

LETTERS

~~CD 107~~

CD 112(h)

Issued by

~~CD 9917~~

The Ministry of Community Development  
in connection with the Pilot Projects  
(Cottage & Small Scale Industries)

155  
7  
156  
7

(Period May 27, 1955 to Aug. 1955)



1452 ✓

24. 16.5. 62

808.6 GOI

THE MINISTRY OF COMMUNITY DEVELOPMENT  
Government of India

16 GOI

of Cooperative Societies and Regional Director (Ministry of Commerce and Industry) or his nominee, as members. The finances for meeting his salary and of his personal staff, viz. a Stenographer and a peon, will be provided by the Ministry of Commerce & Industry for three years, but he will be borne on the State cadre. Suitable junior I.A.S. Officers, if available, may be considered for the post. If recruitment is made in the open market, candidates with basic technical qualification may be selected, but candidates who are selected from services need not possess technical qualification, so long as they possess ability for organization. A panel of three names selected in the order of preference by the committee should be sent to Shri Govindan Nair, I.C.S., Joint Secretary, Ministry of Commerce & Industry, with copy to the Community Projects Administration, for final selection of the Community Project Officer (Industries) by the Ministry. The panel of names selected by the State Government should reach the Ministry on or before 15th July, 1955.

*Training.*—The officer thus appointed will undergo a two months' training in Bombay to be arranged by the Ministry of Commerce & Industry, after he has completed a pre-service training in the Community Project Area selected for intensive development, for a period of one month, thus making the total period of training three months. The Ministry of Commerce & Industry will communicate to State Governments the final selection by the first week of August so that the officer appointed could join the pre-service training at the Pilot Project Area for a month from 15th of August, 1955. The training in Bombay will be started by about the 15th of September, 1955. The Ministry of Commerce & Industry are writing to the State Governments in detail about the proposed two months' training at Bombay to be carried out in collaboration with the All India Boards, e.g., All India Khadi & Village Industries Board, Small-scale Industries Board and the All India Handloom Board.

*Transport.*—It is considered necessary that the Community Project Officer (Industries) should be provided with a jeep. For immediate use the Development Commissioner is requested to place a jeep at the disposal of this officer. In the meanwhile, the Ministry of Commerce & Industry is considering the possibility of making available a jeep per Project. This is likely to take time.

*Administrative Control.*—The Community Project Officer (Industries) will be under the direct control of the Development Commissioner but his headquarters will be in the Pilot Project area, as part of the Community Project headquarters. The Development Commissioner will no doubt ensure that the necessary residential quarters are also made available to the Industries Officer as soon as he joins duty so that he will be in a position to concentrate on the work entrusted to him.

*Content of Programme.*—Planning of the intensive development of industries in the Pilot Project will be done by this Industries Officer with the assistance of the Regional Director (Small-scale Industries) and other Regional or local representatives of the All India Boards and the Director/Joint Director of

## APPENDIX 'T'

### *List of Community Projects selected as Pilot Areas for development of cottage and small scale industries*

- |                       |       |  |
|-----------------------|-------|--|
| 1. Andhra             | . . . | East Godavari (Kakinada-Peddapuram).   |
| 2. Assam              | . . . | Darrang District (Mouzas-Dakua-Harisings-Ambagaon-Barsila har-Orang-Dkokiajuli Tehsils). |
| 3. Bihar              | . . . | Bihar Ekangarsarai Barbiga Project.  |
| 4. Bombay             | . . . | Kolhapur District (Karneer-Panhala Tehsils).   |
| 5. Madhya Pradesh     | . . . | Amravati-Morsi-Daryapur.   |
| 6. Madras             | . . . | Coimbatore (Gobe-Erode-Bhavani-Dharampuram Tehsils).                                     |
| 7. Orissa             | . . . | Ganjam District (Russelkonda).   |
| 8. Punjab             | . . . | Gurdaspur District (Batala Tehsil).  |
| 9. Uttar Pradesh      | . . . | Deoband District Saharanpur.   |
| 10. West Bengal       | . . . | Baruipur Block.  |
| 11. Hyderabad         | . . . | Mulug Block.   |
| 12. Madhya Bharat     | . . . | Gird District (Ghategaon-Pichhore Tehsils).  |
| 13. Mysore            | . . . | Ramnagram-cum-Kanakapura Taluks (Bangalore District).                                    |
| 14. PEPSU             | . . . | Dhuri Tehsil.  |
| 15. Rajasthan         | . . . | Sanganer Block.  |
| 16. Saurashtra        | . . . | Sorath District (Manavadar-Vanthali Tehsils).  |
| 17. Travancore-Cochin | . . . | Neyyattinkara-Vilavancode Area (Trivandrum District).                                    |
| 18. Ajmer             | . . . | Ajmer Sub-Division.  |
| 19. Bhopal            | . . . | Sehore and Raisen District (Goharganj-Huzoor-Sehore Ichhawar Tehsils).                   |
| 20. Delhi             | . . . | Alipur Area.   |
| 21. Kutch             | . . . | Nukhatrana-Bhuj Tehsils.   |
| 22. Manipur           | . . . | Theobal Tehsil Area.   |
| 23. Tripura           | . . . | Nutanhaveli and Old Agartala.  |
| 24. Vindhya Pradesh   | . . . | Parts of Nagod and Raghuraj Tehsils (Satna District).                                    |
| 25. Jammu & Kashmir   | . . . | Badgam Block (Srinagar).   |
| 26. Himachal Pradesh  | . . . | Kunihar & Bahl Blocks (Kunihar-Mahasu District).   |

There shall be a committee at the Project level also for the 300 villages which will co-ordinate the activities of the 15 sub-areas and also to make out the over-all plan etc. These Committee members may be nominated and selected in order to include representatives as well as talent.

