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REBUILDING RURAL INDUSTRIES

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I. INTRODUCTION

An overwhelming majority of our people live in the villages and practise agriculture as their main occupation. But this occupation does not provide them with work throughout the year. Rural industries offer a supplementary occupation to the villagers and so reduce unemployment and under-employment in rural areas. They need small investment of capital. For these reasons, they are particularly suitable for our country which has limited financial resources but abundant manpower. At present, rural industries provide work to about two crores of rural people.

Village industries have been an established feature of our rural economy since ancient times, and the village was for long a self-sufficient economic unit. These industries continued to flourish until the beginning of the nineteenth century, but after that suffered a serious decline with the advent of the Industrial Age and the indifferent attitude of the British rulers towards them.

Mahatma Gandhi launched the *Swadeshi* movement for the revival of rural industries as part of India's struggle for political and economic emancipation. He laid special emphasis on hand-spinning on the *charkha*, and established a number of all-India organisations, such as the All-India Spinners' Association, the All-India Charkha Sangh and the All-India Village Industries Association, to carry on the work.

After independence, the Government of India decided to rebuild village and small industries and a programme for their development was included in the First Five-Year Plan. As against a provision of Rs. 31.2 crores for this purpose in the First Plan, the allocation in the Second Plan is Rs. 200 crores. Besides, the programme for the rehabilitation of displaced persons has a provision of Rs. 18 crores for cottage and medium industries. Of this amount, Rs. 11 crores is to be used for industrial loans, while the remaining Rs. 7 crores is for vocational and technical training. In addition to this, the programme budget of community development blocks has a provision of Rs. 4 crores for rural arts and crafts.

The responsibility for the development of cottage and small industries is primarily that of the State Governments. But to supplement their efforts in this direction, the Central Government has set up six All-India Boards. These are the All-India Handicrafts Board, the All-India Handloom Board, the Coir Board, the Central Silk Board, the Small-scale Industries Board and the Khadi and Village Industries Board. The function of the Khadi and Village Industries Board is to promote the development of a number of rural industries, and that of the Small-scale Industries Board is to promote small industries, both power-driven and non-power-driven. Each of the other four Boards takes exclusive care of some specific industry such as handicrafts, handloom coir and silk. As a result of the expanding activities of these Boards and the greater attention paid by the Central and State Governments, there has been considerable increase in both production and employment in a number of industries.

II. KHADI AND VILLAGE INDUSTRIES BOARD

The All-India Khadi and Village Industries Board, as its name shows, is concerned with khadi and other rural industries, namely, palm gur, gur and khandsari, village leather, village oil, village pottery, cottage match, fibre, bee-keeping, hand-made paper, atta-chakki, hand-pounding of rice and non-edible oils and soaps. The Board consists of 15 members including the Chairman, Shri V. L. Mehta, and was set up on February 12, 1953. Its task was to prepare and organise programmes for the development of these industries, including the training of personnel, the manufacture and supply of equipment, the supply of raw materials, marketing and research and the study of the economic problems of each industry. Although it was primarily an advisory body, the Board has come to be vested with *de facto* powers of organising programmes and allocating funds for their implementation and is, more or less, autonomous in its working. Parliament has now enacted legislation for the setting up of an All-India Khadi and Village Industries Commission which will be vested with statutory powers, while the Board will function as an advisory body.

Organisational Structure

The central office of the Board is located in Bombay. The Chairman is the head of the organisation which functions through a number of Committees, namely, the Executive Committee, the Standing Training Committee, the Technical Research Committee and the Khadi and Village Industries Economics Committee. These Committees deal with matters that lie within the scope of their respective functions. While the Executive Committee attends to all matters connected with the activities of the Board and the execution of its schemes, the Technical Research Committee studies the technical problems of the industries and carries out technical research in order to adapt modern technology to implements, tools and processes employed in them and to prepare and provide scientific information about them.

Economics Committee

The Khadi and Village Industries Economics Committee is an *ad hoc* body consisting of representatives of the Board, economists

and representatives of large-scale industries and of organised labour. It is concerned with the economic aspect of the problems of village industries and formulates proposals for common production programmes.

Standing Training Committee

The Standing Training Committee concerns itself with all training activities of the Board. It periodically reviews the training facilities offered by the Board and takes the necessary decisions. The Director of Training, who is in charge of the training activities of the Board, supervises and directs the training programme involving the training of instructors, organisers and village artisans. Facilities are also offered by the Board for the training of Extension Officers (Industries) attached to the Community Development programme and Instructors for the Village Level Workers' Training Centres in order to ensure the development of khadi and village industries in Community Development Blocks.

Four Types of Courses

The Board conducts four types of courses. One is a comprehensive long-term training course for organisers, instructors, Extension Officers (Industries) for C. D. blocks and Khadi Gramodyog Mahavidyalayas. Another type is an intensive short-term training course for technical assistants and crafts teachers in khadi and village industries at the Regional Khadi Gramodyog Mahavidyalayas. The third type is an intensive specialised course in individual village industries for the supervisory staff at the production centres. The fourth is a periodical refresher course meant to acquaint groups of workers and artisans with the latest results of research and experiments so that they may be able to remodel their field activities accordingly. Besides, there are special training facilities for the Ambar Charkha programme which is administered by the Sanchalak for Ambar Training. His headquarters is at Tryambak Vidya Mandir, Nasik, in Bombay State.

Administrative Set-up

The policy of the Board is implemented through the Chief Executive Officer who is the administrative head of the organisation. He is assisted by a Chief Accounts Officer, several Directors and other officers and ministerial staff. He is also assisted by the Directorates of Economic Research, Publicity, Ambar Charkha, Development,

Village Industries and Co-operation, in addition to the Certification Committee and the Zonal Directorates.

The Directorate of Village Industries and Co-operation

The Directorate of Village Industries and Co-operation is responsible for the co-ordination of all effort in the field of village industries, for organization and for production. It also examines the schemes prepared by the Industrial Organisers. An eight-man Advisory Committee, with Shri D. A. Shah as Chairman, has been set up recently to advise the Board on the co-operative aspect of organisation, production and sales. The Committee will make recommendations with a view to bringing a large sector of activities relating to cottage industries under the co-operative fold and training the requisite personnel for the formation of these co-operatives.

The Directorate of Development

The Directorate of Development organises the marketing of khadi and other products of village industries, carries out studies in marketing and consumers' preferences, and advises the Directorate of Khadi Programme on the production of the types of product mostly in demand. Besides, it organises exhibitions, emporia, training in salesmanship, revival of old and development of new designs, and promotion of the spinning of fine yarn.

The Publicity Directorate

The Directorate of Publicity is in charge of all the publicity and propaganda work of the Board and publishes books, pamphlets, folders and other publicity material. It also publishes two monthly journals, namely, *Khadi Gramodyog* in English and Hindi, and *Tad Gud Samachar* in English and Tamil. The annual subscription for these journals is Rs. 2.50 and Rs. 3, respectively. There is a proposal to start a new weekly journal in English and Hindi.

Zonal Directorates

For the purpose of the Board's activities, the country has been divided into seven zones, each in charge of a Zonal Director. This officer is responsible for co-ordinating the activities of the various institutions in the different States in a zone and for effecting unity of purpose and policy. He also acts as a link between the Board and field organisations.

Other Directorates

The Directorate of Economic Research undertakes field surveys, investigations, programme evaluation work, studies on specific problems referred to it and the preparation of development plans for the Board. The Certification Committee, which is a Standing Committee of the Board, with headquarters at Lal Bagh, Lucknow, certifies the institutions and production and sales centres as producers and sellers of genuine khadi. The Ambar Charkha Directorate implements the Ambar Charkha Programme of the Board.

Industrial Organiser

Each village industry is under the charge of an Industrial Organiser. This officer, who is the key man in the organisation, prepares a budget for the programme under his charge and organises its execution. He tours the country, studies the condition of his industry and its location and suggests a scheme of development to the Board. He also supervises and directs the working of the scheme which is ordinarily allotted to a specialised agency having experience in organising and executing it. The scheme submitted by the Industrial Organisers are examined by the Executive Committee of the Board before they are finalised and budgets of expenditure prepared.

Industrial Organisers render great help to the artisans. They help them to form their co-operatives, advise them on the marketing of their products and encourage them to hold health competitions and to participate in local, regional and national exhibitions. Further, they set up model demonstration-cum-production-cum-training centres in which improved techniques, tools and methods of operation are introduced in order to encourage artisans in the neighbouring areas to adopt them. They also try to create a background conducive to the rehabilitation and development of rural industries by disseminating information about the schemes of the Board and the technical and financial assistance which it offers.

Pattern of Financial Assistance

The Board operates through institutions and societies which are either registered or recognised by it or by the State Boards. In order to secure the implementation of its development schemes, it extends direct financial assistance to statutory State Boards. Where the Boards are only advisory bodies, this assistance is routed through the

Governments of the States concerned. However, the size of the programme to be undertaken and the agencies through which it is to be implemented are issues to be determined by the advisory State Boards.

The Board spent a sum of Rs. 12.5 crore on the development of khadi and other village industries during the first Plan. With the formulation of a common production programme for certain industries, its activities have increased considerably since the beginning of the second Plan, for which an expenditure of Rs. 55.5 crore, over four times the first Plan figure, has been budgeted. Of this, Rs. 4 crore will be spent on schemes to be implemented by the Centre and Rs. 51.5 crore on schemes to be implemented by the States. It is proposed to set up separate funds for the development and improvement of khadi and other village industries.

Intensive Area Scheme

The Board has chalked out a programme, called the Intensive Area Scheme, for the integrated development of rural economy on the basis of self-sufficiency and self-reliance. Under this scheme, village industries are introduced as subsidiary and alternative occupations for the under-employed and the unemployed in the villages and agriculture is rationalised. Each Area has a Community Production-cum-Training Centre. This Centre provides facilities to villagers for such operations as having their grain turned into flour and their oil seeds crushed into oil.

