industry shows that the organizational effort that has been made for the development of this industry has yielded on the whole satisfactory results. The effort made so far has heen mostly confined to a few selected States. The scope for a far more intensive development in some of the favourably situated States, particularly Jammu and Kashmir, parts of Uttar Pradesh and Punjab, Assam, Bihar and Bengal, has not so far been explored. In some of the places in Madras, Mysore and Kerala where an intensive programme was implemented the point of saturation has been or about to be reached.

12.16 We have examined the importance of the bee-keeping industry not merely from the point of view of the subsidiary income but also of its other effects particularly its effect on the yield per acre. As India's primary need today is increased output of both commercial and food crops, it would appear that the development of this industry should be on a pretty substantial scale because in addition to the honey that is produced, the other results particularly on the quality and the yield are far more important though they are not so easily measurable. We understand that several foreign countries have developed this industry with a view mainly to the secondary results such as improvement of crops, fruits, etc. rather than the primary result of honey. We, therefore, suggest that experimental centres to explore the possibilities of developing this industry on these lines be organized and on the basis of the experience gained the present development programme be revised.

12.17 Another aspect of the industry which requires similar re-examination is whether, as in several Western countries, research in different aspects of the industry particularly in Madras, Mysore, and Kerala should not be undertaken. According to the information available to us development of the industry on the present pattern in these three States has nearly reached the saturation point. These could easily be converted into research stations from which information for the improvement of the working of the industry as a whole in other parts of the country can be disseminated. Among the problems that need to be studied may be mentioned queen breeding, migration of bees, the causes of diseases among bees and their cure and also the scope for improvement of the quality of bees.

12.18 We have been appraised of the different experiments being made in handling rock-bees. Though the results so far obtained are not conclusive, they represent in our view, experimental research in the right direction. We, therefore, recommend that further and wider experiments be made to obtain more representative and fuller data before formulating any programme for this purpose.

12.19 As in the rest of the world, price of honey in the market is considerably higher than the price paid to the beekeeper. We understand that on the average the bee-keeper obtains less than a rupee per lb although price per lb in the market is Rs 2 and more depending upon quality and the demand for it. We are of the view that steps should be taken to raise the rate of returns to the beekeeper and reduce the present margin available to the middle men. We are of the view that this purpose will be easier to attain if the development of this industry is organised on co-operative lines.

12.20 While these matters are related to the nature of the programme itself, there are a few minor points which need consideration. We have been told by the representatives that the present shape and size of hives and their prices are mostly arbitrarily fixed and adequate attention is not paid to the locally available hives. Similarly a number of other tools and equipment supplied to different stations are priced arbitrarily. From the information available it appears to us reasonable that generally locally manufactured hives would be cheaper than hives manufactured at central workshops because of the smaller incidence of transport costs. Hence we suggest that appropriate steps, be taken in this regard so as to obviate unnecessary complaints.

CHAPTER 13

VILLAGE POTTERY INDUSTRY

The scheme for the development of this industry had a two-fold objective : provision of work facilities for potters at a common central place, distribution of improved implements to the artisans engaged in the industry and demonstration of the scope as well as the method of improving and diversifying production of articles in common demand. Towards this end, loans and grants were provided for the organization of different types of production units. The programme also provided for the organization of selling agencies in the country to assist artisans in realising better prices. In brief, the programme was modest in size and in content.

I. FINANCIAL

13.2 The expenditure on the development programme for this industry during the six-year period was Rs 32.37 lakhs, of which Rs 15.53 lakhs were grants and Rs 16.84 lakhs loans. The development programme was taken up for implementation only during the Second Five Year Plan period and consequently expenditure during the three years of the Second Plan period amounted to Rs 28.34 lakhs as compared with the expenditure of Rs 4.03 lakhs during the First Plan period. Repayment of loans advanced for various purposes amounted to only Rs 54,000 and thus the net expenditure on the programme was Rs 31.83 lakhs. The analysis is, however, based on the total expenditure. Details of the disbursements of funds for the implementation of the scheme State-wise and Plan-wise are shown in Table I.

TABLE I

State-wise, Plan-wise Disbursements

(Rs lakhs)

State	I Plan			II Plan			Total		
	Grants	Loan	Total	Grant	Loan	Total	Grant	Loan	Total
1. Andhra	0.20	0.21	0.41	0.60	0.59	1.19	0.80	0.80	1.60
2. Assam	–	–	–	0.45	0.53	0.98	0.45	0.53	0.98
3. Bihar	–	–	–	0.65	0.81	1.46	0.65	0.81	1.46
4. Bombay	0.62	0.62	1.24	1.86	1.25	3.11	2.48	1.87	4.35
5. Kerala	0.14	0.19	0.33	1.11	1.00	2.11	1.25	1.19	2.44
6. Madhya Pradesh	0.29	0.38	0.67	0.31	0.23	0.54	0.60	0.61	1.21
7. Madras	0.16	0.04	0.20	1.80	2.88	4.68	1.96	2.92	4.88
8. Mysore	0.45	0.05	0.50	1.69	0.68	2.37	2.14	0.73	2.87
9. Orissa	–	–	–	1.18	1.67	2.85	1.18	1.67	2.85
10. Punjab	0.05	0.09	0.14	1.04	1.46	2.50	1.09	1.55	2.64
11. Rajasthan	0.20	0.29	0.49	0.64	0.49	1.13	0.84	0.78	1.62
12. Uttar Pradesh	0.05	–	0.05	0.96	2.82	3.78	1.01	2.82	3.83
13. West Bengal	–	–	–	1.08	0.56	1.64	1.08	0.56	1.64
Total	2.16	1.87	4.03	13.37	14.97	28.34	15.53	16.84	32.37

State-wise

13.3 Although the programme was modest in size, efforts appear to have been made to disburse funds evenly over the different States in the country. Disbursements of funds were generally in accordance with the conditions for the development of the industry in all States except Madras and Bombay, each of which received over Rs 4 lakhs, while Uttar Pradesh received Rs 3.83 lakhs. Thus, Mysore, Orissa, Punjab and Kerala received over or about Rs 2½ lakhs each and Andhra, Rajasthan and West Bengal over Rs 1½ lakhs each. There were not any sharp disparities between the shares of the States as in the case of several other industries.

Scheme-wise

13.4 The details of the disbursements by schemes set out in Statement XLII shows that, of the total expenditure of Rs 32.37 lakhs, Rs 19.56 lakhs or 60.4 per cent were expenditure on the organization of common worksheds, different types of production units and distribution of improved implements. Advances of loans for working capital accounted for Rs 6.90 lakhs. Thus two major items, viz. production units and working capital for purchase of finished products and their sale, accounted for Rs 26.46 lakhs or 81.7 per cent. While training and demonstration between them accounted for Rs 3.64 lakhs, all other miscellaneous items such as research, publicity, propaganda, etc. accounted for comparatively very small amounts. In this industry a small provision was made till 1957-58 for a direct grant of financial assistance to potters for purchase of shares in co-operative societies. In 1958-59, however, the grant was replaced by loans. The provision of both grants and loans was, however, very small.

Agency-wise

13.5 Of the total expenditure of Rs 32.37 lakhs, disbursements to State Boards amounted to Rs 10.49 lakhs or 32.4 per cent, to registered institutions Rs 6.81 lakhs and co-operative societies to Rs 2.26 lakhs as detailed in Statement XLIII. Disbursements to Directors of Industries in different States and Development Commissioners for organizing work in Community Development Blocks amounted to Rs 4.16 lakhs and Rs 4.77 lakhs respectively. Expenditure on the programme in Intensive Areas was Rs 3.88 lakhs.

13.6 Analysis of the year-wise expenditure set out in Statement XLV shows that of Rs 10.49 lakhs disbursed to the State Boards, Rs 6.28 lakhs or 59.86 per cent were disbursed during the last two years. While the entire amount to the Directors of Industries were disbursed during 1957-58 and 1958-59, Rs 4.00 lakhs out of Rs 4.77 lakhs to the Development Commissioners were disbursed during the two years. As explained already, disbursements were made usually towards the end of the financial year and as a result work done by each of the official agencies in the States is small. Consequently the review of the programme presented in the following pages refers only to the work done by the agencies directly assisted by the Commission during the last six years.

Utilisation Of Funds

13.7 As in the case of most other village industries, the pace of utilisation of funds was slow for the reasons already explained. But in the case of village pottery industy, it was even slower than in the others because of a number of initial difficulties in organizing production units at the appropriate places. These difficulties are not, however, likely to continue. There is, thus, scope for a more rapid development of the industry so long as the activities organized are on an appropriate scale and the lines of production initiated are in consonance with the trends in demand. As the State Boards and Development Commissioners have, by and large, not been able to organize work in the field owing to late receipt of funds, the review is confined, by and large, to the work done by registered institutions during the six-year period.

II. PHYSICAL

13.8 As in the case of bee-keeping industry, progress in organizing different types of centres was satisfactory. All the 15 model centres, 65 common worksheds and all the building material units and the experimental ceramic stations have been organized. Of the 5 glazed pottery units allotted, 3 units have so far been organised.

13.9 The number of co-operative societies assisted directly by the Commission increased from 77 at the end of 1956-57 to 115 at the end of 1958-59. The largest number of co-operative societies is in Bombay (19), Orissa (18) and Bihar and Madras (16 each) followed by Mysore (15). Most of the other States have very few co-operative societies. It is thus clear that the main agency in charge of actual implementation of the programme so far has been only the registered institutions. The number of registered institutions and of co-operative societies assisted during the six-year period is shown in Table 2.

TABLE 2

Institutional Progress

State	1957–58							1958–59						
	State Government & C. P. A.	State Board	Intensive Areas	Co–operatives	Registered Institutions	Khadi and V. I. Commission	Total	State Government & C. P. A.	State Board	Intensive Aareas	Co-operative	Registered Institutions	Khadi and V. J. Commission	Total
1. Andhra	3	1	–	6	1	–	11	4	1	–	5	1	–	11
2. Assam	1	3	–	2	–	–	6	2	1	–	3	–	–	6
3. Bihar	2	3	–	6	–	–	11	–	3	1	16	–	–	20
4. Bombay	3	6	1	14	4	1	29	6	3	2	19	4	1	35
5. Kerala	1	1	1	4	3	–	10	–	1	1	8	5	–	15
7. Madhya Pradesh	–	5	–	–	–	–	5	1	4	–	4	–	–	9
9. Madras	3	–	–	14	1	–	18	7	–	–	16	1	–	24
10. Mysore	1	1	–	7	1	–	10	–	1	–	15	–	–	16
11. Orissa	–	3	–	14	–	–	17	–	4	–	18	–	–	22
12. Punjab	2	–	–	–	6	–	8	–	1	–	–	6	–	7
13. Rajasthan	1	2	–	10	4	–	17	1	3	–	7	2	–	13
14. Uttar Pradesh	–	–	2	–	1	–	3	1	–	13	2	1	–	17
15. West Bengal	1	–	–	–	2	–	3	3	–	–	1	3	–	7
16. Tripura	–	–	–	–	–	–	–	–	–	–	1	–	–	1
Total	18	25	4	77	23	1	148	25	22	17	115	23	1	203

Distribution Of Improved Implements

13.10 During the six-year period, 998 wheel attachments, 1,102 new improved wheels, 374 chain wheels have been distributed among the potters in the country. For the manufacture of different types of tiles, screw presses and tile presses were also distributed among the artisans engaged in this industry. So far 205 moulds, 44 screw presses, 7 tile presses have been distributed. Funds for the construction of 122 sheds for the erection of bhattis have also been disbursed. Details of the different types of equipment distributed during the six-year period State-wise are presented in Table 3. State-wise, Madras introduced the largest number of new improved wheels, accounting for 347 out of the total of 1,102, followed at a considerable distance by Bengal with 169, Bombay with 139 and Rajasthan with 116.

Production

13.11 The value of production of different types of articles increased from Rs 1.11 lakhs in 1956-57 to Rs 11.13 lakhs in 1958-59. To the total production Madras contributed Rs 5.11 lakhs, Kerala Rs 1.24 lakhs and Bombay Rs 1.10 lakhs. Contribution to the total value of production of Orissa, Mysore, Punjab, Rajasthan and Uttar Pradesh was substantial. The details of the State-wise and year-wise production are presented in Table 4.

TABLE 3

Distribution Of Improved Implements

State	Upto 1957–58						Upto 1958–59						
	Wheel attach-ments Nos.	New Model wheels Nos.	Chain driven wheels Nos.	Moulds Nos.	Screw presses Nos.	Bhatti sheds Nos.	Wheel attach-ments Nos.	New Model Wheels Nos.	Chain driven wheels Nos.	Moulds Nos.	Screw presses Nos.	Bhatti sheds	Tile Press
Andhra	10	10	20	10	2	10	10	14	20	10	2	11	–
Assam	50	40	6	6	–	6	50	42	8	6	–	6	–
Bihar	50	30	–	5	2	–	52	33	2	10	2	–	2
Bombay	292	129	75	42	6	32	293	139	78	44	6	32	–
Kerala	50	10	5	19	2	–	62	17	8	25	2	–	–
Madhya Pradesh	45	66	50	26	8	–	46	73	53	28	8	–	–
Madras	–	162	–	–	–	–	5	347	–	6	–	2	–
Mysore	153	51	89	–	–	–	157	54	89	2	–	–	–
Orissa	100	60	20	10	4	10	111	79	20	17	4	10	5
Punjab	45	–	–	–	–	25	45	6	–	–	–	25	–
Rajasthan	116	115	75	20	7	31	115	116	75	20	7	31	–
Uttar Pradesh	–	4	–	–	–	–	–	9	–	1	–	–	–
West Bengal	50	160	21	30	13	1	50	169	21	33	13	5	–
Manipur	–	–	–	–	–	–	2	2	–	3	–	–	–
Tripura	–	–	–	–	–	–	–	2	–	–	–	–	–
Total	960	838	361	168	44	115	998	1102	374	205	44	122	7

TABLE 4

Production

(Value Rs.)

State	1956-57	1957-58	1958-59
1. Andhra	17,850	5,108	29,711
2. Assam	—	—	18,692
3. Bihar	—	17,697	29,160
4. Bombay	15,000	18,355	1,09,601
5. Kerala	740	14,676	1,24,158
6. Madhya pradesh	—	502	7,243
7. Madras	57,113	2,11,792	5,10,644
8. Mysore	3,182	19,332	54,654
9. Orissa	—	—	67,469
10. Punjab	12,963	25,654	46,565
11. Rajasthan	3,936	4,467	40,758
12. Uttar Pradesh	—	—	44,121
13. West Bengal	—	1,438	27,569
14. Tripura	—	—	2,785
Total	1,10784	3,19,021	11,13,133

Sales

13.12 Analysis of the figures of sales available for the last two years, set out in Table 5, shows that sales of pottery articles over the entire country kept pace with the increase in their production.

TABLE 5

Sales

Value Rs.

State	1957–58	1958–59
1. Andhra	4,565	26,253
2. Assam	—	15,120
3. Bihar	13,329	27,437
4. Bombay	16,907	37,694
5. Kerala	15,290	1,11,572
6. Madhya Pradesh	549	13,875
7. Madras	96,884	5,18,271
8. Mysore	15,485	27,858
9. Orissa	11,343	60,882
10. Punjab	20,534	9,972
11. Rajasthan	2,790	25,500
12. Uttar Pradesh	—	34,395
13. West Bengal	29,94	4,797
14. Tripura	—	569
Total	2,00,670	9,14,195

Employment And Wages

13.13 The data on employment and wages are incomplete. The available information presented in Table 6 below shows that the number of persons employed on a full-time basis increased from 542 in 1957-58 to 3,922 in 1958-59. The number of workers employed on a part-time basis and the number of casual workers nearly doubled between the two years.

TABLE 6

Employment

State	1957-58 Full time No.	1957-58 Part time No.	1957-58 Casual No.	1957-58 Others No.	1958-59 Full time No.	1958-59 Part time No.	1958-59 Casual No.	1958-59 Others No.
1. Andhra	12	32	9	–	40	366	42	–
2. Assam	–	–	–	–	10	137	–	–
3. Bihar	278	245	–	–	44	67	136	–
4. Bombay	67	77	24	–	512	63	82	–
5. Kerala	67	112	97	7	123	–	–	–
6. M. Pradesh	8	–	–	–	10	57	–	–
7. Madras	11	152	–	–	2,298	–	–	–
8. Mysore	62	32	12	3	151	92	–	–
9. Orissa	–	–	–	–	105	155	17	–
10. Punjab	28	8	–	–	130	28	–	–
11. Rajasthan	1	2	–	–	55	15	–	–
12. U. Pradesh	–	–	–	–	421	360	–	–
13. West Bengal	8	–	7	14	15	7	2	–
14. Tripura	–	–	–	–	8	14	–	–
Total	542	660	149	24	3,922	1,361	279	–

13.14 Earnings of potters depend upon a number of factors. The most important of them is their skill in any of the various processes. Thus, for instance, a potter with a specialised skill in moulding earns more than a potter with a special ability in preparing clay and a skilled worker on the wheel earns more than an unskilled worker on the wheel. Where a potter has the ability to do artistic work, his earnings are considerably higher.

13.15 The period of work of a potter is determined by a number of factors such as, availability of clay and other essential raw materials, capacity to store and nature of the markets etc. On an average, it would appear that a potter of average ability may be able to earn anywhere between 8 to 12 annas per day if his production consists of traditional utensils and similar utility products. Where he is engaged in the manufacture of glazed or artistic wares, his earnings may range anywhere between Re. 1 and Rs 2-8-0 per day. Where a potter does all the processes himself from the preparation of clay to the final products, particularly of artistic merit, net earnings (of the family as a whole) may be Rs 3 or more.

13.16 On the basis of the information available to us we are not in a position to express an opinion on the nature and extent of the improvement that has been brought about in the economic conditions of the potters. The number of potters who have so far come within the purview of the Commission's activities is, however, small and the nature of work done so far has been essentially exploratory in character in most areas. Common facilities that have been provided have, however, enabled them to work for slightly longer periods and provided them better marketing facilities. We do not, however, consider it advisable to hazard any opinion on the improvement brought about in the level of their earnings because of very incomplete data available to us on this point.

Conclusions And Recommendations

13.17 The review of the programme presented above shows that though the organizational effort made so far has been, by and large, successful, the size of the effort in relation to the number of potters or to the total volume of pottery goods manufactured and sold in the country has been small. The analysis of the number of improved implements distributed and the number of potters directly and indirectly assisted confirms this view. We are not sure whether a larger effort on the lines on which it has been made would have had any better effects because with the increase in the volume of production of aluminium and other metalic utensils, the demand for traditional pottery articles of domestic use appears to be on the decline. Judging from the trends in sales in some of the States, there seems to be, however, scope for expansion of production, particularly of certain varieties. In any case, the development programme accepted and implemented by the Commission so far, does not appear to have much of a future unless its pattern is changed.

13.18 The representaives of different agencies were unanimously of the view that while common work-sheds have been generally of great assistance to potters inasmuch as they gave them an assured place of work, they were not in favour of the continuation of the programme on the present lines because each of them was convinced that pottery articles now in use for domestic purposes would be progressively replaced by metalic wares. Consequently, they took the view that emphasis of the development programme should be on the manufacture of progressively improved types of goods. The experimental ceramic stations with a number of glazed pottery units attached to them, in the opinion of the Committee, is a move in the right direction. There are, however, a number of technical and organisational implications which need closer scrutiny. We are of the view that any large scale expansion of effort on the present lines is not likely to result in any significant improvement in the conditions of the potters. We, therefore, suggest that the Commission organise experimental centres for distribution of body and glaze to a number of decentralised glazing units so that their economics can be studied more throughly before preparing a programme in this regard.

13.19 A suggestion was made to us that a more profitable line of work immediately available is the manufacture of tiles and other building materials because with the increase in the constructional activities demand for building materials is large, and manufacture of bricks, tiles, pipes etc. is likely to yield better results. We agree with this view; but whether the decentralised manufacture can compete with organised private enterprise needs to be explored.

13.20 This would, however, mean that the entire development programme for the village pottery industry needs to be changed, and the tools and equipment in use now need to be substituted by implements, whose productivity is significantly higher. We would, therefore, suggest that the Commission appoint as soon as possible a Committee of technical experts to go into this question *de novo* and assess how far the activities in Intensive Areas and Community Development Blocks have been able to meet local demand for building materials of different types.

CHAPTER 14

FIBRE INDUSTRY

The scheme for the fibre industry till 1957–58 was essentially one of training artisans engaged in it in the use of improved charkhas and tools with a view to raising their productivity and earnings. Since 1957–58, an attempt was initiated to set up model production centres in suitable areas. Provision was made for the manufacture and distribution of charkhas on a subsidised basis and also for working capital for marketing the output of the different types of centres. The programme implemented so far has been essentially experimental in nature to ascertain the scope for a full-fledged development programme.

I. FINANCIAL

14.2 During the five-year period expenditure on the experimental programme aggregated to Rs 12.26 lakhs. The bulk of the expenditure was incurred during the period 1956-57 to 1958–59, as can be seen from the data presented in Table I.

State-wise

14.3 As it was essentially an experimental programme, disbursements were made only to those States which had the essential raw materials and where training held out prospects of success. Consequently, Bombay, Mysore, Andhra, Uttar Pradesh and Punjab between them accounted for over 77 per cent of the total disbursements. As the scheme was essentially experimental in nature and emphasis was on training rather than on production, percentage of grants to loans was higher.

Scheme-wise

14.4 As detailed in Statement XLV, of the total expenditure of Rs 12.26 lakhs, training schemes alone accounted for Rs 8.67 lakhs or

TABLE . I

State-wise, Plan-wise Disbursements

(Rs lakhs)

State	I Plan			II Plan			Total		
	Grant	Loan	Total	Grant	Loan	Total	Grant	Loan	Total
1. Andhra	–	–	–	0.28	1.90	2.18	0.28	1.90	2.18
2. Bihar	–	–	–	0.37	0.24	0.61	0.37	0.24	0.61
3. Bombay	0.43	0.25	0.68	1.30	0.23	1.53	1.73	0.48	2.21
4. Kerala	–	–	–	0.03	–	0.03	0.03	–	0.03
5. Madhya Pradesh	–	–	–	0.17	0.11	0.28	0.17	0.11	0.28
6. Mysore	–	–	–	2.05	0.75	2.80	2.05	0.75	2.80
7. Orissa	–	–	–	0.33	0.52	0.85	0.33	0.52	0.85
8. Punjab	–	–	–	0.51	0.48	0.99	0.51	0.48	0.99
9. Rajasthan	–	–	–	0.40	0.24	0.64	0.40	0.24	0.64
10. Uttar Pradesh	–	–	–	0.89	0.42	1.31	0.89	0.42	1.31
11. West Bengal	0.04	–	0.04	0.20	0.12	0.32	0.24	0.12	0.36
Total	0.47	0.25	0.72	6.53	5.01	11.54	7.00	5.26	12.26

over two-thirds of the total expenditure. Distribution of implements and establishment of model production centres accounted together for less than Rs 50,000, while assistance in the shape of working capital for the manufacture of charkhas, for the purchase and sale of products of the spinners and weavers at the training and model centres accounted for Rs 3.17 lakhs. As in the case of other industries, over a third of the total disbursements was in 1958–59.

Agency-wise

14.5 Agency-wise, disbursements to State Boards amounted to Rs 6.94 lakhs or 56 per cent; to registered institutions Rs 2.96 lakhs and to Intensive Areas of the Commission Rs 1.53 lakhs. The shares of other agencies were nominal. The bulk of the disbursements, as observed at the outset, were made during the period 1956–57 to 1958–59. Scheme-wise, agency-wise and year-wise details of disbursements are shown in Statements XLVI and XLVII.

Utilization

14.6 Utilization of funds by most agencies, particularly by State Boards was slow and consequently the work so far done is partly of registered institutions and partly of Intensive Areas of the Commission.

II. PHYSICAL

14.7 The implementation of the experimental programme was entrusted to 15 registered institutions, 18 Intensive Areas and 8 co-operative societies during the period as shown in Table 2. The work done so far indicates the scope for the development of the industry.

14.8 During the three-year period, 295 training-cum-production centres, 21 model centres and 23 fibre spinning centres were organised in the country. The state-wise distribution of these different types of centres is shown in Table 3. Of these, 9 model centres and 88 training-cum-production centres were organised in Mysore as against 2 model centres and 93 training-cum-production centres organised in Bombay. Uttar Pradesh had 52 training-cum-production centres and 2 model centres, while Orissa and Andhra had 12 training-cum-production centres each. The rest of the States had, comparatively speaking very few centres. Only during 1958–59 an attempt was made to start spinning centres in different States. Mysore had 20 fibre spinning centres and Bihar, Punjab and Rajasthan 1 each, hessian centres. These centres also were started on an experimental basis.

TABLE 2
Institutional Progress

State	Upto 1956–57				Upto 1957–58				Upto 1958–59			
	Int. Areas	Co-op. Socs.	Regd. Instns.	To-tal	Int. Areas	Co-op. Socs.	Regd. Instns.	To-tal	Int. Areas	Co-op. Socs.	Regd. Instns.	To-tal
1. Bihar	–	–	–	–	1	–	–	1	1	–	1	2
2. Bombay	–	–	–	–	3	–	1	4	4	1	1	6
3. Kerala	–	–	–	–	1	–	–	1	1	–	–	1
4. Madhya Pradesh	–	–	–	–	1	–	–	1	1	–	1	2
5. Mysore	–	–	5	5	–	5	11	16	–	6	11	17
6. Orissa	–	–	–	–	–	–	–	–	–	–	–	–
7. Punjab	–	–	–	–	1	–	–	1	1	–	1	2
8. Rajasthan	1	–	–	–	1	–	–	1	2	–	–	2
9. Uttar Pradesh	1	–	–	1	6	–	–	6	8	1	–	9
Total	1	–	5	6	14	5	12	31	18	8	15	41

TABLE 3
Organizational Progress

State	1956–57	1957–58		1958–59			Total		
	Training–cum prodn. centres	Trng. cum-prodn. centres	Model centres	Trng.–cum–prodn. centres	Model centres	Fibre spinning & Hessian centres	Trng.–cum–prodn. centres	Model centres	Fibre spinning & Hessian centres
1. Andhra	12	—	—	—	—	—	12	—	—
2. Bihar	—	6	—	—	1	1	6	1	1
3. Bombay	50	30	1	13	1	—	93	2	—
4. Kerala	—	3	—	—	—	—	3	—	—
5. Madhya Pradesh	—	3	—	5	1	—	8	1	—
6. Mysore	29	37	5	22	4	20	88	9	20
7. Orissa	12	—	1	—	1	—	12	2	—
8. Punjab	—	3	—	—	2	1	3	2	1
9. Rajasthan	6	3	—	9	1	1	18	1	1
10. Uttar Pradesh	—	32	1	20	1	—	52	2	—
11. West Bengal	—	—	1	—	—	—	—	1	—
Total	109	117	9	69	12	23	295	21	23

Distribution Of Equipment

14.9 Till 1957–58, charkhas were distributed to trained spinners outright as gifts. Since 1957–58, they are being distributed on a subsidised basis. So far, 1,644 charkhas have been distributed to trained spinners, of which 956 were distributed free of cost and the rest on a subsidised basis as shown in Table 4.

TABLE 4

Distribution Of Charkhas

State	No. of charkhas supplied free	No. of charkhas supplied at subsidised rate
1. Andhra	48	48
2. Bihar	24	–
3. Bombay	160	136
4. Kerala	12	–
5. Madhya Pradesh	12	–
6. Mysore	456	412
7. Orissa	48	48
8. Punjab	12	–
9. Rajasthan	36	24
10. Uttar Pradesh	148	20
Total	956	688

Production

14.10 Value of production incidental to training during each year till 1957–58 increased six-fold from Rs 8,000 in 1954–55 to Rs 48,000 in 1957–58. As a result mainly of the organisation of production centres of different types in 1958–59, value of production during 1958-59 increased to Rs 4.24 lakhs.

Sales

14.11 According to the information available to us, there has been not only no difficulty in the disposal of the goods manufactured, but there is in fact, sizeable demand for products of specified varieties.

Employment And Wages

14.12 We have no information on the actual rates of wages earned by spinners at the different model centres set up last year. There are two categories of persons (spinners and weavers) employed in the industry. The present rates of wages for spinners are Rs 1-0-0 to Re 1-8-0 per head per day depending upon the quantity of yarn processed, and wages of weavers are 6 to 12 annas per day depending upon the quality and size of pats woven. The industry provides employment for both men and women at an avergae wage of Re. 1-0-0 to Rs 2-0-0 for men and 8 annas to 12 annas for women.

Conclusions And Recommendations

14.13 The review of the programme shows that the experimental programme has been worthwhile. The type of charkhas being introduced is also an improvement over the traditional methods of spinning and to that extent would appear to have improved the earning capacity of the artisans engaged in the industry. We are of the view that the results of the programme warrant a full-fledged production programme. We consider, however, that this must be preceded by a careful survey of selected areas in the States before undertaking production programmes. Similarly, the scope for converting the existing training-cum-production centres into production centres should be first explored and the market for the products tested fully before expansion is undertaken. As far as possible at the production centres employment should be found for spinners who have already been trained.

14.14 The experience of work done by model centres in other industries does not encourage us to suggest any expansion in this respect. We would, on the other hand, recommend the organization of a larger number of composite spinning and weaving centres so as to correlate one with the other and to minimise over-heads. We, therefore, suggest that after a full experimentation during the balance of the Second Plan period, a full-fledged programme of expansion be prepared subject to the conditions we have mentioned.

14.15 We would suggest that information regarding fibrous plants should be obtained as soon as possible from the forest departments of both the Union and State Governments so as to ascertain the places of their occurence and their volume.

14.16 We believe that to make this industry serve the classes of people engaged in it, a considerably better technique with higher productivity is desireble. Consequently, we suggest intensive experiments both at the Commission's own Central Institute as well as in other technological laboratories and institutes capable of undertaking reseach should be encouraged so as to determine, on the basis of complete information, the types of tools that can be introduced.

CHAPTER 15

CARPENTRY AND BLACKSMITHY INDUSTRY

Towards the middle of 1957–58 the Commission made a small start with Carpentry and Blacksmithy which had been included in the list of industries under its purview by the Khadi and Village Industries Commission Act. The present programme is essentially one of training artisans in both Carpentry and Blacksmithy.

FINANCIAL

15.2 During 1957–58 and 1958–59 the Commission disbursed Rs 6.12 lakhs consisting of Rs 2.37 lakhs as grants and Rs 3.75 lakhs as loans. Almost the entire amount of funds sanctioned in both 1957–58 and 1958–59 was disbursed towards the end of each financial year. Of the total amount disbursed, State Boards received Rs 2.82 lakhs, Intensive Areas Rs 2.69 lakhs and registered institutions Rs 63,000, as can be seen from the details presented in Table I. The State-wise disbursements of funds are shown in Table 2.

15.3 As observed above, the purpose for which funds have been disbursed was for the organization of training-cum-production centres

TABLE 1

Agency-wise, Year-wise Disbursements

(Rs lakhs)

Agency	1957–58			1958–56			Total		
	Grant	Loan	Total	Grant	Loan	Total	Grant	Loan	Total
1. State Boards	0.69	1.16	1.85	0.34	0.63	0.97	1.03	1.79	2.82
2. Intensive Areas	0.34	0.34	0.68	0.79	1.20	1.99	1.13	1.54	2.67
3. Regd. Institutions	–	–	–	0.21	0.42	0.63	0.21	0.42	0.63
Total	1.03	1.50	2.53	1.34	2.25	3.59	2.37	3.75	6.12

TABLE 2

State-wise Disbursements

(Rs lakhs)

State	1957–58			1958–59			Total		
	Grant	Loan	Total	Grant	Loan	Total	Grant	Loan	Total
1. Bombay	0.34	0.34	0.68	0.65	1.07	1.72	0.99	1.41	2.40
2. Madras	–	–	–	0.11	0.21	0.32	0.11	0.21	0.32
3. Mysore	–	–	–	0.11	0.42	0.53	0.11	0.42	0.53
4. Orissa	0.34	0.57	0.91	0.12	0.21	0.33	0.46	0.78	1.24
5. Rajasthan	0.35	0.59	0.94	–	–	–	0.35	0.59	0.94
6. Uttar Pradesh	–	–	–	0.35	0.34	0.69	0.35	0.34	0.69
Total	1.03	1.50	2.53	1.34	2.25	3.59	2.37	3.75	6.12

in different areas. No work so far has been done in organizing these production centres in most areas. At the time of our writing this report, we have not received information regarding the nature and/or size of the progress made in implementing the scheme.

CHAPTER 16

REVIEW OF THE TRAINING PROGRAMME

I FINANCIAL

During the six-year period expenditure on the training programme for the village industries amounted to nearly Rs 48 lakhs. The bulk of the expenditure consisted of grants except for a small provision of loans to training-cum-production centres in village leather and carpentry and balcksmithy. The details of the expenditure industry-wise and year-wise are presented in Statement XLVIII.

16.2 Analysis of the data industry-wise shows that expenditure on the training schemes in the village leather industry was the largest, accounting for Rs 11.19 lakhs or nearly 23 per cent, followed by palm-gur with Rs 8 lakhs, carpentry and blacksmithy with Rs 6.12 lakhs and fibre with Rs 5.11 lakhs. The proportion of expenditure on training to the total expenditure on an industry varies widely. Thus, for example, of the total expenditure of Rs 128 lakhs on processing of cereals, Rs 305 lakhs on village oil and Rs 157 lakhs on non-edible oils and soap industry, expenditure on training was Rs 74,000, Rs 4.04 lakhs and Rs 2.78 lakhs, respectively, whereas expenditure on training in palm-gur industry was Rs 8 lakhs out of Rs 92 lakhs and in leather industry Rs 11.19 lakhs in a total of Rs 121 lakhs. Similar variations can be noticed in other industries as well. The importance of training programme would thus appear to vary from industry to industry.