(ii) *Investigations.*—In order to draw up a blue-print for development of cottage and small scale industries to provide maximum employment, the first step is to collect the following information in regard to the Project selected:—

- (a) A census of the age groups of the population both for men and women in the Project should be taken.
- (b) Employment census also may be taken as under:
  - (1) Persons fully employed;
  - (2) Persons unemployed;
  - (3) Persons under-employed or semi-employed.

Investigators may specially enquire about the aptitude of the people and the type of work they are likely to take up with interest.

- (c) Besides getting information about man-power available, information also should be collected about the resources available, *viz.*, the following:
  - (1) Materials
  - (2) Power: Electric, bullock, etc.
  - (3) Water
  - (4) Fuel
  - (5) Surplus agricultural produce exported
  - (6) Communication available
  - (7) Proximity of markets.

(iii) Information also may be collected about the type of consumer goods that are imported to the area like cycle parts, sewing machine parts, cloth, stationery, building materials, etc. which can be manufactured by small scale industries.

(iv) Attention should also be paid to the new communications or road activities likely to come up and the people who are likely to be employed on such jobs.

(v) Information should also be collected about the types of buildings existing and the likely future activities in the construction of buildings. From the employment point of view particularly, a bold programme of housing in the rural area is considered necessary.

5. *Planning.*—After all this information is collected, it is possible to have data on:—

- (a) Resources available in the shape of man-power, materials, fuel, water, power, surplus agricultural produce, etc.

No. CPA/CI&C/112/55-Prg.  
Government of India  
Community Projects Administration  
New Delhi, June 7, 1955.

To

The Development Commissioners/  
Directors of Community Projects.  
(All State Governments except  
Coorg and N.E.F.A.).

SUBJECT:—*Pilot Projects—Selection etc. thereof.*

Sir,

Please refer to para 2 (i) of Appendix II of this Administration circular letter of even number dated the 27th May, 1955. A list of village industries referred to therein is given below:—

1. Khadi.
2. Village Oil Industry.
3. Hand-pounding of rice.
4. Bee-keeping.
5. Palm-Gur Industry.
6. Gur and Khandsari.
7. Hand-made paper.
8. Cottage Match Industry.
9. Village Leather Industry.
10. Soap-making with non-edible oils.
11. Pottery.
12. Blacksmithy.
13. Carpentry.
14. Fibre Industry.

Yours faithfully,  
(Sd.) N. S. MATHUR,  
Under Secretary.

No. CPA/CI&C/112/55-Prg.  
Government of India  
Community Projects Administration  
New Delhi, June 7, 1955.

To

The Development Commissioners/  
Directors of Community Projects,  
(All State Governments except  
Coorg and N.E.F.A.).

SUBJECT:—*Pilot Projects—Selection etc. thereof.*

Sir,

Please refer to para 2 (i) of Appendix II of this Administration circular letter of even number dated the 27th May, 1955. A list of village industries referred to therein is given below:—

1. Khadi.
2. Village Oil Industry.
3. Hand-pounding of rice.
4. Bee-keeping.
5. Palm-Gur Industry.
6. Gur and Khandsari.
7. Hand-made paper.
8. Cottage Match Industry.
9. Village Leather Industry.
10. Soap-making with non-edible oils.
11. Pottery.
12. Blacksmithy.
13. Carpentry.
14. Fibre Industry.

Yours faithfully,  
(Sd.) N. S. MATHUR,  
Under Secretary.

Diary No. 1671 Coop/55  
Government of India  
Ministry of Food and Agriculture

New Delhi, the 20th July, 1955.

From

Shri S. Mukerjee,  
Under Secretary to the Government of India.

To

The Secretary to Government,  
Cooperation Department.  
(All State Governments)

SUBJECT:—*Starting of Pilot Projects under the Second Five Year Plan.*

Sir,

I am directed to invite your attention to para (9) of the letter No. F.9-5/55-Coop. dated 5th May, 1955 from the Joint Secretary (Cooperation) addressed to you, regarding the starting of Pilot Projects under the Second Five Year Plan for the development of Co-operation. In the letter No. CPA/CI&C/112/55-Prg. dated 27th May, 1955 from the Community Projects Administration addressed to the Development Commissioners and Directors of Community Projects of all State Governments, a list of Community Projects selected for development of cottage and small scale industries, was communicated. A copy of the list is, however, enclosed. I am to suggest that it would be desirable if some of the centres for co-operative projects are located in areas selected for development of cottage and small scale industries.

Yours faithfully,  
(Sd.) S. MUKERJEE,  
*Under Secretary.*

Copy to:—

1. Agricultural Credit Department, Reserve Bank of India, Bombay.
2. Community Projects Administration, New Delhi.

3. The question relating to the status and the duties of Community Project Officer (I) *vis-a-vis* Project Executive Officer with whom he will have to work and the administrative set up to ensure maximum amount of coordination has been examined. It is considered that it would be of advantage to work out some kind of relationship which may ensure to the Community Project Officer (I) the fullest possible cooperation of the project staff. Since the Project Executive Officer is charged with the responsibility for the progress of the overall programme, the Community Project Officer (I) should, you will agree, work in close collaboration with him. In this connection, a possible difficulty which may arise is that the Community Project Officer (I) may happen to be senior to the Project Executive Officer/Block Development Officer. No doubt in most areas the Project Executive Officer/Block Development Officer, himself will be the senior officer. But where the Community Project Officer (I) happens to be senior to the Project Executive Officer/Block Development Officer, you may kindly consider whether it will not be appropriate for efficiency and smooth working of the programme to have an officer senior to the Community Project Officer (I) posted as the Project Executive Officer.