Organisation

The organisation of each intensive area is based on the principle of building from below. Each village in an area has its own Gram Vikas Mandal, which selects its representatives to the Kshetra Samiti or Area Committee having overall powers of supervision and direction in organising. The work of the Community Centres is managed by the Gram Vikas Mandals under the guidance of the Kshetra Samitis. Funds for the schemes are provided by the Board through loans and grants.

The number of intensive areas organised under the scheme was 35 in 1955-56. It is proposed to increase this number to 200 by the end of the Second Plan at a cost of Rs. 2.77 crore. This scheme will bring an additional 6,600 villages within the purview of the Board whose organisational set-up already extends over about 15,000 villages all over the country.

(i) KHADI

Khadi, meaning cloth prepared from hand-spun and hand-woven yarn, is an ancient rural industry of ours which flourished till the advent of British rule when it suffered a total eclipse owing to a repressive policy. Its revival began in the days of our struggle for national independence. Since Independence, Khadi has occupied a distinct place among rural industries and is one of the most important items in the development programme for rural industries. The very name of the Board reflects its distinctness, while its importance is clear from the fact that out of the total expenditure of Rs. 31.2 crore on village industries in the First Plan, khadi alone accounted for Rs. 8.4 crore.

Development Programme

Khadi is of three kinds, namely, woollen khadi, cotton khadi and silk khadi. The industry provides employment to a large number of spinners, weavers and other workers.

The Khadi Board has chalked out a programme for the promotion and expansion of the production and sale of khadi. There are three categories of schemes, namely, commercial khadi, industrial self-sufficiency in khadi and regional self-sufficiency in khadi. Assistance provided under these schemes includes the supply of revolving capital for trading purposes, grants for payment of honoraria for promoting hand-spinning, training of 100 people in khadi salesmanship annually, the holding of spinning classes in jails, the rehabilitation of weavers in spinning centres by giving grants to weaver families, and non-recoupable advance for the purchase of cotton and for sale to khadi producing centres on a cash basis. In addition, it includes subsidy for the revival of specific types of weaving, the grant of interest-free loans to registered societies and institutions for the purchase of yarn and implements, the purchase of khadi for supplying it to the Government, and for the production and sale of khadi. A central organisation under an Organiser, assisted by an Assistant Organiser and inspectors, has been set up to implement the scheme.

Woollen Khadi

Woollen khadi is made exclusively of indigenous wool handspun into yarn. The number of persons wholly dependent upon this

industry is between 3 and 4 lakhs. The industry suffers from certain handicaps. There is shortage of good quality wool and technicians to improve the quality of the indigenous product, and the absence of adequate research facilities to breed better strains of sheep and improved techniques for hand-spinning, weaving and finishing. To solve these difficulties, research has been undertaken and training centres, equipped with 25 training charkhas and 10 looms, have been established in the principal wool-producing States of the Union to train 100 spinners and 10 weavers annually. Besides, production centres have also been established in these States. Furthermore, Central Finishing and Dyeing Plants, each serving a group of production centres, have been set up to improve the finish of the products.

Purchase by Government

The Government has undertaken to purchase about 4 lakh blankets and 50,000 yards of blanketing cloth from woollen khadi annually. This has provided an impetus to this cottage industry. Reservation, as advocated by the Board, of the manufacture of woollen blankets to the industry will further help. Given protection from the competition of the indigenous mill industry and from imported goods as was done during the period 1939—45, this industry can increase its output and improve the quality of its products. A special Directorate has been set up to deal with the supply of khadi to Government departments.

The development programme target for woollen khadi made from hand-spun yarn is to increase the production of blanketing cloth from 250,000 yards in 1956-57 to 1 million yards by the end of the Second Plan. During the same period, the production of sub-standard cloth and other varieties of cloth is to go up from 5 lakh to 10 lakh yards and from 1,25,000 to 15 lakh yards, respectively. A sum of Rs. 1.9 crore has been provided in the Second Plan for wool spinning and weaving.

Cotton Khadi

Until recently, cotton yarn for khadi was spun on the traditional hand charkha, which could not spin much yarn in a day. To make the hand-spinning of charkha an economic proposition for the spinner, as also to increase the production of cotton khadi, the necessity of devising an improved type of charkha was felt. Thus the Ambar charkha, a three-unit spinning set, was introduced. The Ambar

charkha consists of a carding machine, a drawing machine and a four-spindle spinning wheel. It spins a much greater quantity of yarn than the old charkha and costs about Rs. 120.

The Ambar Charkha Programme

The Board has drawn up a programme for the production and use of the Ambar Charkha. Besides opening centres for the production of the Ambar Charkha, 300 parishramalayas have been set up to train 1,50,000 spinners. Further, 30 vidyalayas have been established to train instructors, managers and other technical personnel. There are two courses open to those who wish to train as instructors. The first is to take the Ambar Charkha Karya Karta course with a monthly stipend of Rs. 40 and the other is to take the Ambar Mistri course with a monthly stipend of Rs. 75.

The Central Government has allocated the production of yarn for the manufacture of 300 million yards of cloth during the Second Plan period to the Ambar Charkha programme. To fulfil this target, it is proposed to manufacture and introduce 2.5 million Ambar Charkhas over a period of five years. This will create part-time and full-time employment for about 50 lakh persons.

Production of Traditional Khadi

Although much of the cotton khadi will, in future, be produced from Ambar yarn, traditional khadi will continue to be produced side by side for consumption within the village or local area. The value of traditional khadi increased from Rs. 1.3 crore in 1950-51 to over Rs. 5 crore in 1955-56 when it reached 34 million square yards, including 5 million yards on self-sufficiency basis. It is proposed to increase the production of traditional khadi to 60 million, including 20 million yards on self-sufficiency basis, by the end of the Second Plan at an expenditure of about Rs. 21 crore. This includes working capital also.

(ii) THE VILLAGE OIL INDUSTRY

India is one of the world's principal producers of oilseeds. The bulk of oilseeds is crushed either by village ghanies or by modern oil mills. Large-scale mills crush about 22 lakh tons of seeds per year and provide employment to about 58,000 workers. The oil ghanies crush only about 11½ lakh tons of seed. In 1911, these ghanies employed over 5 lakh workers. Owing to the expansion of

the mill industry, this number had fallen to less than 2 lakhs in 1951.

Common Production Programme

In order to rehabilitate and develop the village oil industry and to eliminate the present competition between the mills and the ghanies, it is proposed to formulate a common production programme for both the cottage and the mill sectors of the industry and to make definite allocations of production to each. The allocations will be based on the principle that edible seeds should be diverted from the mills to the ghanies and sesamum exclusively reserved for them, while the mills should be induced to crush cotton and other non-edible seeds for industrial purposes and a ceiling put on the crushing of oilseeds by them to check their further expansion. This will entail taking steps for the development of the cottonseed industry, the movement of cottonseed free from inter-State levies and duties, the substitution of cottonseed oil for groundnut oil in soap factories as far as possible, the use of cottonseed oil in the manufacture of vanaspati, the imposition of a cess on mill oil at the rate of Rs. 35 per ton to finance the development of the ghani oil industry and propaganda to popularise the use of cottonseed cakes as cattle feed.

Karve Committee's Recommendations

The Karve Committee, which reviewed the problems of the village oil industry, has made a number of recommendations. These include a ban on the opening of new mills except under special circumstances, the giving of interest-free loans to village oilmen to enable them to become shareholders of co-operative societies and experiments with power-driven equipment in the village oil industry.

Development Programmes

The All-India Khadi and Village Industries Board has chalked out a programme for the development of the village oil industry during the Second Plan. The programme includes the improvement of old ghanies, the replacement of 50,000 such ghanies by improved or Wardha ghanies, and the setting up of 400 production-cum-demonstration centres, each with the improved ghanies and a filter press, throughout the country.

Financial Assistance

The Board gives equipment subsidy on improved ghanies, production subsidy on ghani oil, grants for equipment to model demons-

tration-cum-production centres and for the construction of sheds for them. It also advances loans for the purchase of improved ghanies and for stocking oilseeds. It gives stipends for the training of *mistris*, instructors and *telis*. A sum of Rs. 6.7 crore will be spent on the development of the village oil industry during the Second Plan.

The Indian Central Oilseeds Committee proposes to increase the number of demonstration units of Wardha ghanies which it has set up in Community Projects areas. As a result of the development programme, employment in the village oil industry will increase considerably.

(iii) SOAP-MAKING WITH NON-EDIBLE OILS

Allied to the village oil industry is the industry of soap-making with non-edible oils. India has large quantities of a wide variety of oilseeds, namely, *neem*, *karanja*, *maroti*, *dapa*, castor and *undi*, which can be used for making soap. These oilseeds are available from trees widely scattered over the country. At present they either go waste or are used in very limited quantities. If they are utilised fully for soap-making, the industry can provide employment to the rural population during the off season and release a large quantity of edible oil, which is at present used for industrial purposes, for human consumption.

Considering this prospect, the All-India Khadi and Village Industries Board decided to include this industry in its development programme. The programme includes the establishment of oil production centres and oil-cum-soap production or composite production centres in the villages.

Oil Production Centres

Each Oil Production Centre is in charge of 20 ghani units, each consisting of two ghanies, and is responsible for organising the collection of non-edible oilseeds in its area and for the storage and despatch of non-edible oil in accordance with the directives of the Central Organisation. The annual crushing capacity of each Centre is estimated at 96 tons.

Composite Production Centre

The Composite Production Centre is responsible for the manufacture of its allotted quota of soap. It organises the collection of non-edible seeds in its area and arranges for their decortication and crushing by the ghani units under its charge. Each Centre has 7

ghani units having a total crushing capacity of 33.6 tons, and can produce 50 tons of soap per year. Technical research is being conducted for the development and adaptation of tools and equipment for the manufacture of soap in villages and the recovery of glycerol from it.

Intensive Area Unit

The Intensive Area Unit consists of one ghani, with an average annual capacity of 75 tons, and a soap manufacturing unit. Its aim is to supply this essential commodity to a population of about 22,000 at the lowest possible price by utilising the local resources of non-edible oilseeds.

Financial Assistance

The Board gives loans and grants to production units, grants to training institutions for the expansion of buildings and structures, loans towards working capital to the Centres and stipends to managers, supervisors and apprentices under training, and to teachers. In view of the difficulty in the collection of seeds, the Board gives a production subsidy of one anna per seer of neem oil to the Centres.