16.3 One of the important functions of the Board and later the Commission was training of personnel for each of the village industries. The Planning Commission attached the greatest importance to training of personnel because of the rapid social and economic changes in the conditions in rural areas.[1] They were of the view that "training programmes have to be organized on a large scale if the process of adaptation on the part of village artisans is to be expedited" [2] because they believed that "with better training arrangements it might also become possible to arrange for manufacture of standard tools and equipment for work in the villages".[3]

16.4 Soon after its constitution, the Board appointed a Training Survey Committee to ascertain the nature and types of training facilities available in different States. After a thorugh survey of the condition in all States, the Committee came to the conclusion that the "arrangements for imparting technical training either to established village artisans in the improved methods or to the unskilled labour in the village industries techniques are very unsatisfactory and inadequate. The methods of training adopted are not systematic and differ in many respects in different States. There is no co-ordination even in the technical set up or practice in different States". [4] The Committee, therefore, advised the Board to undertake directly the responsibility for providing training at different levels for various categories of personnel required for its industries. In pursuance of this recommendation, a Training Committee was appointed. The Training Programme drawn up by this Committee, however, laid far greater emphasis on the training of organizers for Khadi than for village indutries.

16.5 The training programme for each of the village industries consists of different types of technical training courses for different categories of personnel. Even today there is no central Vidyalaya at which facilities exist for providing basic training to organizers in the socio-economic aspects of work in the villages; nor have arrangements been made to organize and

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1. *First Year Plan* Planning Commission, Page 320.
2. Ibid
3. Ibid
4. *Report of the Training Survey Committee* Page 6.

provide training facilities in the manner recommended by the Training Survey Committee. During the last two years the Standing Training Committee has carried out an on-the-spot investigation of training centres for village industries. The Committee has also examined the syllabi prescribed for training in each of the industries for each type of course. We understand that the revised syllabi as also the change in approach to the organization of training facilities are under the active consideration of the Commission.

16.6 The review of the progress in the implementation of the development programmes presented in the previous chapters shows that the approach to training has not always been sound. While some attempt has been made to train supervisory personnel, the approach has been isolated and unrelated to the actual needs and purpose of the programmes for village industries as a whole. The absence of an integrated approach to planning, the development of the village industries resulted in providing separate training courses for supervisory personnel in each industry. Moreover, though an attempt has been made to train artisans in places of their work in some of the industries, the size of effort has been small and its results not as satisfactory as they might have been. Above all, training programmes which were unrelated to one another led to avoidable duplication of effort. Thus, for example, carpentry and blacksmithy has been only recently taken up while it was one of the primary basic efforts recommended by the Planning Commission. Had this been done, there need not have been separate courses for training of mistries in village oil and other industries, because locally trained carpenters could have taken up this work as well. In brief: the fundamental unity of purpose necessary in drawing up training programmes for supervisory personnel was conspicuously absent. As a result, the effort at training artisans in the use of improved tools and techniques has not been either as large or as effective as was desirable.

16.7 We tried without much success to obtain information on the details of the number of trained personnel absorbed in the different industries. Except in bee-keeping, palm-gur and handmade paper industries, the informatiom available to us on the percentage of trained personnel absorbed in the industry is extremely meagre. While in the three industries mentioned above, trained personnel have generally been absorbed in the industry except in a few marginal cases, we have no information regarding the number that have taken to the industry after training. It would, thus, appear that there has been very little post-training follow-up on the part of both the training institutes and the industry-organizers at headquarters. As on the effective deployment of trained personnel depends the technical and organizational efficiency, this is a serious shortcoming that needs to be corrected as early as possible.

16.8 Organizational difficulties facing village industries in the field are numerous because of the almost total absence in experience in this respect and also lack of proper appreciation of the essential qualities required of an organizer in the field. It appears to us that there is need for personnel who, in addition to technical competence in one or more of the village industries, would be capable of organizing village industries in areas most suitable for their development. Probably one of the main reasons for the poor performance in most of the industries is the absence of personnel sufficiently qualified and experienced in organizing work of this nature. This is a point that deserves, in our opinion, immediate and serious consideration.

16.9 Organization of village industries in the field is not merely a technical function. In addition to technical efficiency, an organizer must have a clear understanding and appreciation of the economic and social significance of his work and its relation to the work of others engaged in rural development. In other words, personnel in charge of work must have a minimum standard of intellectual sensitivity and must be motivated by a spirit of service. Else they will not be able to work among the classes of people who are generally engaged in these industries. Urban youth generally does not have the necessary emotional or intellectual background required for this type of work. The tendency to locate training institutions in urban areas is again unfortunate, because only urban youth is drawn to these centres. Although in a few cases intelligent artisans have been trained for certain technical jobs as in the leather industry, they have, by and large, not been able to achieve much in the field. Consequently, there is need to orientate training programme with a full awareness of the basic essentials required. So long as training courses for village industries are conceived and implemented in isolation, the essential unity of purpose which is the *sine-qua-non* of successful work in villages cannot be fully served.

16.10 We feel it is necessary to repeat that the village industries are to serve local markets with products manufactured out of local raw materials and the bulk of the industries under the purview of the Commission are merely processing industries. Consequently there is room for each of these industries in a village or in a group of villages to a smaller or a larger degree. How far each industry can be developed, and what its relation will be to every other industry needs to be considered. Unless activities are integrated and everyone concerned with rural development acts in consultation with every other worker, the economic environment for the success of these industries cannot be created. Unless this essential objective is given its due importance, training programmes lose their relevance and impact on the actual work which though good in some respects, may fall short of actual needs. Judged by the standard of requirements, training of personnel does not appear to have achieved the results expected of it. We, therefore, suggest that a separate body be appointed to examine and revise the present training programmes for village industries.

16.11 It appears to us that organizers, inspectors and similar supervisory personnel should, as a matter of necessity receive an intensive training so as to give them a clear picture of the economic, social and cultural background of life and work in rural areas. They must also get a grounding in co-operation in theory and practice, accounts and other essential related aspects of organizational and administrative work. Thus, for instance. a good organizer for non-edible oils and soap should be familiar with the chemical industries in the country and the principal sources of supplies, the marketing conditions governing soap and also the essentials of a good quality soap. Without a much better educational background than what most of the personnel have today, an organiser of any village industry cannot really be effective. The Commission must, therefore, devise and implement steps to attract such personnel. This is essential. Unless there is a sharp improvement in the quality of the personnel in the field, the problems of development cannot be effectively solved and consequently, we consider that the importance of quality of personnel selected for training cannot be over-emphasised.

16.12 We would, therefore, recommend that in the first place the syllabi for each industry prescribe a general course of training of a duration long enough to provide adequate training in subjects we mentioned earlier. Candidates should be selected only from among those sponsored by State Boards and other implementing agencies and after careful screening to assess their aptitude for work in the field. Secondly, as the general course is common and essential to all organizing and supervisory personnel, there must be regional vidyalayas at suitable places to conduct these courses. Side by side, provision may be made at these vidyalayas for training candidates in their chosen industries. The period of training in each must be sufficiently long to enable the candidate to acquire proficiency so that he is able to deal with problems in the field.

16.13 Facilities for training artisans in their places of work should also be organized. This was one of the recommendations of the Training Survey Committee. So far work that has been done in each of the village industries, as we pointed out in our reviews earlier, has been able to cover only very small proportion of the artisans engaged in the industries. If the productivity and skill of the artisans all over the country are to be raised, training artisans should be transferred to the appropriate agencies at the State level. The quality of training given to artisans will of course vary from place to place. But it need not have the elaborate arrangements that are necessary for training organizers and supervisory personnel.

16.14 It also appears to us that as village industries stand at present and are likely to develop over the next few years, the technical skill required or the knowledge that is needed, is not so great that it cannot be acquired by the same individual. Thus, for example, a qualified chemist who is a technical supervisor in the soap industry can attend with a little training to the manufacture of matches as well as inspect the working of village oil industry. Multi-purpose training, thus, seems to us to be technically possible and well within the competence of an average well-educated candidate. There are, of course, industries in which specialised skills are required, as for instance, in hand-made paper or in training and manufacture of leather goods. But in a number of village industries training can be common and supervisory personnel trained over sufficiently long a period can become effective.

16 15 Our purpose in writing these pages is not merely to criticise what has been done so far, but to point out that the primary purpose of training indicated by the Planning Commission in the First Five Year Plan is yet to be served. The problems of development of village industries in the field at present and as they are likely to develop in the future underline the need for a co-ordinated

approach to the question of training of personnel for the two essential functions, viz., organization of work as an integral part of the plan for rural development and training of artisans in the use and manufacture of improved tools and implements. Neither of these basic requirements appears to have so far been given the attention and consideration they deserve. In the future programmes for training, there is need to provide specifically for them.

CHAPTER 17

TECHNICAL RESEARCH

In their first Five Year Plan, the Planning Commission clearly outlined the purpose of technical research. They were of the view that "while it is essential that village industries should receive the maximum support in terms of State Policy and specific assistance from the Government, these measures cannot have more than short term value unless the technique of cottage production improved rapidly".[1] They considered that "one of the first results of an intensive programme for the development of village industries will be to bring to light the problems on which research is most needed".[2] While the problems in some of the industries such as, paddy husking, village pottery etc., were well known, in other village industries "for want of research and adaptation, the artisans is being steadily reduced." They, therefore, believed that there was need "for evolving machines worked by power which may be suitable for small scale operations."[3]

17.2 The importance as well as the urgency of technical research to evolve better tools and equipment had grown with the economic development initiated during the First Five Year Plan. In their Second Five Year Plan, agreeing with the views of the Karve Committee, the Planing Commission observed : "even in the traditional village industries, to the extent immediately possible, technical improvements should be adopted and, for the future, there should be a regular programme of gradual transition to better techniques. At

1 Opp. cit. p. 319

2 Ibid

3 Ibid

the same time where new capital investment had to be made, it should be as far as possible on improved equipment, the improvements being in some cases in the nature of additions to or adaptation of existing equipments."[4] Endorsing the approach and objectives of the Industrial Policy Resolution of April 1956, the Planning Commission observed: "the aim of State Policy will be to ensure that the decentralised sector acquired sufficient vitality to be self-supporting...and the State will, therefore, concentrate on all measures designed to improve their competitive strength".[5] They thought that for this purpose "techniques of production should be constantly improved and modernised, the pace of transformation being regulated so as to avoid as far as possible technological unemployment."[6] Thus the accent was on the development of traditional village industries as an integral part of the economy with a clear phased programme of transition to modern techniques of production specifically designed for operation on a decentralised basis.

17.3 In fact, the Research Institute set up by the former Board was on the recommendation of the Planning Commission which thought that the importance and urgency of research to adapt modern techniques specifically for the decentralised sector had not received adequate attention at the various technological research institutes in the country and considered the organisation of a separate institute for this purpose essential. Accordingly, the Research Institute of the Commission was organised in 1955. Thus, the Planning Commission as well as the former Board fully recognised the importance of technical research.

17.4 As the Commission's Research Institute was organised only recently, and even now it is yet to be fully equipped to undertake technical research of the type required, its contribution to the

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4 Opp. citt. P. 432

5 Ibid, P. 433

6 Ibid.

improvement of basic techniques has so far been small. The details of the research carried out by the Institute summarised below indicate what remains to be done in this respect.

17.5 Before proceeding to the review of work done by the Research Institute, it is necessary to refer to a few general points regarding the provision for technical research and improvements and the manner in which these have been carried out.

FINANCIAL

17.6 Of the total expenditure of Rs 10.65 crores on the development of village industries, provisions for research, improvements and experiments for all the industries during the six-year period amounted to Rs 2.5 lakhs, as can be seen from the data set out in Table I. The financial provision for technical

TABLE I

Disbursements For Technical Resarch

Industry	Amount disbursed
1. Processing of Cereals & Pulses	14,250
2. Village Oil	2,910
3. Village Leather	600
4. Cottage Match	66,600
5. Gur and Khandsari	–
6. Palm Gur	55,696
7, Non-edible Oils and Soap	25,943
8. Handmade Paper	30,281
9. Bee-keeping	49,900
10. Village Pottery	3,475
11. Fibre	–
Total	2,49,655

research clearly shows that during the period under review no more than a beginning has been made in most industries to improve the tools and equipment now in use. Consequently, it has not yet been possible to make an effort at planning the transition of industries to higher levels of techniques.

17.7 Industry-wise analysis of the financial provision for research in Table I shows that during this period research has been confined to only a few of the industries under the purview of the Commission. Thus, cottage match, palm-gur and bee-keeping industries received comparatively larger amounts than village oil, village leather and village pottery. But in relation to the total expenditure on each of these industries, the amounts provided for research activities are insignificant. Thus, here again, it would appear that the difficulties in undertaking the intensive development of village industries all over the country relegated to the background technical research. It would, therefore, appear that arrangements for sustained and purposive technical research to improve the existing tools and implements and adapt modern techniques to suit the needs of village industries are yet to be made.

Nature Of Research

17.8 We may broadly classify the nature of research work that has been done into research on improvements of tools and equipments, research in improvements of specific processes of manufacture with a view to achieving certain specific economies in the nature or quantity of materials used, and research into development of new processes and lastly research to improve the quality of the finished product.

Tools And Equipment

17.9 So far experimental research to improve tools and equipments conducted at the research institute of the Commission has been confined to processing of cereals and pulses, handmade paper, village oil and non-edible oils and soap industries. Research on the equipment for processing of cereals was to evolve a hand operated paddy husking machine with rubber rollers and the evolution of techniques to determine accurately the extent of polishing done on it. In handmade paper, experimental research sought to evolve an economic beater for pulping waste paper and wooden roller for uniform gelatinizing and to devise a simple economic vat to enable the artisans to obtain paper of uniform weight. Attempts are also being made to evolve a hand-operated pulper for waste paper. In addition to the research on handmade paper carried out at the Institute, the Poona Research Centre has designed and fabricated a grass digester. For the non-edible oils and soap industry, research is being conducted to devise implements that will ensure economic and efficient utilization of non-edible oilseeds. Among these the most important are the attempts to evolve a simple decorticator for different non-edible oils-seeds. Research is also being conducted to devise a new ghani using a chemical engineering design of a muller or edge runner. So far, however, research on the tools of this industry has been confined to comparative study of the efficiency of different ghanis on different oil seeds and on different mechanisms of oil extraction.

Processes

17.10 As regards research to improve various processes, substantial progress has been made during the last six-years. Thus, for example, the extent to which of chemical carbon can be useful in processing of cereals, processes of manufacturing of high-grade paper from rag for permanent records has been made at the research institute. At the Poona Research Centre experiments have been conducted with a view to evolving techniques and processes for the manufacture of paper from different kinds of fibrous raw materials and valuable data have been collected so as to determine which among the many materials available can be used.

17.11 In the non-edible oils and soap industry, a number of improvements have been made in the processes for both extraction of oil from non-edible oils and also to determine the detergency of soap. A number of experiments have been conducted to ascertain accurately the extent to which extraction of oil from certain non-edible oil-seeds can be increased with chemical additives. But research in other industries has not gone very far. In each of the industries mentioned above, the research institute has conducted a number of experiments on each of the four aspects mentioned; but so far the results of the experiments have not materially improved the quality of work in the production centres.

17.12 At the Tad Gud Shilpa Bhavan research has been carried out to improve the operational activities in the industry. Apart from aerial ropeways to reduce the labour involved in climbing trees, a number of improvements have been made to preserve neera from fermentation, to obtain improved qualities of gur from neera and considerable improvement in the quality of furnances to reduce consumption of fuel. In this industy, the most important achievement is the evolution of a process for the clarification of molasses so as to eliminate undesirable colour, smell and taste and its use for the manufacture of aerated waters.

17.13 At the research centre in Khadi Pratisthan, Sodepur, research has been conducted for the improvement of matches manufactured in cottage units. As a result of the research and experiments conducted at Sodepur, bamboo boxes have replaced the earlier card board boxes. The side painting as well as the tip composition of matches have been improved and a number of methods and tools have been designed to economise raw materials of all kinds so as to reduce the overall costs of production.

17.14 The brief review of research activities presented above shows that although some important changes have been made in some of the present processes with the existing techniques, not much progress has been made in fabricating tools, implements and equipment with significantly higher productivity. Although a number of qualitative improvements have been made in both processes as well as in the quality of the finished commodity, particularly in handmade paper, soap, cottage match, cane gur, palm gur and many of its bye-products, these have not substantially or basically altered the conditions of work and productivity of the artisans engaged in village industries.

17.15 We are of the view that there is urgent need to devote to technical research a greater attention than has been paid to it hitherto. Technical research should be planned on the lines suggested by the Karve Committee and the Planning Commission so that definite progress can be made in the evolution and fabrication of modern tools and equipment suitable for a decentralised industrial development. We consider that, while it may not be possible to introduce power-driven machines in all village industries during the period of the Third Plan because of the non--availability of power on a sufficiently large scale and the difficulties and problems that need to be examined and solved in generation of power on cottage or even community basis, there is need for intensive as well as extensive experimentation with modern techniques specifically adapted for decentralised operation so that it may be possible for the Commission to review the entire position at the end of the Third Plan.

17,16 We are convinced that the scope for any large scale improvement in the economic conditions of the artisans is limited with the present techniques in the village industries. Besides, the content of employment and consequently the earnings of the artisans cannot be significantly improved without changes in techniques. We are aware that the position in one or two industries is better than in others, but even in them the earnings of artisans are not quite satisfactory. If the organisational effort and financial outlays on the industries are to yield any lasting results, and if the village industries are to continue, there is need for substantial changes in techniques. Without changes in techniques, subject of course to the basic considerations to which we have already made a reference, it is not possible to work towards the basic objectives of village industries' development. We consider that without intensive as well as extensive experiments with modern techniques, it will not be possible to have a clear idea of their economics or the effects of their operations on production, employment and related aspects. Without a clear idea, it will not be possible to determine where, how and over what period of time and under what conditions they can be introduced. In fact, we are of the view that the employment opportunities that can be created by mechanised processing on a decentralised basis are likely to be larger than now and, with the likely larger earnings of the artisans because of the comparatively fewer problems of marketing, are likely to yield much better over-all results than have been obtained so far.

17.17 As an unplanned extension of modern techniques is likely to add to the volume of unemployment, we consider that there is need for a planned extension of improved techniques so that there can be substantial improvements in both the work and productivity of the artisans. We believe that when earnings increase through improved methods which we have suggested in our review for each of the industries, conditions favourable to the adoption of improved techniques would have been created. As the Planning Commission originally suggested, there is need to revise training of the artisans as well as the managerial personnel so that the challenge of economic development can be satisfactorily met.

CHAPTER 18

ORGANIZATION

The organizational machinery for the implementation of the development programmes for village industries consists of the officers and staff of the industry organizers/advisers at the Commission's headquarters in Bombay and other places where the organizer/adviser resides, and of their respective staff at the State, district and further lower levels. The organizers in charge of village industries have both administrative and technical functions. Their field staff at the State level is expected to supervise and inspect the work of the assisted agencies in the States; and inspectorial staff at the district and still lower levels is expected to provide technical guidance to the production units, wherever necessary, and help them to attain the prescribed levels of operational efficiency. Their inspection reports and data enable the organizer to maintain a watch over the progress made. The officers at the State level working under the industry organizers/advisers are expected to maintain close liaison with the State Boards as well as other agencies at the State level for the same purpose. The staff in the field is under the administrative control of the officers at the State level. There are, however, a number of variations between one village industry and another because the financial allocations limit the number of persons at different levels. Consequently an officer at the State level in one village industry may have to supervise work in two or more States, and similarly the staff at the lower levels may have to cover areas wider than several districts.

18.2 Besides the industry organizers and their staff at the headquarters and in the field, the Commission has special staff for the implementation of the development programmes in the intensive areas. The staff of the intensive areas is generally independent of the administrative control of the industry organizers who assist them from time to time in technical and other organizational matters.

18.3 The industry organizers thus perform organizational, technical and supervisory functions, but they are not in charge of the actual implementation of the development programmes for the village industries. The organizational machinery for this purpose consists of the State Boards, Directors of Industries, Development Commissioners, registered institutions, co-operatives and federations of both registered intitutions and co-operative societies.

18.4 Statutory State Boards have an administrative machinery similar to that of the Commission at the State level. Where there are no Statutory State Boards as in Madras, West Bengal and Uttar Pradesh, Directors of Industries who are generally in charge of these industries have field staff similar to that of the Commission. In most States, Development Commissioners do not directly organize and implement the programmes in the Community Development Areas; but where, as in Madras, the Development Commissioner operates through the Director of Industries, he also has staff similar to that of the Commission. Co-operative Societies and certified institutions do not, however, have field staff because their activities are comparatively concentrated in one or two places. Where, however, the programmes are undertaken by the certified Khadi Institutions functioning over the entire State or a very large portion of it, they also have field staff. Thus, one of the striking features in the organizational machinery is overlapping of functions and personnel between the Commission, State Boards and other assisted agencies in the States.

18.5 To obviate or at any rate to reduce this multiplicily of personnel in the field for the same functions, the Commission took the decision to transfer the field staff, to the administrative control of the Statutory State Boards. The transfer of field staff, however, is not yet complete and, consequently, overlapping of personnel continues in many cases. The delay in the transfer of staff is not only administratively wasteful and, therefore, undesirable, but the absence of clear, well defined lines of communications has disabled many of the operating units in need of technical asaistance to obtain it from the Commission's staff. Allegations have been made that very often the feild staff of the organizers do not have adequate volume of work; but neither the Zonal Director to whose office most of the personnel are now attached, nor the State Board, is in a position to avail themselves of their services because they are not under their administrative control and consequently not subject to their orders. Many instances were cited by the representatives from different States to support these allegations.

18.6 We suggest immediate action to transfer the field staff at the district and lower levels as well as the staff at the State level to the Statutory State Boards as early as possible. Efficiency of administration as well as effective deployment of technical manpower available can be achieved only if there is one unified administrative machinery at the State level. We are, therefore, of the view that the Commission need not have field staff of its own. Whatever work is done in the States must be through the State Boards. The transfer of the officers and the field staff at the State level will, in our opinion, eliminate the present conflict between the Commission's officers at the State level and the field staff already transferred to the State Boards. There is, however, one important aspect that needs careful examination. State Boards have generally been very lax in the submission of progress and technical reports. They must be made to realise that in the changed conditions they will have the responsibility for providing adequate technical, supervisery and inspectorial assistance necessary so as to enable an operative unit to attain and maintain the desired level of efficiency, and also for forwarding in time progress and other reports so that the organizer at the Commission's headquarters is kept informed of the details of the work done, Industry organiser/adviser of the Commission must necessarily be consulted from time to time so that it will be possible for him to co-ordinate work of the different agencies in the States and provide any special type of assistance that may be required.

18.7 As noticed earlier in Chapter 3, absence of a sufficiently favourable economic environment for the development of the village industries is due mainly to the multiplicity of agencies in the field, and their unrelated and unco-ordinated efforts. So far, neither the Commission's approach nor of the Statutory State Boards to the organizational pattern has been defined, nor the functions of each of the different agencies in the field clearly demarcated. Except in three States, viz. Madras, West Bengal and Uttar Pradesh, there are Statuory State Boards in all other States. We understand that the Government of Uttar Pradesh has already decided to set up a Statutory State Board on the model of other States; and in Madhya Pradesh a new Board covering the entire reorganized State will shortly be constituted. In Bombay and Andhra, the existing State Boards face certain problems owing to the reorganization of States, but this is only a temporary problem which will be solved in course of time. In other words, except in three States, there are Statutory bodies entrusted with the responsibility for the development of village industries in their respective areas. Consequently, there is need now to prescribe not only the pattern of organization most suitable for the village industries in the future, but define and allocate functions of each of the different agencies in the field.

18.8 At present, there is no uniformity of approach, to the question of the most suitable form of organization for village industries either at the Commission's level or at the State level. At present, the Commission provides assistance directly and through the State Boards to registered institutions and co-operative societies. The State Boards also assist egistered institutions and co-operatives as in Bombay or only registered institutions as in Saurashtra or only co-operative societies as in Bihar, Andhra and Mysore. Generally work in the intensive areas of the Commission is entrusted to registered institutions, and progress in the organisation of co-operatives for village industries has been negligible. Directors of Industries and Development Commissioners, on the other hand, assist only co-operative societies. Consequently, there is need now to define: (i) the pattern on which the future development of village industries should be, and (ii) the manner in which funds should be disbursed.

18.9 From the detailed reviews of the industries presented earlier, it can be said that no where in the country has a sufficiently favourable economic environment for the development of village industries been created. This is due mainly to the multiplicity of agencies and their unrelated and un-coordinated efforts in the field. We fully appreciate that with the present multiplicity of agencies in the field and the absence of a uniform policy, effective planning of the development at the State level presented a number of problems in the past; but the continuation of the position even after the appointment of the Commission and the acceptance in principle that funds for the development of village industries should be channelised only through State Boards is not easy to explain. If the effort of all the agencies are to yield commensurate results and if available experience is to be utilised to the maximum possible advantage, there is urgent need to co-ordinate and redirect their efforts.

18.10 We are aware that since 1957-58 annual conferences are held to plan the development of village industries in different States and allocate responsibilities to different agencies. Even this has not facilitated effective planning because disbursements actually made bear no relation to the allocations agreed upon at the time of the conference. Funds have been disbursed without due regard to the area of operation of each of the agencies, with the result that there has been avoidable conflict in the working of different industries in the field. In fact, location of more than one unit in the same area has affected successful working of both units and often they had to close down. In brief, no systematic effort has been made to plan the development of village industries and allocate funds accordingly. State – wise planning cannot be done on an All-India basis because the conditions facing village industries in different States and in different areas of each State vary widely. Planning can be effective only if local conditions are taken into consideration and plans are prepared to suit them.

18.11 A point that merits serious consideration is the lack of clear policy regarding the formation of federations of co-operative societies for different industries. We have in the field today federations of single-craft, single-purpose and multi-purpose co-operative societies at the district and at the State levels. Several of the small registered institutions also have constituted themselves into federations at the State level. Neither their functions nor the nature of their inter-relations have been clearly defined. Also, what their functions and activities are in relation to the Statutory State Boards have not been clearly defined. Already in many States the formation of these federations has given rise to a number of conflicts. Once the State Boards which have generally completed their preliminary arrangements for more effective work in the field, begin their activities, the area of conflicts is likely to widen. It is, therefore, urgently necessary to systematise the approach to the organizational pattern. So long as there is no uniformity of approach, effective action is not possible; and the efforts made by different agencies unrelated as they are to one another tend to be diffused rather than purposive. Effective coverage of artisans according to well-prepared, integrated plan spread over a period of time in such circumstances becomes impossible. Consequently, the present position requires to be revised and reviewed.

18.12 We also desire to point out that there has not been any effort to coordinate the work in the field with other constructive institutions such as Gandhi Smarak Nidhi, Kasturba Nidhi etc., with the result that there has been considerable waste of effort and of money. It may be useful to explore the scope for closer co-operation with these institutions in the implementation of different programmes.

18.13 In spite of the constitution of the Commission, disbursements of funds for village industries continue to be made towards the second half of the financial year. We discussed this question with various officers of the Commisson to ascertain the real causes. We find that the main reason for all such delays is the cumbersome procedure followed at the Commission's office and the altogether unnecessarily involved system of scrutiny of applications. In our considered opinion, the present administrative procedure relegates to the background the essential features of an application and attaches undue importance to a few technical details. Secondly, delays occur as a result of faulty planning of work as a whole. We would, therefore, suggest that before allocations, tentative or otherwise are made, actual details of the proposed work, together with the selected areas must be obtained. This will, on the one hand, supply essential data to avoid duplication of effort we referred to above and, on the other, enable the applicant agency to satisfy technical requirements, of the present procedure. We are, however, of the view that there is urgent need to simplify and standardise procedures so as to eliminate delays and facilitate a more rational disbursement of funds. This also will be possible only when a more purposive effort is made to improve the administrative and organizational machinery for effective planning of each year's work.

18.14 During this period, a few attempts have been made to plan the development of village industries as an integral part of a Plan for the development of a selected area. Mention may be made of the experimental schemes called Gramodaya Sanghs in Madras, Gramodyog Kendras in Uttar Pradesh and Gramodyog Samities in Bihar. Of the various efforts at integrated development, the most systematised experimental measure is the Intensive Area

Scheme of the Commission. The data available to us on these experimental efforts at integrted planning and development are extremely meagre. Even from the Intensive Areas, we have not been able to secure detailed information on the results obtained from the experimental work carried out during the last four to five years in some of the Areas. So far as we can judge on the basis of the available data, it appears to us that even in the Intensive Areas a sustained attempt is yet to be made to develop village industries as an essential and integral part of the plan for the different areas. The data available to us show that even with considerable idle productive capacity of many units, exports of finished goods take place on a substantial scale. This clearly indicates that the effort at integrated development even in the Intensive Areas - where comparatively a more systematic effort has been made, much progress is yet to be made towards the desired goal. All that we can say at persent is that no more than an experimental effort has been made and all the problems of integrated planning still remain to be understood and solved.

18.15 The absence of an integrated and well planned approach is nowhere better illustrated than in the isolated approach reflected in the sanctions of funds for technical research, publicity and propaganda and seminars and conferences (Table I). The purpose of publicity and propaganda is to enable people at large to understand the economic and social significance of village industries and their achievements. Of far greater importance is the dissemination of knowledge among those who are actually working in the field regarding the technical progress made from time to time. In the first place, we find that the sanction of funds for publicity and propaganda for each industry bears no relation to the total expenditure. Secondly, the manner in which moneys have been utilized for this purpose is also unsatisfactory. Thirdly, there is no uniformity of purpose in the publications issued by different industry organizers. We find a clear trend towards further isolation in the effort of each industry to have a periodical of its own, pamphlets, leaflets and similar publications of its own. No where has an attempt been made to systematise these publications and bring out the essential unity of purpose of village industries as a whole. We, therefore, consider that,

TABLE I

Expenditure Incurred Up To 1958–59

(Rs lakhs)

Industry	Publicity and Propaganda	Seminars and Conferences	Exhibition	Total
1. Processing of cereals and Atta Chakki	0.59	0.04	–	0.63
2. Village Oil	0.93	0.12	–	1.05
3. Village Leather	–	–	0.04	0.04
4. Cottage Match	0.95	–	–	0.95
5. Gur and Khandsari	0.05	–	–	0.05
6. Palm Gur	2.80	0.35	–	3.15
7. Non-edible Oils and Soap	0.40	–	–	0.40
8. Handmade Paper	0.32	–	–	0.32
9. Bee–keeping	–	0.86	0.18	1.04
10. Village Pottery	0.08	0.03	–	0.11
11. Fibre	–	–	–	–
Total	6.12	1.40	0.22	7.74

while it is necessary to allocate to each industry funds for publicity and propaganda, their utilization must be through the Directorate of Publicity of the Commission at the All–India level and of the State Boards at the State level for publications in the regional languages. We are constrained to observe that many publications would have been the better for not having been printed. If a periodical is at all necessary – we are not really convinced of the need for it because the Commission already brings out two periodicals – it should be one common for all village industries. This may be issued by the Directorate of Publicity on behalf of the Commission. State Boards on behalf of their agencies may do so in their respective regional languages. The articles and reviews in such periodicals must be of a sufficiently high standard.

18.16 Similarly we doubt the utility of convening the number of conferences and seminars for each industry. We agree that some of the seminars organized recently for selected groups of persons to consider technical aspects of certain industries have been useful, but judged by the results obtained, the number of seminars and conferences convened is on the whole too many. Expenditure on these activities are not fully reflected in the figures which we have presented in this chapter. Far too many persons attend conferences and seminars and their contribution to them is meagre. Expenditure on their travel, it appears to us, cannot be considered to have served any useful purpose. As a matter of general policy we recommend that there should be more effective control over the number of conferences, and of the number of persons attending them. The Chief Executive Officer must be directed to control the number of persons who attend conferences. He ought to satisfy himself that the persons invited to attend conferences and seminars can indeed contribute something to them.

18.17 As a general rule we are of the view that separate allocation of funds are not necessary for exhibitions for different industries. The Sales Development Section which also attends to exhibitions, can be made to take over this function of organizing exhibitions and there would be greater clarity in approach as well as in design of exhibition if it is entrusted to one section of the Commission. Here also we would suggest restraint in expenditure as far as possible. Instead of exhibitions at the All-India level which have served no purpose other than propaganda, exhibition at the taluka and at the district levels would be more useful because people interested in the work will be able to get an idea of the work that is being done. Even as a propaganda measure, it will have greater effect. But even here uniformity of purpose is necessary, and funds may be allotted for exhibitions of village industries as a whole instead of for each industry separately.

18.18 We have pointed out in our reviews of the industries that the organizational progress, by and large, has been poor and far below the prescribed target. We have also pointed out that utilisation of productive capacity in most cases does not exceed 50 per cent. The review of the organizational machinery and its functioning discussed above points out clearly that the organizational machinery evolved so far has not come up to the requirements of development of village industries. Lack of clarity and uniformity of approach, absence of any effective attempt at integrated planning and the uniform failure to select areas in which selected industries could function effectively, characterise the activities so far. Unless these are remedied as early as possible, the development of village industries on the lines desirable in the national interest cannot be promoted. The failure of the industries to register progress is due not merely to the difficulties in the field, but in an equal measure to the failure of the organizational effort in the directions mentioned above. This then is a very important task to which, we consider, the Commisson must give priority of attention.