4. To coordinate and guide the activities of the various All India Boards in the pilot project areas, an Action Committee has already been constituted at the Centre consisting of Administrator, Community Projects Administration as Chairman and with the following as member:—

1. Secretary, C.P.A.
2. Joint Secretary, Ministry of C&I (Shri P. Govindan Nair)
3. Mrs. P. Johri, Deputy Secretary, Ministry of Production.
4. Secretaries of Khadi & Village Industries Board,  
Handloom Board, Handicrafts Board & Small Scale  
Industries Board.
5. Financial Adviser, Ministry of C&I.
6. Representative of the Ministry of Food & Agriculture.
7. Officer on Special Duty (CI&C), C.P.A., Secretary to the  
Committee.

To keep the programme at the ground level under continuous observation by those who can provide necessary guidance and also achieve the required coordination between the various agencies, you may kindly consider the suggestion of constituting an Action Committee at the State level consisting of the Development Commissioner as Chairman and the following as members:—

1. Director of Industries.
2. Representatives of the various State Boards.
3. Registrar of Cooperative Societies.
4. Project Executive Officer.
5. The C.P.O. (I) may serve as member Secretary to the  
Committee.



19/XI(17)/56-Prg

Government of India

Community Projects Administration

New Delhi, 2nd March, 1956.

To

The Development Commissioners,  
All State Governments except  
Coorg & N.E.F.A.

SUBJECT:—*Pilot Projects for Cottage Industries.*

Sir,

Please refer to this Administration letter No. 19/XI(3)/55-Prg dated 31-12-55 regarding delegation of financial powers to C.P.O. (Industries), and substitute, in clause (2) of Para 2 of the above letter, the following:—

“works” (relating to Rural Arts, Crafts and Industries) for  
the words

“works” (all works including irrigation, roads, etc.)

Yours faithfully,  
(Sd.) N. S. MATHUR,  
*Under Secretary.*

**Copy to:—**

- (1) Ministry of Commerce & Industry  
(Shri P. Govindan Nair, I.C.S.) — (5 copies)
- (2) Ministry of Production  
(Smt. P. Johari) — (5 copies)
- (3) Planning Commission  
(Dr. D. K. Malhotra) — (5 copies)

Sd. N. S. MATHUR,  
*Under Secretary.*

3,000 families out of 30,000 are expected to make their livelihood from small scale industries which may be located in the nearest 'Mandi' centre or block headquarters. In fact, a schematic distribution of urban families in a rural-cum-urban township was also worked out and given in Appendix IV (page 31) of "A Road to New India". Out of a thousand families, it is estimated that 200 will be working on small scale industries. This is in addition to families which will work in these townships from neighbouring villages, (*Vide Annexure II*).

It should not be difficult to have an immediate preliminary survey of the existing artisans and the people under the various professions. In fact, these figures would generally be available from the surveys already carried out in each Community Project, and also from last Census Reports. The schemes framed would be in accordance with the pattern already laid down by the various Boards, and would be financed either from the funds already sanctioned to the Boards or from fresh funds that would be made available by the Govt. of India. In case, there is some slight maladjustment due to the immediate programme it would be easily adjusted in due course on account of the state of under-development of the country and if a few jobs are created more than what are necessary in a Pilot Project, people would pour in from the surrounding areas since these Pilot Projects are not, in any way, isolated areas, although, for administrative purposes, it would be considered as separate unit. As an immediate step, khadi industry including introduction of 'Ambar' charkha could be promoted to provide employment for the under-employed, and this programme need not wait for any survey but could go ahead straightaway.

In the absence of any other data, we may suggest a fall back upon the schematic distribution as target and the gaps between the target distribution under various trades or professions and the existing actuals may be considered as the number of persons who should be provided with employment; and schemes, accordingly, for different industries, would be drawn up. In all, it is anticipated that in a Project about 22 per cent of the population ultimately would be engaged in village and small scale industries out of which, as per statement (*Annexure I*) attached, about 8 per cent or 2,400 out of 30,000 families in rural area are now engaged in village and small scale industries. It may also be possible that some of these existing artisans are not fully employed. So, besides giving fuller employment to these artisans, more people will be shifted from agriculture, trade etc. to village and small scale industries both in rural and urban section (*Vide Annexure II*) and thus the figure under industrial development will gradually reach the target of 22 per cent. under village and small scale industries.

## ANNEXURE I (Contd)

Trade or profession	Target distribution per 100	Target distribution per 30,000 household	Present tradewise distribution of artisans in the rural area of 30,000 household	Excess No. in a profession or occupation	Gaps to be filled up in a profession	Remarks
	2	3	4	5	6	7
I						
B.F.	94	28,200	27,930	5,400	5,670	
10. Postman	0.25	75	75	..	..	
11. Barber	0.25	75	210	135	..	
12. Butcher, cobbler, etc.	.50	150	135	..	15	
13. Contribution towards administrative and supervisory services	1	300	210	..	90	
14. Contribution towards Security and Defence Services	1	300	300	..	..	
15. Vagabonds	3	900	1,140	240	..	
	100	30,000	30,000	5,775	5,775	

(Samples distribution of families in Arts, Crafts and Cottage Industries in a village).