Owing to its bad odour and deep colour, there was some difficulty in using neem oil for soap-making at the initial stage. This has been overcome by devising suitable processes.

(iv) HAND-POUNDING OF RICE

Hand-pounding of rice is a rural industry of vital economic and nutritional importance to our country, which is one of the principal producers of rice. Rice is the staple diet of over 70 per cent of India's population. The annual consumption of this cereal in the country is 20 million tons. Of this, 60 per cent is hand-pounded, while the rest is processed by mills. The hand-pounding industry scores over the mill sector in many respects. First, it secures a higher percentage of recovery than the mills. Secondly, hand-pounded rice is more nutritious than mill-processed rice. Lastly, the hand-pounding industry provides employment to about 60 lakhs rural people. Owing to the expansion of the mill sector, however, the figure had dropped to 57 lakhs between 1901 and 1951. This made it necessary for the All-India Khadi and Village Industries Board to plan how this cottage industry could be preserved and developed.

Development Programmes

The aim of the development programme of the All-India Khadi and Village Industries Board is to effect a phased transfer of the total quantity of 15 million tons of paddy from the mills to the hand-pounding sector and to introduce improved techniques and implements. To achieve this object, it provides for the manufacture and distribution of chakki-dhenki units, improved dhenkis and winnowing fans. It is also responsible for the establishment of marketing depots to ensure a regular supply of hand-pounded rice to urban areas. It provides training facilities to persons required to organise production and to *mistris* for manufacturing chakkies, dhenkis and other implements. It sets up nutritional committees in selected urban areas to create a preference for hand-pounded rice.

The Production Unit

The main production unit is the chakki-dhenki unit having an average processing capacity of 43 tons of paddy in the season and employing 6 persons on an average. The unit consists of one chakki and two dhenkis having a daily milling capacity of four to five maunds and an average dehusking capacity of eight to ten maunds of paddy.

Improved (Assam) dhenkis will be introduced in areas where women like to work independently. Each dhenki can simultaneously dehusk and mill about four to five maunds of paddy daily and provide employment to two persons. It is also proposed to set up winnowing fans to facilitate the large-scale commercial production of hand-pounded rice.

Recommendations of the Rice Milling Committee

The problems of development of the hand-pounding of rice industry were recently reviewed by a special body called the Rice Milling Committee. The Village and Small-Scale Industries Committee had also made certain recommendations. In the light of the recommendations of these two bodies, it was decided that no new mills should be allowed and that the existing mills should not be allowed to expand their capacity. It was also proposed that the existing subsidy of 6 annas per maund of hand-pounded paddy should be continued and that rice hand-pounded at the centres and certified by the Board should be exempted. Other proposals related to the establishment of marketing depots to ensure a regular supply

of hand-pounded rice to urban areas and the popularisation of hand-pounded rice.

Financial Assistance

The Board offers subsidy on dhenkis, stone chakkies, winnowing fans, and on the production of rice from paddy. It advances loans for the manufacture and stocking of chakki-dhenki units and for the stocking of paddy.

It is expected that the result of the phased introduction of improved implements and the provision of organisational, financial and technical assistance will be that the hand-pounding industry will take over entirely from the rice mills and in the process provide additional employment to over 26 lakh persons, distributing over Rs. 184 crores as wages. The higher recovery from hand-pounding, too, will make available an additional 3.6 lakh tons of rice valued at Rs. 36 crores.

A sum of Rs. 5 crores is to be spent on the development of this cottage industry during the Second Plan.

(v) GUR AND KHANDSARI

The gur and khandsari industry is of great economic and social significance to our country, which is one of the largest producers of sugar-cane in the world. It consumes over 60 per cent of the country's output of sugar-cane and produces 30 lakh tons of gur which is more nutritious than mill sugar.

In 1951, our country had 5.19 lakhs of kolhus which could provide employment to 10 lakh persons and five lakh bullocks at an average of two men and one bullock per kolhu.

Handicaps

Despite its size and economic significance, the industry suffers from certain handicaps. These are inefficient tools and outdated methods of production resulting in a relatively low rate of juice extraction and in poor quality gur. The industry also suffers from the inadequacy of storage and marketing facilities. Owing to these drawbacks, the industry suffers an average annual loss of Rs. 60 crores.

Khandsari

Khandsari is an integral part of the gur industry. Partaking of the qualities of both gur and sugar, it is cheaper than sugar on account of its lower manufacturing and transport costs. Its annual

production, which has declined considerably owing to the increasing popularity of sugar, is between one and 1.75 lakh tons.

The problems of this industry are outdated and wasteful methods of manufacture, resulting in a low rate of recovery of white sugar, and unregulated competition from mechanised sugar factories. Added to these is the low priority given to khandsari by the railways which creates difficulties in marketing the product.

Development Programme for Gur

The development programme of the All-India Khadi and Village Industries Board for the gur industry provides for the introduction of power-driven crushers, the improvement of pans and furnaces and the formation of gur producers' co-operatives to tackle the problems of improving the keeping capacity of gur, proper storage, packing and standardisation of quality. Besides, these co-operatives will assist in the distribution of improved implements and in the sale of gur, rab and allied products. Further, the programme provides for the establishment of 'A' and 'B' production units with 5,000 and 4,000 kolhus and an average annual capacity of 40,000 to 55,000 and 20,000 to 40,000 tons of gur, respectively, in the sugarcane growing States. It also provides for the manufacture of improved implements and their distribution in these States. In addition, stocking drums will be provided to individual gur manufacturers to assist them to hold their stocks and realise better prices for their products.

Development Programme for Khandsari

The development programme for the khandsari industry provides for the introduction of improved processes and equipment, such as crystallisers and centrifugals. To eliminate the present waste in production, the possibility of adapting the vacuum pan process for the manufacture of khandsari on a decentralised basis will be investigated.

Training Programmes

The Board provides training facilities both at the Centre and in the States. While the Central Training Institute trains the principal executive personnel, the 'A' and the 'B' units in the States train the personnel required to implement the programme in their respective areas. The period of training is one month. Trainees in the Central Institute get a monthly stipend of Rs. 50 and Rs. 75 as T.A. while the trainees in the States get Rs. 40 per month as stipend and Rs. 50

as T.A. Pilot demonstration parties give training to artisans at their place of work.

Certain other steps have also been taken for developing the gur and khandsari industry. The industry has been allotted a definite share in the total sugar output. There is a ban on the import of sugar, on the expansion of the capacity of existing sugar mills, and on the establishment of new mills. The additional output of cane is reserved for the cottage industries. Free export of gur and gur powder is allowed to countries with a large Indian population. Various types of marketing surveys are carried out.

A sum of Rs. 7 crores is to be spent on the development of the gur and khandsari industry during the Second Plan.

(vi) PALM GUR

Palm gur, or gur made from the juice of the palm tree, is an ancient rural industry of high nutritional and economic significance. Most of the country's requirements of sugar before the introduction of sugarcane were met by this industry. Palm gur is very nutritious and is rich in vitamins and sugar content. It provides an alternative source of sugar and gur. Besides, it provides seasonal employment on a large scale and a subsidiary occupation throughout the year.

Other Advantages

The country has approximately five crore palm trees, which can yield one million tons of gur per year. The significance of this figure is all the more great considering our rising demand for sugar, which is still imported in some quantity. Increased production of palm gur can meet the situation and save the much-needed foreign exchange for other purposes. Moreover, the full exploitation of the palm will release a million acres of land under sugarcane for other purposes. Further, the industry can facilitate the extension of prohibition by providing an alternative gainful occupation to the tappers. Also, the planned and scientific planting of palm trees will help to prevent soil erosion and increase the supply of timber for the construction of low-cost houses in rural areas.

Problems

The industry has a number of problems. The rents of palm trees are very high. The lack of proper implements and uneconomic methods of manufacture unduly raise production costs. Moreover,

inadequate marketing arrangements help the middlemen to exploit the tappers. There is no co-operative organisation to help the tappers.

Development Programme

The development programme of the Board for this industry provides for the establishment of model training-cum-production centres, intensive production blocks and large and small model sugar production centres.

Model Centres

Model centres have been set up in areas where the palm gur industry is a tradition and where it is now run on a co-operative basis, as also in virgin areas where there are unutilised palm trees. Each model centre will be equipped with a shed and training and field staff. The centre will be able to train 42 tappers over a period of six months to enable them to find employment in the manufacture of palm gur and palm products. In the traditional areas, such as Madras, Andhra, Kerala and West Bengal, the centres will introduce improved tools, techniques and processes, such as the furnace that reduces the cost of sugar by half. They will also give demonstrations and training in the manufacture of subsidiary products from gur and utility articles from palm leaf. In virgin areas, the centres will demonstrate the potentialities of the industry and its capacity to provide gainful occupation during and outside the season.

Central Intensive Production Blocks

The Central Intensive Production Blocks are directly run by the Centre and provide training for selected local tappers in the manufacture of gur, sugar, confectionery and other by-products. Model sugar centres demonstrate the potentialities of sugar manufacture from palm trees. Each small centre serves 20 tappers, while each large centre serves 100 tappers. These model centres for sugar manufacture are run by co-operatives or other registered institutions.

Training and Research

The programme provides for adequate training facilities to the tappers at the centres, blocks and areas. Each model centre trains 42 tapper families over a period of two months. A monthly stipend of Rs. 30 is paid to the trainees during the period of training. Besides, field training is provided at the Central Institute

at Dahanu in Bombay State. This Institute also undertakes original research and runs nurseries for the supply of palm trees and seedlings. Besides, it runs a workshop for the manufacture and supply of standardised implements. The Institute has four Central Pilot Demonstration Centres, which are attached to the intensive production blocks and carry out research in the potentialities of local palm trees. In addition, the Institute runs demonstration squads to organise exhibitions and other means of publicity.

Financial Assistance

The Board provides grants and loans to State Statutory Boards, the Central Institute at Dahanu, co-operative societies and registered institutions for the implementation of the programme.