CHAPTER 19

SUMMING UP

The review of the working of the different village industries during the last six years points to the following conclusions. During both the First and the Second Five Year Plans, the responsibility allotted by the Plans was larger than the Board or the Commission was actually called upon to shoulder. The work entrusted to it was less than half of the original allocation in the Plans. Till the end of the Second Five Year Plan not more than Rs 17 crores or less than half of the original allotment of Rs 38.8 crores are likely to be sanctioned and correspondingly, organisational effort required of the Commission and its agencies is very much smaller.

19.2 The review of the progress of the different agencies in the field shows that by the end of 1957–58 registered institutions, co-operative societies and, Intensive Areas of the Commission have been able to complete the essential preliminary arrangements and, in some cases had commenced productive operations. But more than half the work allotted to them remained to be done as they have still to organise many of the production units in many of the industries. By and large, State Boards, Development Commissioners and Directors of Industries have not been able to implement the programmes in their respective areas. So far most of them have merely disbursed funds to other agencies and have done only a small amount of actual work. During 1958–59, quite a number of them have begun their operations, and from the current year onwards their share in the total work is likely to be larger. As a result, actual work done so far has been very small. The effort of the last six years would thus appear to have been essentially exploratory.

19.3 Consequently, the size of the organizational effort made so far is small in relation to the scope for development of the industries judged by the availability of raw materials and the number of artisans engaged in the village industries. As we pointed out in the reviews, the effort that has so far been made is confined to a few areas in each State; and as many of the units of production were not located in appropriate places, the actual coverage of artisans is small even in the areas in which work has been organized.

19.4 The nature of the effort also has not been satisfactory firstly because there was no experience on which the Board or the Commission could draw and, therefore most, of the work done has been on a trial and error basis. Secondly, personnel available and facilities for implementing any of the programmes were both inadequate in the field. Consequently the effort was not integrated and planned in co-operation with the different agencies with the result that there has been more dispersal of industries than purposive decentralization. Decentralization in itself would mean a planned effort at organizing industries such-wise that each of them supported the other. But so far this has not been really achieved. Consequently, the quality of work done generally has been poor and the results obtained have generally been not so satisfactory.

19.5 Owing mainly to these two fundamental defects, the impact of each of the development programmes on the problem of under-employment among the existing artisans engaged in each of the industries has been, at best, very small. The contribution of these programmes to the improvement of the economic conditions has also been very small. Even in the industries like village oil, non-edible oils and soap and palm gur, handmade paper and bee-keeping, the benefits of the development programmes have been very few. While in the village oil, palm-gur and bee-keeping the relative size of the impact was larger, in non-edible oils and soap industry in relation to the total expenditure, the benefits have been comparatively small because one-half of the programme viz. organization for the collection of non-edible oil seeds and production of non-edible oils has yet to be implemented on the scale necessary to sustain the work of the soap units allotted. In the handmade paper industry, although production has increased, the effort to organize industries on a decentralised basis remains to be made, and, similarly, in the village pottery and fibre schemes much headway remains to be made. As a result, the bulk of the artisans engaged in these industries have not so far been brought within the fold of the beneficial effects of the programme.

19.6 One of the major defects in the effort made so far is the absence at all stages of a standardized procedure. The organizational machinery at the headquarters and in the field lacks unity of purpose, clarity of approach and division of functions. Consequently, results of the efforts made have been poor. Though steps have been taken to remedy the position, much remains to be done.

19.7 We are, however, conscious that what has been done so far represents the first attempt at a planned development of village industries all over the country, and the problems that have come up and the difficulties encountered indicate that the experimental and exploratory attempt can succeed provided its main weaknesses are removed and foundations for a self-sustained and self-supporting organizational pattern is devised. The trends in the utilization of funds, the pace in production, particularly during the last two years, fully support our view that with the basic changes that we have suggested in each programme, village industries can be developed to a level where they can begin to contribute substantially to the improvement of the artisans engaged in them.

19.8 To achieve this, however, there is need for a fundamentally different approach both to training and technical research. Training programmes as a whole, as we pointed out, have not yielded the results expected. In fact, training facilities for all village industries remained inadequate both in quality and in content. The personnel employed both at the Commission's level and in the field do not have a clear idea of the importance of their work nor its relation to the effort of everyone else. The programme of training a cadre of workers capable of organizing these industries in an integrated manner is a *sine qua non* for the success of these programmes.

19.9 Technical research so far has been confined to a few problems. It has not yet been extended to the evolution of tools and implements which will raise the productivity of the artisans engaged in the different industries. As we have pointed out earlier, the success of any plan for the development of village industries ultimately depends upon the extent to which the artisan is enabled to raise his efficiency and productivity and the extent to which his economic position is strengthened by an appropriate organization. So long as he does not have assured supplies of raw materials at reasonable prices, on the one hand, and fairly secure markets for his products at prices that will give him a fair rate of return, on the other, no plan can be considered to be a success. This points to the need for urgent action towards evolving the right type of organizational pattern and more appropriate methods of planning the development of these industries.

CHAPTER 20

APPROACH AND PLANNING

In our review, we pointed out that so far there has been no uniformity of approach to planning the development of village industries and the work that has been done so far has not resulted in a pattern of organization that can be expected to facilitate the development of village industries on a self-sustained basis. The multiplicity of agencies in the field has added to the number of difficulties in evolving a systematised approach.

Approach

20.2 Development programmes for the industries under the purview of the Commission can be successful only if the approach to the basic organizational pattern is uniform, and programmes are related to the conditions obtaining in the area selected for their implementation. As most of the village industries under the purview of the Commission are industries which mainly process agricultural raw materials, their development are dependent on the agricultural conditions in the area, and consequently they must be related to the plan for the development of the rural economy as a whole in that area. Village industries can thrive in the selected areas only if the scope for the development of each industry in the selected area is precisely determined. In other words, as the majority of the village industries under the purview of the Commission produce essential consumer goods, such as rice, oil, match, soap, etc. Integration of the Programmes for the development with those of agriculture and related activities in the area seems to be the most natural thing to do. Moreover, costs of production of most village industries products as compared with those of the corresponding large-scale industries are higher. As each of these commodities affect cost of living in the rural areas, reduction in costs should be one of the main objectives of policy. Costs of production can be progressively brought down only if there is an effective integration between agriculture and the village industries, and programmes are so prepared that production in an area is consumed in that area itself, reducing the costs of both transport and storage. Exports of products from an area should generally be confined only to the surplus over local needs. It seems to us that as the bulk of the industries such as rice, gur and khandsari, palm-gur, etc., being essentially agricultural off-season industries, it is possible to plan their development as an integral part of a plan for the development of the rural economy as a whole so as to have the maximum impact on the incidence of under-employment and unemployment in a given area. Thus, for example, in an oil-seeds producing area, the programme for the improvement in the yield per acre specifically providing for the development of the village oil industry there can be effective co-ordination of the two plans, and purchase storage and distributional problems will each become more amenable to effective solution. Consequently, it is necessary to examine and determine precisely the optimum economic unit for each of the village industries and how best they can be integrated with a scheme of development for the entire rural economy,

20.3 It appears to us that if development of each selected area is planned in such an integrated fashion, providing for all types of activities, including Khadi and Village Industries as an essential and integral part of the total effort, there will be uniformity of purpose governing and influencing the volume as well as the direction of effort in each case. The resources of the area in such an integrated plan will then be developed to meet the needs of the area, and consequently, pattern of land utilisation in the area also will be determined in accordance with needs. There will, thus, be integration not merely at the planning level. but at the operational level. Such an integration will help to determine whether or not an area has any scope for the development of any of the industries at present under the purview of the Commission ; and whether or not other industries essential to the welfare of the population in that area should not be included in the plan for development.

20.4 Unless the approach is thus integrated at the base, effective implementation of any scheme towards the improvement of the economic conditions of the artisans will not become possible. Secondly, such an approach will automatically unify and co-ordinate the activities of all agencies because, with an integrated plan for the whole area, there can be only one and not many implementing agencies. Thirdly, the preparation of an integrated plan for an area is itself an educative process, and the realisation that prosperity depends upon mutual help and co-operation will help to awaken social consciousness and create an awareness of mutual obligation, without which decentralised economic development through village industries is not likely to be possible.

20.5 Integrated plans can be prepared only on the basis of compact areas within which the optimum economic units can be located and operated. We do not have any firm or reliable data to determine the size of an optimum unit, or the costs and prices of each product. Each of these questions needs to be specifically studied and decided. It is, therefore, necessary to organize and conduct experimental centres so that answers to these basic questions and experience in organizing and running these centres can be obtained. Only when adequate, detailed experience of planning becomes available, can a full-fledged plan be realistically prepared. The Intensive Area Scheme, the Gramodyog Samitis and Kendras to which a reference was made earlier, represent attempts at an integrated approach and work. We do not, however, have even in these areas, sufficient experience to assess the scope for, as well as the economics of, the development of village industries as part of the development of the whole area. We do not have sufficient data to indicate how far costs and prices have been reduced because of the economies in transport and distribution, nor do we have enough information to assess the extent to which conditions of artisans in these industries have been improved. The available data indicate that even in Intensive Areas productive capacity of different village industry units has not been determined in relation to the local or nearby markets and exports of finished products from areas have been sizable in volume. In the experimental centres of Gramodyog Samitis in Madras, Uttar Pradesh and Bihar the emphasis has been more on Khadi than on village industries and the effort so far does not give us any reliable data.

20.6 We pointed out earlier that there has been no serious marketing problem in any of the village industries so far. In individual industries we noticed that marketing difficulties are beginning to manifest themselves even though there is considerable under-utilisation of productive capacity. Once production units begin to work to capacity, marketing is likely to become the central problem of development. It is, therefore, essential to test whether and how far the present group of industries can be developed successfully and profitably in compact areas if production is oriented towards local markets. We pointed out in our reviews that major problems in most village industries are supplies of raw materials at fair prices and assured markets for their finished products. The severity of most of these problems can be minimised if their development is based on the local needs and resources. We are, therefore, of the view that experimental centres, sufficiently large in number should be organized and run to obtain representative data of working and experience.

Planning

20.7 The approach to the development on this basis is likely to eliminate the present inconsistencies in planning the development of the village industries. The approach that we suggest will help to achieve an effective integration not only between the programmes of village industries and agriculture, but also between each of the industries themselves. Development of any or all of these industries, if our approach is accepted, will have to be related to the needs and resources of an area. Consequentlly, no industry other than those for whose development conditions in the area are favourable can and will be started and as a result, their operations will have maximum favourable conditions for development.

20.8 A number of other important points also need to be noted. As each industry's development will naturally be related to the needs and resoures of an area, there can be no question of undue delays in organizing production. Secondly, problems regarding supply and storage of raw materials as well as sale of finished products will each be smaller than now because productive capacity will be determined in relation to the size of the local or nearby markets. So long as the size of an optimum unit for each industry is precisely determined on the basis of intensive and extensive experiments, the area to which each unit will be related can be determined and on that basis planning can be more effective and realistic.

20.9 We, therefore, suggest that, at the base, i. e. the selected area, the redius of the coverage being determined in relation to the optimum size of each unit, artisans engaged in these industries should be organized into primary co-operative societies. These different primary co-operative societies may be persuaded to become member, of a co-operative union at some suitable level, so that at the level of the union, which will cover large numbers of societies and artisans, spread over sufficiently large a territory, developmental plans for the entire area covered by the union can be prepared on the basis we suggested above. This union will decide what industries are to be taken up for development and what will be their respective size, and where they will be located etc. This will necessarily mean integration of one industry with another and all the industries with agriculture. The preparation of plans on this basis will eliminate the present conflicts in the field arising from the multiplicity of agencies as well as of their different staff. Depending upon the number of unions and the areas covered by them, we would suggest that these co-operative unions should also form regional federations so as to obtain detailed guidance and advice in the preparation of development plans. These federations may in their turn constitute an apex body at the State level so as to ensure effective coordination and integration of all activities at the State level. Such an apex body can then provide on a planned basis common services such as finance, technical guidance, marketing etc.

20.10 While this approach and planning naturally refer to the programmes to be adopted in the future, there is need to re-examine the position of the units already in operation and which, as we pointed out in our reviews, have not been located and worked according to any plan. To the extent that allotted units have not been organized for production, we would suggest that immediate steps be taken to have them located as we have suggested, or where feasible, they may be transferred to other agencies within the same State where their location on the new basis we have suggested will be possible.

20.11 We believe that in the interest of a more rapid and broader-based development of these industries on a pattern that will facilitate their growth to normalcy all the assisted agencies will help to minimise procedural and financial problems involved in the transfer of funds, pattern of reorganization and agree to adopt and follow the functions we have assigned to each. We have no doubt that without mutual co-operation and help, development of village industries on a scale commensurate with needs and possibilities is not feasible, and in this venture, co-operation and assistance of all the agencies will be available to all.

20.12 The implication of the outlines of reorganization and approach we have suggested above, is an acceleration of the pace of co-operativisation of all industries. While at the base it is desirable to organize single-purpose, single-craft industrial co-operatives to promote and retain community of interests of the artisans, the co-operative union, which will be in charge of planning will be a multi-purpose, multi-craft union of all primary societies. Only such a body can take objective view of the relative importance of different industries and assign to each its proper role in the plan of economic development. Necessarily such a body will also have as its members, co-operative societies of all other activities including agriculture and its related activities in the areas.

20.13 The planning of the development of selected areas as an integrated whole implies that a number of other industries suitable for development in the area may also have to be taken up and consequently it may be necessary to increase the number of industries under the purview of the Commission in accordance with the requirements of each different area. Planning the development of village industries in accordance with the local conditions and preparing development schemes for other industrial activities will necessitate patterns of assistance based on local needs. In such a case, it is not possible to retain the present unrealistic uniform pattern of assistance for the whole country. This will also help to eliminate the problem of duplication of staff. The co-operative union at the level determined on the basis of the conditions in each State will become the effective planning agency, responsible for the preparation as well as the implementation of the plans.

20.14 Such a body representing all interests will command sufficient power and prestige in the area so as to entitle it to receive funds directly. The audit and accounts and similar functions could also be entrusted to such bodies so as to reduce to the minimum the administrative functions of higher authorities.

20.15 Co-operativisation at the base and at the union level provide for strength in numbers and in financial stake. Organization of such area body into a federation either at the regional level in large States or at the State level in smaller States will strengthen the entire organizational machinery. Such a federation consisting of all village industries including Khadi and Village Industries which are not yet under the purview of the Commission, will have sufficient power as to be recognized as a viable agency to borrow funds from the existing financial institutions. The commercial and banking functions of the Commission can then be transferred to these federations. It will then become possible to initiate the development of village industries on a self-supporting, self-sustaining basis. The federation at the State level will consist of the representatives of the unions and the federation, therefore, will be entitled to determine both the volume and the nature of the common services necessary. The faderation will thus become effective organizing and planning agency at the State level whereas the union will be the effective implementing agency.

20.16 Statutory State Boards we feel should continue and steps must be taken to persuade the authorities to set up such bodies where they do not exist. The State Boards should upto the extent of 2/3 of their membership, be composed of the representatives of these federations and neccssarily the State Boards must in their deliberation associate the Development Commissioner, Directors of Industries, and others concered with the development of all Khadi and village industries. The balance of 1/3 may be chosen from among those who have the knowledge and experience of village industries' work or have been associated with constructive work. The State Board consisting of these representatives will then be able to obtain from the State Governments assistance in policy matters. It will be the primary functions of the State Board to integrate the plans prepared by the federations with the plan of the State as a whole and to obtain from the other departments of the State Governments, technical, financial and operational assistance required by the implementing agencies in the field. Thus, our proposal is not merely an integration in the field between one group of industries and another, but an integrated approach right from the State Government to the base.

20.17 If the delegation of responsibility suggested by us is effected, the Commission's responsibility will be mainly disbursement of funds for the development of these industries and co-ordination of work of the different State Boards, technical research and the planning of training at different levels. We do not, however, desire to elaborate these suggestions at this stage because how far and in what manner delegation of responsibility can be effected will depend upon the pace of progress in the field, and the capacity of the different agencies to undertake and discharge satisfactorily the functions assigned to them. Necessarily this will be a period of trial and error, but we consider that it is inevitable if the development of village industries is to be on a sound and well-laid basis.

CHAPTER 21

ADMINISTRATION

We have indicated in the previous chapter the lines on which reorganization should be attempted. We are fully conscious that reorganization on the lines suggested by us will take time. Meanwhile, there is need for a number of changes both at the head-quarters of the Commission and of the State Boards in the field. We propose in this Chapter to indicate the main changes necessary.

21.2 In spite of the constitution of the Commission in April 1957, there has been no significant improvements in the pace and time of disbursements of funds. They continue to be made in the second half of the financial year. In spite of conferences convened by the Commission in the last quarter of each financial year during the last three years, these delays have continued. One of the reasons for the continuance of this unsatisfactory position is the inability of the Commission to inform the representatives sufficiently in advance of the likely amount of funds available for each State and, on the other, the absence of sufficiently detailed progress reports from the different agencies to assess their ability to undertake programmes. The review that we have presented above, has made it clear, we hope, that in the immediate future, there should be no expansion of the programme for village industries on the present basis except in a marginal sense and in areas where no work has so far been organised, and where there are reasonable chances for successful operation subject to the limitations of our suggestions made in the previous chapter. In the immediate future attention must be primarily devoted to the reorganization of work on the lines we have indicated. It is, however, necessary to improve the working of the centres already sanctioned in different industries so as to reduce to the minimum losses already incurred and, wherever possible, funds should be reallotted so as to expedite organization of centres. But in every case, whether of consolidation or of progress towards fuller utilisation of existing capacity or completing the work already in hand, the main objective should be that, as soon as possible, these production units should become part of the developmental plans we have outlined. Towards this end, we consider that the primary function of the industry organizers of the Commission should be to assist in consolidation of work already done, provision of technical guidance and supervision and to this task the energies of the Commission must be bent.

Follow-up

21.3 The present procedure for the scrutiny of schemes, references to the Standing Finance Committee and disbursements of funds is cumbersome, time-consuming and needs complete change. We have suggested that the schemes of development should be prepared by the Federations at State level and forwarded to the Commission for sanction through the State Board. The schemes should specify in detail where, when and how they are meant to be implemented. But at present and in the immediate future there is need for considerably greater follow-up than has been so far. In fact, as we have pointed out, no effort has been made by the Commission to follow-up the progress of Village Industries as in the case of Khadi. Village Industries have been comparatively unimportant and consequently due attention has not been given. Disbursements of funds should be on the basis of requirements of each programme so that funds do not get locked up with the institutions. We have pointed out these defects in our reviews, but this is a very important aspect of the work in the field and, therefore, we repeat our suggestion that funds should be released in instalments for each specific purpose so that maximum economy can be effected. This again will be possible only when the funds are channelised through the State Board directly to the authorities at the area level. During the transitional stage it is vital to revise the method of releasing funds and to devise a more effetive follow-up.

21.4 One of the most important aspects of policy which does not appear to have received adequate attention either from the Commission or the State Board or the institutions is the determination of the costs of production of finished products and appropriate scale prices. We have pointed out in our reviews the unsatisfactoriness of the position in this regard. We, therefore, recommend the appointment of a special Committee as soon as possible with a qualified and experienced cost accountant as a member to go into this question. This Committee may be requested to prescribe a formula according to which prices can be fixed in different States in accordance with the variations in the conditions. This alone will help to remove the present defects and help each production unit to maintain costs within prescribed limits.

Accounts

21.5 We regret to observe that our work was considerably hampered by the absence of detailed information on the disbursements of funds industry-wise, scheme-wise, agency-wise and year-wise. Although accounts are maintained by the Commission, these have not been compiled in the fashion in which they are required for any analytical purpose. The accounts are maintained in such a fashion that compilation is exceedingly difficult and time consuming. After cereful study of every aspect of this question, we consider that the accounts section must be made responsible for the supply of data, compiled in this fashion each quarter, so that in future similar Committees may not be compelled to devote so much of its time to the collection of primary data on disbursements, which should be available to a Committee at any point of time, We, therefore, request the Commission to go into this question in detail and make the necessary changes.

Statistical Data

21.6 The quality of our work has suffered considerably because of the non-availability of basic information. It appears to us that from the industry organizers downwards, the value of statistical information has not been sufficiently appreciated or recognized. The data available on every aspect of the programme from the financial disbursements to the progress made in organization, production, sales, employment and wages have generally been incomplete, defective and even misleading. We have been told that the collection of information has not yet been organized and systematised for any number of reasons, and we consider that the position needs to be improved. Each assisted institution must be required to supply detailed information at least every quarter within a prescribed number of days after the end of the quarter and supervisory personnel wherever possible must assist institutions in sending the information. But the Commission must refuse as a matter of general policy any further assistance if reports are not available. Unless such a radical step is adopted, we do not see how the position can improve. We are afraid that the continuance of the present position will lead to a number of undesirable consequences, because we do not see how any opinion can be expressed in the absence of information. The Commission itself must have been embarrassed in deciding the allotment of funds in the absence of information on every vital indicator of progress. This is an aspect which cannot be ignored any more. Although in its sanction letters the Commission enjoins on the institutions to maintain records, this has not, any where, been followed up either by the industry organizer or by the accounts and audit sections of the Commission. We, therefore, suggest that the Commission takes immediately steps to correct the position on the lines suggested below.

21.7 The Commission, and State Boards in their turn, must prescribe a suitable proforma in which assisted agencies and primary production units must maintain accounts. They must also specify the manner in which records of purchase of raw materials, prices, production, costs of production, sales and prices, employment and wages are to be maintained. As maintenance of records by primary units is difficult, the Commission and State Boards may consider how best training in this essential aspect of work can be given to the field staff of their respective industry organizers. The industry organizers must be made responsible for the supply of detailed, comprehensive information at least every quarter. It must be made clear to them that absence of data in their reports constitutes a censure on their administrative efficiency. The Commission must, therefore, take suitable steps in this regard.

Techniques

21.8 In our reviews, we have indicated the need for progressively higher techniques so as to raise the productivity and earnings of the artisans engaged in the village industries. It is common ground that higher techniques are desirable and should be accepted wherever possible subject to the conditions that there is no large scale displacement of labour or what is called technological unemployment and exploitation of one group by another. We consider that in the immediate future it is not possible to adopt mechanised means of production in all village industries and in all areas but we are convinced that there is considerable scope for improvement in the tools and implements now in use. We would, however, suggest that the scope for the introduction of mechanised tools and implements on a decentralised basis in each of these industries deserves to be more fully examined than heretofore. So far the arguments for and against mechanisation have largely been theoretical. Technical research so far has not been devoted to the evolution of mechanised tools capable of being used on a decentralised basis. For this purpose, we consider that research should not be confined to any one institute or place, but the aid of every technological laboratory and institute in the country must be obtained so that the fundamental requirements of these industries can be more speedily met. Provision may have to be made to have improved tools and ecquipment tested in the field. In the measure in which techniques are improved, decentralisation will become possible and serve effectively the objectives of the Commission.

21.9 It is, therefore, necessary to modify the concept of village industries as such. A village industry in our view is one which is decentralised and co-operatively organized in rural areas depending upon locally available raw materials and catering to local markets. Within the limits of availability of power or the scope for its generation, village industries should be as a matter of course permitted to use the highest available techniques so that cost per unit of production, quality of the product, productivity and earnings per unit of effort may each become satisfactory from the economic and the social points of view. Such a development, we are convinced, will contribute to the development of the rural economy as a whole and the improvement in the standards of living of the artisans themselves.

Training

21.10 What we have said about the approach and planning and the techniques for village industries emphasise the need for a completely different approach to training. Training of personnel for isolated industries without relation to the overall purpose and objective, does not appear to us desirable. So far the training schemes have served at best only a limited purpose, though in isolated instances the trained candidates have done excellent work. There has been no uniformity of purpose or plan in training of the candidates, and particularly the need for training personnel capable of planning the development of industries and assisting artisans to organize themselves into co-operative societies has not been attempted. We, therefore, suggest that the training programmes of the Commission also be reviewed in the light of our suggestions and appropriately amended.

Economic Research Section

21.11 The Economic Research Section of the Commission performs today functions mostly of a routine character and even in this regard, as we have just pointed out above, it has not been able to furnish information which it ought to have collected in the course of its duties. Research as such, except in a few isolated cases, has not been undertaken by the Section. We feel that so far effective use of the Section has not been made for the purpose of research. There are a number of economic problems that need investigation and if our suggestion regarding the reorganization of work is accepted and implemented the number of problems that would offer themselves for investigation and study will increase. We feel that the Economic Research Section should be freed of a number of its routine functions so that its attention can be devoted to research as such.

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Bombay
November 11, 1959.

CHAPTER 22

CONCLUSIONS AND RECOMMENDATIONS

The review of the working of the different industries during the last six years points to the following conclusions : During both the First and the Second Five Year Plans, the responsibility allotted by the Plans was larger than the Board or the Commission was actually called upon to shoulder. The work entrusted to it was less than half of the original allocation in the Plans. Till the end of the Second Five Year Plan not more than Rs 17 crores or less than half of the original allotment of Rs 38.8 crores are likely to be sanctioned and correspondingly, organizational effort required of the Commission and its agencies is very much smaller.

22.2 But the review of the progress of the different agencies in the field shows that by the end of 1957–58 registered institutions, co–operative societies and Intensive Areas of the Commission have been able to complete the essential preliminary arrangements and in some cases have commenced productive operations. But more than half the work allotted to them remains to be done as they have still to organize many of the production units in many of the industries. By and large, State Boards, Development Commissioners and Directors of Industries have not been able to implement the programmes in their respective areas. So far, most of them have merely disbursed funds to other agencies and have done only a small amount of actual work. During 1958-59, quite a number of them have begun their operations, and from the current year onwards their share in the total work is likely to be larger. As a result, actual work done so far has been very small. The effort of the last six years would thus appear to have been essentially exploratory.

22.3 Consequently, the size of the organizational effort made so far is small in relation to the scope for development of the industries judged by the availability of raw materials and the number of artisans engaged in the village industries. As we pointed out in the reviews, the effort that has so far been made is confined to a few areas in each State; and as many of the units of production were not located in appropriate places, the actual coverage of artisans is small even in the areas in which work has been organized.

22.4 The nature of the effort also has not been satisfactory firstly because there was no experience on which the Board or the Commission could draw and, therefore, most of the work done has been on a trial and error basis. Secondly, personnel available and facilities for implementing any of the programmes were both inadequate in the field. Consequently the effort was not integrated and planned in co-operation with the different agencies with the result that there has been more dispersal of industries than purposive decentralisation. Decentralisation in itself would mean a planned effort at organizing industries such-wise that each of them supported the other. But so far this has not been really achieved. Consequently, the quality of work done generally has been poor and the results obtained have generally been not so satisfactory.

22.5 Owing mainly to these two fundamental defects, the impact of each of the development programmes on the problems of under-employment among the existing artisans engaged in each of the industries has been, at best, very small. The contribution of these programmes to the improvement of the economic conditions has also been very small. Even in industries like village oil, non-edible oils and soap and palm gur, handmade paper and bee-keeping, the benefits of the development programmes have been very few. While in the village oil, palmgur and bee-keeping the relative size of the impact was larger, in non-edible oils and soap industry in relation to the total expenditure, the benefits have been comparatively small because one-half of the programme, viz., organization for the collection of non-edible oil seeds and production of non-edible oils, has yet to be implemented on a scale necessary to sustain the work of the soap units allotted. In the hand-made paper industry, although production has increased, the effort to organize industries on a decentralised basis remains to be made, and similarly in the village pottery and fibre schemes much headway remains to be made. As a result, the bulk of the artisans engaged in these industries have not so far been brought within the fold of the beneficial effects of the programme.

22.6 One of the major defects in the effort made so far is the absence at all stages of a standardised procedure. The organizational machinery at the headquarters and in the field lacks unity of purpose, clarity of approach and division of functions. Consequently, results of the efforts made have been poor. Though steps have been taken to remedy the position, much remains to be done.

22.7 We are, however, conscious that what has been done so far represents the first attempt at a planned development of village industries all over the country, and the problems that have come up and the difficulties encountered indicate that the experimental and exploratory attempt can succeed provided its main weaknesses are removed and foundations for a self-sustained and self-supporting organizational pattern is devised. The trends in the utilisation of funds, the pace in production, particularly during the last two years, fully support our view that with the basic changes that we have suggested in each programme, village industries can be developed to a level where they can begin to contribute substantially to the improvement of the artisans engaged in them.

22.8 To achieve this, however, there is need for a fundamentally different approach both to training and technical research. Training programmes as a whole, as we pointed out, have not yielded the results expected. In fact, training facilities for all village industries remained inadequate both in quality and in content. The personnel employed both at the Commission's level and in the field do not have a clear idea of the importance of their work nor its relation to the effort of everyone else. The programme of training a cadre of workers capable of organizing these industries in an integrated manner is a *sine qua non* for the success of these programmes.

22.9 Technical research so far has been confined to a few problems. It has not yet been extended to the evolution of tools and implements which will raise the productivity of the artisans engaged in the different industries. As we have pointed out earlier, the success of any plan for the development of village industries ultimately depends upon the extent to which the artisan is enabled to raise his efficiency and productivity and the extent to which his economic position is strengthened by an appropriate organisation. So long as he does not have assured supplies of raw materials at reasonable prices, on the one hand, and fairly secure markets for his products at prices that will give him a fair rate of return, on the other, no plan can be considered to be a success. This points to the need for urgent action towards evolving the right type of organizational pattern and more appropriate methods of planning the development of these industries.

Processing Of Cereals

22.10 The review of the programme shows that only a very small beginning has been made. Even in the areas covered, arrangemments for the distribution of improved implements, purchase and stocking of paddy required by the different institutions and assistance to market rice produced are each unsatisfactory in volume and quality. During the last three years, when the assistance for the programme was stepped up no serious attempt has been made to select areas, where the conditions for the deveopment of this industry on this pattern were favourable. We are, therefore, of the view that both the content of the programme and the manner of its implementation need revision in the light of experience.

22.11 We are, however, convinced that from the nutritional point of view, hand processed rice is superior to mill processed rice. The trends in consumer preference in both urban and rural areas in most parts of the country, however, indicate that the scope for organising this industry on a progressively expanding basis is strictly limited except in some States and in some selected areas in the others. As consumption of nutritively better rice is in the national interest, we suggest a planned, intensive propaganda drive to familiarise the people in general and students in particular with the merits of hand processed rice.In this connection, demonstration in the art of cooking hand processed rice seems also to be necessary because defective cooking may undo all the good of the rice itself. We, therefore, suggest that provision be made for this purpose in the amended programme we have suggested above.

22.12 The productivity of the implements distributed so far, as compared with the traditional implements in use, is only fractionally higher. They have not, therefore, appealed to the mass of the artisans even in the areas where hand-processing of paddy is customary. There is urgent need to examine whether it will not be more to the purpose to improve the implements in use in each State than to recommend implements on an All-India basis.

22.13 No attempt has been made at evolving types of implements which, while incorporating all the advantages of hand-processing are sufficiently productive to yield a living wage to the artisans and at the same time sufficiently cheap to be owned by them. We are of the view that technical research of a high order is necessary to evolve and construct improved implements that will meet these two basic criteria, viz., cheapness of the implements and a considerably enhanced productive capacity, side by side with a high rate of recovery of rice from paddy. We are told that in hand-processing, the percentage of recovery of rice is less than in even the hullers. We are, however, not competent to express an opinion on this aspect of the question. We suggest that this question be examined by a body of technicians and on the basis of their report, steps be taken to reduce the percentage of brokens and increase that of recovery.

22.14 We were told by almost all representatives that the subsidy on production paid to institutions has given rise to a number of avoidable malpractices. We recommend the substitution of the production subsidy by a management grant on a progressively decreasing scale, but this should be related to the volume of production and sales organised by an institution or agency.

22.15 We recommend that steps be taken to assist those engaged in the industry to purchase and stock adequate quantities of paddy to assure the artisans, work for at least 150 days in the year. This involves an immediate need to examine how far and at what cost and under what conditions funds can be obtained from the normal financing agencies. There is need to examine this aspect of the problem very much more in detail so as to make the industry self-supporting over a period of time.

22.16 We recommend that in future the programme should be organised in areas which have favourable conditions for its development. Emphasis should primarily be on production for consumption within the area rather than production for sale outside the area and export of rice from an area should ordinarily be restricted to the surplus over local consumption. Unless hand-processing of paddy industry becomes an integral part of a scheme for the development of an area, the scope for its expansion, in view particularly of the rise in the cost of living, is strictly limited.

22.17 One half of the major organisational problem facing the industry, we consider, will be solved, if the work of expansion and development is entrusted to Statutory State Boards at the State level and funds are allotted to them on the basis of their capacity to implement the scheme. This will facilitate a more careful selection of areas and development of the industry on a planned basis in each State accoding to its capacity. The functions of the Commission's

Organisor in-charge of the industry should be the provision of technical guidance, supervision and arrangements for research, training and where necessary assistance to co-ordinate work in different States. We are of the view that if the work is thus decentralised, much better results will be possible through more effective planning at the implemeting level.