1. Carpentry	1	300	180	..	120	
2. Blacksmithy	0.5	150	180	30	..	

ANNEXURE II

Schematic Distribution of the Population in the Urban Section of a Project.

Total Population in a Project . . . . .	200,000	=	40,000 households.
Rural Section Population . . . . .	150,000	=	30,000 "
Urban Section Population . . . . .	50,000	=	10,000 "

Trade or Profession	Target distribution per 1,000	Target distribution per 10,000 household	Present assumed Tradewise distribution of artisans in the Urban area of 10,000 household	Excess No. in a profession or occupation	Gaps to be filled up in profession	REMARKS
	2	3	4	5	6	7
I						

I. Cottage and Small Industries.

1. Weaving & Spinning, Calico Printing . . . . .	33	330	550	220	..	
2. Pottery, Brick-kiln . . . . .	22	220	90	..	130	
3. Tailoring, Hosiery . . . . .	15	150	45	..	105	
4. Leather, cobbler & shoe repairs . . . . .	15	150	60	..	90	
5. Sheet metal, tinsmithy . . . . .	12	120	60	..	60	
6. Laundry, Barber shop . . . . .	10	100	50	..	50	
7. Fitter, Blacksmith and Foundry Smith & General maintenance workshop, carpentry . . . . .	20	200	130	..	70	

Most Immediate.

No. 3-Cot. Ind. (I)(20)/55.  
Government of India,  
Ministry of Production.

New Delhi, the 28th December, 1955.

From

Shri P. J. Menon,  
Under Secretary to the Government of India.

To

All State Governments.

SUBJECT.—*Procedure for disbursement of funds to the Development Commissioners in the States for the Development of Village Industries in C.P.A.*

Sir,

As the State Governments are aware, the Government of India have been placing funds at the disposal of the Khadi & Village Industries Board, for expenditure to be incurred on schemes for the development of Khadi and Village Industries, including schemes in community project areas. Procedure for disbursement of funds for the development of Khadi and Village Industries in the project areas, so as to cause the least possible delay in its effective utilisation, has been engaging the attention of Government for some time.

2. It has, now been decided that funds for schemes which have already been approved by the Government of India and placed at the disposal of the Board may be disbursed direct by the latter to the Development Commissioners for implementing portions of schemes which are to be worked in the community project areas. It is presumed that State Governments will have no objection to the proposed procedure.

Yours faithfully,

(Sd.) P. J. MENON,

*Under Secretary to the Government of India.*

Copy forwarded for information and necessary action to the Office Secretary, All India Khadi & Village Industries Board, Bombay.

Copy forwarded to:—

1. The Directors/Joint Directors of Industries in all State Governments,

2. The Secretary, Community Projects Administration, New Delhi, with reference to his U.O. No. 12396/55, dated the 22nd December, 1955. Copies to be sent to the Development Commissioners are attached, as desired.

3. Copy to Ministry of Finance with reference to their U. O. No. CI/5777, dated the 19th December, 1955.

4. All Accountant Generals.

(Sd.) P. J. MENON,

*Under Secretary to the Government of India.*

3. *Additional Staff*.—It is not proposed to appoint any additional staff from Central Government funds for this purpose in the Pilot Project areas. The Community Project Officer (Industries) should work with the close assistance and help of the regular staff of the Directorate of Industries available in this area. He could also draw upon the resources of the Project Executive Officer and his staff. The Ministry of Commerce and Industry has already informed the State Governments that if additional staff was necessary to strengthen the State Directorates of Industries for the development of small scale industries, the Central Government would be prepared to meet 50 per cent. of the expenditure on this score. The State Directorates of Industries would be mainly responsible for the schemes in the Pilot Project areas also and as such any proposal for additional staff for the State Directorates of Industries coming from the State Departments of Industries would be considered by the Ministry of Commerce and Industry for necessary financial assistance.

4. *Office accommodation, contingencies etc., for the C.P.O. (Industries)*.—It is not proposed to give any special grant for office expenses, office accommodation or contingencies for C.P.O. (Industries). The State Governments may arrange to provide these. Necessary accommodation for the C.P.O. (Industries) in the office of the Community Project Officer or at any other convenient place could be arranged at the discretion of the State Government.

5. *T.A.*.—The Central Government have already agreed to meet the salary of the Community Project Officer (Industries) and of a stenographer and a peon. The question of the Central Government meeting the expenditure for the T.A. of the Officer is under examination, and a further communication would follow regarding this matter.

This letter is being issued with the concurrence of Community Projects Administration.

Yours faithfully,

(Sd.) P. C. ALEXANDER,

*Dy. Secy. to the Government of India.*

of the industries coming over to the Estate and whether they will be near some consuming market for the products of the industries on the Industrial Estate.

The Ministry of Commerce & Industry has also written to their Regional Directors to make quick investigations in consultation with the State Governments and report about the feasibility of starting Industrial Estates in the proposed Project areas.

The entire amount required for this purpose would be given as loan to the State Governments by the Ministry under usual conditions regarding Industrial Estates. More details will be furnished, if necessary, when representative of the Ministry visits the State for investigation.

We shall be grateful if you kindly consider the proposal and also give the necessary facilities to the representative of the Ministry of Commerce & Industry, who would be visiting your State for investigations for locating a small-sized Industrial Estate in the Community Project area selected in your State.