Increased Production

Owing to an increase in the tempo of activity, the development expenditure on the industry is expected to increase from Rs. 59 lakhs in 1956-57 to Rs. 86 lakhs in 1960-61. As a result of the efforts that are being made, the production of palm gur will increase considerably and additional employment will be provided to a large number of people.

The total budgeted expenditure for the development of the palm gur industry during the Second Plan is Rs. 5 crores.

(vii) HAND-MADE PAPER

Our country has a very low percentage of literacy. At present, the annual *per capita* consumption of paper is as low as 1.1 lbs. and the annual total demand for paper comes to about 140,000 tons. As literacy increases, these figures are bound to go up, thereby offering great scope for the development of the paper industry in the country.

Advantages

Hand-made paper has certain qualities which make it suitable for use as stamp paper, legal documents, drawing paper and paper for mounting. At present, the industry is in an undeveloped state. In 1952-53, its contribution to the total production of 117,000 tons of paper was only 120 to 130 tons.

Problems

A serious obstacle in the way of the development of this industry is the large-scale import of paper. It is essential that there

should be a ban on the import of such varieties of paper as can be manufactured by the cottage sector, as also a ban on production of those varieties by Indian mills. There should also be a ceiling of 40,000 tons a year on the import of paper.

Development Programme

The development programme of the Board for the industry provides for the establishment of, and assistance to, four types of manufacturing units, namely, big units, small units, jail units and school units. The big units are power-driven. Each unit requires a working capital of about Rs. 50,000. It can employ 100 to 200 persons and can produce 25 tons of paper annually. The small unit requires less working capital. It employs 20 to 25 persons and produces 80 lbs. of high-grade paper per day. The jail unit consists of 15 to 20 convicts and produces 30 to 35 lbs. of finished paper of a number of varieties, namely, blotting paper, cover paper, wrappers, stationery papers, manila boards, ordinary boards and stationery boards. Besides, it can prepare envelopes, boxes and other articles of stationery as by-products. The school unit needs small investment. A group of 120 boys working for two periods a day can produce 12 lbs. of blotting paper, cover paper and low-grade type of paper. Subsidiary industries can also be undertaken by the unit.

Financial Assistance

The programme provides financial assistance by way of grants and loans to these various production units. To the big and small units, it gives 50 per cent of the required working capital as grant and 50 per cent as interest-free loan repayable in five years. The school unit gets grants of Rs. 400 towards the cost of equipment, Rs. 800 for the cost of calendering machines and Rs. 100 for craft training to teachers. Besides, a production subsidy of Rs. 250 per ton of paper produced is also given. Further, the Board gives grants to training institutions for providing training facilities as well as facilities for conducting experiments in the hand-made paper industry.

Research

Research in the technique and processes of producing hand-made paper forms part of the development programme. Valuable research in the manufacture of filter and drawing papers is being

conducted at the Central Research Laboratory, Hyderabad, the West Bengal Centre at Calcutta and the Hand-made Paper Research Centre at Poona. The possibilities of the fuller utilisation of the available raw material are also being looked into. A large increase in production is expected to result from these activities.

The Production Target

The target of production of hand-made paper by the end of the Second Plan is 4,400 tons. This will be reached by setting up 80 factory units, 400 cottage units and 400 school units.

(viii) VILLAGE LEATHER

The village leather industry is potentially of great economic significance for us. The export of tanned hides and skins can earn foreign exchange. Further, the industry can give birth to the glue-manufacturing industry. The footwear, flaying and tanning industries can provide considerable rural employment.

Drawbacks

The industry suffers from a number of defects, the main defect being that dead cattle are not utilised fully. The fat and bone content of the carcass is allowed to go waste. The flaying and tanning methods are also defective. The supply of the tanning agent is inadequate and must be increased by planting more *babul* trees in the North and *avaram* trees in the South. At present, there is no co-operative agency for marketing the product of the village tanners.

Development Programme

A number of steps have been taken towards improving the village leather industry. Under the development programme, the expansion of the large-scale leather industry has been prohibited and an excise duty levied on its footwear. The programme also provides for the establishment of carcass recovery centres, tanning centres and glue-manufacturing centres and the training of artisans as well as the organisation of demonstration-cum-training parties. Each party covers a group of 30 to 33 villages where it organises the tanners into co-operative societies. The party also arranges for the full and scientific utilisation of carcasses, for the processing of the hide with improved techniques and for the extraction of fat, bone and other products from the carcass. After finishing its work in one circle of villages, the demonstration unit repeats the perfor-

mance in another circle. Thus, a demonstration unit is able to cover about a hundred villages in a year.

Financial Assistance

The Board grants loans and subsidies to flaying centres, bone crushing units and village model tanneries for meeting the required capital outlay and for recurring expenditure. Loans and grants are also given to the Central and Small Marketing Depots for marketing hides, skins and leather goods. Trainees are given stipends and T.A. during training which is provided at the Flaying and Carcass Recovery Centre of the Board.

Furthermore, financial assistance in the form of loans is given to workers to enable them to become shareholders of co-operative societies and also for the purchase of improved equipment and for working capital.

During the Second Plan, the Board will assist 35,000 cobblers who will be assured a regular supply of raw materials and the sale of their output at reasonable prices.

A sum of Rs. 5 crores is proposed to be spent on the development of the village leather industry during the Second Plan.

(ix) THE COTTAGE MATCH INDUSTRY

Our match industry consists of large, medium and small units classified as 'A', 'B' and 'C' factories. 'A' units are those where the annual output exceeds 5,00,000 gross boxes, 'B' units are those where it does not exceed 5,00,000, and 'C' units those where it does not exceed 30,000 gross boxes. 'A' factories account for the bulk of our match production, while the share of the 'C' factories is only two to three per cent. The cost of production of hand-made matches is less than that of the machine-made product while their quality is as good as that of the latter. Moreover, the cottage industry can provide large-scale employment to village workers.

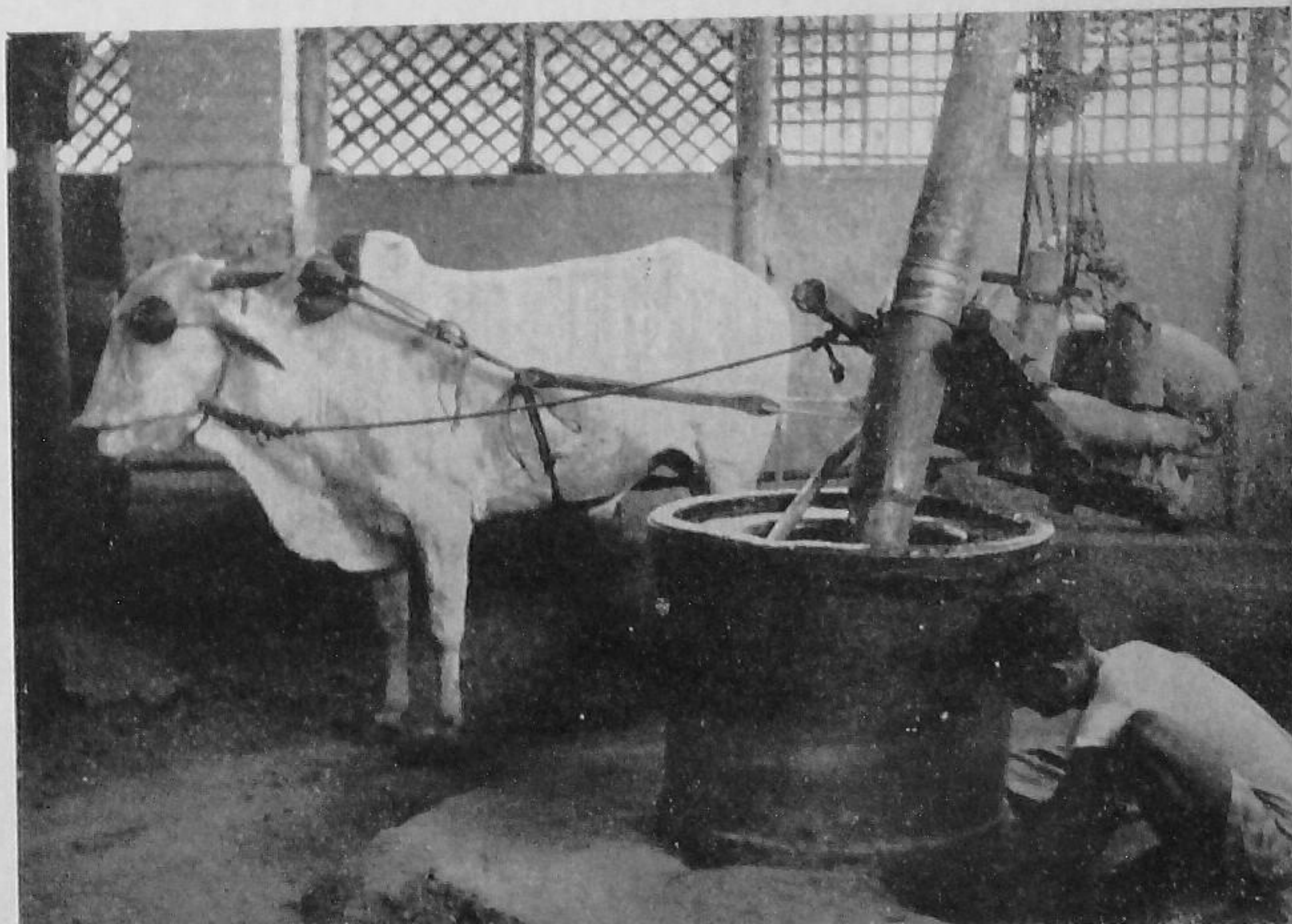
Problems

There are a number of difficulties in the way of the development of the cottage match industry. There is no proper marketing organisation. The rebate of excise duty is inadequate. There is need for introducing a system of deferred payment of excise, so that workers can overcome the difficulty of scarcity of finance to some extent. Some restriction on the expansion of the large-scale industry is also desirable as an ancillary measure.