22.18 The most important requirement for the development of the industry on a scale commensurate with the scope and possibilities is the need for an integrated policy. Although the Rice Milling Act was passed some time ago, the number of hullers has not decreased but increased in many areas. Hand-processing of paddy industry has not, however, been developed to a level where any valid and tenable claim for allocation of production can be made. We are, however, of the view that if development of this industry is taken up in specific areas and planned to meet all local requirements, it may be possible to ensure a pattern of development that will have inherent strength. We, therefore, suggest that during the Third Plan period, development of this industry is taken up in Community Development Blocks, Intensive Areas and other areas favourable for this purpose so as to gain fuller experience of the scope and pattern most suitable for the Industry. As the success of any programme will ultimately depend upon the cost per unit of production, technical research to evolve better implements is imperative.

Village Oil

22.19 The development programme for the village oil industry as it has been implemented so far covers a little over 22,000 ghanis or 8 per cent of the total of 3,08,512 ghanis in the country. Within even this small coverage the extent to which the programme has contributed to the improvement in the economic condition of the telis is small because of the number of initial difficulties in setting up the necessary organization and in arranging for the purpose and storage of oilseeds. Making allowances for these initial handicaps, the programme would appear to have made some impression on the condition of the telis, though it is limited to a few areas in each of the States in which it has been implemented. The organizational strength it has acquired points to the capacity to undertake a larger programme in the future, provided some of the present weaknesses that we have pointed out below are removed as early as possible.

22.20 Purchase of oil seeds in season, their storage in appropriate places and arrangements for their distribution to telis in accordance with their requirements constitute the main steps to assure telis fuller employment and higher earnings. Arrangements for this purpose at present are inadequate and in some cases wasteful. Thus, for instance, purchase of oil seeds in Rajasthan and Saurashtra for utilisation in Bihar or Uttar Padesh involves high incidence of transport costs and results in unduly high prices of ghani pressed oil. This question, viz., controlling the cost of production within definite limits does not appear to have received the attention it deserves and requires to have to be taken up as early as possible.

22.21 Secondly, purchase and stocking of oil seeds is essentially a commercial function and should, therefore, be excluded from the normal responsibilities of the Commission. We, therefore, suggest that the Commission should take steps to assist its institutions and co operative societies to borrow from banking and other financial institutions. We suggest that the pace of co-operativisation of the industry should be stepped up so that the essential commercial functions are transferred to the co-operative societies as a matter of course, and the Commission is enabled to devote its energies to other essential promotional activities.

22.22 We have examined very carefully the economics of the village oil industry. We consider that there is no case for the continuance of the subsidy on ghanis. We are of the view that for the purchase of ghanis or for the construction of sheds, assistance should be in the form of loans, repayable over a sufficiently long period of time. A teli can earn enough to repay the loan advanced to him if he is assisted to obtain oil seeds at reasonable prices. The distribution of loan for this purpose should also be through co-operative societies as a rule. This function can continue to be the Commission's until other alternatives become available.

22.23 The rebate on retail sales of oil does not appear to have served the purpose for which it was meant. The information supplied by the representatives of the different agencies during our discussions with them would indicate that in many areas in different States subsidy on retail sales has given rise to a number of malpractices. We also understand that payment of this subsidy poses a number of administrative difficulties. Moreover, the case for a subsidy as such itself is weak. For instance, the rebate on kardi oil, which in some parts of the country is considered edible, is not required at all because all of it is produced on ghanis and there is no competition from oil mills. Similarly, we have doubts about the soundness of the case for the continuance of this scheme as far as sesamum oil is concerned. We were told by the representatives that ghani pressed sesamum oil is purchased by consumers mainly for its intrinsic quality. Sales of this oil, therefore, are governed more by considerations of quality than of price. While this is true as far as urban areas are concerned, sales in rural areas, where price is a more serious consideration rebate may be necessary. But here again we are of the view that if arrangements are made for regular supply of oil seeds at fairly constant prices, price of oil can be brought down. In any case, we consider that there is no case for the continuance of the rebate on retail sales at present because it has not served the purpose for which it was meant but has given rise to a number of avoidable allegations of malpractices.

22.24 We are, however, of the view that at least in the initial stages selling agencies should be assisted to meet a part of their management expenses. Their functions are important and a management grant will act as an incentive to increase their number and their mode of operation. We, therefore, recommend the replacement of the present rebate by a management grant on a progressively decreasing scale. The grant should be related to the number of ghanis covered by an agency and the volume of sales effected. This will also help the Commission to integrate the sales rebate with the management charges which they now pay.

22.25 The data on the distribution of ghanis show that the improved ghani does not appear to have commended itself to the telis in all States. In many areas telis consider the cost of operating the Wardha ghani as high and consequently traditional ghanis, in spite of their low productivty, continue to be worked. We consider that research to improve the operational efficency on traditional ghanis particularly the percentage of extraction of oil is urgent and should, therefore, be taken up immediately.

22.26 One of the major objectives of the development programme as we understand it, is the retention of the intrinsic merits of ghani-pressed oil side by side with a progressive reduction in the percentage of loss in extraction of oil from the seeds. For this purpose, we consider it necessary to examine the scope for and the probable effect of a more radical departure from the present technique operating in the industry. Percentage of extraction in both traditional and improved ghanis is low as compared with mechanical methods of extraction. The loss of oil in cake cannot be ignored because oil is one of the essential articles of consumption. National interests would, therefore, indicate that every effort should be made to reduce this loss. We would, therefore, suggest that experiments be made to study the economics as well as the effects of mechanised crushing of oil seeds on a decentralised basis.

22.27 We regret to observe that there seems to be no co-ordination between the Organizer in charge of this industry and the research institute of the Commission at Wardha. The research institute has carried out a number of experiments and has made certain claims regarding an implement it has evolved for extracting oil. We consider that there is need to test these claims in the field, and, if the tests show satisfactory results from the two points mentioned above, there is every reason to consider the introduction of this implement on a large scale. Thus, in our view, the immediate task before the Commission as far as this industry is concerned, is in addition to the arrangements for the purchase and storage of oil seeds, the organisation and conduct of technical research on a more intensive basis.

22.28 One of the specific schemes for technical research suggested to us is a study of the causes of rancidity of ghani-pressed oil and the means to eliminate them. This research will yield substantial results in terms of returns to telis and capacity of a selling agency to hold stocks.

Village Leather

22.29 The review of the working of flaying centres shows that the main objective of improving the nature of flaying in vogue today has not been served. Location of the centres as well as the manner in which they have worked have resulted in losses arising from gross wastage of capital and equipment sanctioned. Working capital that has been sanctioned during 1958-59 for these centres either remained locked up or has been utilised for purposes for which it was not meant; and centres are not working in a manner calculated to benefit the chamars, whose co-operation does not appear to have been won so far. Consequently, except a few centres in Bombay, Madras, Madhya Pradesh and Andhra, the rest of the centres do not appear to have served any purpose. We are, therefore, of the view that at present the bone digester at the flaying centres a superfluous equipment and needs, therefore, to be withdrawn.

22.30 The analysis of the working of the bone-crushing units sanctioned by the Commission vis-a-vis the operational problems in the field leaves no room for any complacency. We are constrained to observe that these units must be withdrawn and every effort must be made to ensure that the losses already incurred are reduced and immediate steps must be taken to recall the funds sanctioned during 1958-59. We find no justification whatsoever for the allotment of 80 units in 1958-59 when no centre previously sanctioned was working satisfactorily and, no serious attempt was made by asissted agencies to organise those already sanctioned. To ensure that the moneys sanctioned are not altogether lost in an endeavour which seems to us to have no reasonable chances of success, the Commission must take immediate steps to recall the funds sanctioned as early as possible. The five units which are working may be allowed to continue. The Commission may direct the officers in charge of this industry to examine the alternate use to which the centres that have already been organised can be put so that the land, building, equipment, etc., which have already been purchased and installed may not become a total loss.

22.31 To a certain extent, the work of the model tanneries has been handicapped by inadequate volume of working capital available. We would, however, like to be very careful in recommending additional grant of working capital for two reasons : the number of units sanctioned is very large, and as already noticed, working capital is advanced long before production actually commences. Consequently, we would suggest that any increse in the volume of working capital sanctioned for a tannery should be on the basis of the work done during the last two years and the release of funds in accordance with the increase in the volume of work. We are of the view that the sanction of funds for buildings and equipment must be on a State-wise basis rather than on All-India basis. Costs of construction and prices of different types of building materials apart from the value of land, vary widely between different States and, consequently, an All-India basis for this purpose seems inappropriate. It is essential, in our view, to ensure through appropriate method of supervision that all model tanneries equip themselves with the full complement of implements and equipment for which funds are disbursed. The information available to us shows that the number, quality and variety of equipment actually purchased by tanneries are in many cases smaller than the funds sanctioned. This is undesirable as much from the financial as from the operational point of view.

22.32 The marketing depots that have so far been organised have not provided the services they were expected to provide. Consequently, the extent to which they have benefited the primary production centres, particularly the flaying centres and tanneries, is very small. We are, however, of the view that there is need for marketing depots and they can play a vital role in enabling the tanners and flayers to obtain essential raw materials at reasonable prices and fair prices for their finished products. But to be effective, the marketing depots will have to be reorganised and the sooner they are the better for the industry.

22.33 The facilities available at the training-cum-production centres are not fully utilised and we, therefore, suggest that immediate steps be taken to ensure improvements in every aspect of work done at these centres.

22.34 Village Leather Industry can be worked on economic lines right from carcass recovery to the sale of leather products. But this will be possible only when all the aspects of development are effectively integrated.

22.35 The manner in which the industry has been organised and its development programme implemented show that except for the chamars employed at the Commission's own or certified institutions' centres, the programme has not materially improved the earnings of the chamar community as a whole or the quality of work done by them.

22.36 The basic problem facing the leather industry programme is the non-availability of carcasses. A suggestion was made that

Government should declare that all the carcasses of naturally dead animals is State property so that the customary rights which have disabled the flaying centres from obtaining the carcasses of naturally dead animals are abolished. Only then, we are told that an earnest attempt can be made to improve the quality of flaying on an organised basis with the corresponding economics in the nature, quality and weight of the hides and skins recovered from animals. The implications of this proposal from the political as well as the administrative point of view need careful study. We suggest that the Commission take up this question with the Government of India. But of immediate and of practical significance is a concerted attempt on the part of State Boards to obtain from their respective Governments priority of right to naturally dead animals. It is within the competence of State Governments to so direct the panchayats as to accord the first priority to flaying centres in the disposal of carcasses, and early steps must be taken so as to ensure that the flaying and carcass recovery centres already set up get a reasonable chance for full-time working. This would be the immediate objective.

22.37 We agree with the suggestion made before us that no additional flaying centres should be sanctioned on the present pattern. There should be peripatetic demonstration parties to demonstrate and train flayers in the improved methods of flaying. A flaying bed or a platform can be given as an outright grant to centres visited by the peripatetic party so that instead of flaying the carcasses at all odd places, the carcasses can be flayed at a central place where all facilities are available. If assistance is given directly to the flayers for the purchase of improved tools and equipment necessary, the original purpose, viz. training the flayers in the art of scientific flaying will be better served.

22.38 The review of the working of the industry points to the need for consolidation rather than expansion and to the immediate urgency of withdrawing all the units under each type sanctioned during 1958-59, with the exception of marketing depots. Every effort should be made to revitalise the units which have already been started and which today are functioning far below capacity.

22.39 We suggest the appointment of a special Committee to go into the question of alternate uses of the bone digesters in consultation with all the assisted agencies in the field. The centres at which the bone-digesters have so far been successfully worked may be allowed to continue. But every effort should be made to utilise at least 75 per cent of their capacity in the centres by a systematic drive to obtain larger number of carcasses. We are of the view that there is in the present circumstances very little chance of successful operation of bone crushing units and consequently, we recommend their withdrawal as a part of the scheme as soon as possible. The Commission may give this question immediate attention and examine how best and in what manner the funds sanctioned in 1958-59 at least can be withdrawn.

22.40 we suggest that no addition is made to the number of model tanneries till all the units sanctioned have been organized. We recommend that to serve the purpose for which they were meant, the Commission should not merely lay down standard specifications of the buildings, but ensure that these specifications are in fact observed by every assisted agency. As there has been a steep rise in the cost of building materials since the programme was originally drawn up and as the cost of construction varies from State to State financial provisions for buildings may be left to be decided by the authorities at the State level rather than at the All-India level. Similarly sanctions for equipment and tools need to be revised. Here again the exact amount to be sanctioned for each unit should be decided at the State level in accordance with the local conditions. In consultation with State Boards and after careful scrutiny of the working of each tannery in the State, provision for working capital may be revised so as to facilitate full utilisation of the capacity of the tannery and the labour available in it.

22.41 As in the case of bone crushing units, no serious attempt has been made to organize glue manufacturing centres in the country. This also may be dropped from the effective programme till the working of the flaying and of the model tanneries comes up to the expected standard. Glue manufacturing centres may be reallocated such-wise that there is a reasonable chance to organise them at least in a few places.

22.42 The working of the training-cum-production centres, though generally satisfactory, can be very much imroved. As referred to earlier, production in the tanneries as in the training-cum-production centres can be increased substantially. But the economics of the working of the centres can be substantially improved if adequate care is taken to purchase and sell products at economic levels. Data available to us show that this aspect of the question has not received the attention that it deserves.

22.43 Our review and comments on the working of the industry and its future are no doubt adverse. We are fully conscious that from the social, economic and cultural points of view the development of the village leather industry, in which are to be found some of the most depressed sections of the population, is necessary and urgent. But we are equally conscious that the manner in which the scheme has been worked so far, has hardly affected for the better the condition of the community for the uplift of which it was meant. Unless the programme is reorientated and the original objectives are restated and the manner of working is properly amended, continuation of the programme as it is, will serve no useful purpose. Convinced as we are of this position we have made the recommendations above and commend them to the Commission for acceptance.

Cottage Match

22.44 We have not made any special recommendation regarding this industry as the Special Committee has already gone into all its oblems.

Gur And Khandsari

22.45 As compared with the progress made by other village industries, the development programme for Gur and Khandsari industry would appear to have brought within its beneficial fold a larger number of artisans. But the review of the distribution of implements during the six-year period, however, shows that the extent of the three-fold benefits, an improved crusher, centrifugal and the pan, which constitute the major items of improved implements has covered hardly a fraction of the total number engaged in the manufacture of gur in all States. Secondly, the extent of improvement effected in the quality of gur produced cannot also be accurately measured in the absence of relevent information. But the available data show that comparatively speaking, a larger number of persons in this industry have been taught methods of improved manufacture.

22.46 What has been done points to what remains to be done because without an improved crusher, the extraction of juice from sugarcane is small and involves considerable wastage. Moreover, the improved strains of cane now being introduced for their higher sucrose content are generally not amenable to economic crushing in the traditional kolhus and consequently there is need for the introduction of improved kolhus on a considerably larger scale. As the primary assistance to a producing unit consists of kolhus and pans, we are of the view that considerable expansion of activities is necessary in this respect. Good quality gur we were told by each representative from the major cane growing States fetches Rs 2 to Rs 3 per maund more than ordinary gur. We, therefore, consider that although this industry is not capable of providing additional employment except in the manufacture of khandsari and that too for an entirely different category of persons, the industry provides an excellent opportunity for improving the economic condition of the farmers. We, therefore, are of the view that in selected States where conditions are most favourable, intensive expansion is necessary.

22.47 Suggestions have been made by several representatives that the Commission should assist the distribution of power-driven crushers and centrifugals on a more liberal scale. We are fully aware that khandsari manufacture at present is confined to Uttar Pradesh and generally it is a wasteful process. Many of the States such as Andhra, Madras and Bombay have attempted the manufacture of khandsari on an experimental scale. But in Andhra this process has gone further than in the others. It is essential to take a very objective view regarding the use of power-driven implements in this industry. There are two primary reasons why in this case use of power is essential. An improved kolhu, according to the information that we have, is able to extract 65 per cent of the weight of cane as against 58 per cent or less in the traditional kolhu. In the national interest, it is necessary to reduce progressively the percentage of wastage. Besides, the returns to the farmers themselves are higher, because he is able to make larger quantity of gur. We would, therefore, recommend a reconsideration of the present policy of the Commission towards the expansion of this industry. Secondly, we are not sure whether the present differential advantage that khandsari enjoys will continue. But certainly assistance to manufacture sugar strengthens the bargaining position of the gur producer inasmuch as he is not compelled to market his gur at whatever prices prevail in the market but enables him to convert his rab into sugar or gur in accordance with the price trends in the market. The view was expressed that the excise differential today has benefited the khandsari manufacturer and, if necessary, an excise duty also could be levied on khandsari. In any case if centrifugals are to be introduced at all they must be power-driven units and no production units should be equipped with more than two centrifugals of the type now in use, so as to retain the scope for co-operative ownership of the productive implements. Subject to these two provisions, we are of the view that there is scope for expansion of this programme, because power-driven centrifugals do not displace labour and give the farmer a means to produce a commodity which has a ready market and assures him fair returns.

22.48 There is, however, one aspect of the question of the supply of kolhus and centrifugals to which we would like to invite the attention of the Commission. The monopoly at present enjoyed by the Union Government in the manufacture of crushers has affected the supply position considerably. There are considerable delays in the supply of kolhus. Secondly, repair and servicing facilities provided are altogether inadequate, and the experience in most States is that service facilities are irregular and frequent stoppage of work for considerable periods of time become unavoidable. There is, therefore, need to consider how far it is feasible to manufacture improved crushers at selected centres in each State. Secondly, centrifugals of the type and quality required are not manufactured at economic prices because orders are small and irregular. If the Commission revises its present policy as regards both power-driven crushers and centrifugals, supply and service position can considerably be improved.

Palm Gur

22.49 Although the organisational progress in the industry appears impressive, we are not in a position to assess its impact on the working of the industry for want of data on production, sales and employment. The approach to the development of the industry seems, however, to have improved the technical as well as the operational conditions in the industry. While this is all to the good, every effort, in our opinion, should be made to collect adequate and sufficiently detailed information on production, sales and employment in the industry so that assessment can be on the basis of accurate and comprehensive data and not on broad impressions which may or may not accord with facts. In the absence of such data, we are not in a position to express any opinion on the most essential aspects of the industry.

22.50 Organisation of the industry on co-operative lines is theoretically a sound proposition, but the formation of single purpose co-operative societies for a community of such illiterate and economically weak a class of peole as the tappers, in our view, does not appear to be a wholly satisfactory approach. So far as we were able to ascertain, the volume of production that the co-operative societies today are able to organise and the volume of sales they are able to effect, by and large, is only a small fraction of the total production and sale of palmgur in the country. The greatest achievement of the co-operatives so far is that they have been able to obtain licences for tapping trees on terms more favourable than what individual tappers may have been able to secure, and as this is a primary condition for work, it certainly is a great achievement. But the spirit of co-operation as such does not appear to have been inculcated because the bulk of the gur produced by the tapper members is marketed by themselves directly instead of through co-operative societies. The reasons for this as well as the manner in which a more satisfactory organization of sales can be evolved deserve to be investigated.

22.51 Although there have been a number of technical improvements in the industry through the introduction of better implements, construction of more economical furnaces, etc., we are of the view that the programme implemented over the last five years has not contributed significantly to the increase in the earnings of tappers. If this objective, viz. improvement in the economic condition of tappers is accepted as the primary objective of any development programme, we are of the view that a considerably edvanced technique mut be accepted as a *sine qua non*. We are convinced that introducction of any improved technique for the processing of juice into gur or sugar or any of the manifold types of products that can be manufactured therefrom is not likely to reduce the present volume of employment, but in fact is likely to expand it. Tapping cannot but be a manual process, but the quality of the product manufactured from neera cannot be significantly improved so as to secure a market for itself unless the technique of converting neera into gur or sugar is radically improved. We are, however, not in a position to express an opinion on the actual technique that must be accepted. We, therefore, suggest that the Commission appoint a small body of technical exports as soon as possible to examine the technical and economic aspects of the adoption of improved techniques particularly on the cost structure of different products.

22.52 Our recommendation above is based on an objective appraisal of the conditions of the supply and demand position of sugar in the country. With all the difficulties facing the country, particularly the land-man ratio and the rate of increase in the population, we are convinced that sooner or later a need may arise to utilise palm trees to the maximum extent possible to augment the supply of sweetening agents. The cost per unit of production of gur and sugar from neera today is prohibitive. Without a significant change in technique, costs of production cannot be lowered and productivity per unit of effort cannot be raised. We, therefore, commend our recommendation to the earnest consideration of the Commission and the early appointment of a Committee to report on the most suitable technique that can be adopted in selected pockets in different States on an experimental basis to assess its economics.

22.53 The economic condition of the tappers, as we observed a little earlier, leaves much to be desired because unlike any other group of artisans their work is tied up with their indebtedness. Consequently, unless opportunites for gainful employment are created in the very areas where they live and work, no significant change in their condition can be brought about. The experimental centres for the manufacture of products with palm leaves and other waste material of palm trees indicate a line of activity which requires to be more carefully and intensively explored. Integration of tapping with off-season activities of this nature may contribute to the provision of employment all through the year and also yield satisfactory rates of returns. We are, however, not sure whether there is sufficiently a large market for such products and whether the quality and price of such products can be such as to assure them a secure and steadily expanding market. Consequently, we recommend the organisation of experimental production units in both the "traditional" and "virgin" areas and provision of training to the tapper community by skilled artisans. But again we would caution the Commission that the technique of manufacture should be sufficiently high to facilitate manufacture of quality products. As this is an altogether new venture, there is no question of displacement of labour. In fact, in addition to improving the condition of the tappers by providing them fuller employment throughout the year, these activities may draw a class of people who have not found profitable employment anywhere else.

22.54 The acceptance of our suggestions will involve a complete change in the training programmes that are now in force. Even pending the acceptance of all our suggestions, we consider that training in the manufacture of palm products from waste material must be given, as this is likely to bring about a complete change in the economic condition of the artisans.

22.55 The success of any programme for the development of this industry depends, however, on the basic condition that the excise rules and regulation are uniform all over the country. Variations in them between one State and another have presented far too many difficulties to the community of tappers and consequently, the Commission must take up this question as early as possible at the highest levels. Secondly, although prohibition is desirable from many points of view, it is not likely to be adopted in the immediate future by all the States. Consequently, in the States where total prohibition has not yet been introduced, there is need to secure palm trees for the development of this industry on a non-competitive basis at least in some well defined areas in such States. This again is a matter which only the Commission can take up. Another matter which the Commission alone can take up is the allotment of trees owned by State Governments to co-operatives of tappers who should be given preference in the use of leaves and other material.

22.56 The economic as well as the social potential of a well-knit programme for the development of the industry is such that it is necessary to consider what steps can be taken to grow palm trees in appropriate areas, so that their utilisation can be fuller and less costly. We are, however, not in a position to express an opinion on the suggestion that some definite area should be allocated for the plantation of palms. This quesion may, however, be more fully examined by the Commission through appropriate means.

22.57 Research activities so far carried out have shown a number of beneficial uses of neera, particularly as a corrective to malnutrition among children from poorer classes. We, however, feel that sufficient publicity has not been given to these findings and we recommend that steps may be taken to give wider publicity to the research findings so that such a valuable nutritive food is not wasted. In areas where there is not yet a good market for neera, markets can be built up.

Non-edible Oils And Soap

22.58 The review of the programme shows that one-half, and what we consider the more important half of the programme, yet remains to be implemented. As explained at the outset, the objective of the scheme was the collection, storage and crushing of non-edible oil-seeds for the manufacture of soap. The manufacture of soap was to be related to the availability of non-edible oils. The representatives of different agencies were unanimous in the view that the soap manufacture so far has been with a generous admixture of edible as well as non-edible oils. In some of the centres in some States, edible oils have been used upto 50 and 60 per cent. We consider that production of soap by such means is not the purpose of the scheme. Only very recently and that, too, in 1958-59 has the problem of seed collection been given any serious attention. Attempts, we understand, were made earlier as well to survey different areas to ascertain the nature and variety of non-edible oil-seeds available; but we feel that this process ought to have preceded the organisation of soap centres. The number of centres allotted so far seems to us *prima facie* more than the number warranted by the arrangements made for the supply of non-edible oils to the production centres. What to our mind appears rather surprising to say the least is the arrangement made by a few centres to obtain non-edible oils from private commercial agencies. This, in our opinion, can hardly be considered satisfactory. The manner in which the programme for the industry has been implemented provides no firm basis for a judgment on the scope for the development of a decentralised soap industry for the utilisation of non-edible oils. We are not in a position to assess whether the availability of non-edible oils warrants the number of soap centres sanctioned so far. We would, therefore, recommend that till a thorough assessment of the availability of non-edible oil-seeds and their suitability for use in the manufacture of soap is made, no additional production units other than for oil pressing should be sanctioned, except in areas to which no unit has so far been allotted. Before passing to other aspects of the programme we would like to invite the attention of the Commission to some of the outstanding and urgent problems that need examination.

22.59 Most representatives of the different agencies are not familiar with the technique of the storage of different non-edible oil-seeds. Consequently, there has been considerable loss due to deterioration of oil-seeds. One of the important and urgent needs of the industry is dissemination of available technical information regarding the manner in which the different types of non-edible oil-seeds should be processed and stored.

22.60 There is need for intensified technical research to study the alternate uses of different types of non-edible oils so as to draw the maximum advantage from the collection of non-edible oil-seeds. Information available to us indicates that the use of non-edible oils for the manufacture of soap is one among many alternate uses and usually a less profitable use. It is, therefore, urgently necessary to investigate into the alternate uses of these oils.

22.61 Many representatives pointed out that crushing of several of the available non-edible oil-seeds by ghanis is wasteful and suggested that the Commission should permit the use of power for this purpose. We are, however, not competent to express an opinion on the subject. We, therefore, recommend the appointment of a committee of technical experts to examine this question, particularly in view of what we have said above.

22.62 As most agencies to whom production centres have been allotted have already organised and some have taken all steps to set up the rest, it is necessary to improve the present arrangements for the purchase and distribution of essential raw materials and chemicals to these centres at uniform, standard prices. Among the chemicals needed by the production centres, caustic soda, rosin and silicate are the most important. Supplies of each of these three essential raw materials at present are uncertain, irregular and inadequate from the point of view of volume, quality and price. The arrangements made through the recently organised federation also do not appear to be wholly satisfactory in certain respects. While we are not in a position to express an opinion on the various statements made before us by the representatives, we recommend that the rates at which the federation supplies essential raw materials to production centres be periodically reviewed so as to avoid allegations of high handling margins by the federation.

22.63 While we fully appreciate the efforts made so far for the improvement of the quality of soap manufactured, we should like to caution the Commission regarding the need for expansion of the supervisory personnel to minimise marketing problems.

22.64 This is the only industry in which the maximum advantage of the research facilities at the Central Institute have been taken. In view partcularly of the comparatively good market available for the soap so far manufactured, we suggest closer co-ordination of research with a view to progressive improvement in the quality of soap.

22·65 The location of the different types of production centres bears no relation to either the availability of non-edible oils or the occurence of non-edible oilseeds in the periphery of the centres both large and small. We consider that this is the result of lack of planning on the part of both the Commission and the applicant institutions. In our opinion, sanction for a centre should be on the basis of the availability of non-edible oil-seeds in a given area; and no agency should be allotted a centre unless it satisfies the Commission that the centre will be located in a definite area with proved availability or access to essential raw materials other than chemicals. This will obviate high distributional costs, which are reflected in costs of products to which we referred above.

22.66 In this connection we also invite the attention of those in charge of the industry that funds should be sanctioned in accordance with the implementation of the programme in the field and not in one lump-sum. Thus, for instance, long before any arrangements have been made for the construction of a shed to house the different types of equipment required for the manufacture of soap, working capital required for the full utilisation of the productive capacity of a unit has been released to the implementing agency. This is obviously an unsound procedure and should be revised.

22.67 While we recognise that the development of this industry so far holds out considerable promise, we are of the view that to derive maximum benefit from the expenditure already incurred, it is necessary hereafter to plan its development far more carefully, particularly as regards the survey and development of non-edible oil seeds and their collection, storage, crushing and location of the production units. We would suggest a complete revision of the follow-up of the programme in the field both from the financial and administrative points of view.

Handmade Paper

22.68 The review of the working of the development programme for the handmade paper industry shows that so far the organisational progress made has been mostly through large, medium and small units. Some of these large and medium units were already in existence prior to the formulation of the scheme. The major achievement of the programme is that it has enabled a large number of these units to step up the level of their production. Among the new units that have been started during the period, very few have been able to achieve a rate of production commensurate with the installed capacity. While production as a whole has increased, it has not been commensurate with capacity and consequently there is considerable leeway to be made up.

22.69 Trends in production show that emphasis is more on utility paper and boards rather than on production of quality paper. While from the immediate point of view of shortage of paper in the country, the shift in production is understandable, the overall decrease in the output of highgrade paper is indeed disturbing. It may be recalled that the main emphasis of the programme, originally approved by the Planning Commission, was on the production of highgrade handmade paper. This was because highgrade handmade paper, blotting and drawing paper enjoyed competitive superiority. This aspect of the development of programme does not appear to have received the attention that it merits.

22.70 Of even greater importance is the absence of a serious or sustained attempt to create a market for handmade paper independently of the special closed market that it now enjoys. This is a serious shortcoming inasmuch as the future of the industry depends upon its capacity to market its goods in competition with others. This aspect of the question as well requires careful examination and appropriate steps.

22.71 We are of the view that as in the case of most other industries, the pattern of disbursements of funds should be altered. Long before an agency has been able to select the site and erect the necessary building to house a paper centre, funds have been disbursed in toto, including working capital. So far the non-availability of the necessary equipment for the units has led to a delay of nearly a year or more between allotment of funds and the actual erection of a production unit. Consequently considerable amounts of money have been unprofitably locked up. It is, therefore, of great importance to spread out the release of funds in accordance with requirements so that a more effective check can be maintained over the actual expenditure of money on different purposes, the progress of the units and their production. This, in fact, should be the normal policy in disbursements of funds.

22.72 Expert opinion regarding the working of the industry at present and in the future is that organisation of decentralised home units deserves far greater attention because of their greater efficiency as well as economy of production. So long as the factory type of work continues to be the main objective, decentralised development is not likely to be realised. This is not, however, to say that there is no scope for the continuance of medium and small scale units, but the main objective should as far as possible, be the organisation of large units on co-operative lines of artisans, and decentralised units in cottages and schools. An effort also should be made through the State Government to get hand-made paper as one of the recognised subjects for the S. S. C. or corresponding examinations in different States. This will facilitate systematised training and production in schools and the original objective of teaching a craft to school children with a view to enabling them to earn at least partially their livelihood will then become easier of realisation.

22.73 We are of the view that there is no case for the continuance of production subsidy and this must be discontinued. But on the other, we recommend a far more intensive and wide-spread training particularly of the artisans in the skilled jobs so that when decentralised units are set up, they and the members of their families can become independent self-supporting persons.

22.74 We are not, however, competent to express any opinion on the proposals made before us for the organisation of regional pulp making units. Technical opinion available to us indicates that the organisation of such units is not likely to be economic. However, steps may be taken to obtain the technical opinion as well as conduct research in devising appropriate implements suitable for the home and school units.

22.75 We are of the view that there is considerable room for the improvement of the different items of machinery at present supplied to the production units as well as in the nature and quality and services available for their maintenance and repair. We would suggest that the managerial personnel trained at the centre be given sufficiently intensive technical training so as to be in a position to assist units which need their services.

22.76 Simultaneously, arrangements should be made to reduce the time-lag between the placing of an order and the receipt of equipment. A Technical Committee may be appointed to examine how far it is possible to increase the number of recognised manufacturers of equipment. Except for the increase in the number of home units at suitable places, we are of the view that there is no need at present for any expansion in the number of existing production units. Instead the primary attention that needs to be paid is to provide necessary facilities and technical guidance to enable the existing units to utilise their capacity.

Bee-keeping

22.77 The review of the working of the different items of development programme for the bee-keeping industry shows that the organisational effort that has been made for the development of this industry has yielded on the whole satisfactory results. The effort made so far has been mostly confined to a few selected States, the scope for a far more intensive development in some of the favourably situated States, particularly Jammu and Kashmir, parts of Uttar Pradesh and Punjab, Assam, Bihar and Bengal, has not so far been explored. In some of the places in Madras, Mysore and Kerala where an intensive programme was implemented the point of saturation has been or about to be reached.

22.78 We have examined the importance of the beekeeping industry not merely from the point of view of the subsidiary income, but also of its other effects particularly its effect on the yield per acre. As India's primary need today is increased output of both commercial and food crops, it would appear that the development of this industry should be on a pretty substantial scale, because in addition to the honey that is produced, the other results particularly on the quality and the yield are far more important though they are not so easily measurable. We understand that several foreign countries have developed this industry with a view mainly to the secondary results such as improvement of crops, fruits, etc rather than the primary result of honey. We, therefore, suggest that experimental centres to explore the possibilities of developing this industry on these lines be organised and on the basis of the experience gained, the present development programme be revised.

22.79 Another aspect of the industry which requires similar re-examination is whether, as in several Western countries, research in different aspects of the industry particularly in Madras, Mysore and Kerala should not be undertaken. According to the information available to us development of the industry on the present pattern in these three States has nearly reached the saturation point. These could easily be converted into research stations from which information for the improvement of the working of the industry as a whole in other parts of the country can be disseminated. Among the problems that need to be studied may be mentioned queen breeding, migration of bees, the causes of diseases among bees and their cure and also the scope for improvement of the quality of bees.