Yours faithfully,

(Sd.) A. MOBIL,  
*Deputy Secretary.*

Copy to:—

- (1) Ministry of Commerce & Industry (Shri K. A. Padmanabhan).
- (2) Assistant Development Commissioner, Travancore-Cochin State, Trivandrum.
- (3) Development Commissioner, Madras State, Madras.

(Sd.) A. MOBIL,  
*Deputy Secretary.*



various actions indicated in our letters mentioned above and in particular the following:

- (1) Progress made in the constitution of State Action Committee.
- (2) Progress made in the delegation of powers to Community Project Officers (Industries).
- (3) Immediate programme of industries proposed (to be indicated separately in respect of various Boards).
- (4) List of schemes for which funds have been already sanctioned by the various All-India Boards or Ministries indicating the amounts sanctioned.
- (5) List of schemes pending sanction from the various Boards and Ministries.
- (6) Cumulative amount spent under cottage industries as on 1st March, 1956, allocation from Community Project funds and the balance unspent in Community Project funds to be utilised for the integrated programme of the pilot project indicating whether or not these unspent amounts are covered up by the schemes already sanctioned for the project.
- (7) Progress of investigations made regarding the long range programme *vide* para 4 (2) of Appendix II of our letter, dated 27th May, 1955.
- (8) Whether the pilot project for development of industries is also selected as pilot project for cooperation.
- (9) Progress of cooperative activities in the pilot project, especially indicating the number of societies organised or reorganised, warehouses and godowns proposed or started, processing industries proposed etc.

Any other relevant aspect or information which you may consider of interest to the Action Committee may also be furnished to us.

We earnestly hope that you will kindly treat this communication as urgent and furnish the necessary information so as to reach us in time.

Yours faithfully,

(Sd.) A. MOBIN,

*Deputy Secretary, to the Government of India.*

Copy to:

- (a) Ministry of Commerce and Industry, New Delhi.
- (b) Ministry of Production, New Delhi.
- (c) Community Project Officers (Industries) in all the pilot project areas.

(Sd.) A. MOBIN,

*Deputy Secretary to the Government of India.*

5. List of schemes pending sanction from the various Boards and the Ministries of Production and Commerce and Industry.
6. The balance of unspent money, if any, from the Community Project budget to be—(a) utilised for the integrated programme by the pilot project, and (b) unspent funds available, but covered by schemes already sanctioned for the project area.
7. Progress of investigations made regarding the long-range programme *vide* para. 4(2) of Appendix II of our letter dated 27-5-1955.
8. Progress of cooperative activities in the pilot project, especially indicating the number of multipurpose societies organised or re-organised, warehouses and godowns proposed or started, processing industries proposed etc.

Any other aspect or information which you may consider of interest to the Action Committee may also be furnished to us.

As regards the future reports, we are devising a form which will be sent to you in due course.

We earnestly hope that you will kindly treat this communication as urgent and furnish the necessary information so as to reach us in time.

Yours faithfully,  
(Sd.) G. F. MANKODI,  
*Deputy Secretary*

Copy to:—

1. Ministry of Commerce & Industry.
2. Ministry of Production.
3. Community Project Officers (Industries) for all the Pilot Projects (except Manipur).
4. Dr. S. K. Dhar, Community Projects Administration.

(Sd.) G. F. MANKODI,  
*Deputy Secretary*

The schemes in all cases should be got approved by the State Action Committee before submission to the All India Boards or the Ministries of the Government of India as stated above. In this connection attention is also invited to para 2 of the Ministry of Commerce & Industry circular letter No. 38.SSI(IV)/56, dated the 24th January, 1956.

Yours faithfully,

(Sd.) G. F. MANKODI,  
*Deputy Secretary.*

Copy to:—

1. Development Commissioners of other State Governments except Coorg, NEFA and Manipur.
2. C.P.O. (Industries) of these States.
3. Directors of Industries of these States.

(Sd.) G. F. MANKODI,

No. 38-L.I. (B) (16) /55  
Government of India,  
Ministry of Commerce and Industry.  
New Delhi, 14th June, 1956.

To

All State Governments  
(Except Coorg & N.E.F.A.)

SUBJECT:—*Light Industries—Community Project Officer (Industries) and his personal staff—Additional staff—Expenditure on account of.*

Sir,

I am directed to state that at the Development Commissioners' Conference held at Nainital from the 5th May to 8th May, 1956, the progress of the 26 Pilot Projects (Cottage & Small Scale Industries) was reviewed. It was felt that the staff for the Community Project Officer (Industries) was not sufficient to cope with the increased work in the Pilot areas. The Conference recommended that each Community Project Officer (Industries) should have the following staff to assist him in his work:—

*Personal Staff:*

Stenographer.

Peon.

Driver.

*Office Staff:*

Accountant.

Clerk.

*Field Staff:*

3 Block Level Extension Officers (CI).

The Government of India agree with the recommendation of the Development Commissioners' Conference that the staff for the Community Project Officer (Industries) should be adequately strengthened.

2. In this connection, I invite your attention to para 3 of the Community Projects Administration letter No. CPA/CI&C/112/55-Prg., dated the 27th May, 1955 in which the State Governments were informed that the entire expenditure on account of the salary of the Community Project Officer (Industries) and his personal staff, viz., a stenographer and a peon will be borne by this Ministry for a period of three years. In regard to the pay and allowances (excluding T.A.) of the other staff mentioned in para 1 above viz. one driver, one Accountant, one clerk and 3 Block Level Extension Officers, I am to say that 50% of the expenditure on this account will be borne by this Ministry, as already indicated in this Ministry's letter No. 52-SSI (66)/55, dated the 4th June, 1955.