Trainees at an Ambar Charkha Centre

A village oil mill





Hand-pounding of rice is an important
rural industry



Sugarcane being crushed to extract juice
for making gur



The palm trees in the country can
yield a million tons of gur per year



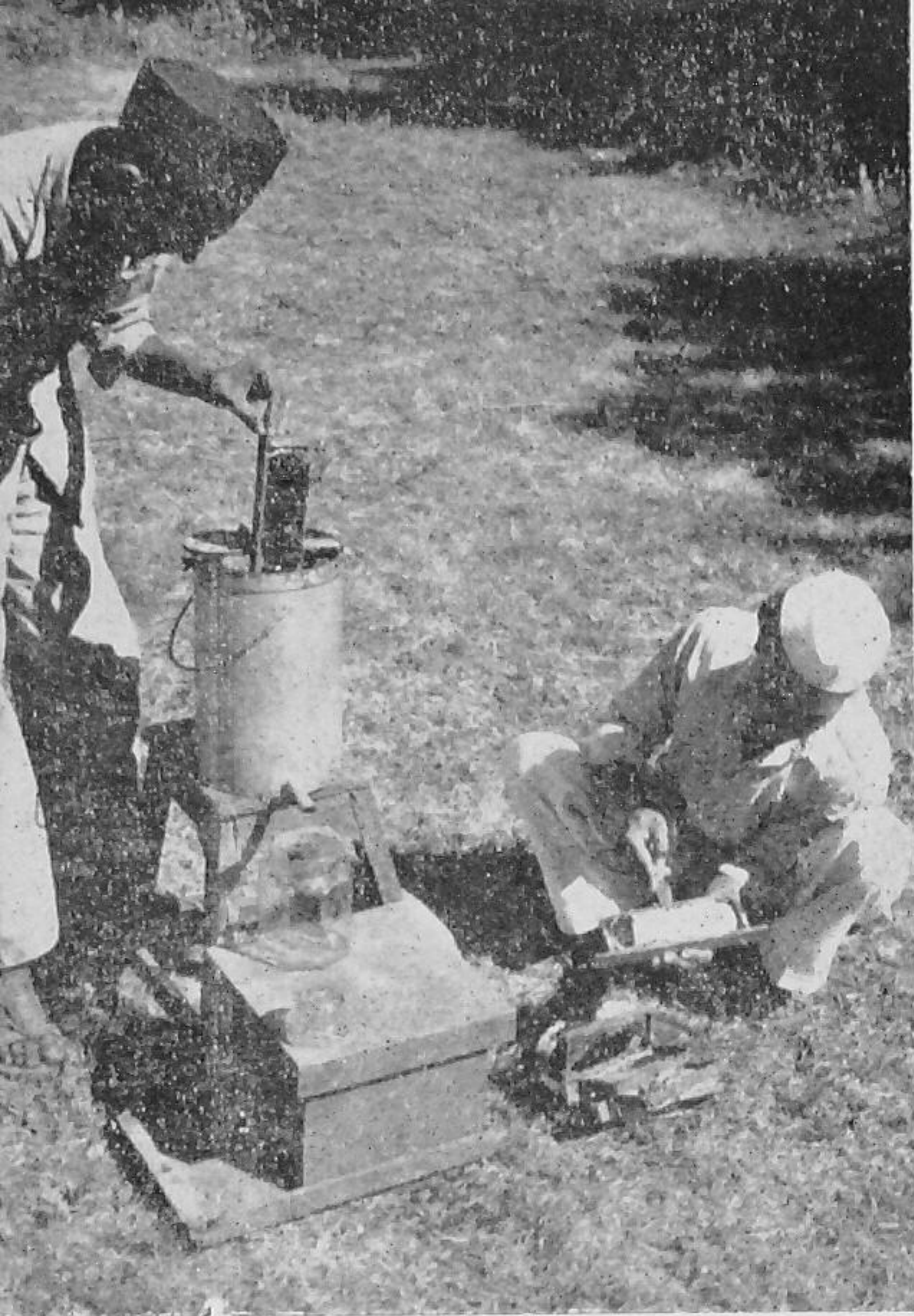


A weaver girl collecting dyed yarn after it has been dried in the sun

Below (left)—Boiling sugarcane juice is another process in gur manufacture

Below (right)—A process in producing hand-made paper

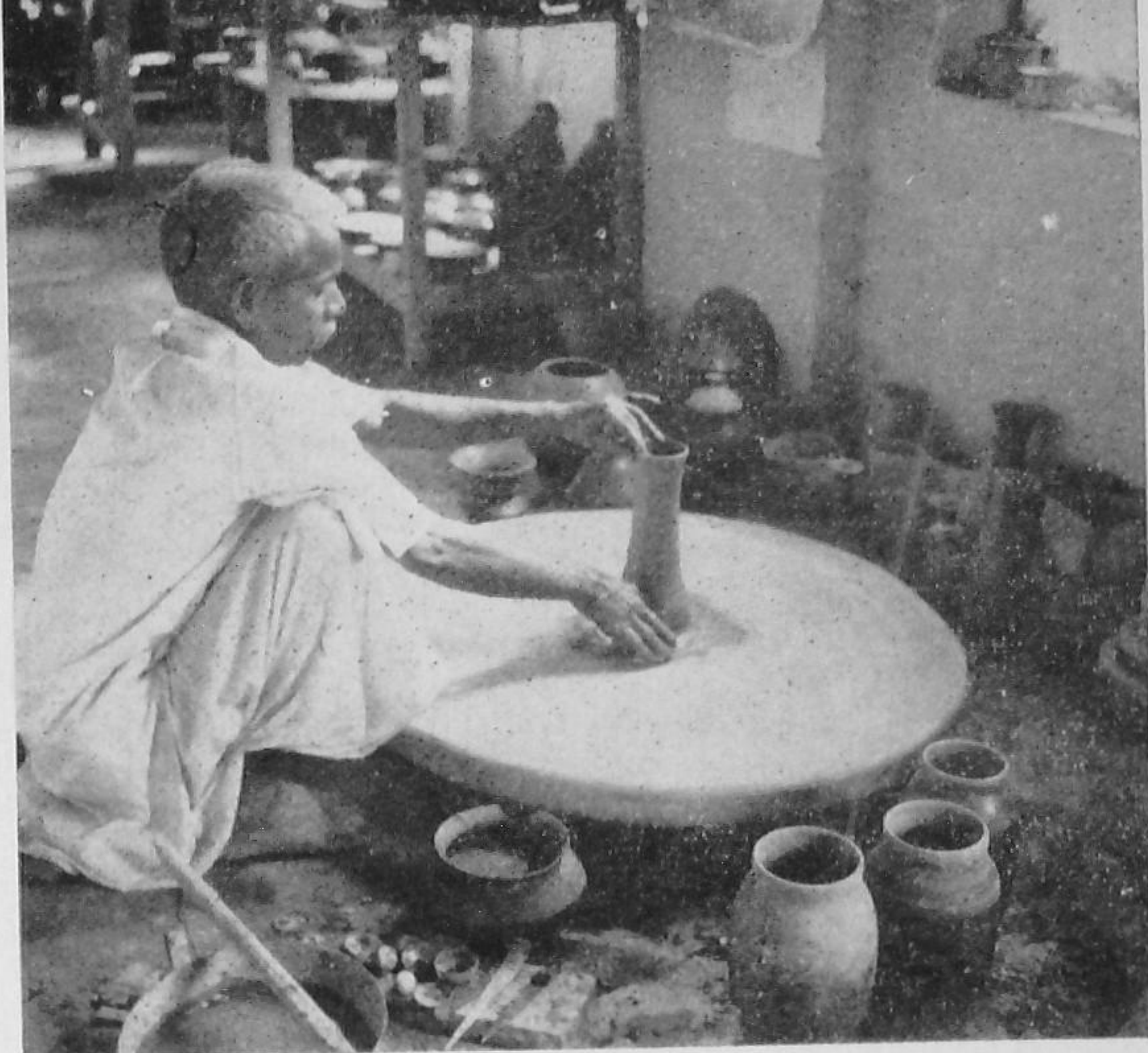




Extracting honey
from the combs
at a bee-keeping
centre

This waste paper will become fine hand-made
paper





A traditional potter
experiments with new
shapes



A worker is busy making
leather shoes in a village



This exquisitely worked
Banarasi scarf is an
earner of foreign ex-
change

A carpet-weaver at work



Development Programme

The development programme of the Board provides for financial aid for the establishment of about 1,000 'D' factories. Each 'D' factory will produce a maximum of 25 gross boxes per day and will employ about 40 persons. Thus, both production and employment will increase.

To ensure the quick sale of the output of the village units, it is proposed to set up 36 marketing depots during the Second Plan. These depots will also supply raw materials to the factories. In addition, loans will be extended to co-operatives for setting up similar depots. The rebate of excise duty in respect of 'D' factories will also be enhanced.

Training

The Board will arrange for the training of students directly under a stipend system and through peripatetic demonstration parties. These parties will divide the work of training among a number of 30-trainee training circles, to each of which a 'D' factory will be attached. It is proposed to set up two technical research laboratories at a cost of Rs. 2.5 lakhs.

A sum of Rs. 1.1 crore will be spent on the development of the cottage match industry during the Second Plan.

(x) BEE-KEEPING

Honey collected from beehives is of great nutritive and medicinal significance. It has also got a religious significance for the Hindus who regard it as one of the "five nectars".

Scientific bee-keeping is of recent origin in our country. The old method of collecting honey from beehives was unscientific and wasteful. It resulted in the killing of bees and the pollution of honey. The modern method yields pure honey and does away with the need to kill bees or destroy their hives.

Problems

The pace of development of the cottage industry has been rather slow. This has been due to the lack of proper arrangements and implements, unfair competition from adulterated honey and inadequate publicity and marketing facilities.

Development Programme

The All-India Khadi and Village Industries Board proposes to develop bee-keeping on modern lines. In the First Plan, the Board

helped 11,000 bee-keepers owning 40,000 modern hives with an annual production capacity of 4 lakh pounds of honey valued at Rs. 8 lakhs.