22.80 We have been appraised of the different experiments being made in handling rock-bees. Though the results so far obtained are not conclusive, they represent in our view, experimental research in the right direction. We, therefore, recommend that further and wider experiments be made to obtain more representative and fuller data before formulating any programme for this purpose.

22.81 As in the rest of the world, price of honey in the market is considerably higher than the price paid to the bee-keeper. We understand that on the average the bee-keeper obtains less than a rupee per pound although price per pound in the market is Rs 2 and more, depending upon quality and the demand for it. We are of the view that steps should be taken to raise the rate of returns to the bee-keeper and reduce the present margin available to the middleman. We are of the view that this purpose will be easier to attain if the development of this industry is organised on co-operative lines.

22.82 While these matters are related to the nature of the programme itself, there are a few minor points which need consideration. We have been told by the representatives that the present shape and size of hives and their prices are mostly arbitrarily fixed and adequate attention is not paid to the locally available hives. Similarly a number of other tools and equipment supplied to different stations are priced arbitrarily. From the information available it appears to us reasonable that generally locally manufactured hives would be cheaper than hives manufactured at central workshops because of the smaller incidence of transport costs. Hence we suggest that appropriate steps be taken in this regard so as to obviate unnecessary complaints.

Village Pottery

22.83 Though the organizational effort made so far has been, by and large, successful, the size of the effort in relation to the number of potters or to the total volume of pottery goods manufactured and sold in the country has been small. The analysis of the number of improved implements distributed and the number of potters directly and indirectly assisted confirms this view. We are not sure whether a larger effort on the lines on which it has been made would have had any better effects because with the increase in the volume of production of alluminium and other metalic utensils, the demand for traditional pottery articles of domestic use appears to be on the decline. Judging from the trends in sales in some of the States, there seems to be, however, scope for expansion of production, particularly of certain varieties. In any case, the development programme accepted and implemented by the Commission so far, does not appear to have much of a future unless its pattern is changed.

22.84 The representatives of different agencies were unanimously of the view that while common work-sheds have been generally of great assistance to potters inasmuch as they gave them an assured place of work, they were not in favour of the continuation of the programme on the present lines because each of them was convinced that pottery articles now in use for domestic purposes would be progressively replaced by metalic wares. Consequently, they took the view that emphasis of the development programme should be on the manufacture of progressively improved types of goods. The experimental ceramic stations with a number of glazed pottery units attached to them, in the opinion of the Committee, is a move in the right direction. There are, however, a number of technical and organizational implications which need closer scrutiny. We are of the view that any large scale expansion of effort on the present lines is not likely to result in any significant improvement in the conditions of the potters. We, therefore, suggest that the Commission organize experimental centres for the distribution of body and glaze to a number of decentralised glazing units so that their economics can be studied more thoroughly before preparing a programme in this regard.

22.85 A suggestion was made to us that a more profitable line of work immediately available is the manufacture of tiles and other building materials because, with the increase in the constructional activities, demand for building materials is large, and manufacture of bricks, tiles, pipes etc., is likely to yield better results. We agree with this view, but whether the decentralised manufacture can compete with organized private enterprise needs to be explored.

22.86 This would, however, mean that the entire development programme for the village pottery industry needs to be changed, and the tools and equipment in use now need to be substituted by implements whose productivity is significantly higher. We would, therefore, suggest that the Commission appoint as soon as possible a Committee of technical experts to go into this question *de novo* and assess how far the activities in Intensive Areas and Community Development Blocks have been able to meet local demand for building materials of different types.

Fibre

22.87 The experimental programme has been worthwhile. The type of charkhas being introduced is also an improvement over the traditional methods of spinning and to that extent would appear to have improved the earning capacity of the artisans engaged in the industry. We are of the view that the results of the programme warrant a full-fledged production programme. We consider, however, that this must be preceded by a careful survey of selected areas in the States before undertaking production programmes. Similarly, the scope for converting the existing training-cum-production centres into production centres should be first explored and the market for the products tested fully before expansion is undertaken. As far as possible, at the production centres employment should be found for spinners who have already been trained.

22.88 The experience of work done by model centres in other industries does not encourage us to suggest any expansion in this respect. We would, on the other hand, recommend the organization of a larger number of composite spinning and weaving centres so as to correlate one with the other and to minimise overheads. We, therefore, suggest that after a full experimentation during the balance of the Second Plan period, a full-fledged programme of expansion be prepared subject to the conditions we have mentioned.

22.89 We would suggest that information regarding fibrous plants should be obtained as soon as possible from the forest departments of both the Union and State Governments so as to ascertain the places of the occurrence and their volume. We believe that to make this industry serve the classes of people engaged in it, a considerably better technique with higher productivity is desirable. Consequently, we suggest intensive experiments, both at the Commission's own Central Institute as well as in other technological laboratories, and institutes capable of undertaking research should be encouraged so as to determine on the basis of complete information, the types of tools that can be introduced.

Training

22.90 The approach to training has not always been sound. While some attempt has been made to train supervisory personnel, the approach has been isolated and unrelated to the actual needs and purpose of the programmes for Village Industries as a whole. The absence of an integrated approach to planning the development of the village industries resulted in providing separate training courses for supervisory personnel in each industry. Moreover, though an attempt has been made to train artisans in the places of their work in some of the industries, the size of effort has been small and its results not as satisfactory as they might have been. Above all, training programmes which were unrelated to one another led to avoidable duplication of effort. Thus, for example, carpentry and blacksmithy has been only recently taken up, while it was one of the primary basic efforts recommended by the Planning Commission. Had this been done, there need not have been separate courses for training of mistries in village oil and other industries because locally trained carpenters could have taken up this work as well. In brief, the fundamental unity of purpose necessary in drawing up training programmes for supervisory personnel was conspicuously absent. As a result, the effort at training artisans in the use of improved tools and techniques has not been either as large or as effective as was desirable.

22.91 We tried without much success to obtain information on the details of the number of trained personnel absorbed in the different industries. Except in bee-keeping, palm gur and handmade paper industries, the information available to us on the percentage of trained personnel absorbed in the industry is extremely meagre. While in the three industries metioned above trained personnel have generally been absorbed in the industry except in a few marginal cases, we have no information regarding the number that have taken to the industry after training. It would, thus, appear that there has been very little post–training follow–up on the part of both the training institutes and the industry organizers at headquarters. As on the effective deployment of trained personnel depends the technical and organizational efficiency, this is a serious short–coming that needs to be corrected as early as possible.

22.92 Organizational difficulties facing village industries in the field are numerous because of the almost total absence in experience in this respect and also lack of proper appreciation of the essential qualities required of an organizer in the field. It appears to us that there is need for personnel who, in addition to technical competence in one or more of the village industries, would be capable of organizing village industries in areas most suitable for their development. Probably one of the main reasons for the poor performance in most of the industries is the absence of personnel, sufficiently qualified and experienced in organizing work of this nature. This is a point that deserves, in our opinion, immediate and serious consideration.

22.93 Organization of village industries in the field is not merely a technical function. In addition to technical efficiency, an organizer must have a clear understanding and appreciation of the economic and social significance of his work and its relation to the work of others engaged in rural development. In other words, personnel in charge of work must have a minimum standard of intellectual sensitivity and must be motivated by a spirit of service. Else they will not be able to work among the classes of people who are generally engaged in these industries. Urban youth generally does not have the necessary emotional or intellectual background required for this type of work. The tendency to locate training institutions in urban areas is again unfortunate, because only urban youth is drawn to these centres. Although in a few cases intelligent artisans have been trained for certain technical jobs as in the leather industry, they have, by and large, not been able to achieve much in the field. Consequently, there is need to orientate training programme with a full awareness of the basic essentials required. So long as training courses for village industries are conceived and implemented in isolation, the essential unity of purpose which is the *sine qua non* of successful work in villages cannot be fully served.

22.94 We feel it is necessary to repeat that the village industries are to serve local markets with products manufactured out of local raw materials and the bulk of the industries under the purview of the Commission are merely processing industries. Consequently, there is room for each of these industries in a village or in a group of villages to a smaller or a larger degree.

22.95 How far each industry can be developed, and what its relation will be to every other industry, needs to be considered. Unless activities are integrated and everyone concerned with rural development acts in consultation with every other worker, the economic environment for the success of these industries cannot be created. Unless this essential objective is given its due importance, training programmes lose their relevance and impact on the actual work which, though good in some respects, may fall short of actual needs. Judged by the standard of requirements, training of personnel does not appear to have achieved the results expected of it. We, therefore, suggest that a separate body be appointed to examine and revise the present training programmes for village industries.

22.96 It appears to us that organizers, inspectors and similar supervisory personnel should, as a matter of necessity receive an intensive training so as to give them a clear picture of the economic, social and cultural background of life and work in rural areas. They must also get a grounding in co-operation in theory and practice, accounts and other essential related aspects of organizational and administrative work. Unless there is a sharp improvement in the quality of the personnel in the field, the problems of development cannot be effectively solved and, consequently, we consider that the importance of quality of personnel selected for training cannot be over-emphasised.

22.97 We would, therefore, recommend that in the first place the syllabi for each industry prescribe a general course of training of a duration long enough to provide adequate training in subjects we mentioned earlier. Candidates should be selected only from among those sponsored by State Boards, and other implementing agencies and after careful screening to assess their aptitude for work in the field. Secondly, as the general course is common and essential to all organizing and supervisory personnel, there must be regional vidyalayas at suitable places to conduct these courses. Side by side, provision may be made at these vidyalayas for training candidates in their chosen industries. The period of training in each must be sufficiently long to enable the candidate to acquire proficiency so that he is able to deal with problems in the field.

22.98 Facilities for training artisans in their places of work should also be organized. This was one of the recommendations of the Training Survey Committee. So far, work that has been done in each of the village industries as we pointed out in our reviews earlier, has been able to cover only very small proportion of the artisans engaged in the industries. If the productivity and skill of the artisans all over the country is to be raised, training artisans should be transferred to the appropriate agencies at the State level. The quality of training given to artisans will of course vary from place to place. But it need not have elaborate arrangements that are necessary for training organizers and supervisory personnel.

22.99 It also appears to us that as the village industrie stand at present and are likely to develop over the next few years, the technical skill required or the knowledge that is needed is not so great that it cannot be acquired by the same individual. Thus, for example, a qualified chemist who is a techical supervisor in the soap industry can attend, with a little training, to the manufacture of matches as well as inspect the working of village oil industry. Multi-purpose training, thus, seems to us to be technically possible and well within the competence of an average well-educated candidate. There are, of course, industries in which specialised skills are required, as for instance, in handmade paper or in tanning and manufacture of leather goods. But in a number of village industries training can be common and supervisory personnel trained over sufficiently long a period can become effective.

22.100 The problems of development of village industries in the field at present and as they are likely to develop in the future underline the need for a co-ordinated approach to the question of training of personnel for the two essential functions, viz. organization of work as an integral part of the plan for rural development and training of artisans in the use and manufacture of improved tools and implements. Neither of these basic requirements appears to have so far been given the attention and consideration they deserve. In the future programmes for training, there is need to provide specifically for them.

Technical Research

22.101 Although some important changes have been made in some of the present processes with the existing techniques, not much progress has been made in fabricating tools, implements and equipment with significantly higher productivity. Although a number of qualitative improvements have been made in both processes as well as in the quality of the finished commodity, particularly in handmade paper, soap, cottage match, cane gur, palm gur and many of its bye-products, these have not substantially or basically altered the conditions of work and productivity of the artisans engaged in village industries.

22.102 We are of the view that there is urgent need to devote to technical research far greater attention than has been paid to it hitherto. Technical research should be planned on the lines suggested by the Karve Conmmittee and the Planning Commission, so that, definite progress can be made in the evolution and fabrication of modern tools and equipment suitable for a decentralised industrial development. We consider that while it may not be possible to introduce power-driven machines in all village industries during the period of the Third Plan because of the non-availability of power on a sufficiently large scale and the difficulties and problems that need to be examined and solved in generation of power on cottage or even community basis, there is need for intensive as well as extensive experimentation with modern techniques specifically adapted for decentralised operations, so that it may be possible for the Commission to review the entire position at the end of the Third Plan.

22. 103 We are convinced that the scope for any large scale improvement in the economic conditions of the artisans is limited with the present techniques in the village industries. Besides, the content of employment and consequently the earnings of the artisans cannot be significantly improved without changes in techniques. We are aware that the position in one or two industries is better than in others but even in them the earnings of artisans are not quite satisfactory. If

the organizational effort and financial outlays on the industries are to yield any lasting results, and if the village industries are to continue, there is need for substantial changes in techniques. Without changes in techniques, subject of course, to the basic considerations to which we have already made a reference, it is not possible to work towards the basic objectives of village industries development. We consider that without intensive as well as extensive experiments with modern techniques, it will not be possible to have a clear idea of their economics or the effects of their operations on production, employment and related aspects. Without a clear idea, it will not be possible to determine where, how and over what period of time and under what conditions they can be introduced. In fact, we are of the view that the employment opportunities that can be created by mechanised processing on a decentralised basis are likely to be larger than now and, with the likely larger earnings of the artisans because of the comparatively fewer problems of marketing are likely to yield much better over-all results than have been obtained so far.

22.104 As an unplanned extension of modern techniques is likely to add to the volume of unemployment, we consider that there is need for a planned extension of improved techniques so that there can be substantial improvements in both the work and productivity of the artisans. We believe that when earnings increase through improved methods which we have suggested in our review for each of the industries, conditions favourable to the adoption of improved techniques would have been created. As the Planning Commission originally suggested, there is need to revise training of the artisans as well as the managerial personnel so that the challenge of economic development can be satisfactorily met.

Organization

22.105 One of the striking features in the organizational machinery is overlapping of functions and personnel between the Commission, State Boards and other assisted agencies in the States. The delay in the transfer of staff is not only administratively wasteful and, therefore, undesirable, but the absence of clear, well-defined lines of communications has disabled many of the operating units in need of technical assistance to obtain it from the Commission's staff. We suggest immediate action to transfer the Commission's field staff at the district and lower levels as well as the staff at the State level to the Statutory State Boards as early as possible. Efficiency of administration as well as effective deployment of technical man-power available can be achieved only if there is one unified administrative machinery at the State level. We are, therefore, of the view that the Commission need not have field staff of its own. Whatever work is done in the State must be through the State Boards. The transfer of the officers and the field staff at the State level will, in our opinion, eliminate the present conflict between the Commission's officers at the State level and the field staff already transferred to the State Boards.

22.106 The Commission must, however, take steps to impress upon the State Boards their responsibility for providing adequate technical, supervisory and inspectorial assistance necessary so as to enable an operative unit to attain and maintain the desired level of efficiency, and also for forwarding *in time* progress and other reports so that the Organizer at the Commission's headquarters is kept informed of the details of the work done. Industry organiser/adviser of the Commission must necessarily be consulted from time to time so that it will be possible for him to co-ordinate work of the different agencies in the States and provide any special type of assistance that may be required.

22.107 As noticed earlier in chapter 3, the absence of a sufficiently favourable economic environment for the development of village industries is due mainly to the multiplicity of agencies in the field and their unrelated and unco-ordinated efforts. There is, therefore, need to co-ordinate and redirect the activities of all concerned agencies, and to define and allocate functions of each. Moreover, there is need for uniformity in the procedure for channelising funds, and also in the approach to the pattern of organization for village industries.

22.108 State-wise planning cannot be done on an All-India basis, as conditions facing village industries in different States and in different areas of each State vary widely. Planning can be effective only if local conditions are taken into consideration.

22.109 It is urgently necessary to define the functions as well as the nature of inter-relations between the different types of federations between themselves and their respective relations with the State Boards. Failure to do so may enlarge the area of conflicts and dissipate efforts.

22.110 We suggest that the Commission take immediate steps to simplify its procedure which today are cumbersome and contribute to considerable administrative delay.

22.111 There is no co-ordinated effort at purposive technical research or the sanctions of funds for this purpose to each industry. We recommend that suitable steps be taken to ensure that funds for each industry are sanctioned and administered by a competent agency so that there is uniformity of approach and policy.

22.112 Similarly we suggest that while funds may continue to be sanctioned to each industry for publicity and propaganda, their utilization must be through the Directorates of Publicity of the Commission at the All-India level and of the State Boards at the State level for publications in the regional languages.

22.113 We consider that the number of conferences and seminars at present is far too many and the number of persons attending them on the whole is also too many. We suggest more effective control over the number of conferences and of persons attending them.

Approach And Planning

22.114 To plan effectively and to bring down the costs of production of the different commodities manufactured at present by the village industries, we consider that it is necessary to integrate the development of village industries with the scheme for the development of an area as a whole. We suggest that the location of the industries should be determined on the basis of local conditions and as far as possible production should be for local consumption, exports being confined to the surplus over needs. Integrated plans can be prepared only on the basis of compact areas within which the optimum economic unit can be located and operated. We do not have any firm or reliable data to determine the size of an optimum unit or the costs and prices of each product. Each of these questions needs to be specifically studied and decided. It is, therefore, necessary to organize and conduct experimental centres so that answers to these basic questions and also experience in organizing and running these centres can be obtained. We are, therefore, of the view that the experimental centres sufficiently large in number should be organised and run to obtain representative data of working and experience.

22.115 Planning the development on this basis will eliminate a number or organizational defects we noticed earlier. We suggest that at the base, i. e. the selected area, the radius of the coverage being determined in relation to the optimum size of each unit, artisans engaged in these industries should be organized into primary co-operative societies and these societies become members of a co-operative union at the area level, the area being determined in accordance with the optima for all industries. These units may form a co-operative federation at either the regional level or at the State level. If federations are formed at the regional levels there may be need for an apex body at the State level. The planning functions will be the responsibility of the area unit and responsibility for implementation that of the primary co-operative societies.

22.116 We consider that co-operative reorganization of village industries on the basis we have suggested and close coordination of activities with agencies in charge of schemes for rural development as a whole will together help to integrate the effort at economic development of rural areas. We consider that progressively the Commission should delegate its responsibility for the organization and conduct of work to the State Boards.

22.117 Pending the re-organization of the programme on the lines suggested, we are of the view that there should be no expansion of programmes for the village industries on the present lines except in a marginal sense and in areas where no work has so far been organized and where there are reasonable chances for successful operations subject to the limitations of our suggestions for re-organization. Attention must be devoted to improve the working of centres already sanctioned to reduce losses to the minimum and where possible funds should be reallotted to expedite organization of centres. But the main objective should be that as soon as possible these centres should become an integral part of the pattern of development we have suggested.

22.118 We suggest a more intensive follow-up of the sanctions by both the Commission's head-office and by the industry organizers, so that more effective check can be exercised on the assisted agencies. We suggest the appointment of a Committee with a qualified and experienced cost accountant to go into the question of costs of production of various village industries products and the fixation of sale prices. This Committee may be requested to prescribe a formula according to which prices can be fixed in different States in accordance with the variations in the conditions. This alone will help to remove the defects in the present practices and help each production unit to maintain costs of production within the prescribed limits.

22.119 We request the Commission to entrust the responsibility for the compilation of the data on the disbursements, scheme-wise, industry-wise, State-wise and year-wise to the Accounts Section. The Accounts Section may be requested to make available this information every quarter.

22.120 The non-availability of basic statistics is a serious handicap. We consider the Commission and the State Boards should prescribe a suitable proforma in which assisted agencies and primary production units should maintain accounts and records of the purchase of raw materials, production, costs, sales, prices, employment and wages. The Commission and the State Boards may consider how best training can be given to personnel to assist them to maintain records as required. The Commission should refuse as a matter of general policy any additional assistance to institutions if reports are not made available within a prescribed number of days after the end of each quarter. The Industry organizer must be made responsible for the collection and supply of detailed and comprehensive information at least every quarter and it must be made clear to them that absence of data in their reports will constitute a censure on their administrative efficiency.

22.121 We suggest a reconsideration of the concept of village industries as such. A village industry in our view is one, which is decentralised and co-operatively organized in rural areas depending upon locally available raw materials and catering to local markets. Within the limits of availability of power or the scope for its generation, village industries should be as a matter of course permitted to use the highest available technique so that cost per unit of production, quality of the product, productivity and earnings per unit of effort may each become satisfactory from the economic and the social points of view. Such a development, we are convinced, will contribute to the development of the rural economy as a whole and the improvement in the standards of living of the artisans themselves.

22.122 In the light of what we have said above the training programmes of the Commission be reviewed. We feel that so far effective use of the Economic Research Section has not been made for the purpose of economic research.

APPENDIX 'A'

Accepting the recommendation of the Khadi and Village Industries Board made in its meeting held on the 4th September 1958, the Commission adopted the following resolution to appoint an Evaluation Committee :

"RESOLUTION No. (279) :— Resolved that under the powers delegated under Regulation No. (14) of the Khadi and Village Industries Commission Regulations, 1958, a Committee consisting of the following be and is hereby appointed to undertake, on a State-wise basis, an assessment of the progress made in the implementation of its various programmes of development of village industries (other than Khadi and Ambar Charkha) and to associate with it in connection with such assessment, representatives of the respective State Boards and the institutions located in the State for which the assessment was undertaken :—

1.	Shri R. S. Hukkerikar	Chairman
2.	Shri A. P. Choudhari	Member
3.	Shri T. S. Gokhale	Member
4.	Shri Chhaganlal Joshi	Member
5.	Shri Nagappa Shetty	Member
6.	Dr. J. D. Sundram	Convener

2. The Committee shall submit to the Board not later than the 31st December, 1958, the report in respect of the first State it might take up for assessment. Subsquent assessments for each State shall be completed within a period of two months and report submitted at the Board's each meeting."

APPENDIX 'B'

No. 25 (65)/58–VIC/KVI

GOVERNMENT OF INDIA

MINISTRY Of COMMERCE AND INDUSTRY

New Delhi, the 11th Feb. 1959.
22nd Magha, 1880.

MEMORANDUM

Subject: Setting up of Working Groups for Evaluation of Khadi and Village Industries Programme.

The undersigned is directed to state that it has been decided to set up Working Groups to evaluate the progress in the development of Khadi (including Ambar Charkha) and Village Industries during the Second Five Year Plan. The constitution of the Groups will be as follows :–

I. Working Group For Khadi And Ambar Charkha Programme:

1. Dr. Gyanchand	Chairman
2. Shri R. S. Dhotre	Member
3. Dr. J. D. Sundram	Joint Secretary
4. Shri K. P. Parameshwaran	—do—

II. Working Group For Village Industries Programme :

1. Shri R. S. Hukkerikar	Chairman
2. „ A. P. Choudhari	Member
3. „ T. S. Gokhale	„
4. „ Chhaganlal N. Joshi	„
5. „ S. R. Nagappa Shetty	„
6. Dr. J. D. Sundram	Member–Secretary and Convener.

2. The evaluation of the programmes for the various industries should *inter alia* cover the following :–

a) Provision made and the actual expenditure in the first three years and the main items on which the expenditure has been incurred.

b) i) Increase in production/levels of development and employment achieved as a result of the outlay;.

ii) Improvements achieved in techniques of production and quality of products;

iii) Increase in the earnings of artisans;

iv) Number of persons trained and the number of trained persons absorbed in the industry;

v) Increase in exports of products or diminution in imports of corresponding products.

c) Improvements in administrative and organisational set up for the efficient implementation of the programme, with special reference to the progress of industrial co-operatives.

d) Short-falls in expenditure, if any, below the provisions made and the reasons therefor.

e) Short-falls in production/development, if any, below the targets or levels of development envisaged and the factors accounting for the same.

f) A general appraisal of the extent to which the results achieved have been commensurate with the outlay, with particular reference to the cases in which the results have been poor or disappointing. (The appraisal should include an examination of the extent to which the industry has been stabilised and thus enabled to reduce its dependence on subsidies Government-assisted marketing, Government finance and other forms of Government assistance).

g) An assessment of the extent to which the short-falls in (d) and (e) above were due to temporary causes or special difficulties of an unavoidable character and how far they are due to the basic weaknesses of the programmes or limiting conditions of a durable character.

h) Lessons of experience for the Third Five Year Plan.

3. The Working Groups may from time to time co-opt Directors of Industries from the various States for specific periods and for specific purposes.

4. The report of the Working Groups may be submitted to the Ministry by the end of May 1959. Before finalisation of the report, however, the Groups might discuss the same with this Ministry at which a representative of the Planning Commission will also be associated.

5. Monthly progress reports may be forwarded to the Ministry (in triplicate).

Sd/-

(**H. K. Bansal**)

Under Secretary to the Govt. of India.

To

The Chief Executive Officer,
Khadi and Village Industries Commission,
Post Box No. 482, Bombay–I. (with 20 spare copies).

No. 25 (65) / 58–VIC / KVI

Copy forwarded for information to :—

1. The Chairman, Khadi and Village Industries Commission, Post Box No. 482, **Bombay–I.**

2. Shri K. P. Parameshwaran, Assistant Director, Cottage Industry, Ministry of Commerce and Industry. Shri Parameshwaran will be working part-time with the Working Group for Khadi. In this connection, he is requested to contact Dr. Gyanchand at 'NYARA' 5/4-B, Roop Nagar, **Delhi.**

3. Planning Commission.

4. Evaluation Unit.

5. Est. II.A Section.

Sd/-
(H. K. Bansal)
Under–Secretary to the Govt. of India.

APPENDIX 'C'

GOVERNMENT OF INDIA

MINISTRY OF COMMERCE AND INDUSTRY

No. 25 (65)/58-KVI (VIC) **New Delhi,** the 8th April 1959.

To

The Chief Executive Officer,
Khadi And V. I. Commission,
Post Box No. 482,
Bombay-1.

Subject:- Setting up of Working Groups for Evaluation of Khadi and Village Industries Programme.

Sir,

I am directed to invite a reference to this Ministry's Memorandum of even number, dated 11th February, 1959 on the above subject, and to state that it has now been decided in consultation with the Planning Commission that the study of the Working Groups already set up should also cover the industrial programmes that are being implemented in Community Development Areas. I am, therefore, to request that this may kindly be brought to the notice of the Chairmen of the Working Groups set up in this Ministry's Memorandum mentioned above.

Yours faithfully,
Sd/-

(H. K. Bansal)
Under-Secretary to the Government of India

STATEMENT

Scheme-wise, Year-wise

Scheme	1953-54		1954-55		1955-56	
	Grant	Loan	Grant	Loan	Grant	Loan
1. Prduction Subsidy	1.5	—	0.54	—	1.55	—
2. Supply of implements	0.57	—	0.39	—	2.36	—
3. Development Scheme	—	—	—	—	—	—
4. Training	0.02	—	0.02	—	0.02	—
5. Improvements Experiments	—	—	0.55	—	0.07	—
6. Model Centres	—	—	—	—	—	—
7. Conferences and Seminars	—	—	—	—	—	—
8. Publicity and Propaganda	—	—	(a)	—	0.21	—
9. Establishment Charges	—	—	—	—	—	—
10. Construction of Paddy Worksheds	—	—	—	—	—	—
11. Stocking of paddy	—	—	—	2.54	—	10.77
12. Manufacture and Stocking of implements	—	—	—	—	—	0.05
13. Share Capital	—	—	—	—	—	—
14. Miscellaneous	—	—	—	—	0.23	—
Total	1.64	—	1.50	2.54	4.51	10.82

(a) Disbursements below Rs. 500.

Disbursements

(Rs lakhs)

1956–57		1957–58		1958–59		Total		
Grant	Loan	Grant	Loan	Grant	Loan	Grant	Loan	Total
5.40	—	6.49	—	6.89	—	21.92	—	21.92
2.49	—	2.08	0.15	3.05	—	10.94	0.15	11.09
—	—	0.08	—	—	—	0.08	—	0.08
0.13	—	0.40	—	0.08	—	0.74	—	0.74
0.05	—	(a)	—	0.02	—	0.69	—	0.69
—	—	—	—	1.07	1.12	1.07	1.12	2.19
0.03	—	—	—	0.01	—	0.04	—	0.04
0.13	—	0.12	—	0.13	—	0.59	—	0.59
0.34	—	—	—	0.60	—	0.94	—	0.94
—	—	—	—	0.03	1.35	0.03	1.35	1.38
—	11.32	—	18.58	—	40.85	—	84.06	84.06
—	0.86	—	—	—	1.80	—	2.71	2.71
—	—	—	—	—	1.26	—	1.26	1.26
—	—	—	—	—	—	0.23	—	0.23
8.57	12.18	9.17	18.73	11.88	46.38	37.27	90.65	127.92

STATEMENT

Scheme-wise, Agency-wise

Scheme	State Government Grant	State Government Loan	Development Commissioner Grant	Development Commissioner Loan	State Board Grant	State Board Loan
1. Production subsidy	3.41	—	1.49	—	11.18	—
2. Supply of Implements	1.35	0.09	0.67	—	3.00	—
3. Developments Scheme	0.08	—	—	—	—	—
4. Training	—	—	0.03	—	0.42	—
5. Improvements & Experiments	—	—	—	—	—	—
6. Model Centres	0.16	0.10	0.20	0.43	0.67	0.59
7. Conferences & Seminars	—	—	—	—	—	—
8. Publicity & Propaganda	0.03	—	—	—	0.12	—
9. Establishment Charges	—	—	0.04	—	0.74	—
10. Construction of Paddy Worksheds	—	0.65	—	—	—	0.70
11. Stocking of paddy	—	9.04	—	8.96	—	47.47
12. Manufacture and Stocking of Implements	—	0.45	—	0.25	—	1.66
13. Share Capital	—	0.38	—	0.02	—	0.85
14. Miscellaneous	—	—	—	—	—	—
Total	5.03	10.71	2.43	9.66	16.13	51.27

Disbursements

(Rs lakhs)

Intensive Area		Co-operative Society		Regd. Ins-situtionn		Total		
Grant	Loan	Grant	Loan	Grant	Loan	Grant	Loan	Total
—	—	0.17	—	5.67	—	21.92	—	21.92
—	—	—	0.06	5.92	—	10.94	0.15	11.09
—	—	—	—	—	—	0.08	—	0.08
—	—	—	—	0.29	—	0.74	—	0.74
—	—	—	—	0.69	—	0.69	—	0.69
—	—	0.04	—	—	—	1.07	1.12	2.19
—	—	—	—	0.04	—	0.04	-	0.04
—	—	—	—	0.44	—	0.59	-	0.59
—	—	—	—	0.16	—	0.94	-	0.94
—	—	0.03	—	—	—	0.03	.35	1.38
—	1.82	—	4.82	—	11.95	—	.06	84.06
—	—	—	0.22	—	0.13	—	2.71	2.71
—	—	—	0.01	—	—	—	1.26	1.26
—	—	—	—	0.23	—	0.23	—	0.23
—	1.82	0.24	5.11	13.44	12.08	37.27	90.65	127.92

STATEMENT

State-wise, Year-wise Distribution

State	Upto 1955-56			1956-57		
	Cha-kkis	W. Fans	Dhen-kis	Cha-kkis	W. Fans	Dhen-kis
1. Andhra	260	46	1	50	19	6
2. Assam	2	—	—	—	—	13
3. Bihar	43	1	—	213	17	4
4. Bombay	1214	55	119	42	13	14
5. Jammu & Kashmir	—	—	—	—	—	—
6. Kerala	9	—	—	20	16	6
7. Madhya Pradesh	132	7	3	219	47	76
8. Madras	149	22	3	3	16	—
9. Mysore	42	5	14	448	14	94
10. Orissa	15	1	—	—	—	—
11. Punjab	31	5	8	435	8	2
12. Rajasthan	43	9	15	13	14	6
13. Uttar Pradesh	123	10	2	296	21	1
14. West Bengal	6	—	31	8	—	—
15. Manipur	—	—	—	—	—	—
16. Tripura	—	—	—	—	—	—
Total	2069	161	196	1747	185	222

III

Of Improved Implements

1957-58			1958-59			Total		
Chakkis	W. Fans	Dhenkis	Chakkis	W. Fans	Dhenkis	Chakkis	W. Fans	Dhenkis
22	5	1	73	16	5	405	86	13
1.	—	—	3	—	—	6	—	13
48	—	—	101	8	18	405	26	22
38	3	—	20	9	1	1314	80	134
—	—	—	6	—	—	6	—	—
9	3	—	10	9	1	48	28	7
72	6	5	88	2	1	511	62	85
59	12	—	318	2	—	529	52	3
122	6	24	5	5	—	617	30	132
—	—	—	1	—	—	16	1	—
151	4	1	11	—	—	628	17	11
5	1	—	7	2	—	68	26	21
103	15	10	76	2	—	598	48	13
18	—	—	191	1	—	223	1	31
—	—	—	12	—	—	12	—	—
—	—	—	1	1	—	1	1	—
648	55	41	923	57	26	5387	458	485

STATEMENT

State-wise, Year-wise Distribution

State	Upto 1955–56		1956–57	
	Atta Chakkis	Ball Bearings	Atta Chakkis	Ball Bearings
1. Andhra	2	—	27	—
2. Assam	11	—	39	—
3. Bihar	26	—	105	29
4. Bombay	587	31,209	2,866*	17,855
5. Jammu & Kashmir	2	—	1	—
6. Kerala	11	—	26	—
7. Madhya Pradesh	126	69	649*	50
8. Madras	3	2	32	—
9. Mysore	—	4	18	—
10. Orissa	1	—	21	—
11. Punjab	31	265	433	653
12. Rajasthan	406	2,425	1,342	1,435
13. Uttar Pradesh	240	687	2,015*	2,509
14. West Bengal	49	—	157	—
15. Delhi	—	—	—	—
16. Himachal Pradesh	—	—	1	—
17. Manipur	—	—	—	—
Total	1,495	34,661	7,732*	22,531

* Includes 615, Emery Chakkis distributed, Bombay 413, Madhya Pradesh 3 and Uttar Pradesh 199.