No. 19/XI (47) /56-Prg.  
Govt. of India,  
Community Projects Administration.  
New Delhi, July 4, 1956.

To

The Development Commissioners/  
Directors of Community Projects,

(All State Governments except Coorg, NEFA and Manipur).

SUBJECT: *Procedure for sanctioning schemes for Small Scale Industries.*

Sir,

I enclose a copy of letter of the Ministry of Commerce & Industry together with a copy of the note on the procedure for sanctioning schemes for Small Scale Industries for information and guidance.

2. The Ministry of Commerce & Industry have recently appointed four Joint Development Commissioners who are officers of the rank of Deputy Secretaries in the four Regions viz., Delhi, Bombay, Calcutta and Madras. It is requested that these Joint Development Commissioners and the Regional Directors, Small Industries Service Institutes may also be appointed to serve on the Action Committee constituted by the State Governments (vide this Administration's letter No. 19/XI (3)/55-Prg., dated the December 31, 1955).

3. In this connection particular attention is invited to the new procedure adopted that once a scheme is agreed to by the Joint Development Commissioner, it will, in all probability, be sanctioned by the Ministry of Commerce & Industry without any further scrutiny or technical examination and the State Governments can go ahead with making preliminary arrangements for implementing the scheme.

4. The receipt of this letter may kindly be acknowledged.

Yours faithfully,

(Sd.) I. R. KAKAR,

*Under Secy. to the Govt. of India.*

Copy to the Ministry of Commerce and Industry with reference to their letter No. 45-L. 1 (B) (1) /56, dated the 19th June, 1956 and Demi-official letter No. 38-L. 1 (B) (26) /56, dated the 21st June, 1956—(12 copies).

Community Project Officer (Industries), All States except Coorg, NEFA and Manipur

(Sd.) I. R. KAKAR,

*Under Secy. to the Govt. of India.*

NOTE ON THE PROCEDURE FOR SANCTIONING SCHEMES FOR SMALL SCALE INDUSTRIES.

(1) The Ministry of Commerce and Industry will communicate by the end of November every year the tentative contribution by the Central Government to each State Government for their Small Industries Schemes.

(2) The existing procedure will be followed of advancing 50 per cent of the sanctioned expenditure in the first place and the remainder according to the progress of expenditure in the States.

(3) The schemes of State Governments would, however, be approved in their entirety. Once the schemes are approved and sanctioned by the Central Government, the State Government has discretion to spend more on particular schemes as they consider fit, out of the allotment of 50 per cent. that is made. The distinction between grants and loans should, however, be observed. With loans also such appropriation would be allowed only between loans wherein the same conditions, terms of interest etc. apply.

(4) For the year 1955-56, the Ministry has already communicated in their letter dated the 20th February, 1956 the Central Government's contribution to each State Government. This will fall within the 50 per cent. that will be initially advanced. It would not, however, act as a bar to the schemes being approved in their entirety. If the State Government spends the entire 50 per cent. within six months, the Ministry of Commerce & Industry will consider advancing further funds or, if this is not possible within the budget year, provision for such expenditure as would be made in the succeeding budget year.

(5) In order to expedite approval and sanction of the schemes, the following schedule will be adopted:

- (a) The Ministry of Commerce & Industry have appointed four Joint Development Commissioners for Small Scale Industries with regional jurisdiction and these officers are expected to take up their position shortly.
- (b) The Joint Development Commissioner, the Director of Industries of the State Government concerned and the Regional Director of the Small Industries Service Institute would constitute a Small Committee to scrutinise all schemes.
- (c) The programme of Schemes for the ensuing budget year will be informally scrutinised and recommended by this Committee before the end of December of the previous year.
- (d) The State Director of Industries will then lay his schemes before this Government and his Finance Department informing them at the same time that these schemes have been recommended by this Committee.
- (e) After the schemes have been approved by the State Government they would be formally laid before the Committee and submitted to the Ministry of Commerce

ANNEXURE

Pattern of financial assistance to State Governments for Schemes for the development of Small Scale Industries

Category of Scheme	Pattern of assistance given by the Centre		Remarks
	Grant	Loan	
1. Establishment of Industrial Estates.	Preliminary cost of preparing blue-prints, estimates etc. would be given as a grant.	The entire cost of the Estate given as a long-term loan. The cost of land and buildings given as loan for a period of 20 years and the rest of expenditure <i>i.e.</i> for lay-out, roads, power transmission, water-supply given as loan for 30 years. Loans carry an interest of 4½%.	
2. Block loans for disbursement under State Aid to Industries Act.	If the loans given to State Governments are canalised through the State Finance Corporations and or District Industrial/Co-operative Banks, these agencies will be reimbursed administrative charges to the extent of 2% of the total amount disbursed by them. The amounts to be given to these agencies for this purpose would be shared 50:50 by the Government of India upto a maximum of 1% as far as the Government of India are concerned with the State Government concerned.	Loans sanctioned normally in the Ratio of 2:1 of the amounts provided by the State Government from their own resources. Loans repayable in a period of ten years and carry an interest of 4%	
3. "Service" Schemes	(i) 50% of the cost of land and building. (ii) 75% of non-recurring expenditure on machinery and equipment,	100% of the Working Capital.	