The important features of the programme for the Second Plan are the domestication of the wild bee, scientific collection and marketing of honey, utilisation of honey in the manufacture of syrups and medicines, improved marketing arrangements, the formation of co-operatives, the provision of financial assistance to these bodies and to professional bee-keepers, the training of fieldsmen and apiarists and the encouragement of bee-keepers to take to nursery work. In addition, intensive surveys will be conducted in areas where the bee-keeping industry can be developed; bee-keeping courses will be introduced in 50 schools every year and 25 educated persons will be trained in bee-keeping every year and assisted in setting up modern apiaries.

Research

Research is being conducted to ascertain the fitness of honey for food preservation and for jam and jelly making. This will provide a fresh line of development for bee-keeping.

Financial Aid

To secure the implementation of its development programme, the Board offers financial aid in the form of grants, subsidies, loans and stipends. Grants are given to area offices, bee-keeping schools, breeding stations and fieldsmen and subsidies to modern apiaries. Both grants and subsidies are offered to breeding substations and educated persons. Stipends are offered to trainees and loans to educated persons, statutory State Boards and co-operative societies.

(xi) VILLAGE POTTERY

Pottery-making is an ancient rural industry. The Indian potter fashions earthen pots for cooking and storing and other domestic utensils. He also makes glazeware and toys. About 3,60,000 potters were engaged in the industry in 1951.

Problems

The industry had, however, declined lately owing to the mass production of household articles by the metalware industry and the mechanised ceramics industry. Another reason for its decline has been the lack of organisation, improved tools, improved techniques

and marketing facilities. The industry stood in need of planned development.

The Development Programme

The All-India Khadi and Village Industries Board had drawn up a comprehensive programme of research, experiments, demonstration and training for the development of village pottery. A Central training-cum-research centre and a number of regional training centres and model production centres for village pottery have been set up. Demonstration squads, competitions and exhibitions of village pottery goods have been organised. Grants, subsidies and loans are provided to model production centres towards the cost of equipment, the purchase and sale of pottery and the construction of common workshops. Besides, subsidies towards improved equipment, such as improved wheels, improved moulds for making pipes and special tiles, improved furnaces and fire-proof bhatti sheds, are given to individual potters, co-operative societies, registered institutions and statutory State Boards. Individual potters are given grants in order that they may be encouraged to become members of co-operative societies. To promote the sales of village pottery articles, provision has been made for setting up selling agencies in the sales depots. In addition, trainees are given a monthly stipend of Rs. 40 for the ten-month specialised training course in the Central training-cum-research centre and the three-month course for skilled potters in the regional training centres.

These measures are expected to go a long way in developing the village pottery industry.

(xii) THE FIBRE INDUSTRY

Our country is rich in fibrous raw materials. Among the fibres processed in the cottage sector are coir, jute and moonj. While the coir industry has been dealt with in a separate chapter, other fibres are taken up here.

Some raw materials yield fibres from which ropes and strings can be made. In order to utilise these raw materials, research work has been done in Dharwar and in Khadi Pratisthan in Sodepur, near Calcutta. Experiments in fibre and fibre products have been conducted and suitable implements have been evolved for the industry.

The Development Programme

The fibre industry has been included in the development programme of the All-India Khadi and Village Industries Board. The

programme promotes the manufacture of jute twists in jute growing areas and of door-mats, chair-mats and carpets out of moonj grass. It also encourages the utilisation of sisal, hamp and ambadi for making cotton and gur pats, cords, strings and ropes.

Under the programme, training is given in the making of jute twists at the Khadi Pratisthan, Sodepur. The spinning wheel which has been devised at this centre can also be used for spinning moonj grass into yarn suitable for weaving carpets and door-mats. The training course extends over a period of three months. Trainees get a daily stipend of 12 annas for the duration of their training.

The Village Industries Board, Bombay State, has devised wheels for spinning yarn required for the manufacture of cotton and gur pats. It conducts a four-month training course in the industry. Trainees get a monthly stipend of Rs. 40 during the period of their training. After receiving the training, people go to the villages as instructors to give a three-month training course to such villagers as grow the necessary raw materials. Each instructor covers eight villages. Village trainees get daily stipends of 8 annas, 6 annas and 4 annas for the first, second and third month, respectively. On the completion of their training, the villagers are given guidance to help them to start work in their houses.

Loans and Grants

The Board promotes the production and sales of fibre products through a system of loans and grants. Grants are offered to training-cum-production centres. Each centre gets Rs. 1,100. Loans are given for the purchase and marketing of pats produced at the Board's centre.

III. THE HANDLOOM INDUSTRY

The handloom industry is our biggest and most important cottage industry. This industry had reached a high degree of excellence in ancient India. The industry produced enough cloth to meet the clothing requirements of the entire country and left a surplus for export. Mechanised competition, however, led to the decline of this industry. Even so, it managed to survive and is today the largest cottage industry in the country.

Economic Importance

The industry is of great economic importance to the country. Having about 28,80,000 handlooms and an annual production of about 1,600 million yards of cloth, it meets nearly a quarter of our total clothing requirements and exports about 60 million yards of cloth every year. Moreover, it provides employment to a large number of people. The number of persons getting full-time employment in the industry is estimated to be about 60 lakhs. Of these, 24 lakhs are employed in weaving while the remaining 36 lakhs are employed in auxiliary processes such as winding, warping and sizing. In addition to being an employer of a large number of people, the industry is also an earner of foreign exchange.

Problems

A number of factors have hindered the progress of the industry. These are unhealthy competition from the mill sector, the absence of suitable organisation, and lack of finance. In addition, the industry stands in dire need of improved dyeing facilities, improved designs and varieties, improved appliances, the supply of raw materials at reasonable prices, technical improvements and proper marketing facilities. Because of the marketing difficulty, the industry was faced with a serious crisis in 1952 when it was hit by a severe depression. Owing to the piling up of large, unsold stocks, many weavers and weavers' co-operatives had to stop production and go in search of alternative employment.

The All-India Handloom Board

To solve these problems and to organise and develop the industry on sound lines, the Government of India established the All-India

Handloom Board in October 1952. The Board has taken a number of steps to promote the development of the industry. The main emphasis has been on organising the industry on a co-operative basis. Financial assistance has been given to weavers towards share capital to enable them to join co-operative societies, and to co-operatives towards working capital. About Rs. 93 lakhs were given as aid to the various States for organising weavers into co-operative societies by the end of 1957, and more than 11 lakh looms were brought into the co-operative fold. Loans towards working capital amounting to over Rs. 6.88 crores had been sanctioned to the various State Governments by the end of March 1957.

Other Measures

A cess has been levied on mill cloth and the money is being utilised for developing the handloom industry. Certain varieties of cloth have been reserved for the handloom industry and restrictions imposed on the production of certain varieties by mills. The unhealthy competition between mills and power-looms on the one hand and handlooms on the other has been checked by adopting a cautious policy in the matter of the expansion of looms and spindles in the mechanised sector. Preparatory and finishing plants and a central designs section have been set up and looms improved to better the quality of handloom cloth. The transportation of handloom products is subsidised.

Further, the Government of India and the State Governments have shown a preference for handloom products in purchasing their requirements. In addition, the industry has been allotted the task of producing an additional 1,000 million yards of cloth during the Second Plan period. This has raised the annual production target of the industry to 2,200 million yards. To achieve this target, technical and other improvements are being introduced to raise the productive capacity of handlooms from four yards to about six to eight yards per unit per day. The estimated production for 1957-58 was 1,664 million yards as against 1,600 million yards for 1956-57.

Co-operation of Project Personnel

The development programme of the handloom industry is implemented by the Directorates of Industries and the Co-operative Directorates of State Governments. The co-operation of Community Development Project personnel is secured in the implementation of the programme in C.D. areas.

Hints to Project Personnel

The co-operation of the project personnel can prove very helpful. The project officers can persuade the weavers to join co-operative societies and thus help to increase the number of handlooms in the co-operative fold from one million to the target figure of 1.45 million. They can advise and help the weavers to replace their old implements by better ones. For instance, old looms can be replaced by frame looms with financial aid from the Government. The officers can also advise co-operative societies on the varieties of cloth which they should produce. Further, the Project Officers (Industries) and other executives can draw up schemes for the development of the handloom industry in their areas in consultation with the relevant departments of the State Governments and route them through appropriate channels to the All-India Handloom Board for consideration.

Marketing Assistance

By far the most important problem of the handloom industry has been the marketing of its products. Until recently there was no suitable organisation for the purpose. Schemes of internal and external marketing have now been drawn up. Besides the primary production-cum-sales societies, apex and central societies have been set up for rendering marketing assistance. These societies buy the unsold products of primary societies and market them. For marketing, loans towards working capital are given to these societies. States are offered grants-in-aid for running sales depots on the basis of one depot per 500 looms within the co-operative fold. There were 1,417 such depots in December 1957.

Central Marketing Organisation

A Central Marketing Organisation has been set up in Madras, with branches in that city as well as in five other cities, to deal with the development of internal and external markets for handloom products as well as with research, publicity and the problems of organisation. In addition, a few regional offices and show-rooms have been set up to render marketing assistance to handloom products. There were 24 inter-State depots and 31 central depots at the end of 1957. An All-India Handloom Week is organised every year in the country. An exhibition of handloom fabrics is arranged on this occasion. An efficient publicity organisation has been established to

promote the sales of handloom fabrics. A rebate has been allowed on the sale of handloom cloth.

Mobile Vans

Besides, mobile vans have been put into commission in different States for the sale of handloom fabrics, there being one van for 75,000 looms. These vans are proving helpful in promoting sales. States not having 75,000 looms but having at least 20,000 looms are also provided with a van. There were 36 mobile vans in December 1957.

External Marketing

With a view to developing an export market for handloom products, a scheme for the external marketing of these products has been formulated. Handloom cloth marketing officers have been appointed in foreign countries to secure orders for handloom products and arrange for their execution. Sales emporia have been opened in some foreign countries. Exhibitions of handloom fabrics are also organised at international fairs held abroad. As a result, the export of handloom fabrics has increased.

Training

The Board provides financial assistance by way of grants for the training of employees of apex and primary weavers' co-operative societies, the training of employees of sales depots in salesmanship and of supervisory staff in technical aspects of the handloom industry. Weavers are trained by the State Governments.