† Includes 2576 Emery Chakkis distributed,

IV

Of Improved Implements

1957–58		1958–59		Total	
Atta Chakkis	Ball Bearings	Atta Chakkis	Ball Bearings	Atta Chakkis	Ball Bearings
14	—	13	—	56	—
126	—	40	—	216	—
93	—	147	—	371	29
2,304	6,023	1,169	5,939	6,926	61,026
1	—	1	—	5	—
—	—	—	—	37	—
373	—	281	—	1,429	119
19	—	11	—	65	2
17	—	3	—	38	4
12	—	32	—	66	—
541	140	211	—	1,216	1,058
1,135	346	617	75	3,500	4,281
1,088	1,003	327	—	3,670	4,199
82	—	74	—	362	—
228	—	134	—	362	—
—	—	—	—	1	—
5	—	2	—	7	—
6,038	7,512	3,062†	6,014	18,327	70,718

STATEMENT

Scheme-wise, Year-

Scheme.	1953–54		1954–55		1955–56	
	Grant	Loan	Grant	Loan	Grant	Loan
1. Model Centres	1.01	1.50	0.48	0.62	1.05	0.36
2. Ghani Sheds	—	—	1.73	—	2.55	—
3. Distribution of Improved Ghanis	—	—	0.63	—	1.61	—
4. Stocking of oilseeds	—	—	—	4.58	—	10.76
5. Sales Rebate	—	—	—	—	1.74	—
6. State Govt. Schemes	—	—	—	—	—	—
7. Ghani mfg. Workshops :						
i) Big	—	—	—	—	—	—
ii) Small	—	—	—	—	—	—
8. Share Capital	—	—	—	—	—	1.65
9. State Organization	—	—	—	—	—	—
10. Dist. Organization	—	—	—	—	—	—
11. Management charges	—	—	—	—	—	—
12. Training	—	—	0.07	—	0.67	—
13. Demonstration Squad	—	—	—	—	—	—
14. Improvements & Experiments	—	—	—	—	—	—
15. Publicity & Propaganda	—	—	—	—	—	—
16. Conferences	—	—	—	—	—	—
17. Contingencies	—	—	—	—	—	—
Total	1.01	1.50	2.91	5.20	7.62	12.77

V'

wise Disbursements (Rs. lakhs)

1956–57		1957–58		1958–59		Total		
Grant	Loan	Grant	Loan	Grant	Loan	Grant	Loan	Total
5.17	1.07	2.18	0.25	0.03	—	9.92	3.80	13.72
1.24	1.13	2.58	1.76	6.30	5.69	14.40	8.58	22.98
3.04	1.68	7.90	4.69	9.73	8.84	22.91	15.21	38.12
—	24.25	—	40.54	—	17.56	—	127.69	127.69
3.90	—	5.46	—	11.36	—	22.46	—	22.46
—	—	—	—	0.02	—	0.02	—	0.02
0.23	0.44	—	—	0.30	0.32	0.53	0.76	1.29
0.37	1.00	0.78	0.91	0.37	1.03	1.52	2.94	4.46
—	4.76	—	19.65	—	16.37	—	42.43	42.43
0.15	—	0.14	—	—	—	0.29	—	0.29
—	—	5.30	—	5.89	—	11.19	—	11.19
1.41	—	5.40	—	6.94	—	13.75	—	13.75
1.22	—	0.57	—	0.36	—	2.89	—	2.89
—	—	1.15	—	—	—	1.15	—	1.15
0.01	—	—	—	0.02	—	0.03	—	0.03
0.09	—	0.61	—	0.23	—	0.93	—	0.93
0.02	—	—	—	0.10	—	0.12	—	0.12
—	—	1.34	—	—	—	1.34	—	1.34
16.85	34.33	33.41	67.80	41.65	79.81	103.45	201.41	304.86

STATEMENT

Scheme-wise, Agency-

Scheme	State Government		Development Commissioner		State Board	
	Grant	Loan	Grant	Loan	Grant	Loan
1. Model Centres	0.18	—	1.02	0.38	4.36	0.64
2. Ghani Sheds	2.29	1.99	1.04	0.99	5.44	3.75
3. Distribution of Improved Ghanis	3.54	3.13	2.55	2.01	12.83	7.91
4. Stocking of oil seeds	—	23.56	—	10.32	—	62.18
5. Sales Rebate	4.59	—	0.57	—	15.41	—
6. State Government Schemes	0.02	—	—	—	—	—
7. Ghani mfg. Workshops :						
i) Big	0.08	—	—	—	0.40	0.55
ii) Small	0.29	0.62	0.05	0.14	0.95	1.71
8. Share Capital	—	6.68	—	8.02	—	21.30
9. State Oaganization	—	—	—	—	0.22	—
10. Dist. Organization	1.40	—	—	—	8.59	—
11. Management Charges	2.63	—	2.10	—	7.04	—
12. Training	—	—	0.06	—	1.27	—
13. Demonstration Squad	—	—	1.15	—	—	—
14. Improvements and Experiments	—	—	—	—	0.02	—
15. Publicity and Propaganda	0.28	—	—	—	0.28	—
16. Conferences	—	—	—	—	0.10	—
17. Contingencies	—	—	—	—	0.43	—
Total	15.30	35.98	8.54	21.86	57.34	98.0

VI.

wise Disbursements (Rs lakhs)

Intensive Area		Co-operative		Registerd institution		Total		
Grant	Loan	Grant	Loan	Grant	Loan	Grant	Loan	Total
0.55	0.20	0.97	0.26	2.84	2.32	9.92	3.80	13.72
0.79	0.33	2.42	1.38	2.42	0.14	14.40	8.58	22.98
0.08	0.28	0.96	1.51	2.23	0.37	22.91	15.21	38.12
—	4.06	—	17.44	—	10.13	—	127.69	127.69
0.01	—	1.07	—	0.81	—	22.46	—	22.46
—	—	—	—	—	—	0.02	—	0.02
0.05	0.12	—	0.09	—	—	0.53	0.76	1.29
0.05	0.10	0.14	0.23	0.04	0.14	1.52	2.94	4.46
—	0.03	—	5.90	—	0.50	—	42.43	42.43
—	—	—	—	0.07	—	0.29	—	0.29
—	—	0.31	—	0.89	—	11.19	—	11.19
0.05	—	1.49	—	0.44	—	13.75	—	13.75
0.03	—	0.03	—	1.50	—	2.89	—	2.89
—	—	—	—	—	—	1.15	—	1.15
—	—	—	—	0.01	—	0.03	—	0.03
—	—	0.02	—	0.35	—	0.93	—	0.93
—	—	—	—	0.02	—	0.12	—	0.12
0.32	—	0.15	—	0.44	—	1.34	—	1.34
2.65	5.12	7.56	26.81	12.06	13.60	103.45	201.41	304.86

STATEMENT

Agency-wise, Year-wise

Agency	1953-54		1954-55		1955-56	
	Grant	Loan	Grant	Loan	Grant	Loan
1. State Government	0.11	—	—	—	—	—
2. Development Commissioner	—	—	—	—	0.13	0.03
3. State Board	—	—	0.50	1.64	3.13	9.06
4. Other Agencies:						
(a) Intensive Areas	—	—	0.07	0.15	0.24	0.59
b) Co-operatives	—	—	0.54	0.27	1.09	0.71
c) Registered Institutions	0.90	1.50	1.80	3.14	3.03	2.38
Total (a+b+c)	0.90	1.50	2.41	3.56	4.36	3.68
Total (1, 2, 3, 4)	1.01	1.50	2.91	5.20	7.62	12.77

VII

Disbursements

(Rs lakhs)

1956–57		1957–58		1958–59		Total		
Grant	Loan	Grant	Loan	Grant	Loan	Grant	Loan	Total
—	—	3.20	7.96	11.99	28.02	15.30	35.98	51.28
1.04	0.58	4.47	12.86	2.90	8.39	8.54	21.86	30.40
11.18	24.05	18.15	33.09	24.38	30.20	57.34	98.04	155.38
0.96	2.63	1.17	0.70	0.21	1.05	2.65	5.12	7.77
0.66	2.65	3.71	12.26	1.56	10.92	7.56	26.81	34.37
3.01	4.42	2.71	0.93	0.61	1.23	12.06	13.60	25.66
4.63	9.70	7.59	13.89	2.38	13.20	22.27	45.53	67.80
16.85	34.33	33.41	67.80	41.65	79.81	103.45	201.41	304.86

STATEMENT

Employment And

State	Category		1957– Through ghanis	Selling Agencies
1. Andhra	Full time	No.	1,632	268
	Part time	No.	1,196	122
	Wages	Rs	14,67,168	1,85,688
2. Assam	Full time	No.	24	16
	Part time	No.	32	5
	Wages	Rs	27,456	10,620
3. Bihar	Full time	No.	3,465	418
	Part time	No.	806	156
	Wages	Rs	23,20,800	2,97,600
4. Bombay	Full time	No.	1,492	198
	Part time	No.	125	54
	Wages	Rs	11,51,100	10,548
5. Jammu & Kashmir	Full time	No.	2	—
	Part time	No.	1	—
	Wages	Rs	2,040	—
6. Kerala	Full time	No.	592	69
	Part time	No.	376	22
	Wages	Rs	5,08,608	51,888
7. Madhya Pradesh	Full time	No.	392	30
	Part time	No.	138	14
	Wages	Rs	2,91,404	20,856
8. Madras	Full time	No.	922	137
	Part time	No.	392	64
	Wages	Rs	7,00,936	95,256
9. Mysore	Full time	No.	106	22
	Part time	No.	88	18
	Wages	Rs	6,92,983	19,248

VIII
Earnings

58		1958–59			
Carpenters	Total	Through ghanis	Selling Agencies	Carpenters	Total
5	1,905	1,333	82	18	1,433
4	1,322	829	1,551	24	2,404
3,672	16,56,528	8,93,910	51,997	19,636	9,65,543
1	41	N.A.	N.A.	N.A.	N.A.
—	37	N.A.	N.A.	N.A.	N.A.
600	38,676	N.A.	N.A.	N.A.	N.A.
20	3,903	4,177	565	27	4,769
—	962	1,745	238	22	2,005
14,400	26,32,800	26,19,910	3,08,308	35,160	29,63,378
5	1,695	3,002	354	40	3,396
2	181	1,941	137	5	2,083
4,176	11,65,824	27,04,949	2,66,680	26,059	29,97,688
3	5	4	1	—	5
4	5	1	—	4	5
1,080	3,120	2,132	350	675	3,157
3	664	1,234	65	5	1,304
4	402	485	71	16	572
3,432	5,63,928	3,05,434	43,882	2,676	3,51,992
16	438	529	24	25	578
4	156	480	18	—	498
10,944	3,23,204	3,92,400	15,360	18,050	4,25,810
12	1,071	1,898	148	29	2,075
3	459	700	—	—	700
8,208	8,04,400	13,68,177	68,612	26,100	14,62,889
5	133	558	125	17	700
11	117	454	337	10	801
14,320	7,26,551	4,46,451	48,962	10,424	5,05,837

(Contd...)

State	Category		Through Ghanis	Selling Agencies
				1957–
10, Orissa	Full time	No.	N.A.	N.A.
	Part time	No.	N.A.	N.A.
	Wages	Rs	N.A.	N.A.
11. Punjab	Full time	No.	107	29
	Part time	No.	66	13
	Wages	Rs	75,563	—
12. Rajasthan	Full time	No.	985	88
	Part time	No.	869	12
	Wages	Rs	9,45,552	55,248
13, Uttar Pradesh	Full time	No.	1,290	25
	Part time	No.	—	20
	Wages	Rs	7,74,000	23,160
14. West Bengal	Full time	No.	929	52
	Part time	No.	427	24
	Wages	Rs	7,31,616	36,096
15. Delhi	Full time	No.	—	—
	Part time	No.	—	—
	Wages	Rs	—	—
16. Himachal Pradesh	Full time	No.	1	—
	Part time	No.	1	—
	Wages	Rs	2,160	—
17. Manipur	Full time	No.	147	18
	Part time	No.	64	8
	Wages	Rs	1,14,312	19,248
18. Tripura	Full time	No.	172	8
	Part time	No.	56	12
	Wages	Rs	1,26,048	9,696
Total	Full time	No.	12,258	1,378
	Part time	No.	4,637	544
	Wages	Rs	99,31,746	8,35,152

58		1958–59			
Carpenters	Total	Through ghanis	Selling Agencies	Carpenters	Total
N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
6	142	292	38	14	344
8	87	358	181	15	554
—	75,563	1,35,148	18,644	11,193	1,64,985
17	1,090	1,388	105	12	1,505
9	890	664	12	5	681
13,224	10,14,024	11,30,347	74,898	10,494	12,15,739
17	1,332	462	46	77	585
11	31	454	297	107	858
13,896	8,11,056	2,21,508	28,517	44,462	2,94,487
4	985	385	67	25	477
2	453	376	56	8	440
3,216	7,70,928	2,11,740	27,828	83,586	3,23,154
—	—	27	2	—	29
—	—	7	1	—	8
—	—	17,805	1,750	—	19,555
—	1	2	—	—	2
—	1	1	—	—	1
—	2,160	1,296	—	—	1,296
5	170	37	13	3	53
11	83	33	15	—	48
14,320	1,47,880	21,560	9,840	1,440	32,840
2	182	22	18	1	41
2	70	5	32	4	41
1,872	1,37,616	11,732	11,620	4,200	27,552
121	13,757	15,350	1,653	293	17,296
75	5,256	8,533	2,946	220	11,699
1,07,360	108,74,258	104,84,499	9,77,248	2,94,155	117,55,902

STATEMENT

Scheme-wise, Year-wise

Scheme	1953-54		1954-55		1955-56	
	Grant	Loan	Grant	Loan	Grant	Loan
1. Flaying Centres	0.68	0.71	1.19	1.61	2.62	3.35
2. Model Tanneries	—	—	0.50	0.63	4.22	5.36
3. Model Tannery 'A'	—	—	—	—	—	—
4. Model Tannery 'B'	—	—	—	—	—	—
5. Repairs to old pits	—	—	—	—	—	—
6. Construction of new pits	—	—	—	—	0.47	—
7. Bone-crushing Units	—	—	—	—	0.89	0.40
8. Glue manufacturing Centres	—	—	—	—	—	—
9. Central Marketing Depot	—	—	—	—	—	—
10. Big Depots	—	—	—	—	1.10	1.25
11. Small Depots	—	—	—	—	—	—
12. Aid to cobblers	—	—	0.01	—	—	—
13. Training-cum-production Centres	1.25	0.40	0.31	0.10	0.68	0.30
14. Training in Flaying	—	—	0.13	—	0.54	—
15. Demonstrations Squads	—	—	0.97	—	2.00	—
16. Assistance and share capital to cooperatives	—	—	0.13	—	—	—
17. Research and Experiments	—	—	—	—	—	—
18. Exhibitions	—	—	—	—	—	—
19. State Government Scheme	—	—	—	—	—	—
Total	1.93	1.11	3.24	2.34	12.52	10.66

IX

Disbursements (Rs lakhs)

1956–57		1957–58		1958–59		Total		
Grant	Loan	Grant	Loan	Grant	Loan	Grant	Loan	Total
4.26	5.48	0.20	0.20	6.94	5.45	15.89	16.80	32.69
2.39	2.45	3.56	4.02	8.26	6.69	18.93	19.15	38.08
—	—	—	—	1.99	1.56	1.99	1.56	3.55
—	—	—	—	1.61	0.94	1.61	0.94	2.55
0.40	—	0.93	—	1.16	—	2.49	—	2.49
0.86	—	3.45	—	4.76	—	9.54	—	9.54
0.18	0.34	—	—	0.91	1.55	1.98	2.29	4.27
0.21	0.24	—	—	0.06	—	0.27	0.24	0.51
—	—	—	—	0.50	0.50	0.50	0.50	1.00
0.88	1.00	0.66	0.75	0.88	1.00	3.52	4.00	7.52
0.68	2.55	0.08	0.30	0.78	1.65	1.54	4.50	6.04
—	—	—	—	0.04	—	0.05	—	0.05
0.61	—	0.31	0.10	1.30	—	4.46	0.90	5.36
0.68	—	1.14	—	0.37	—	2.86	—	2.86
—	—	—	—	—	—	2.97	—	2.97
—	—	—	—	0.17	1.00	0.30	1.00	1.30
—	—	0.01	—	—	—	0.01	—	0.01
—	—	—	—	0.04	—	0.04	—	0.04
—	—	—	—	0.06	—	0.06	—	0.06
11.15	12.06	10.34	5.37	29.83	20.34	69.01	51.88	120.89

STATEMENT

Scheme-wise, Agency-wise

Scheme	State Government		Development Commissioner		State Board	
	Grant	Loan	Grant	Loan	Grant	Loan
1. Flaying Centres	1.94	1.26	1.88	2.06	7.63	8.75
2. Model Tanneries	2.93	2.43	2.63	2.81	10.25	10.29
3. Model Tannery 'A'	1.99	1.56	—	—	—	—
4. Model Tannery 'B'	1.61	0.94	—	—	—	—
5. Repairs to old pits	0.70	—	0.33	—	1.36	—
6. Construction of new pits	2.07	—	1.50	—	4.79	—
7. Bone-crushing Units	0.20	0.17	0.16	0.30	0.87	1.68
8. Glue manufacturing Centres	—	—	—	—	0.24	0.21
9. Central marketing Depot	0.50	0.50	—	—	—	—
10. Big Depots	0.88	0.50	0.22	0.25	1.98	2.75
11. Small Depots	0.12	0.45	0.12	0.45	1.14	3.00
12. Aid to cobblers	—	—	0.02	—	0.02	—
13. Training-cum-pr production Centres	0.25	0.10	—	—	0.48	0.20
14. Training in Flaying	—	—	—	—	0.16	—
15. Demonstration squads	—	—	—	—	0.55	—
16. Assistance and share capital to Co-ops.	0.17	0.20	—	0.13	—	0.67
17. Research & Experiments	—	—	—	—	—	—
18. Exhibitions	—	—	—	—	0.01	—
19. State Government Scheme	0.06	—	—	—	—	—
Total	13.42	8.11	6.86	6.00	29.48	27.55

X

Disbursements (Rs lakhs)

Intensive Area		Co-operative Society		Registered Institution		Total		
Grant	Loan	Grant	Loan	Grant	Loan	Grant	Loan	Total
0.51	0.60	0.56	1.41	3.37	2.72	15.89	16.80	32.69
0.43	0.41	1.36	1.29	1.33	1.92	18.93	19.15	38.08
—	—	—	—	—	—	1.99	1.56	3.55
—	—	—	—	—	—	1.61	0.94	2.55
0.04	—	0.02	—	0.04	—	2.49	—	2.49
0.68	—	0.09	—	0.41	—	9.54	—	9.54
0.01	0.04	0.03	0.03	0.71	0.07	1.98	2.29	4.27
—	—	—	—	0.03	0.03	0.27	0.24	0.51
—	—	—	—	—	—	0.50	0.50	1.00
—	—	—	0.25	0.44	0.25	3.52	4.00	7.52
0.08	0.30	—	—	0.08	0.30	1.54	4.50	6.04
—	—	—	—	0.01	—	0.05	—	0.05
—	—	0.41	0.10	3.32	0.50	4.46	0.90	5.36
—	—	0.15	—	2.55	—	2.86	—	2.86
—	—	0.29	—	2.13	—	2.97	—	2.97
—	—	0.13	—	—	—	0.30	1.00	1.30
—	—	—	—	0.01	—	0.01	—	0.01
—	—	—	—	0.03	—	0.04	—	0.04
—	—	—	—	—	—	0.06	—	0.06
1.75	1.35	3.04	3.08	14.46	5.79	69.01	51.88	120.89

STATEMENT

Agency-wise, Year-wise

Agency	1953–54 Grant	1953–54 Loan	1954–55 Grant	1954–55 Loan	1955–56 Grant	1955–56 Loan
1. State Government	0.33	0.40	—	—	—	—
2. Development Commissioner	—	—	—	—	—	—
3. State Board	—	—	0.18	0.25	5.42	6.36
4. Other Agencies						
a) Intensive Areas	—	—	0.06	—	0.21	0.34
b) Co-operatives	0.05	0.14	0.57	0.37	1.45	1.75
c) Regd. Institutions	1.55	0.57	2.43	1.72	5.44	2.21
Total (a+b+c)	1.60	0.71	3.06	2.09	7.10	4.30
Total (1, 2, 3, 4)	1.93	1.11	3.24	2.34	12.52	10.66

XI

Disbursements

(Rs lakhs)

1956–57		1957–58		1958–59		Total		
Grant	Loan	Grant	Loan	Grant	Loan	Grant	Loan	Total
—	—	2.29	2.25	10.80	5.46	13.42	8.11	21.53
2.31	2.65	0.93	0.19	3.62	3.16	6.86	6.00	12.86
6.99	8.64	4.34	2.24	12.55	10.06	29.48	27.55	57.03
0.25	0.48	0.63	0.19	0.60	0.34	1.75	1.35	3.10
0.07	0.01	0.59	0.30	0.31	0.51	3.04	3.08	6.12
1.53	0.28	1.56	0.20	1.95	0.81	14.46	5.79	20.25
1.85	0.77	2.78	0.69	2.86	1.66	19.25	10.22	29.47
11.15	12.06	10.34	5.37	29.83	20.34	69.01	51.88	120.89

STATEMENT

Production at Flaying and

1958-

State	Centres Reporting	Work period (months)	Raw Hides No.	Raw Skins No.
1. Andhra	5	5.5	165	642
2. Assam	2	3	16	—
3. Bihar	6	5	85	21
4. Bombay	37	7	5,474	22,635
5. Kerala	2	0	—	—
6. Madhya Pradesh	12	5	2,116	115
7. Madras	35	6	753	1,174
8. Mysore	1	2	—	—
9. Orissa	10	4	7,046	1,860
10. Punjab	28	6	3,216	1,693
11. Rajasthan	14	6	2,037	1,692
12. Uttar Pradesh	6	7	570	135
13. Delhi	1	11	1,538	545
Total	159	6.2*	23,016	30,512

* Denotes average work period.

XII

Carcass Recovery Centres

59

Raw bones (000'lbs)	Bone manure (000'lbs)	Meat manure (000'lbs)	Tallow (000'lbs)	Total production value (Rs lakhs)
2.00	15.55	1.33	—	0.05
2.48	2.06	0.07	0.03	0.04
—	22.24	0.06	—	0.04
128.96	207.41	37.65	22.80	1.37
3.05	26.68	—	—	0.06
—	50.87	0.60	1.21	0.16
5.50	32.51	8.48	1.44	0.18
0.66	18.36	—	—	0.03
164.27	220.88	—	0.04	0.63
10.68	67.46	2.31	1.62	0.66
26.06	21.26	1.80	0.61	0.27
25.70	53.65	0.46	0.03	0.13
0.16	18.56	4.16	15.60	0.40
369.52	757.49	56.92	43.30	4.02

STATEMENT

Production At

1958–

State	No. of centres Reporting	Work Period (months)	Hides Tanned No.	Hides Tanned Value (Rs)
1. Andhra	2	9.5	494	7,647
2. Assam	1	6	33	362
3. Bihar	3	9.6	1,141	20,805
4. Bombay	8	9.5	5,686	48,926
5. Madhya Pradesh	14	9.5	9,918	1,01,833
6. Madras	5	11	1,195	6,724
7. Mysore	1	11	444	9,525
8. Orissa	2	3.5	3,956	39,699
9. Punjab	24	6.8	22,103	3,74,403
10. Rajasthan	2	8.8	2,348	29,229
11. Uttar Pradesh	1	9	143	2,622
12. Tripura	N. A.	N. A.	128	1,367
Total	63	8.4*	97,589	6,43,142

* Denotes average work period.

XIII

Model Tanneries

59

Skins Tanned		Leather Goods		Total
No.	Value (Rs)	No.	Value (Rs)	Value (Rs)
16	50	364	1,567	9,264
73	236	79	834	1,432
172	1,514	2,199	16,173	38,492
30,323	56,363	7,540	43,679	1,48,968
46	160	—	—	1,01,993
1,107	3,006	—	—	9,730
314	3,555	—	—	13,080
844	319	—	24,798	64,816
823	2,925	1,02	6,966	3,84,294
1,829	6,405	1,056	4,148	39,782
—	—	—	—	2,622
13	278	—	—	1,645
35,560	74,811	12,272	98,165	8,16,118

STATEMEMT

Year-wise

Product	Unit	1953–54 Quantity	1953–54 Value	1954–55 Quantity	1954–55 Value	1955–56 Quantity	1955–56 Value
1. Hides & Skins	Nos.	349	0.03	1,975	0.24	29,901	0.79
2. Leather Tanned	Nos.	—	—	—	—	—	—
3. Flesh Meal	Lbs.	—	—	4,984	N. A.	19,853	0.02
4. Bone Meal	"	—	—	—	—	1,27,212	0.04
5. Raw Bones	"	—	—	—	—	—	—
6. Tallow	"	—	—	1,569	N. A.	11,140	0.04
7. Leather Goods	—	—	—	—	—	—	—
Total		—	0.03	—	N. A.	—	0.89

XIV

Production (Value Rs lakhs)

1956–57		1957–58		1958–59	
Quantity	Value	Quantity	Value	Quantity	Value
31,498	1.31	36,759	2.35	53,528	2.74
11,382	1.46	51,508	6.15	98,058	8.53
39,104	0.05	71,351	0.09	56,927	0.07
4,47,161	0.56	3,98,258	0.49	3,18,585	1.02
—	—	2,13,292		3,69,521	
28,721	0.14	43,305	0.22	43,382	0.22
785	0.04	13,762	1.08	25,720	1.88
—	3.56	—	10.38	—	14.46

STATEMENT

State-wise, Year-wise

State	1956–57 Flaying Centres	1957–58 Flaying Centres	Bone crushing Units	Model Tanneries	Training cum-Prodn. Centres
1. Andhra	2,274	419	—	12,837	3,714
2. Assam	—	—	—	—	—
3. Bihar	4,725	3,403	55	18,984	14,855
4. Bombay	91,028	1,02,496	50	52,430	1,25,502
5. Kerala	246	59	804	—	—
6. Madhya Pradesh	4,306	11,857	—	53,616	16,387
7. Madras	6,342	20,048	—	—	23,537
8. Mysore	2,256	790	8,322	29,419	—
9. Orissa	13,150	11,625	—	—	—
10. Punjab	16,652	1,00,635	—	3,06,038	—
11. Rajasthan	1,508	14,385	—	52,241	—
12. Uttar Pradesh	33,567	6,681	—	642	12,823
13. West Bengal	108	—	50	—	—
14. Delhi	29,550	33,589	—	—	—
Total	2,05,712	3,05,987	9,281	5,26,207	1,96,818
Centers Reporting	84	96	6	50	8

XV

Production. (Value Rs)

1957-58	1958-59				
Total	Flaying Centers	Bone-crushing Units	Model Tanneries	Training cum-Prodn Centres	Total
16,970	5,304	—	9,264	7,831	22,399
—	4,026	—	3,077	—	7,103
37,297	4,086	309	38,492	46,542	89,429
2,30,478	1,36,854	1,866	1,48,968	1,15,319	4,03,007
863	5,882	247	—	—	6,129
81,860	15,073	—	1,01,993	13,906	1,30,972
43,585	18,351	—	9,730	20,251	48,332
38,531	2,837	240	13,080	—	16,157
11,625	62,705	—	64,816	—	1,27,521
4,06,673	65,577	—	3,84,294	—	4,49,871
66,626	27,346	—	39,782	—	67,128
20,146	13,090	—	2,622	7,265	22,977
50	—	696	—	12,759	13,455
33,589	40,460	—	—	—	40,460
10,38,293	4,01,591	3,358	8,16,118	2,23,873	14,44,940
160	159	5	63	8	235

STATEMENT

Training-cum

Production

State	No. of centres reporting	Work Period (months)	Hides Tanned	
			No.	Value (Rs)
1. Andhra	2	6	426	4,860
2. Bihar	1	8	538	9,602
3. Bombay	1	9	5,125	62,623
4. Madhya Pradesh	1	7	2,184	13,906
5. Madras	1	10	860	12,438
6. Rajasthan	1	7	335	6,065
7. Uttar Pradesh	1	12	755	11,780
Total	8	8.43*	10,223	1,21,274

* Denotes averaga work period.

XVI

Production Centres

1958–59

Skins Tanned		Leather Goods		Total
No.	Value (Rs)	No.	Value (Rs)	Value (Rs)
235	196	468	2,775	7,831
709	849	3,292	36,091	46,542
1,496	10,060	8,307	42,636	1,15,319
—	—	—	—	13,906
788	2,035	1,304	5,778	20,251
1,346	1,200	—	—	7,265
113	289	77	690	12,759
4,687	14,629	13,448	87,970	2,23,873

STATEMENT

Employmnet

State	Category	1956–57 Flaying centres	1956–57 Total	1957–58 Flaying centres	1957–58 Bone crushing units	1957–58 Model centres	1957–58 Trng. cum-prodn. centres
1. Andhra	Full time	29	29	2	—	9	2
	Part time	—	—	2	—	2	1
2. Assam	Full time	—	—	—	—	—	—
	Part time	—	—	—	—	—	—
3. Bihar	Full time	20	20	16	2	7	5
	Part time	—	—	4	—	142	2
4. Bombay	Full time	103	103	52	—	33	9
	Part time	—	—	16	2	9	1
5. Kerala	Full time	2	2	1	—	—	—
	Part time	—	—	9	2	—	—
6. M.Pradesh	Full time	6	6	7	—	38	17
	Part time	—	—	—	—	2	2
7. Madras	Full time	14	14	13	—	—	8
	Part time	—	—	25	—	—	3
8. Mysore	Full time	10	10	1	—	8	—
	Part time	—	—	3	2	1	—
9. Orissa	Full time	45	45	37	—	—	—
	Part time	—	—	103	44	—	—
10. Punjab	Full time	10	10	214	—	215	—
	Part time	—	—	6	—	132	—
11. Rajasthan	Full time	16	16	53	—	24	—
	Part time	—	—	13	—	7	—
12. U.Pradesh	Full time	42	42	15	—	1	3
	Part time	—	—	11	—	2	—
13. W.Bengal	Full time	2	2	—	—	—	—
	Part time	—	—	—	5	—	—
14. Delhi	Full time	29	29	26	—	—	—
Total	Full time	328	468*	437	2	335	44
	Part time	—	—	192	55	297	9

* Excludes 140 persons, state-wise

XVII

Sales Depots	Total	1958-59 Flaying centres	Bone-crushing units	Model centres	Trng. cum-prodn. centres	Sales Depots	Total
—	13	17	—	6	4	—	27
—	5	9	—	6	5	—	20
—	—	3	—	1	—	—	4
—	—	1	—	1	—	—	2
4	34	11	1	14	9	2	37
1	149	10	—	9	11	2	32
4	98	96	3	27	8	4	138
1	29	62	—	3	—	—	65
—	1	5	1	—	—	—	6
—	11	12	1	—	—	—	13
—	62	14	—	24	7	—	45
—	4	3	—	1	—	—	4
—	21	79	—	13	5	—	97
—	28	79	—	6	3	—	88
—	9	4	—	6	—	—	10
—	6	—	—	—	—	—	—
—	37	23	—	9	—	2	34
—	147	10	—	1	—	1	12
—	429	137	—	139	—	—	276
—	138	76	—	75	—	—	151
3	80	61	—	9	2	6	78
—	20	86	—	2	—	—	88
—	19	15	—	1	1	—	17
—	13	36	—	1	—	—	37
—	—	—	2	—	—	—	2
—	5	—	3	—	—	—	3
—	26	25	—	—	—	—	25
11	829	490	7	249	36	14	1,625
2	555	382	4	105	19	3	1,068

sditribution of whom cannot be indicated.

STATEMENT

State-wise, Year-wise

Scheme	1953–54 Grant	1953–54 Loan	1954–55 Grant	1954–55 Loan	1955–56 Grant	1955–56 Loan	1956–57 Grant	1956–57 Loan
1. Assiatance to 'D' class units	—	—	—	1.89	6.34	8.36	6.70	10.05
2. Sales Depots	—	—	0.20	0.75	0.15	0.90	0.10	1.00
3. Training	—	—	0.12	—	0.35	—	0.80	—
4. Demonstration Party	0.17	0.10	—	—	—	—	—	—
5. Operators training Party*	—	—	—	—	—	—	0.40	—
6. Peripatetic-Parties	—	—	—	—	0.15	—	0.08	—
7. Improvements, Experiments and Research	—	—	—	—	0.20	—	0.22	—
8. Publicity and Propaganda	—	—	0.03	—	0.12	—	0.30	—
Total	0.17	0.10	0.35	2.64	7.31	9.26	8.60	11.05

* Includes Rs 10.000 special marketing grant.