Category of Scheme	Pattern of assistance given by the Centre	Remarks
	Grant	
	Loan	
7. Service-cum-Commercial Schemes.	Grant for service part of the scheme in the same way as for schemes of a service nature i.e. grant towards expenditure on training by way of stipends and pay of staff required for training and raw-materials.  (50% of the cost of staff directly engaged on training).  (50% of 1/3rd of the cost of other staff employed in the unit).  (50% of the cost of raw materials which will be wasted during training).	(iv) The assets will be normally handed over to a private party or a co-operative institution within a period of not later than five years, and in any case the liability of the Central Government to pay a moiety of depreciation charges and interest should be limited to a period of 5 years.
8. Subsidy on supply of power.	In cases where power is supplied by private agencies, the State Government should examine whether the tariff cannot be so adjusted as to	Where power is supplied by the Electricity Department of a State Government or by any State-owned organisation, the State



No. 19/XI(13) (1)/56-Prg.  
Government of India,  
Community Projects Administration.  
New Delhi, July, 5, 1956.

To

The Development Commissioners,  
(All State Governments except Coorg, NEFA and Manipur).

SUBJECT:—*Pilot Projects (Cottage & Small Scale Industries)—  
Development of Handloom.*

Sir,

In the fourth meeting of the Action Committee for Pilot Projects (Cottage & Small Scale Industries), Community Projects Administration held on 16th April, 1956 at New Delhi, it was decided that, while the State Governments may ordinarily be implementing the programme of handloom development uniformly all over the State, it was necessary to concentrate in each of the 26 Pilot Project areas in the country so that so far as these areas are concerned there would be 100% development in respect of all patterns of schemes approved by the Handloom Board.

It was also decided to recommend to the State Governments that schemes for the development of handlooms drawn up in accordance with the policy laid down by the All India Handloom Board should be straightaway implemented out of the funds already sanctioned by the Government of India for implementation of such schemes in the State as a whole as soon as they are approved by the State Action Committees. The State Government concerned may later approach the Government of India for additional funds for extension of the activities under similar schemes in the other parts of the States.

It is presumed that the Director of Industries or the Registrar of Co-operative Societies who is responsible for the development of handlooms in the State will advise the State Action Committee about the policy and principles of the All India Handloom Board.

This letter is issued with the concurrence of the All India Handloom Board.

Yours faithfully,  
(Sd.) I. R. KAKAR,

*Under Secy. to the Govt. of India.*

Copy to:—

1. The Secretary, All India Handloom Board, Bombay.
2. Ministry of Commerce & Industry.
3. Director of Industries.
4. Community Project Officers (Ind.).

(Sd.) I. R. KAKAR,  
*Under Secy. to the Govt. of India.*

**IMMEDIATE**

No. 19/XI(22)/56-Prg.

Government of India  
Community Projects Administration.  
New Delhi, July 27, 1956.

To

The Development Commissioners/  
Directors of Community Projects,

(All State Governments except Coorg, N.E.F.A. and Manipur).

SUBJECT:—*Pilot Projects for Intensive Development of Cottage and Small Scale Industries—Quarterly progress reports relating thereto.*

Sir,

The Fifth Meeting of the Action Committee for Pilot Projects held on 19-6-56 decided to call for quarterly reports of Pilot Projects commencing from the period ending 30th June, 1956. A copy of proforma drawn up for the purpose is enclosed. The reports in duplicate for the quarter ending 30th June, 1956, 30th September, 1956, 31st December, 1956 and 31st March, 1957 should reach this Administration by 1st August, 1956, 1st November, 1956, 1st February, 1957 and 1st May, 1957 respectively. As the State Governments would require some time to prepare the first report we shall be grateful if the quarterly report for the period ending 30th June, 1956 is forwarded to this Administration in *duplicate* on the proforma enclosed, 14-8-56 *positively*.

Yours faithfully,

(Sd.) I. R. KAKAR,

*Under Secy. to the Govt. of India.*

Copy to:—

1. C.P.O. (Industries), All State Governments except Coorg. NEFA and Manipur.
2. Dr. S. K. Dhar, C.P.A.

# I . Project Budget Position

Scheme/Agency	Period of the scheme	Total budget sanction for the entire programme period under				Expenditure incurred during current quarter by				Cumulative Expenditure at end of current quarter*			
		Spon-soring agency		Other sources (specify)		Spon-soring Agency		Other sources (specify)		Spon-soring Agency		Other sources (specify)	
		(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
	2	3	4	5	6	7	8	9	10	11	12	13	14
I													
For I to VI See Annexure I													
VII. Other Central Govt. and Semi-Govt. Agencies like Oil Seeds Committee (specify)													
	I.												
	2.												
	3.												
VIII. Exclusively State Govt. schemes (specify)													
	I.												
	2.												
	3.												
	TOTAL												

(\*Figures for the period prior to the Pilot stage should also be included.)

## C. Additional employment generated

Scheme/Agency	* No. of persons fully employed			* No. of persons partly employed		
	Target for programme period, if any	Achievements during current quarter	Cumulative achievements at end of current quarter	Target for programme period, if any	Achievements during current quarter	Cumulative at end of current quarter
I	2	3	4	5	6	7
For I to VI See Annexure I						
VII. Other Central Govt. and Semi-Govt. Agencies like Oil Seeds Committee (specify)						
1.						
2.						
3.						
VIII. Exclusively State Govt. Schemes (specify)						
1.						
2.						
3.						
TOTAL .						