Research

The All-India Handloom Board encourages research in weaving equipment by giving financial assistance to those engaged in it. Assistance has been given to Mr. H. C. Ford of the Technical Co-operation Administration for devising improved weaving equipment and to Mr. Srinivasan of the Teachers' Training College at Visva-bharati for the preparation of a standard handloom. Experiments are also in progress at Bombay to ascertain the utility of the "hand-skill" loom which has been invented by Mr. Nadau in the U.S.A.

As a result of the steps mentioned above, the handloom industry in the country is expected to be revitalised.

IV. THE SILK INDUSTRY

Silk is an important cottage industry. India had a highly developed silk industry and a prosperous silk export trade in the past. Towards the close of the 19th century, however, the industry began to decline due to the ravages of silk-worm disease and unhealthy foreign competition, including competition from rayon and artificial silk. This changed the country's position in regard to silk fabrics from one of exporter to that of importer. Nevertheless, owing to its resilience, the industry has managed to survive.

Economic Importance

The silk industry is also important from the economic point of view. It provides a means of livelihood to a large number of rural families. While sericulture gives remunerative employment to agriculturists, mulberry-breeding, rearing, reeling and weaving provide subsidiary occupations.

The Central Silk Board

The main problem of the silk industry has been its high production cost and the poor quality of its products. The two needs of the industry have been the improvement of quality of silk and reduction of cost. To achieve these objectives and to develop the industry, the Government of India established the Central Silk Board in 1948 with its headquarters at Bangalore.

Functions of the Board

The Board performs a number of functions. It formulates the general development programme, gives financial assistance to the States and participates in international sericultural bodies like the International Silk Association and the International Sericulture Commission. Besides, it also directly implements schemes of an All-India character, such as the maintenance of the Central Sericultural Research Station, the Central Sericultural Training Institute and the Central Foreign Race Seed Station, and the establishment of a well-planned publicity branch.

The State Governments prepare their own development schemes suitable for their areas and implement them.

Development of Mulberry Silk

The main emphasis of the Central Silk Board is on the development of the sericulture sector. Development efforts relating to the organisation of seed supply, improvement of spinning, reeling and marketing and research were begun in the First Plan and a larger effort is being made in the Second Plan. The yield and nutritive quality of mulberry leaves are sought to be improved by establishing mulberry nurseries of improved mulberry saplings and by evolving new varieties of mulberry which will give a higher yield. Steps are being taken to modernise silk reeling, to utilise the by-products in the spun silk industry, and to rehabilitate and extend it. The testing and grading of cocoons is also to be undertaken and work in the conditioning houses in the country is to be further developed. Two training institutes will be established for training personnel for sericulture departments in the States. Besides, sericultural research stations will be established for conducting intensive research.

Co-operative Marketing

To safeguard the interests of the reeling, rearing and weaving industries, co-operative marketing societies for raw silk have been established. The price of raw silk has been kept within reasonable limits by holding buffer stocks of raw silk and releasing them at the appropriate time.

Role of Project Personnel

The Community Project personnel can help a great deal in promoting schemes for the development of sericulture in blocks and project areas. They can encourage the villagers to try moriculture or sericulture as part-time or whole-time occupations according to the suitability of the climate. They can organise co-operative societies of rearers and reelers with the assistance of the relevant departments and make available to them all the technical and financial assistance offered by the Central Silk Board. They can also imitate schemes for the weaving of silk, tasser and eri on a co-operative basis from the programme of the All-India Handloom Board.

The development programme for non-mulberry silk will be along the same lines as that for the mulberry silk industry.

Financial Assistance

A sum of Rs. 5 crores has been provided for the development of the silk industry during the Second Five Year Plan. This is about seven times the allocation made for this purpose in the First Plan.

V. HANDICRAFTS

Handicrafts are those products in which the artistic skill and creative faculty of the Indian craftsman are prominently reflected. Working in metal, ivory, wood, clay and other media, and drawing on religious and mythological themes, Indian craftsmen created products of rare beauty. These products had at one time attained international recognition for their exquisite workmanship and were in wide demand throughout the world. Alien rule and competition of cheaper industrial goods, however, led to their decay and they reached us in a dying state.

Even so, handicrafts are an important source of foreign exchange earnings. For instance, the rugs and pashmina shawls of Kashmir, the brassware of Moradabad and Tanjore, and the gold-thread saris of Banaras are in great demand abroad, particularly in the U.S.A. This demand can be further increased by improving and standardising the quality of the products, fulfilling orders for goods in time and bettering the packing and marketing systems.

In view of this, and to save the dying crafts from extinction, the Government of India set up the All-India Handicrafts Board in 1952 for the planned and healthy development of handicrafts in the country. The Board develops the existing and new handicrafts and revives the old, decaying ones through the formation of co-operatives.

The Board develops handicrafts indirectly by giving financial assistance to State Governments as well as private organisations, and directly by undertaking certain development activities.

Industries for Development

The Board has taken up 42 handicraft industries for development. These include hand-printing and dyeing of textiles, art metal work, toys, palmyra fibre, stone and marble carving, lacquer work, lace and embroidery, bamboo articles, shawls, fancy leather goods, glazed ceramicware, horn, gold and silverware, ivory, bidri, wooden toys, cane and bamboo work, artistic pottery, mat weaving, lac bangles, himroo, carpets and druggets, silver filigree, colour stones,

salimshahi and appashahi shoes, leather toys, ornamental brassware, papier mache, etc. Of these, three, namely, woollen products, bidri work and ivory and horn products, have been picked up for intensive development.

Development Programme

The development programme of the Board includes grants and loans for the organisation of co-operatives, training and extension centres, research, surveys, design development, museums and publicity, better techniques, improved equipment and quality control and promotion of marketing. The Board also undertakes certain direct activities. These include the establishment of design improvement centres and the organisation of publicity, research, museums, marketing-conferences, training in crafts and exhibitions in India and abroad. It also carries out surveys of specific industries.

The Board's Proposal

The Board has made certain specific proposals for the development of handicraft industries. It has suggested the establishment of kilns for the seasoning of wood in the country since we are short of good seasoned wood for toy-making and other handicrafts. To protect hand-printed cloth from the competition of mill cloth, the Board proposes a common production programme for the mill and cottage sectors.

Development during the Second Plan

A number of steps will be taken for the development of handicrafts in the second Plan. Design and technical development centres will be established in addition to training-cum-extension centres. Artisans will be given scholarships for training in improved craft designing. Assistance will be given to technical research institutes to undertake specialised research in handicraft techniques. Artisans will be given credit facilities through their co-operatives. Quality control units and inspection depots will be set up.

Marketing Assistance

The marketing of handicraft goods has been in a very bad state and needs great improvement. The Board has given special attention to this problem. The Centre and State Governments have decided to give preference to products of handicraft industries in purchasing their requirements. Sales depots, emporia and crafts museums have been opened at various places in the country. A network of such

depots, emporia and crafts museums is to be set up during the Second Plan. For this a comprehensive programme for the improvement of marketing has been drawn up. Mobile vans will be used to promote sales at rural fairs and sales shops and show-cases will be provided at railway stations, airports and other places visited by tourists. Co-operative marketing will be tried and export markets will be developed through publicity, participation in international exhibitions and trade fairs, and sponsoring trade delegations and market research.

Financial Provision

A sum of Rs. 9 crores has been provided in the Second Plan for the development of handicrafts. Out of this, Rs. 3 crores will be utilised for schemes to be directly undertaken by the Board while the remaining Rs. 6 crores is meant for schemes to be undertaken by the State Governments.

Indian Handicrafts Development Corporation

An organisation called the Indian Handicrafts Development Corporation was established in April 1958 to supplement the efforts of the All-India Handicrafts Board for the development of handicrafts. With the combined efforts of these two organisations, it should be possible to put the handicrafts industry on a sounder basis.

VI. THE COIR INDUSTRY

The coir industry is one of our important cottage industries. It has two main branches. One branch deals with the manufacture of coir yarn from husk, and the other with the manufacture of coir goods from coir yarn. This industry is carried on in the States of Madras, Mysore, Bombay, Orissa, Andhra, West Bengal and Kerala, in which it is chiefly concentrated.

The industry is of great economic importance to the country. It provides employment to 6 lakh persons. Besides, it is also a source of foreign exchange earnings and its fortunes are largely dependent upon the export of its products. In the past, slumps used to lead to periodic crises in the industry which caused great suffering to the artisans.

The Central Coir Board

To avoid these crises and to secure a balanced development of the industry, the Government of India established the Central Coir Board in 1954. The Board promotes the development of the coir industry by promoting exports, regulating production, standardising quality, improving marketing conditions, ensuring remunerative returns to the workers and organising propaganda and scientific research.

Development Programme for the Second Plan

A number of development schemes, which are to be implemented by the State Governments, have been included in the Second Plan. These schemes aim at organising the coir industry on a co-operative basis. Thondu (husk) co-operative societies will be organised for the collection of husks and their distribution to primary co-operative societies. Primary co-operative societies will be organised for retting, for distributing retted husks to members for the production of coir yarn and for the collection of yarn. Coir marketing societies will be set up for the sale of this yarn. Unions for exercising supervision and control over primary societies will also be set up. On the side of goods production, small factories and individual manufacturers will

be re-organised into matting co-operative societies. Co-operatives will be given grants towards establishment expenses and loans to meet their working capital requirements.

The Board also proposes to take up certain central schemes which relate to the establishment of a Central Coir Research Institute with a pilot plant and a branch institute with a model factory to study certain problems of the industry, such as making the coir yarn more versatile, reducing the period of retting for coconut husks and utilising the by-products for the manufacture of boards, building materials, etc.

Development of Internal Markets

Since heavy dependence on external markets is one of the drawbacks of the coir industry, the Board aims to develop an expanding internal market for its product. To promote internal sales, it is proposed to set up show-rooms and sales depots in important cities. One show-room with a sales depot has already been started in Delhi. The organisation of co-operative marketing societies in the States will be encouraged by the Board. There is also a proposal, to establish a central coir products marketing society during the Second Plan.