XVIII

Disbursements (Rs lakhs)

1957–58		1958–59		Total		
Grant	Loan	Grant	Loan	Grant	Loan	Total
3.84	5.40	0.02	—	16.90	25.70	42.60
0.12	1.00	—	—	0.57	3.65	4.22
1.21	—	1.48	—	3.96	—	3.96
—	—	—	—	0.17	0.10	0.27
—	—	—	—	0.40	—	0.40
0.15	—	—	—	0.38	—	0.38
0.12	—	0.12	—	0.66	—	0.66
0.30	—	0.20	—	0.95	—	0.95
5.74	6.40	1.92*	—	24.09*	29.45	53.54*

STATEMENT

Scheme-wise, Agency-wise

Scheme	State Government		Development Commissioner		State Board	
	Grant	Loan	Grant	Loan	Grant	Loan
1. Assistant to 'D' Class units	0.22	—	5.26	8.16	8.53	12.55
2. Sales Depots	—	—	0.06	0.75	0.22	1.25
3. Training	—	—	—	—	—	—
4. Demonstration Party	—	—	—	—	—	—
5. Operators training Party	—	—	—	—	—	—
6. Peripatetic Parties	—	—	—	—	—	—
7. Improvements Experiments & Research	—	—	—	—	—	—
8. Publicity & Propaganda	—	—	—	—	—	—
Total	0.22	—	5.32	8.91	8.75	13.80

† Includes Rs 5,000 special marketing grant.

@ Includes Rs 10,000 special marketing grant.

XIX

Disbursements

(Rs lakhs)

Intensive Area		Co-operative		Registered Institution		Total		
Grant	Loan	Grant	Loan	Grant	Loan	Grant	Loan	Total
0.50	0.76	0.72	1.58	1.67	2.65	16.90	25.70	42.60
—	—	0.21	1.10	0.08	0.55	0.57	3.65	4.22
—	—	—	—	3.96	—	3.96	—	3.96
—	—	—	—	0.17	0.10	0.17	0.10	0.27
—	—	—	—	0.40	—	0.40	—	0.40
—	—	—	—	0.38	—	0.38	—	0.38
—	—	—	—	0.66	—	0.66	—	0.66
—	—	—	—	0.95	—	0.95	—	0.95
0.50	0.76	0.98†	2.68	8.32†	3.30	24.09@	29.45	53.54@

STATEMENT

Scheme-wise, Year-wise

Scheme	Grant/Loan
1. Staff (Direction, Development and Contingency)	Grant
2. Subsidy on improved implements	,,
3. Training	,,
4. Juice clarificants, etc.	,,
5. Marketing of quality gur and gur products	,,
6. Carbon Factory	,,
7. Conferences & Seminars	,,
8. Publicity & Propaganda	,,
	Total Grant
9. Implements and Stocking of gur and gur products	Loan
	Total Loan
	Total (Grant + Loan)

XX

Disbursements

(Rs lakhs)

1954–55	1955–56	1956–57	1957–58	1958–59	Total
—	—	0.16	11.22	12.64	24.02
—	0.80	—	1.26	1.08	3.14
—	—	—	0.65	0.19	0.84
—	—	—	1.07	0.19	1.26
—	—	—	—	0.20	0.20
—	—	0.08	—	—	0.08
—	—	—	0.03	—	0.03
—	—	—	0.17	0.04	0.21
—	0.80	0.24	14.40	14.34	29.78
0.10	—	4.29	10.56	12.11	27.06
0.10	—	4.29	10.56	12.11	27.06
0.10	0.80	4.53	24.96	26.45	56.84

STATEMENT

Agency-wise, Year-wise

Agency	1954-55 Grant	1954-55 Loan	1955-56 Grant	1955-56 Loan	1956-57 Grant	1956-57 Loan
1. State Government	—	—	—	—	—	—
2. Development Commissioner	—	—	—	—	—	—
3. State Board	—	—	0.10	—	0.08	1.00
4. Other Agencies						
a) Intensive Areas	—	—	—	—	0.16	1.00
b) Cooperatives	—	0.10	0.65	—	—	2.29
c) Regd. Institutions	—	—	0.05	—	—	—
Total (a+b+c)	—	0.10	0.70	—	0.16	3.29
Total (1, 2, 3, 4,)	—	0.10	0.80	—	0.24	4.29

XXI

Disbursements

(Rs lakhs)

1957–58		1958–59		Total		
Grant	Loan	Grant	Loan	Grant	Loan	Total
6.20	4.40	6.12	2.59	12.32	6.99	19.31
0.76	0.47	0.87	0.44	1.63	0.91	2.54
7.19	5.68	7.09	7.61	14.46	14.29	28.75
—	—	—	1.45	0.16	2.45	2.61
0.15	0.01	0.07	0.02	0.87	2.42	3.29
0.10	—	0.19	—	0.34	—	0.34
0.25	0.01	0.26	1.47	1.37	4.87	6.24
14.40	10.56	14.34	12.11	29.78	27.06	56.84

STATEMENT

Production

State	1957–					
	Gur		Khandsari		Rab	
	Quantits	Value	Quantity	Value	Quantity	Value
1. Andhra	24.30	291.69	0.01	0.26	—	—
2. Assam	0.27	5.66	—	—	—	—
3. Bihar	0.50	6.08	—	—	—	—
4. Bombay	4.18	53.35	0.02	0.43	—	—
5. Kerala	—	—	—	—	—	—
6. Madhya Pradesh	—	—	—	—	—	—
7. Madras	0.65	7.18	—	—	—	—
8. Mysore	0.32	3.84	—	—	—	—
9. Orissa	0.91	9.92	—	—	0.01	—
10. Punjab	0.65	8.42	0.05	1.00	0.15	—
11. Rajasthan	0.03	0.39	0.03	0.62	—	—
12. Uttar Pradesh	8.82	105.81	0.40	9.96	5.05	63.05
13. West Bengal	0.01	0.06	—	0.01	0.10	1.20
Total ;	40.64	492.40	0.52	12.48	5.31	64.25

* Production less than 500 B. maunds.

XXII

Quantity in lakh B. Mds.
Value in (Rs. lakhs)

58						1958–59					
Molasses		Cream		Total		Gur		Khandsari			
Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value		
—	—	—	—	24.31	291.95	28.71	512.67	0.60	18.57		
—	—	—	—	0.27	5.66	0.04	0.78	N.R.	N.R.		
—	—	—	—	0.50	6.08	0.13	2.29	0.03	0.81		
—	—	—	—	4.20	53.78	5.94	99:39	0.02	00.37		
—	—	—	—	—	—	—	—	—	—		
—	—	—	—	—	—	—	—	—	—		
—	—	—	—	0.66	7.38	0.30	5.27	0.02	0.57		
—	—	—	—	0.32	3.84	3.11	55.55	N.R.	N.R.		
—	—	—	—	0.92	9.92	0.94	16.72	*	0.04		
0.13	0.38	—	0.02	0.98	9.82	14.00	250.00	N.R.	N.R.		
—	—	—	—	0.05	1.01	0.54	9.57	0.05	1.40		
0.61	1.83	—	0.03	14.88	180.68	9.81	175.27	1.10	34.10		
—	—	—	—	0.11	1.27	0.29	5.22	*	0.10		
0.74	2.21	—	0.05	47.20	571.39	63.81	1132.73	1.82	55.96		

STATEMENT

Sales

State	1957-		
	Gur	Cream	Khandsari
1. Andhra	109.35	—	0.33
2. Assam	6.77	—	—
3. Bihar	7.00	—	—
4. Bombay	26.04	—	0.48
5. Madras	9.14	—	0.22
6. Mysore	4.80	—	—
7. Orissa	—	—	—
8. Punjab	8.31	0.02	1.12
9. Rajasthan	0.47	—	0.75
10. Uttar Pradesh	103.20	0.04	7.25
11. West Bengal	0.07	—	0.01
Total	275.15	0.06	10.16

XXIII

(Value Rs lakhs)

58			1958–59		
Rab	Molasses	Total	Gur	Khandsari	Total
—	—	109.68	512.67	18.57	531.24
—	—	6.77	0.78	—	0.78
—	—	7.00	2.29	0.81	3.10
...	—	26.52	99.39	0.37	99.76
—	—	9.36	5.27	0.57	5.84
—	—	4.80	55.55	—	55.55
—	—	—	16.72	0.05	16.77
—	0.40	9.85	250.00	—	250.00
—	—	1.22	9.57	1.40	10.97
63.28	2.44	176.21	175.27	34.10	209.37
0.96	—	1.04	5.22	0.10	5.32
64.24	2.84	352.45	1132.73	55.97	1188.70

STATEMENT

Scheme-wise, Year-wise

Scheme	1954-55		1955-56		1956-57	
	Grant	Lcan	Grant	Loan	Grant	Loan
1. Prduction Special Unit	—	—	2.20	0.92	2.23	1.85
2. " A "	—	—	1.01	0.17	4.77	1.65
3. " B "	—	—	0.56	0.18	2.12	0.81
4. Co-operative C "	—	—	—	—	1.96	1.95
5. " D "	—	—	—	—	0.97	0.96
6. Neera & Sherbat Unit	—	—	—	—	0.61	0.38
7. Palm Products Unit	—	—	—	—	0.37	—
8. Palm Plantation Unit	—	—	—	—	0.15	—
9. Palm Colonization Unit	—	—	—	—	0.90	—
10. Propaganda Unit	—	—	0.67	—	1.16	—
11. Training Unit	—	—	3.11	—	2.88	—
12. Miscellaneous Units	—	—	1.00	—	—	—
13. Disribution Charges	—	—	—	—	0.24	—
14. States Scheme	—	—	0.74	—	2.19	—
15. Production activities in States	—	—	—	—	—	—
16. Pilot Production Centres	—	—	—	—	—	—
17. Model Demonstration Centre	—	—	—	—	—	—
18. Assistance to Private Institutions	0.46	0.23	0.11	0.02	—	—
19. Experiments	—	—	0.49	—	—	—
20. Conferences	—	—	—	—	0.05	—
21. Working capital	—	0.19	—	2.04	—	2.79
22. Establishment	—	—	—	—	—	—
Total	0.46	0.42	9.89	3.33	20.60	10.39

XXIV

Disbursements (Rs lakhs)

1957–58		1958–59		Total		
Grant	Loan	Grant	Loan	Grant	Loan	Total
0.22	—	—	0.18	4.65	2.95	7.60
3.39	1.25	—	0.07	9.17	3.14	12.31
1.40	0.60	—	0.03	4.08	1.62	5.70
1.89	1.89	—	0.08	3.85	3.92	7.77
0.69	0.68	—	0.01	1.66	1.65	3.31
1.60	0.76	—	1.35	2.21	2.49	4.70
0.70	—	—	—	1.07	—	1.07
0.22	—	—	—	0.37	—	0.37
0.20	—	—	—	1.10	—	1.10
1.19	—	—	—	3.02	—	3.02
2.32	—	1.56	—	9.87	—	9.87
—	—	—	—	1.00	—	1.00
0.10	—	—	—	0.34	—	0.34
—	—	13.92	2.11	16.85	2.11	18.96
1.23	—	—	—	1.23	—	1.23
—	—	0.91	—	0.91	—	0.91
—	—	0.40	—	0.40	—	0.40
—	—	0.33	—	0.90	0.25	1.15
—	—	0.06	—	0.55	—	0.55
—	—	0.30	—	0.35	—	0.35
—	1.53	—	—	—	6.55	6.55
4.01	—	—	—	4.01	—	4.01
19.16	6.71	17.48	3.83	67.59	24.68	92.27

STATEMENT

Scheme-wise, Agency-wise

Scheme	State Government		Developmet Commissioner		State Board	
	Grant	Loan	Grant	Loan	Grant	Loan
1. Production Special Unit	—	—	—	—	1.99	1.48
2. " A "	0.06	0.02	0.75	0.37	3.62	1.20
3. " B "	0.06	0.03	0.37	0.19	2.01	0.79
4. Co-operative C "	0.01	0.01	0.99	1.25	0.90	0.73
5. " D "	0.01	0.01	0.33	0.35	0.52	0.48
6. Neera & Sherbat Unit	—	—	—	—	0.79	0.60
7. Palm Products Unit	0.02	—	0.11	—	0.32	—
8. Palm Plantation Unit	0.02	—	0.10	—	0.18	—
9. Palm Colonization Unit	—	—	0.10	—	0.80	—
10. Propaganda Unit	0.07	—	—	—	1.75	—
11. Training Unit	0.60	—	—	—	2.27	—
12. Miscellaneous Units	—	—	—	—	0.32	—
13. Distribution Charges	—	—	—	—	0.14	—
14. States Scheme	6.53	1.25	0.63	0.21	9.16	0.65
15. Production activities in States	0.69	—	—	—	0.54	—
16. Pilot production centres	—	—	—	—	—	—
17. Model Demonstration Cantre	—	—	—	—	—	—
18. Assistance to Private Institutions	—	—	—	—	—	—
19. Experiments	—	—	—	—	—	—
20. Conferences	—	—	—	—	—	—
21. Working Capital	—	—	—	—	—	3.51
22. Establishment	-2.58	—	—	—	1.43	—
Total	10.65	1.32	3.38	2.36	26.74	9.44

XXV

Disbursements (Rs iakhs)

Intensive Area		Co-operative		Registered Institution		Total		
Grant	Loan	Grant	Loan	Grant	Loan	Grant	Loan	Total
0.10	0.05	2.13	1.05	0.43	0.37	4.65	2.95	7.60
—	—	3.53	1.25	1.21	0.30	9.17	3.14	12.31
—	—	1.16	0.40	0.48	0.21	4.08	1.62	5.70
—	—	0.82	0.82	1.13	1.12	3.85	3.92	7.77
—	—	0.30	0.30	0.50	0.51	1.66	1.65	3.31
—	—	0.81	1.51	0.61	0.38	2.21	2.49	4.70
—	—	0.55	—	0.07	—	1.07	—	1.07
—	—	0.05	—	0.02	—	0.37	—	0.37
—	—	—	—	0.20	—	1.10	—	1.10
—	—	0.96	—	0.24	—	3.02	—	3.02
0.14	—	2.26	—	4.60	—	9.87	—	9.87
0.03	—	0.55	—	0.10	—	1.00	—	1.00
—	—	0.09	—	0.11	—	0.34	—	0.34
—	—	0.45	—	0.08	—	16.85	2.11	18.96
—	—	—	—	—	—	1.23	—	1.23
—	—	—	—	0.91	—	0.91	—	0.91
—	—	0.40	—	—	—	0.40	—	0.40
—	—	0.41	0.05	0.49	0.20	0.90	0.25	1.15
—	—	—	—	0.55	—	0.55	—	0.55
—	—	—	—	0.35	—	0.35	—	0.35
—	—	—	2.75	—	0.29	—	6.55	6.55
—	—	—	—	—	—	4.01	—	4.01
0.27	0.05	14.47	8.13	12.08	3.38	67.59	24.68	92.27

STATEMENT

Agency-wise, Year-wise

Agency	1954–55 Grant	1954–55 Loan	1955–56 Grant	1955–56 Loan	1956–57 Grant	1956–57 Loan
1. State Government	—	—	—	—	—	—
2. Development Commisioner	—	—	—	—	—	—
3. State Board	—	—	1.57	0.21	11.24	5.94
4. Other Agencies						
a) Intensive Areas	—	—	0.27	0.05	—	—
b) Co–operatives	0.09	0.15	4.68	2.68	3.70	2.03
c) Regd. Insti.	0.37	0.27	3.37	0.39	5.66	2.42
Total a+b+c	0.46	0.42	8.32	3.12	9.36	4.45
Total 1, 2, 3, 4	0.46	0.42	9.89	3.33	20.60	10.39

XXVI

Disbursements

(Rs lakhs)

1957-58		1958-59		Total		
Grant	Loan	Grant	Loan	Grant	Loan	Total
4.11	0.07	6.54	1.25	10.65	1.32	11.97
2.76	2.15	0.62	0.21	3.38	2.36	5.74
7.17	2.23	6.76	1.06	26.74	9.44	36.18
—	—	—	—	0.27	0.05	0.32
3.88	1.96	2.12	1.31	14.47	8.13	22.60
1.24	0.30	1.44	—	12.08	3.38	15.46
5.12	2.26	3.56	1.31	26.82	11.56	38.38
12.16	6.71	17.48	3.83	67.59	24.68	92.27

STATEMENT

Scheme-wise, Years-wise

Scheme	1953-54		1954-55		1955-56	
	Grant	Loan	Grant	Loan	Grant	Loan
1. Production Units	0.97	1.65	3.37	6.16	10.54	22.02
2. School Units	—	—	—	—	—	—
3. Marketing Depots	—	—	—	—	—	—
4. Training	—	—	0.15	—	0.28	—
5. Research	—	—	—	—	0.03	—
6. Publicity & propaganda	—	—	—	—	0.05	—
Total	0.97	1.65	3.52	6.16	10.90	22.02

XXVII

Disbursements

(Rs lakhs)

1956–57		1957–58		1958–59		Total		
Grant	Loan	Grant	Loan	Grant	Loan	Grant	Loan	Total
12.69	22.49	17.04	28.07	9.70	17.38	54.31	97.77	152.08
0.09	—	0.20	—	0.47	—	0.76	—	0.76
—	—	—	—	0.66	—	0.66	—	0.66
0.64	—	0.93	—	0.78	—	2.78	—	2.78
0.13	—	0.06	—	0.04	—	0.26	—	0.26
0.07	—	0.09	—	0.19	—	0.40	—	0.40
13.62	22.49	18.32	28.07	11.84	17.38	59.17	97.77	156.94

STATEMENT

Scheme-wise, Agency-

Scheme	State Government		Development Commissioner		State Board	
	Grant	Loan	Grant	Loan	Grant	Loan
1. Production Units	5.80	6.89	5.57	9.38	28.42	50.63
2. School Units	0.10	—	0.07	—	0.30	—
3. Marketing Depots	—	—	—	—	—	—
4. Training	—	—	—	—	0.04	—
5. Research	—	—	—	—	0.04	—
6. Publicity & Propaganda	—	—	—	—	—	—
Total	5.90	6.89	5.64	9.38	28.80	50.63

XXVIII

wise Disbursements (Rs lakhs)

Intensive Area		Co-operative		Registered Institution		Total		
Grant	Loan	Grant	Loan	Grant	Loan	Grant	Loan	Total
1.46	2.13	3.79	7.23	9.27	21.51	54.31	97.77	152.08
—	—	0.10	—	0.19	—	0.76	—	0.76
—	—	—	—	0.66	—	0.66	—	0.66
—	—	0.12	—	2.62	—	2.78	—	2.78
—	—	0.01	—	0.21	—	0.26	—	0.26
0.04	—	—	—	0.36	—	0.40	—	0.40
1.50	2.13	4.02	7.23	13.31	21.51	59.17	97.77	156.94

STATEMENT

Agency-wise, Year-

Agency	1953-54 Grant	1953-54 Loan	1954-55 Grant	1954-55 Loan	1955-56 Grant	1955-56 Loan	1956-57 Grant	1956-57 Loan
1. State Government	–	–	–	–	–	–	–	–
2. Development Commissioner	–	–	–	–	0.16	0.37	0.66	0.81
3. State Board	–	–	0.75	0.62	5.16	11.12	8.94	16.11
4. Other Agencies:								
a) Intensive Areas	–	–	0.18	–	0.58	1.10	0.55	0.62
b) Co-Operatives	0.19	0.17	0.72	0.76	1.06	2.40	1.11	1.95
c) Regd. institutions	0.78	1.48	1.87	4.78	3.94	7.03	2.36	3.00
Total (a-b-c)	0.97	1.65	2.77	5.54	5.58	10.53	4.02	5.57
Total (1,2,3,4)	0.97	1.65	3.52	2.16	10.90	22.02	13.62	22.49

XXIX

wise Disbursements (Rs lakhs)

1957–58		1958–59		Total		
Grant	Loan	Grant	Loan	Grant	Loan	Total
2.57	4.48	3.33	2.41	5.90	6.89	12.79
3.99	6.89	0.83	1.31	5.64	9.38	15.02
8.20	12.62	5.75	10.16	28.80	50.63	79.43
0.19	0.41	–	–	1.50	2.13	3.63
0.81	1.06	0.13	0.89	4.02	7.23	11.25
2.56	2.61	1.80	2.61	13.31	21.51	34.82
3.56	4.08	1.93	3.50	18.83	80.87	49.70
18.32	28.07	11.84	17.38	59.17	97.77	156.94

STATEMENT

Scheme-wise, Year-wise

Scheme	1953-54		1954-55		1955-56	
	Grant	Loan	Grant	Loan	Grant	Loan
1	2	3	4	5	6	7
1. Production Centres	0.17	0.98	1.64	1.38	1.20	1.20
2. jail Units	—	—	—	—	—	—
3. School Units	—	—	0.21	—	0.60	—
4. Gr. Panchayat Units	—	—	—	—	—	—
5. Working Capital	—	—	—	0.78	—	2.18
6. Production Subsidy	1.16	—	0.32	—	0.03	—
7. Training-cum-Production Centres	—	—	—	—	—	—
8. Training	—	—	—	—	0.18	—
9. Research	—	—	—	—	0.16	—
10. Publicity	—	—	0.04	—	0.10	—
11. Establishment	—	—	—	—	0.01	—
Total	1.33	0.98	2.21	2.16	2.28	3.38

XXX

Desbursements

(Rs lakhs)

1956–57		1957–58		1958–59		Total		
Grant	Loan	Grant	Loan	Grant	Loan	Grant	Loan	Total
8	9	10	11	12	13	14	15	16
2.85	2.89	5.89	5.73	11.56	8.47	23.31	20.65	43.96
—	—	—	—	0.23	0.22	0.23	0.22	0.45
0.34	—	0.45	—	0.83	—	2.43	—	2.43
—	—	—	—	0.02	0.03	0.02	0.03	0.05
—	2.91	—	1.87	—	1.31	—	9.05	9.05
0.45	—	—	—	—	—	1.96	–	1.96
—	—	—	—	—	0.15	—	0.15	0.15
0.18	—	0.28	—	0.61	—	1.25	—	1.25
0.14	—	—	—	—	—	0.30	—	0.30
0.03	—	0.08	—	0.07	—	0.32	—	0.32
—	—	0.01	—	0.09	—	0.11	—	0.11
3.99	5.80	6.71	7.60	13.41	10.18	29.93	30.10	60.03

STATEMENT

Scheme-wise, Agency-wise

Scheme	State Government		Development Commissioner		State Board	
	Grant	Loan	Grant	Loan	Grant	Loan
1	2	3	4	5	6	7
1. Production Centres	3.53	2.68	1.95	1.99	8.72	8.92
2. Jail Units	—	—	—	—	0.23	0.22
3. School Units	0.53	—	0.05	—	0.68	—
4. Gram Panchayat Units	—	—	—	—	0.02	0.03
5. Working Capital	—	0.21	—	0.05	—	5.68
6. Production Subsidy	0.30	—	—	—	0.30	—
7. Training-cum-Production Centres	—	—	—	—	—	—
8. Training	0.20	—	—	—	0.14	—
9. Research	—	—	—	—	0.16	—
10. Publicity	—	—	—	—	—	—
11. Establishment	0,09	—	—	—	0.01	—
Total	4.65	2.89	2.00	2.04	10.26	14.85

XXXI

Desbursements

(Rs lakhs)

Intensive Area		Coopera-tive		Registered Institution		Total		
Grant	Loan	Grant	Loan	Grant	Loan	Grant	Loan	Total
8	9	10	11	12	13	14	15	16
0.23	0.45	1.76	1.29	7.12	5.32	23.31	20.65	43.96
—	—	—	—	—	—	0.23	0.22	0.45
—	—	—	—	1.17	—	2.43	—	2.43
—	—	—	—	—	—	0.02	0.03	0.05
—	—	—	0.45	—	2.66	—	9.05	9.05
—	—	0.69	—	0.67	—	1.96	—	1.96
—	—	—	—	—	0.15	—	0.15	0.15
—	—	0.05	—	0.86	—	1.25	—	1.25
—	—	—	—	0.14	—	0.30	—	0.30
—	—	—	—	0.32	—	0.32	—	0.32
—	—	—	—	0.01	—	0.11	—	0.11
0.23	0.45	2.50	1.74	10.29	8.13	29.93	30.10	60.03

STATEMENT

Agency–wise, Year–

Agency	1953–54		1954–55		1955–56		1956–57	
	Grant	Loan	Grant	Loan	Grant	Loan	Grant	Loan
1. State Government	0.30	0.42	0.15	–	–	–	–	–
2. Development Commissioner	–	–	–	–	–	–	0.28	0.22
3. State Board	–	–	0.22	0.19	0.34	1.25	1.43	3.85
4. Other Agencies:								
a) Intensive Areas	–	–	–	–	–	–	–	–
b) Co–Operatives	0.63	0.43	0.46	0.81	0.45	0.45	0.15	–
c) Regd. institutions	0.40	0.13	1.38	1.16	1.49	1.68	2.13	1.73
Total (a+b+c)	1.03	0.56	1.84	1.97	1.94	2.13	2.28	1.73
Total (1,2,3,4)	1.33	0.98	2.21	2.16	2.28	3.38	3.99	5.80

XXXII

wise Disbursements (Rs lakhs)

1957–58		1958–59		Total		
Grant	Loan	Grant	Loan	Grant	Loan	Total
1.21	1.50	2.99	0.97	4.65	2.89	7.54
1.27	1.37	0.45	0.45	2.00	2.04	4.04
2.65	3.23	5.62	6.33	10.26	14.85	25.11
–	–	0.23	0.45	0.23	0.45	0.68
–	0.05	0.81	–	2.50	1.74	4.24
1.58	1.45	3.31	1.98	10.29	8.13	18.42
1.58	1.50	4.35	2.43	13.02	10.32	23.34
6.71	7.60	13.41	10.18	29.93	30.10	60.03

STATEMENT

School

State	1953–54	1954–55	1955–56
1. Andhra	–	–	7
2. Assam	1	–	–
3. Bihar	–	4	2
4. Bombay	22	6	3
5. Jammu & Kashmir	–	—	1
6. Kerala	–	1	1
7. Madhya Pradesh	–	2	5
8. Madras	4	4	4
9. Mysore	–	–	–
10. Orissa	2	9	1
11. Punjab	1	1	4
12. Rajasthan	2	6	13
13. Uttar Pradesh	4	8	1
14. West Bengal	4	3	3
15. Delhi	–	–	–
16. Tripura	–	–	–
Total	40	44	45
Units working	N.A.	N.A.	N.A.

XXXIII

Units

1956–57	1957–58	1958–59	Total
7	7	4	25
2	–	–	3
1	–	–	7
4	–	2	37
–	–	–	1
1	3	2	8
–	–	2	9
1	4	4	21
–	–	12	12
5	–	–	17
7	4	4	21
–	–	–	21
3	–	–	16
5	–	–	15
3	–	–	3
1	–	–	1
40	18	30	217
N. A.	117	120	120

STATEMENT

State-wise, Category-wise

State & Unit	Centres Reporting	High Grade	Utility	Blotting	Boards	Total lbs.
			1957-58			
1	2	3	4	5	6	7
1. Andhra						
a) Big	2	—	—	—	1,35,730	1,35,730
b) Medium	2	4,362	97,030	—	—	1,01,392
c) Small	4	—	—	—	38,133	38,133
Total	8	4,362	97,030	—	1,73,863	2,75,255
2. Assam						
a) Small	1	—	—	—	4,169	4,169
3. Bihar						
a) Small	1	—	354	317	494	1,165
4. Bombay						
a) Big	5	1,40,896	67,785	67,781	33,781	3,10,243
b) Medium	8	17,925	50,003	76,800	30,149	1,74,877
c) Small	5	991	11,055	6,868	2,717	21,631
d) Home	1	—	606	—	—	606
Total	19	1,59,812	1,29,449	1,51,449	66,647	5,07,357
5. Kerala						
a) Medium	1	1,137	40,211	—	14,542	55,890
b) Small	4	340	2,034	353	24,374	27,101
Total	5	1,477	42,245	353	38,916	82,991

XXXIV

Production

(Qty. Lbs.)

	1958-59						
Total Value (Rs)	Centres Reporting	High Grade	Utility	Blotting	Boards	Total lbs.	Total Value (Rs)
8	9	10	11	12	13	14	15
42,306	2	—	26,997	—	41,828	68,825	35,469
60,154	1	—	48,870	—	—	48,870	24,480
15,434	3	—	—	171	33,929	34,100	8,898
1,17,894	6	—	75,867	171	75,757	1,51,795	68,847
1.213	1	—	—	—	8,000	8,000	6,746
1,325	2	—	4,554	263	2,866	7,683	12,713
4,42,355	5	1,69,225	54,062	80,240	39,014	3,42,541	5,38,389
1,42,683	8	24,725	83,194	87,921	29,640	2,25,480	2,10,657
17.456	8	1,647	28,643	2,120	3,241	35,651	40.574
606	—	—	—	—	—	—	—
6,03,100	21	1,95,597	1,65,899	1,70,281	71,895	6,03,672	7,89,620
26,319	2	2,046	4,965	980	24,555	32,546	9,812
20,141	4	2,367	14,051	2,156	16,002	34,576	29,637
46,460	6	4,413	19,016	3,136	40,557	67,122	39,449

Contd.

		1957–58				
State & Unit	Centres Reporting	High Grade	Utility	Blotting	Boards	Total lbs.
1	2	3	4	5	6	7
6. Madhya Pradesh						
a) Medium	1	—	23,690	—	—	23,690
b) Small	1	—	—	—	6	6
Total	2	—	23,690	—	6	23,696
7. Madras						
a) Big	1	—	—	—	2,98,221	2,98,221
b) Medium	1	—	—	—	18,794	18,794
c) Small	9	—	7,864	150	24,502	32,516
Total	11	—	7,864	150	3,41,517	3,49,531
8. Mysore						
a) Medium	1	494	4,088	—	—	4,582
b) Small	1	—	5,023	—	—	5,023
Total	2	494	9,111	—	—	9,605
9. Punjab						
a) Big	1	—	7,105	—	—	7,105
b) Medium	1	—	17,401	—	—	17,401
Total	2	—	24,506	—	—	24,506
10. Rajasthan						
a) Big	1	—	2,32,667	1,06,570	9,114	3,48,351
b) Medium	1	768	480	2,098	30	3,376
c) Small	3	250	12,193	1,152	13,300	26,895
Total	5	1,018	2,45,340	1,09,820	22,444	3,78,622

				1958-59			
Total Value (Rs)	Centres Reporting	High Grade	Utility	Blott-ing	Boards	Total lbs.	Total Value (Rs)
8	9	19	11	12	13	14	15
37,485	1	—	9,400	—	—	9,400	14,195
4	1	—	195	—	—	195	142
37,489	2	—	9,595	—	—	9,595	14,337
74,555	1	—	—	—	2,88,566	2,88,566	72,135
4,698	1	—	—	—	16,105	16,105	4,026
18,756	12	32,084	9,795	—	63,942	1,05,821	1,04,866
98,009	14	32,084	9,795	—	3,68,613	4,10,492	1,81,027
7,858	2	—	7,142	—	—	7,142	7,382
5,064	1	—	5,020	—	—	5,020	5,013
12,922	3	—	12,162	—	—	12,162	12,395
11,463	1	1,022	7,924	—	3,293	12,239	21,041
20,970	1	—	39,323	—	—	39,323	39,271
32,433	2	1,022	47,247	—	3,293	51,562	60,312
3,20,878	1	448	3,92,482	9,375	980	4,03,285	4,13,859
3,409	2	18	4,783	11,815	150	16,766	11,845
28,608	2	1,200	22,253	1,000	16,600	41,053	40,031
3,52,895	5	1,666	4,19,518	22,190	17,730	4,61,104	4,65,735

Contd,

State & Unit	Centres Reporting	High Grade	Utility	Blotting	Boards	Total lbs.
1	2	3	4	5	6	7
11. Uttar Pradesh						
a) Big	1	13,331	37,621	15,402	841	57,195
b) Medium	1	11,500	325	15,438	7,493	34,756
c) Small	1	—	336	—	—	336
d) T/P.	1	2,095	36,128	3,331	1,307	42,861
Total	4	26,926	74,410	34,171	9,641	1,45,148
12. West Bengal						
a) Medium	2	25,511	21,096	10,913	—	57,520
b) Small	2	1,000	2,100	100	—	3,200
c) T/P.	1	—	30	5	—	35
Total	5	26,511	23,226	11,018	—	60,755
13. Jammu & Kashmir						
a) Medium	1	—	320	—	5,829	6,149
14. Manipur						
a) Home	1	—	—	—	8,170	8,170
15. Tripura						
a) Small	1	69	104	38	1,100	1,311
16. Pondicherry						
a) Small	—	—	—	—	—	—
Grand Total :						
a) Big	11	1,54,227	3,45,178	1,89,753	4,77,687	11,66,845
b) Medium	20	61,697	2,54,644	1,05,249	76,837	4,98,427
c) Small	33	2,650	41,063	8,978	1,08,795	1,61,486
d) T/P	2	2,095	36,158	3,336	1,307	42,896
e) Home	2	—	606	—	8,170	8,776
Total	68	2,20,669	6,77,649	3,07,316	6,72,796	18,78,430

Note : T/P — Training-cum-Production Centre.