(\*Definitions as laid down by N.S.S. to be stated).

## VI. Marketing

	Targets for the programme period, if any	Achievement during current quarter	Cumulative achievement at end of current quarter
	1	2	3

## I. Primary Marketing Societies

(a) Number started . . . . .

(b) Agricultural commodities marketed through these Societies.

( ) Quantity by type (mds).

Rice	Do	.	.
Wheat	Do.	.	.
Grams	Do.	.	.
....	Do.	.	.
....	Do.	.	.

Total quantity . . . . .

(ii) Value by type (Rs. '000)

Rice	Do.	.	.
Wheat	Do.	.	.
Grams	Do.	.	.

Total value . . . . .

## 2. No. of Godowns constructed

(a) By cooperative societies . . . . .

(b) Other agencies (please specify agency) . . . . .

## 3. Cottage and Small Scale Industry products marketed through cooperative societies and other organized agencies

(i) Quantity by type

(a)

(b)

(c)

Total quantity . . . . .

(ii) Value by type

(a)

(b)

(c)

Total (Rs.) . . . . .

4. Please give a brief note regarding the availability of industrial raw materials and difficulties encountered in the disposal of products of cottage and small-scale industries.

## VII. Miscellaneous Remarks.

Suggest briefly the measures necessary for (a) accelerating the development of existing industries or setting up of new industries and (b) promoting cooperative efforts in the Pilot area.

3. Eri
4. Tasser
5. Any other (specify)

VI. *All India Handicrafts Board*

Textiles . . . . .	Hand-printing and traditional dyeing of textiles. Brocades. Himroo. Carpets and druggets. Rugs, gabbas and namdas. Embroidery (cotton, silk, wool and zari). Lace and lace work including nakki and gota making. Shawls.
Metalware . . . . .	Silver and gold ware. Bidri. Filigree. Brassware and copperware. Bronze work.
Wood Work . . . . .	Wood carving and inlay. Lacquer work including nirmal work. Decorative furniture
Ceramics . . . . .	Pottery and earthenware.
Stonework . . . . .	Stone-carving including marble work and alabaster dolls, and toys other than mechanical toys.
Leather . . . . .	Leather goods.
Ivory . . . . .	Ivory carving.
Papier-machie . . . . .	Papier-machie articles.
Horn . . . . .	Horn.
Bone . . . . .	Bone.
Cane, Bamboo, etc. . . . .	Articles made of cane, bamboo, willow, straws and grass including mats and pitchcraft.
Incense & Perfumery . . . . .	Incense and perfumery.
Flax & Fibre . . . . .	Handicraft articles made of flax and fibre.
Bangles & Beads . . . . .	Bangles and Beads.
Musical Instrument . . . . .	Musical instruments.
Conch-shell and semi-precious stones. . . . .	Articles made of conch-shell and semi-precious stones.
Miscellaneous . . . . .	Miscellaneous traditional art objects such as Orissa, Mysore, and Tanjore paintings and handicraft products specially made for ceremonies, articles of worship and theatrical requisites such as costumes, masks puppets, etc.

As mentioned above Rs. 50,000 were provided for cottage industries in the CD block budget for a period of 3 years. The Action Committee decided to recommend that this amount should be set apart for developing such industries in the CD block area which are not included in the list of any of the All India Boards. Besides, this provision may also be used for the following purposes:

- (a) For paying stipends and travelling expenses to trainees;
- (b) Grants for technical or artisans training institutes; and
- (c) Grants to industrial co-operatives in the area, to meet expenses on account of employing technical and managerial staff for the first three years.

As soon as the key-programme is decided upon for the various blocks in a State, it is necessary to plan the training programme of technical personnel required, taking into account the technical personnel available in the State, existing training arrangements in various industries and the total requirements envisaged with the launching of the key-programme. In case any State requires any assistance from the Centre in the matter of training of technical personnel, C.P.A. should be advised to enable them to take action with the concerned Ministries/All India Boards.

Supply of raw-materials and marketing of finished products as a result of launching the key-programme also deserves consideration. Plans for these have to be drawn up in coordination with the plans for the marketing of finished products and supply of raw-materials of the All India Boards for each State.

The Development Commissioners are requested to keep this Administration informed about the action taken on the above recommendations and also the progress made from time to time.

Yours faithfully,

(Sd.) I. R. KAKAR,

*Under Secretary to the Govt. of India.*

Copy to:—

1. Ministry of Production.
2. Ministry of Commerce and Industry.
3. Directors of Industries.
4. All India Boards.
5. C.P.O. (Industries) & Registrar, Co-operative Societies.  
(All State Governments).

Copy to officers of C.P.A.

(Sd.) I. R. KAKAR,

*Under Secretary to the Govt. of India.*

S. No.	Name of Industry	In C. D. Blocks, N.E.S. to be under Taken	Tanning	Production	Remarks
			No. of Unit	No. of Unit	
11	Sericulture	Projects where conditions are suitable.	1	..	
12	Basket making, Rope making, mat making etc.	All blocks where raw materials available.	3	..	
13	Tailoring, Knitting, Embroidery Spinning, Newar making, etc. (besides adult literacy, child welfare, etc.) as organis- ed by Pepsu, Assam, etc.	..			
14	Handloom	All blocks where handlooms are existing	1*	1	*to train on improved looms. One co- operative of weavers for a block.
15	Palm Gur	All blocks where palm trees are growing	1	..	