Publicity

To secure an expansion of export markets, the Board utilises the medium of advertisement and propaganda in foreign countries. It takes part in various fairs and exhibitions, sends trade delegations to foreign countries and exhibits to international exhibitions held abroad. Besides, it displays its goods in the commercial show-rooms maintained by the Government of India in foreign countries. Further, the Board advertises coir and coir products through journals, posters and cinema slides and publishes a quarterly entitled '*Coir*'.

A provision of Rs. one crore has been made for the development of the coir industry in the Second Plan.

Role of Community Project Personnel

The coir industry is carried on extensively in a number of Community Development Blocks in Kerala State. The Community Project personnel working in these areas can play an important part in organising the industry on a co-operative basis. They should try to promote the co-operative movement in areas where the coconut

is abundantly grown and where there are good retting facilities. This should be done in consultation with the technical departments of the State. Besides, other industries such as fibre extraction from coconut husks, rope-making, mat and carpet making with coir yarn and strings can also be started in rural areas and the villagers persuaded to take them up.

VII. SMALL-SCALE INDUSTRIES

Besides the village industries mentioned so far, there are a number of other small manufacturing vocations which can be undertaken with profit in the rural areas. The manufacture of table knives, pocket knives, pruning knives, scissors, locks, wooden furniture and agricultural implements are some examples. These goods can be manufactured by artisans individually or on a co-operative basis. To develop these industries, the Government of India has set up the Small-Scale Industries Board. The Board provides assistance, by way of demonstrations and technical advice, to small producers in urban and rural areas through regional service institutes, branch institutes, extension service centres and mobile workshops. A small-scale industrial unit, for the purpose of the Board, is a unit whose assets do not exceed Rs. 5 lakhs and which employs less than 50 persons if it is power-driven, or less than 100 persons if it is not using power.

Development of Small Industries in Rural Areas

The main features of the small industries programme in the rural areas are the establishment of rural community workshops, the extension of electrification, the supply of power at reasonable rates, and encouragement to the formation of industrial co-operatives through education and financial and other incentives. This programme has been co-ordinated with the programme of the Community Project authorities.

Community Project areas, which have already achieved progress in many fields, have served as focal points for the development programme of small industries. A number of Community Project areas have been selected as pilot areas in consultation with the Community Project authorities for the location of small-scale industries. Special Industries Officers and Block Extension Officers for industries have been appointed for these pilot areas. A four-month training programme for Industries Officers has been organised in the regional institutes with the co-operation of the Community Project authorities. After the completion of the training period, candidates have to undergo further training for eight months in Khadi Gramodyog Mahavidyalayas.

Model and Mobile Workshops

Model workshops in carpentry and blacksmithy have been set up in the rural areas where village artisans and others are given operational demonstrations and training. Training and demonstrations to rural workers are also given by mobile vans equipped with modern machinery in carpentry, blacksmithy, sheet-metal work, footwear manufacture, etc. Villagers can get application forms and information about the procedure for obtaining similar machinery under the hire-purchase scheme of the National Small Industries Corporation.

Industrial Extension Service

The regional service institutes, set up by the Government of India, provide an industrial extension service to the small sector. This service reaches the very door of the small producer. The officers of the institutes visit small units in the Community Development areas and help the artisans and small producers to solve their problems relating to processes or defects in machinery. The services of foreign experts are also utilised for this purpose.

Marketing Facilities

The marketing of the products of small units has prescribed a difficult problem. To meet this difficulty, the National Small Industries Corporation and its subsidiary Corporations have provided a marketing service for the products of small industries. This is done by operating mobile sales vans, opening wholesale and retail depots, introducing the system of quality marking of goods, fixing price labels on goods and exhibiting them to the public for sale through the mobile sales vans. In addition, the Corporation has also set up retail stores in certain places.

Store Purchase Contracts

Another way in which the National Small Industries Corporation helps the small producer in the sale of his goods is by getting bulk store purchase contracts from Government Purchasing Departments and sub-contracting them with small units or associations of small units. Sometimes the Corporation also helps small units in getting direct contracts from the Government. The Central Government proposes to modify its purchase policy by reserving certain groups of indents exclusively, and others partially, for the small-scale sector. It is expected that the State Governments will also adopt a similar policy.

Industrial Estates

One other measure designed to promote the development of small-scale industries is the setting up of industrial estates in the urban and rural areas. The Small-Scale Industries Board has sanctioned nine small industrial estates for nine pilot projects of industries in the Community Project areas. Work is in progress for the establishment of these estates. In addition, 20 industrial estates, costing Rs. 2 to 3 lakhs each, will be located at the headquarters of Community Development blocks. A number of survey teams are conducting surveys of Community Project areas for the purpose of determining what industries can be developed and how. With the increase in the generation of electricity in the country, more and more villages are being electrified. This has opened the way for the setting up of an increasing number of small power-driven industrial units in the rural areas. When all the big and small industrial estates have been set up, the small sector of industry will be able to stand on its own legs.

A sum of Rs. 55 crores has been provided in the Second Plan for the development of small-scale industries.

VIII. RURAL INDUSTRIES IN C. D. BLOCKS

It has been recognised that the answer to the existing large-scale rural unemployment lies mainly in promoting more and more village and small industries. In view of this recognition, a programme for the development of rural and small industries in Community Development areas has been chalked out. This programme is being financed from two sources : (1) from within the budget of the C.D. blocks; and (2) from the funds of the Khadi and Village Industries Commission and the five All India Boards.

Programme Financed by C.D. Blocks

Under this head, rural artisans are trained in order to improve their existing skill, industrial co-operative societies are developed, subsidy granted to them for technical and managerial help, and improved hand tools supplied to village artisans at subsidised rates. The rural crafts in which artisans are trained are blacksmithy, carpentry, tanning, handloom, village oil, village pottery, tailoring, brick-making, etc. For this purpose, training-cum-production centres are being re-organised into pure training centres. A Syllabus Committee, consisting of representatives of the Ministry of Labour and Employment, the Ministry of Commerce and Industry, the Ministry of Community Development and Co-operation, the Khadi and Village Industries Commission, the All India Handicrafts Board, the Small-Scale Industries Board and representatives of a few State Governments, was appointed to go into the entire question of the training of rural artisans and draw up suitable syllabuses and a follow-up programme. The scheme was prepared in collaboration with the Development Commissioner, Small-Scale Industries, for the introduction of better hand tools for improving the technical efficiency and productivity of village artisans. These improved hand tools are supplied to village artisans on a subsidised basis.

Till March 31, 1958, the programme was being financed from a provision of Rs. 50,000 available in Community Development Block Budget. But there was no such provision in the budget of the former National Extension Service blocks. Since April 1958, when the C.D.

Programme was reorganised, a sum of Rs. 65,000 has been provided in the budget for a Stage I Block for five years and Rs. 50,000 for a Stage II Block for the same period.

Programme Financed by Other Sources

In May 1957, the Development Commissioners' Conference recommended the undertaking by the States of a minimum programme of rural industries in Community Development blocks. A revised minimum programme for each block was recommended by the Conference in 1958. The Khadi and Village Industries Commission had earmarked Rs. 82 lakhs during 1957-58 and Rs. one crore during 1958-59 for starting village industries in C.D. blocks. The State Governments were asked to give priority consideration to Community Development blocks and spend at least 25% of their available resources on various schemes involving small-scale industries in the blocks.

Another step taken to promote rural industries in Community Development areas was the Pilot Projects Scheme actually taken up for implementation at the beginning of April 1956. An industrial potential survey of each pilot project was conducted during 1958 to draw up comprehensive plans for the development of cottage and small-scale industries. Survey reports have been sent to the State Governments for the implementation of various recommendations. The Ministry of Commerce and Industry will provide the necessary finance.

In the meantime, an *ad hoc* programme sanctioned by the Khadi Commission and the other Boards has been under implementation. The total expenditure as on 31st December 1958 stood at Rs. 1.9 crores. A total of 37,135 persons were given full employment and 75,032 were given part-time work. The total value of production amountd to Rs. 3.41 crores and that of sales to Rs. 3.24 crores. As many as 1,056 industrial co-operatives, having a total membership of 36,135, were organised. The pilot projects, originally sanctioned for 3 years, have been extended up to the end of March 1961.

Sanction has been granted for the establishment of nine small industrial estates in Pilot Project areas and 20 rural industrial estates in Community Development blocks in the country. So far, 1,138 Extension Officers (Industries) have been trained by the Small Industries Service Institutes and the Khadi Commission while 482

are now under training. Since some States are not in a position to pay their share of 50% of the salaries of Extension Officers (Industries), it has been difficult to appoint Extension Officers (Industries) in all the 2,500 blocks.

Role of Industries Departments in the States

The Industries Departments in the States are playing an active part in implementing the village and small industries programme in the Community Development blocks. Statutory Khadi Boards have been established in almost all the States. The State Governments are enacting legislation to constitute a single Statutory Board for each of the States. These Statutory Boards are now vested with the responsibility of implementing the khadi and village industries programme in Community Development blocks. Since the programmes for rural and small industries other than khadi and village industries are implemented in the blocks through the State Directors of Industries Departments have been steadily strengthened.

Steady Progress

Since the marketing of the products of village and small-scale industries presents a problem, great emphasis is laid in the blocks on the products of the areas being consumed locally. The finance available for starting industries in Community Development blocks is far from adequate. However, with the pooling of the available resources and the strengthening of the industries department, including the State Khadi and Village Industries Board, the majority of the State Governments have been making steady progress in the field of village and small-scale industries in the blocks for the last two years.

CONCLUSION

Village industries are the backbone of our country's rural economy. Their reconstruction and development on co-operative lines is essential for rural prosperity. Development programmes for these industries were implemented during the First Plan and much bigger programmes, including the programme for developing power-driven small industries units, have been taken up during the Second Plan in which a provision of Rs. 200 crores has been made for the

purpose. These programmes will, on completion, put the rural industries on a sound footing and thus strengthen the rural economy.

The Community Project personnel have an important role to play in the implementation of these programmes and in organising the rural industries on a co-operative basis in community development areas. This co-operation is greatly needed and should be liberally extended.



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