Total Value (Rs)	Centres Reporting	High Grade	Utility	Blott-ing	Boards	Total lbs.	Total Value (Rs)
8	9	10	11	12	13	14	15
85,820	—	—	—	—	—	—	—
48,139	1	6,775	16,325	19,965	51,665	94,730	81,322
283	4	—	3,46,900	21,439	1,74,417	5,42,756	2,62,948
8,647	—	—	—	—	—	—	—
1,42,889	5	6,775	3,63,225	41,404	2,26,082	6,37,486	3,44,270
1,03,254	2	19,799	23,900	9,906	—	53,605	97,921
4,781	4	2,875	59	88	8	3,030	9,146
68	—	—	—	—	—	—	—
1,08,103	6	22,674	23,959	9,994	8	56,635	1,07,067
6,121	1	—	—	—	18,870	18,870	8,527
3,293	—	—	—	—	—	—	—
1,164	—	—	—	—	—	—	—
—	1	—	—	60	8,275	8,335	5,310
9,77,377	10	1,70,695	4,81,465	89,615	3,73,681	11,15,456	10,80,893
4,61,090	22	53,363	2,37,902	1,30,587	1,40,985	5,62,837	5,09,438
1,14,229	43	40,173	4,31,470	27,297	3,27,280	8,26,220	5,26,024
8,715	—	—	—	—	—	—	—
3,899	—	—	—	—	—	—	—
15,65,310	75	2,64,231	11,50,837	2,47,499	8,41,946	25,04,513	21,16,355

STATEMENT

Scheme-wise, Year-wise

Scheme	1953-54		1954-55		1955-56	
	Grant	Loan	Grant	Loan	Grant	Loan
1. Area Offices	—	—	0.07	—	0.18	—
2. Supply of hives	0.25	—	—	—	3.80	—
3. Sub-stations	0.68	—	0.70	—	0.21	—
4. Model Apiaries	—	—	0.62	—	0.11	—
5. School Units	—	—	0.34	—	—	—
6. Bee Clubs	—	—	—	—	—	—
7. Training	—	—	0.17	—	0.28	—
8. Seminars and Conferences	0.01	—	0.02	—	0.11	—
9. Exhibitions	0.17	—	—	—	—	—
10. Improvements and Experiments	—	—	—	—	—	—
11. Assistance to educated persons	—	—	0.03	—	—	—
12. Contingencies and Salaries	—	—	0.19	—	—	—
13. Loans for manufacturing bee-hives and purchasing and stocking of honey and implements	—	0.25	—	0.05	—	1.11
Total	1.11	0.25	2.14	0.05	4.69	1.11

XXXV

Disbursements (Rs lakhs.)

1956-57		1957-58		1958-59		Total		
Grant	Loan	Grant	Loan	Grant	Loan	Grant	Loan	Total
0.12	—	0.30	—	0.06	—	0.73	—	0.73
2.80	—	0.58	—	3.38	—	10.81	—	10.81
2.26	—	2.88	—	5.81	—	12.54	—	12.54
0.94	—	0.64	—	1.03	—	3.34	—	3.34
0.24	—	—	—	0.15	—	0.73	—	0.73
—	—	—	—	0.12	—	0.12	—	0.12
0.43	—	0.60	—	0.51	—	1.99	—	1.99
0.18	—	0.27	—	0.27	—	0.86	—	0.86
—	—	—	—	0.01	—	0.18	—	0.18
—	—	0.43	—	0.07	—	0.50	—	0.50
0.14	—	—	—	—	—	0.17	—	0.17
0.83	—	3.68	—	0.28	—	4.98	—	4.98
—	1.25	—	0.37	—	1.05	—	4.08	4.08
7.94	1.25	9.38	0.37	11.69	1.05	36.95	4.08	41.03

STATEMENT

Scheme-wise, Agency-

Scheme	State Government		Development Commissioner		State Board	
	Grant	Loan	Grant	Loan	Grant	Loan
1. Area Office	0.04	—	—	—	0.16	—
2. Supply of hives	0.28	—	0.91	—	0.82	—
3. Sub-stations	0.27	—	0.01	—	2.53	—
4. Model Apiaries	0.20	—	—	—	1.10	—
5. School Units	0.07	—	—	—	0.20	—
6. Bee Clubs	—	—	—	—	—	—
7. Training	—	—	—	—	0.50	—
8. Publicity and Conferences	—	—	—	—	0.14	—
9. Exhibition	—	—	—	—	—	—
10. Improvements and Experiments	—	—	—	—	0.39	
11. Assistance to Educated Persons	—	—	—	—	—	—
12. Contingencies and salaries (including plantation apiaries	0.05	—	—	—	0.77	—
13. Loans for manufacturing of bee hives and stocking of honey and implements	—	0.18	—	—	—	1.65
Total	0.91	0.18	0.92	—	6.61	1.65

XXXVI

wise Disbursements (Rs lakhs)

Intensive Area		Co-operative		Registerd institution		Total		
Grant	Loan	Grant	Loan	Grant	Loan	Grant	Loan	Total
—	—	0.13	—	0.40	—	0.73	—	0.73
—	—	4.74	—	4.06	—	10.81	—	10.81
0.04	—	3.06	—	6.63	—	12.54	—	12.54
—	—	0.67	—	1.37	—	3.34	—	3.34
—	—	0.22	—	0.24	—	0.73	—	0.73
—	—	0.06	—	0.06	—	0.12	—	0.12
—	—	0.45	—	1.04	—	1.99	—	1.99
—	—	0.32	—	0.40	—	0.86	—	0.86
—	—	0.01	—	0.17	—	0.18	—	0.18
—	—	—	—	0.11	—	0.50	—	0.50
—	—	0.17	—	—	—	0.17	—	0.17
—	—	1.59	—	2.57	—	4.98	—	4.98
—	—	—	1.43	—	0.82	—	4.08	4.08
0.04	—	11.42	1.43	17.05	0.82	36.95	4.08	41.03

STATEMENT

Agency-wise, Year-wise

Agency	1953–54 Grant	1953–54 Loan	1954–55 Grant	1954–55 Loan	1955–56 Grant	1955–56 Loan
1. State Government	0.09	0.08	0.07	—	—	—
2. Development Commissioner	—	—	—	—	—	—
3. State Board	—	—	0.55	—	0.50	0.52
4. Other Agencies						
a) Intensive Areas	—	—	—	—	—	—
b) Co-operatives	0.03	—	0.67	0.05	2.02	0.59
c) Regd. Institutions	0.99	0.17	0.85	—	2.17	—
Total (a+b+c)	1.02	0.17	1.52	0.05	4.19	0.59
Total (1, 2, 3, 4)	1.11	0.25	2.14	0.05	4.69	1.11

XXXVII

Disbursements

(Rs lakhs)

1956–57		1957–58		1958–59		Total		
Grant	Loan	Grant	Loan	Grant	Loan	Grant	Loan	Total
—	—	0.10	—	0.65	0.10	0.91	0.18	1.09
0.02	—	0.23	—	0.67	—	0.92	—	0.92
1.26	0.78	2.23	0.15	2.07	0.20	6.61	1.65	8.26
—	—	—	—	0.04	—	0.04	—	0.04
2.74	0.07	2.46	0.12	3.50	0.60	11.42	1.43	12.85
3.92	0.40	4.36	0.10	4.76	0.15	17.05	0.82	17.87
6.66	0.47	6.82	0.22	8.30	0.75	28.51	2.25	30.76
7.94	1.25	9.38	0.37	11.69	1.05	36.95	4.08	41.03

STATEMENT

Organisational

State	Area Offices No. Allotted	Area Offices No. set-up	Sub-stations No. Allotted	Sub-stations No. set-up	Model Apiaries No. Allotted	Model Apiaries No. set-up
1. Andhra	2	2	30	25	3	2
2. Assam	2	2	10	5	—	—
3. Bihar	2	2	30	27	2	2
4. Bombay	3	3	30	15	8	5
5. Jammu & Kashmir	2	2	20	20	1	1
6. Kerala	4	4	47	47	3	3
7. Madhya Pradesh	2	2	10	10	—	—
8. Madras	6	6	108	103	5	5
9. Mysore	6	6	147	147	12	10
10. Orissa	3	3	38	34	2	2
11. Punjab	3	3	40	40	1	1
12. Rajasthan	1	1	5	5	1	1
13. Uttar Pradesh	3	3	45	39	2	2
14. West Bengal	2	2	30	30	—	—
15. Himachal Pradesh	1	1	10	10	—	—
Total	42	42	600	557	40	34

XXXVIII

Set–Up

School Units		Commercial Apiaries		Planters Apiaries		Bee–Clubs	
No. Allotted	No. set-up	No. Allotted	No. Set-up	No. Allotted	No. set-up	No. Allotted	No. set-up
10	—	5	—	—	—	—	—
—	—	—	—	—	—	—	—
7	2	—	—	—	—	10	7
5	3	—	—	—	—	5	8
—	—	—	—	3	3	—	—
15	19	—	—	—	—	12	13
—	—	—	—	—	—	—	—
31	32	—	—	20	10	45	39
45	56	40	40	40	35	55	51
9	7	10	—	2	—	8	—
—	—	10	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
122	119	65	40	65	48	135	118

STATEMENT

Development in Community

State	Sub-stations
1. Andhra	20
2. Assam	1
3. Bihar	19
4. Bombay	3
5. Jammu & Kashmir	10
6. Kerala	31
7. Madras	77
8. Mysore	111
9. Orissa	25
10. Punjab	23
11. Uttar Pradesh	19
12. West Bengal	16
13. Himachal Pradesh	9
Total	364

XXXIX

Project Areas upto 1958-59

Bee-clubs	Model Apiaries
–	1
–	–
–	1
–	–
–	–
–	–
21	2
34	6
–	1
–	1
–	1
–	–
–	–
55	13

STATEMENT

Production

State	1954-55 Sub-Stations	1954-55 Model Apiaries	1954-55 Schools	1955-56 Sub-Stations	1955-56 Model Apiaries	1955-56 Schools
1. Andhra	—	—	—	617	—	—
2. Assam	—	—	—	—	—	—
3. Bihar	501	—	—	1,274	70	15
4. Bombay	563	96	—	1,823	802	—
5. Jammu & Kashmir	—	—	—	—	—	—
6. Kerala	—	—	—	94	—	—
7. Madhya Pradesh	—	—	—	—	—	—
8. Madras	8,978	36	—	14,110	595	137
9. Mysore	9,000	302	2	25,059	1,205	60
10. Orissa	32	—	—	181	6	—
11. Punjab	—	—	—	—	—	—
12. Rajasthan	—	—	—	—	—	—
13. Uttar Pradesh	—	—	—	42	10	—
14. West Bengal	—	—	—	—	—	—
15. Himachal Pradesh	—	—	—	—	—	—
Total	19,074	434	2	43,200	2,688	212

XL

Of Honey (Qty. lbs.)

1956–57			1957–58			1958–59		
Sub-Stations	Model Apiaries	Schools	Sub-Stations	Model Apiaries	Schools	Sub-Stations	Model Apiaries	Schools
3,236	15	—	4,029	96	—	6,533	218	—
5	—	—	126	—	—	1,283	7	—
2,833	113	—	4,917	1,349	10	9,075	1,395	23
2,024	484	—	1,899	360	—	754	104	—
8,162	—	—	16,238	85	—	16,382	380	—
1,293	1	—	10,275	405	39	22,059	558	159
—	—	—	81	—	—	151	—	—
53,833	756	600	92,971	765	340	1,84,658	1,784	980
49,344	1,275	329	1,50,269	1,946	775	2,57,678	2,255	1,970
4,580	233	118	4,166	95	165	7,781	40	112
—	—	—	1,029	60	—	4,901	125	—
—	—	—	—	—	—	—	7	—
878	10	—	2,969	35	—	3,692	127	—
419	—	—	2,722	—	—	5,947	64	—
—	—	—	243	—	—	308	—	—
1,26,607	2,887	1,047	2,91,934	5,196	1,329	5,21,202	7,064	3,244

STATEMENT

Employment

State	1953–54	1954–55
1. Andhra	–	–
2. Assam	–	–
3. Bihar	4	193
4. Bombay	40	235
5. Jammu & Kashmir	–	–
6. Kerala	–	–
7. Madhya Pradesh	–	–
8. Madras	126	1,020
9. Mysore	57	697
10. Orissa	5	51
11. Punjab	–	–
12. Rajasthan	–	–
13. Uttar Pradesh	–	–
14. West Bengal	–	–
15. H. Pradesh	–	–
Total	232	2,196

XLI

1955–56	1956–57	1957–58	1958–59
120	279	545	811
–	–	54	201
367	401	428	644
196	348	377	231
–	86	246	339
85	483	1,844	3,215
1	5	22	62
1,975	3,975	4,396	6,666
1,818	3,476	5,611	7,258
126	381	563	1,110
–	121	160	310
–	–	–	–
–	269	528	600
16	210	606	1,043
–	–	27	37
4,704	10,034	15,407	32,527

STATEMENT

Scheme-wise, Year-wise

Scheme	1954-55 Grant	1954-55 Loan	1955-56 Grant	1955-56 Loan	1956-57 Grant	1956-57 Loan
1. Common work sheds	—	—	0.88	0.83	0.78	0.86
2. Improved Implements	—	—	0.41	—	0.42	0.49
3. Glazed pottery units	—	—	—	—	—	—
4. Model Production Centres	0.19	0.04	0.01	—	0.17	0.29
5. Selling Agencies	—	—	—	1.00	0.09	0.58
6. Building material units	—	—	—	—	—	—
7. Bhatti sheds	—	—	—	—	0.03	—
8. Experimental ceramic stations	—	—	—	—	—	—
9. Construction of kilns	—	—	—	—	0.03	—
10. Working Capital	—	—	—	—	—	—
11. Training	0.09	—	0.38	—	0.63	—
12. Demonstration squads	—	—	0.08	—	0.12	—
13. Experiments & Improvements	—	—	—	—	—	—
14. Publicity, Propaganda, Exhibition etc.	0.02	—	0.05	—	0.04	—
15. Share Capital	0.05	—	—	—	0.24	—
16. Contingencies, T. A., Salary etc.,	—	—	—	—	—	—
17. Development in Intensive Areas	—	—	—	—	0.36	0.68
Total	0.35	0.04	1.81	1.83	2.91	2.90

XLII

Disbursements (Rs lakhs)

1957–58		1958–59		Total		
Grant	Loan	Grant	Loan	Grant	Loan	Total
0.74	0.65	1.07	0.49	3.47	2.83	6.30
0.38	0.29	1.08	0.54	2.29	1.32	3.61
0.36	0.28	0.59	0.82	0.95	1.10	2.05
0.67	0.33	0.08	—	1.12	0.66	1.78
0.28	1.94	0.22	0.76	0.59	4.28	4.87
0.11	0.17	1.29	1.63	1.40	1.80	3.20
0.16	0.11	0.11	0.05	0.30	0.16	0.46
0.54	0.55	—	—	0.54	0.55	1.09
—	—	—	—	0.03	—	0.03
—	0.26	—	2.36	—	2.62	2.62
0.46	—	1.00	—	2.56	—	2.56
0.39	—	0.49	—	1.08	—	1.08
—	—	0.03	—	0.03	—	0.03
—	—	0.01	—	0.12	—	0.12
0.08	0.01	—	0.83	0.37	0.84	1.21
0.32	—	—	—	0.32	—	0.32
—	—	—	—	0.36	0.68	1.04
4.49	4.59	5.97	7.48	15.53	16.84	32.37

STATEMENT

Scheme-wise, Agency-wise

Scheme	State Government		Development Commissioner		State Board	
	Grant	Loan	Grant	Loan	Grant	Loan
1. Common work Sheds	0.32	0.22	0.59	0.45	1.51	1.33
2. Improved Implements	0.32	0.08	0.42	0.30	1.21	0.77
3. Glazed Pottery Units	0.39	0.28	0.20	0.27	0.21	0.27
4. Model Production Centres	0.29	0.20	—	0.05	0.40	0.18
5. Selling Agencies	0.09	0.63	0.10	1.20	0.20	1.50
6. Building Material Units	0.22	0.35	0.32	0.53	0.54	0.40
7. Bhatti Sheds	0.10	0.10	—	—	0.04	0.01
8. Experimental Ceramic Stations	—	—	—	—	—	—
9. Construction of kilns	—	—	0.03	—	—	—
10. Working Capital	—	0.06	—	0.03	—	0.45
11. Training	—	—	0.08	—	0.25	—
12. Demonstration Squads	0.21	—	—	—	0.59	—
13. Experiments & Improvements	—	—	—	—	—	—
14. Publicity, Propaganda, Exhibition, etc.,	—	—	—	—	—	—
15. Share Capital	—	0.27	0.07	0.13	0.19	0.40
16. Contigencies, Salary T. A. etc.,	0.03	--	—	—	0.04	—
17. Development in Intensive Areas	—	—	—	—	—	—
Total	1.97	2.19	1.81	2.96	5.18	5.31

XLIII

Disbursements

(Rs lakhs)

Intensive Area		Co-operative Society		Regd. Institution		Total		
Grant	Loan	Grant	Loan	Grant	Loan	Grant	Loan	Total
0.09	0.09	0.45	0.34	0.51	0.40	3.47	2.83	6.30
—	—	0.08	0.05	0.26	0.12	2.29	1.32	3.61
—	—	—	—	0.15	0.28	0.95	1.10	2.05
—	0.06	0.28	0.03	0.15	0.14	1.12	0.66	1.78
—	0.12	0.17	0.46	0.03	0.37	0.59	4.28	4.87
0.11	0.35	—	—	0.21	0.17	1.40	1.80	3.20
0.09	0.05	0.01	—	0.06	—	0.30	0.16	0.46
—	—	—	—	0.54	0.55	0.54	0.55	1.09
—	—	—	—	—	—	0.03	—	0.03
—	1.88	—	0.15	—	0.05	—	2.62	2.62
—	—	0.09	—	2.14	—	2.56	—	2.56
—	—	0.04	—	0.24	—	1.08	—	1.08
—	—	—	—	0.03	—	0.03	—	0.03
—	—	—	—	0.12	—	0.12	—	0.12
—	—	0.04	0.04	0.07	—	0.37	0.84	1.21
—	—	0.03	—	0.22	—	0.32	—	0.32
0.36	0.68	—	—	—	—	0.36	0.68	1.04
0.65	3.23	1.19	1.07	4.73	2.08	15.53	16.84	32.37

STATEMENT

Agency-wise, Year-wise

Agency	1954–55 Grant	1954–55 Loan	1955–56 Grant	1955–56 Loan	1956–57 Grant	1956–57 Loan
1. State Government	—	—	—	—	—	—
2. Development Commisioner	—	—	—	—	0.36	0.41
3. State Board	—	—	1.05	1.43	0.88	0.85
4. Other Agencies						
a) Intensive Areas	—	—	—	—	0.45	0.95
b) Co-operatives	0.13	—	0.13	0.07	0.25	0.17
c) Regd. Institutions	0.22	0.04	0.63	0.33	0.97	0.52
Total (a+b+c)	0.35	0.04	0.76	0.40	1.67	1.64
Total (1, 2, 3, 4)	0.35	0.04	1.81	1.83	2.91	2.90

XLIV

Disbursements

(Rs lakhs)

1957-58		1958-59		Total		
Grant	Loan	Grant	Loan	Grant	Loan	Total
1.18	1.16	0.79	1.03	1.97	2.19	4.16
0.27	0.92	1.18	1.63	1.81	2.96	4.77
0.84	0.74	2.41	2.29	5.18	5.31	10.49
0.11	0.20	0.09	2.08	0.65	3.23	3.88
0.45	0.57	0.23	0.26	1.19	1.07	2.26
1.64	1.00	1.27	0.19	4.73	2.08	6.81
2.20	1.77	1.59	2.53	6.57	6.38	12.95
4.49	4.59	5.97	7.48	15.53	16.84	32.37

STATEMENT

Scheme-wise, Year-

Scheme	1954–55		1955–56		1956–57	
	Grant	Loan	Grant	Loan	Grant	Loan
1. Training-cum-production Centres	—	—	—	—	1.47	—
2. Training Schemes	0.09	—	0.23	—	—	—
3. Assistance for the development of the industry	—	—	—	0.25	—	2.20
4. Implements and equipment.	0.05	—	0.10	—	—	—
5. Model production centres	—	—	—	—	—	—
Total	0.14	—	0.33	0.25	1.47	2.20

XLV

wise Disbursements (Rs lakhs)

1957–58		1958–59		Total		
Grant	Loan	Grant	Loan	Grant	Loan	Total
0.60	0.69	1.17	1.10	1.77	1.79	3.56
1.40	—	1.68	0.24	4.87	0.24	5.11
0.07	0.45	—	0.20	0.07	3.10	3.17
0. 04	0.02	—	—	0.19	0.02	0.21
0.10	0,11	—	—	0.10	0.11	0.21
2.21	1.27	2.85	1.54	7.00	5.26	12.26

STATEMENT

Agency-wise, Scheme-wise

Agency	Training-cum-Production Centres		Training Schemes		Assistance for Dev. of the Industry	
	Grant	Loan	Grant	Loan	Grant	Loan
1. State Government	0.10	—	0.05	—	0.04	0.10
2. Development Commissioner	—	—	0.07	—	—	0.06
3. State Board	1.01	0.99	1.99	0.12	—	2.46
4. Other Agencies:						
a) Intensive Areas	0.10	0.11	1.02	—	—	0.30
b) Co-operatives	0.10	0.12	0.16	—	—	—
c) Registered Institutions	0.46	0 57	1 58	0.12	0.03	0.18
Total a+b+c	0 66	0 80	2 76	0 12	0 03	0.48
Total 1,2,3,4	1.77	1 79	4.87	0.24	0.07	3.10

XLVI

Disbursements

(Rs lakhs)

Implements and Equipment		Model Production centres		Total		
Grant	Loan	Grant	Loan	Grant	Loan	Total
0.01	0.02	—	—	0.20	0.12	0.32
—	—	—	—	0.07	0.06	0.13
0.16	—	0.10	0.11	3.26	3.68	6.94
—	—	—	—	1.12	0.41	1.53
—	—	—	—	0.26	0.12	0.38
0.02	—	—	—	2.09	0.87	2.96
0.02	—	—	—	3.47	1.40	4.87
0.19	0.02	0.10	0.11	7.00	5.26	12.26

STATEMENT

Agency-wise, Year-wise

Agency	1954-55 Grant	1954-55 Loan	1955-56 Grant	1955-56 Loan	1956-57 Grant	1956-57 Loan
1. State Government	—	—	—	—	—	—
2. Development Commissioner	—	—	—	—	—	—
3. State Board	0.10	—	0.33	0.25	1.02	2.15
4. Other Agencies						
a) Intensive Areas	—	—	—	—	0.05	0.05
b) Co-operatives	—	—	—	—	—	—
c) Regd. Institutions	0.04	—	—	—	0.40	—
Total (a+b+c)	0 04	—	—	—	0.45	0.05
Total(1, 2, 3, 4,)	0.14	—	0.33	0.25	1.47	2.20

XLVII

Disbursements

(Rs lakhs)

1957–58		1958–59		Total		
Grant	Loan	Grant	Loan	Grant	Loan	Total
0.10	0.12	0.10	—	0.20	0.12	0.32
—	—	0.07	0.06	0.07	0.06	0.13
0.36	0.24	1.45	1.04	3.26	3.68	6.94
0.72	0.36	0.35	—	1.12	0.41	1.53
0.10	—	0.16	0.12	0.26	0.12	0.38
0.93	0 55	0.72	0.32	2.09	0.87	2.96
1.75	0.91	1.23	0.44	3.47	1.40	4.87
2.21	1.27	2.85	1.54	7.00	5.26	12.26

STATEMENT

Training

Industry	1953-54		1954-55		1955-56	
	Grant	Loan	Grant	Loan	Grant	Loan
1. Processing of Cereals and Pulses	0.02	—	0.02	—	0.09	—
2. Village Oil	—	—	0.07	—	0.67	—
3. Village Leather	1.25	0.40	1.41	0.10	3.22	0.30
4. Cottage Match	—	—	0.12	—	0.35	—
5. Gur & Khandsari	—	—	—	—	—	—
6. Palm Gur	—	—	—	—	3.11	—
7. Non-edible Oils and Soap	—	—	0.15	—	0.28	—
8. Handmade Paper	—	—	—	—	0.18	—
9. Bee-keeping	—	—	0.16	—	0.29	—
10. Village Pottery	—	—	0.09	—	0.38	—
11. Fibre	—	—	0.09	—	0.23	—
12. Carpentry and Blacksmithy	—	—	—	—	—	—
Total	1.27	0.40	2.11	0.10	8.80	0.30

XLVIII

Programmes (Rs. lakhs)

1956–57		1957–58		1958–59		Total		
Grant	Loan.	Grant	Loan	Grant	Loan	Grant	Loan	Total
0.13	—	0.40	—	0.08	—	0.74	—	0.74
1.22	—	1.72	—	0.36	—	4.04	—	4.04
1.29	—	1.45	0.10	1 67	—	10.29	0 90	11.19
0.80	—	1.21	—	1.48	—	3.96	—	3.96
—	—	0 06	—	0.19	—	0.25	—	0.25
2.88	—	0.45	—	1.56	—	8.00	—	8.00
0.64	—	0.93	—	0.78	—	2.78	—	2.78
0.18	—	0.28	—	0.61	—	1.25	—	1.25
0.43	—	0 60	—	0 51	—	1 99	—	1.99
0.63	—	0 46	—	1.00	—	2.56	—	2.56
1.47	—	1.40	—	1.68	0.24	4.87	0.24	5.11
—	—	1.03	1.50	1.34	2.25	2.37	3.75	6.12
9.67	—	9 99	1.60	11.26	2.49	43.10	4.89	47.99

ERRATA

Page	Para	Line	Incorrect	Correct
12.	Foot Note	14	P 28	P 22
		17	P 436	P 432
18.	Table I	Total	1,190.41	1,190.38
26.	4.7	5	Rs 72.97 lakhs	Rs 32.97 lakhs
26.	47	6	Rs 32.97 lakhs	Rs 37.27 lakhs
29.	Table 3	Bombay	6,126	6,926
31.	Table 4	Andhra	1,51,400	1,51,500
37.	4.27	4–5	at what conditions	at what cost and under what conditions
40.	Table I	Bombay	47.55	47.50
49.	5.19	3	Bombay for 1,325	Bombay for 1,355
49.	5.19	4	Rajasthan for 717	Rajasthan for 707
51.	Table 8	Kerala	38,419	3,84,190
		Madras	78,72,294	78,72,264
		Mysore	5,51,912	5,51,982
		Bihar	52,03,690	50,55,690
54.	Table II	Uttar Pradesh	84.97	82.97
55.	5.25	7	number of employed	number of telis employed
56.	Table 12	Total	289	279
		Bombay	2,23,993	2,22,993
60.	5.37	9	The loss of oil in the ghanis	The loss of oil in the cake
63.	Table I	Bihar	3.67	3.63
64.	6.4	4	Rs 1.90 lakhs	Rs 1.98 lakhs
67.	6.9	2	93	39
68.	Table 4	Columns 3,5,7,9	No. allotted	No. set up
112.	Table I	Assam	0.05	0.03
126.	10.2	8	Rs 148.15 lakhs	Rs 148.13 lakhs
128.	10.5	13	Rs 25.24 was	Rs 25.24 lakhs were
154.	Table 3	1958–59 High–grade	1,70,395	1,70,695
167.	Table I	U. p.	0.05	0.20
		W. Bengal	–	0.05
		Delhi (Column4)	–	0.04
168	12.4	I	the maid	the main
172.	Table 4	Bihar	1,3559	1,359
175.	12.13	2–3	Rs. 4 and less than 2 in Madhya Pradesh	Rs. 4 in Bombay and less than Rs.2 in Madhya Pradesh.
181.	13.6	2	Statement XLV	Statement XLIV
185.	Table 3	Rajasthan Column 2	116	115
		3	115	116
186.	Table 4	Madras	5,10,644	5,10,647
200.	15.2	6	Rs 2.69 lakhs	Rs 2.67 lakhs
201.	Table I	3	1958–56	1958–59
215.	17.10	3	the extent to which of chemical carbon can be useful in processing of cereals,	the experiments with chemical carbon in Processing of Cereals and
215.	17.11	3	oil from non–edible oils	oil from non-edible oil seeds
223.	18.8	7	should be and (ii)	should be organised and (ii)
248.	21.8	I	decentralisation	decentralised industrialisation
309.	Statement VI	Int. Area Grant	0.08	0.80
342.	Statement XXII Khandsari Madras	a) Quantity	—	0.01
		b) Value	—	0.20
351.	Statement XXVI	1957–58 Grant Total	12.16	19.16
356.	Statement XXIX	1954–55 Loan Total	2.16	6.16

COMMENT OF THE KHADI & VILLAGE INDUSTRIES COMMISSION ON THE REPORT OF THE VILLAGE INDUSTRIES EVALUATION COMMITTEE

Although the report of the Evaluation Committee on Village Industries has generally pointed out certain deficiencies in the working of the programmes of various village industries, some of its recommendations may not give a correct picture without proper and adequate explanations.. The Committee seems to have relied more on statistical data available with the office in coming to certain conclusions than on the assessment of certain practical problems in implementing the various programmes which can be elicited only from personal observations. A proper appraisal of these problems does not seem to have received its due adequate attention by the Evaluation Committee.

2. The following points will have to be borne in mind while studying the conclusions and recommendations of the Village Industries Evaluation Committee:

(i) Unlike Khadi, there were no old established institutions or agencies for village industries, which had adequate experience of organising them or which were conversant with the various problems both in the field as well as at the centre. All the schemes more or less had to be implemented on a trial and error basis and modified on the basis of experience gained. This has been and is a continuous process, which explains some of the observations of the Evaluation Committee and are partly responsible for the delay in starting actual production and sale activities even from the outset.

(ii) The period of five years from 1953-54 to 1957-58 is too short for evaluating the progress of village industries because

(a) until the formation of the Commission there were several procedural difficulties in obtaining sanction of funds from the Government of India ; even after the receipt of sanctions considerable delays in releasing funds were not uncommon, (b) part sanctions for certain items of certain schemes and part release also added to the difficulties. The result was that the bulk of the funds was disbursed during the last month of the year.

(iii) An analysis of figures of disbursements to different agency shows that more than 50 per cent of the funds sanctioned was for the State Boards / Governments. The State Boards had their own procedures for disbursing funds and having come into existence after the formation of the All India Board were not adequately equipped with required experienced personnel. Secondly, the State Boards mainly relied on implementing their programmes through institutions like cooperatives which had to be organised and registered. The process of organisation of societies of the type required for the implementation of the various programmes through them inherently presented certain difficulties such as illiteracy of the artisans and their unwillingness to come into the cooperative fold, inadequacy of experience of the working of these cooperative societies, absence of arrangements for guidance and supervision, etc. Even after the organisation of co-operatives, their registration took still a longer time on account of the reluctance of the Registrars to register these cooperatives which according to their criteria were not financially sound. Besides, the State Boards had many other organisational and operational difficulties. Consequently, they could not utilise the funds at their disposal quickly nor could they organise work expeditiously. As the Evaluation Committee has observed, a large portion of the funds disbursed to them still remained unutilised. This is a very serious limitation which has to be kept in mind.

(iv) Whatever observations the Evaluation Committee had made, are, therefore, on the basis of limited data available to it on progress made by the institutions which were directly assisted by the

Commission. These accounted only for about 30 per cent of the total disbursements. These institutions also did not have adequate experience and had to face several organisational difficulties and operational problems such as inadequate supply of improved equipment, late receipt of funds for purchase of raw materials, difficulties in obtaining land for construction of sheds, difficulties in obtaining adequate quantities of controlled commodities such as caustic soda, social prejudices and restrictions such as those found in leather industry, illiteracy of artisans and their tendency to stick to old and outmoded methods, difficulties in training the required organisational personnel and also the artisans in the improved equipment. These have cumulatively resulted in slackening the pace of progress over the last three or four years. It is, however, relevant to point out here that the Evaluation Committee has taken notice of some of these factors and has rightly pointed out that adequate ground has been prepared over the last three or four years for the development of village industries; and especially during the last year, i.e., 1957–58 there has been an increase in the tempo of activities. This momentum that has been created will have to and can be accelerated in the coming years, as has been found from the experience gained in 1958–59.

(v) Some of the observations of the Evaluation Committee are subject to serious limitations of data made available to them. In the first place the data refer mainly to the progress of the institutions assisted directly by the Commission. Secondly, even these data were incomplete because reports from several centres, especially from individual artisans in oil and leather industries, were not received. Moreover, the Committee does not seem to have taken into consideration the good progress made by village industries in many of the pilot project areas and Community Development Blocks. This may probably be due to the non-receipt of complete reports from these agencies for one reason or other. All these reports are very important and the non-receipt of these reports should have been taken into consideration while judging the progress of the industries. The difficulty in getting reports mainly arises out of (i) the number of centres organised in far-flung areas, (ii) illiteracy of artisans, (ii) unfamiliarity of those in charge of the work of the procedures and the forms of reports, and (iv) unprecedented floods and epidemics, etc., during 1957 and 1958. Thus the data available to the Committee were seriously limited and did not probably present a true picture, of the position.

(vi) Therefore, lack of statistical data or its incompleteness or absence of progress reports ought not to lead to the conclusion that the programme has failed or the officers in charge of industries have not the required capacity to implement the programmes or that the village industries have no scope at all in the economy of the country.

(vii) It is not proper to compare the decentralised industries with organised centralised industries which have the peculiar advantage of highly trained personnel and technique. In village industries this level of attainment is yet to be achieved and this will take a long time. With whatever work that has so far been done and wages paid, it goes without saying that it has really benefited the artisans inasmuch as it has added to their poor incomes.

3. We,however, agree with the recommendations of the Evaluation Committee that in future all funds should be channelised through the State Boards because they are the proper organisations which should be vested with the responsibilities of implementing the various programmes of the Commission. But these State Boards may require some reorganisation and adjustments to suit the needs during the Third Plan period.

Published by C. K. Narayanswami, Director of Publicity, Khadi and Village Industries Commission, Mistri Bhavan, Dinsha Wacha Road, Bombay-1, and printed by Kishorlal Lalji Ganatra at TREND PRINTERS, Swadeshi Mills Estate, Girgaum, Bombay-4.