

ly manufacture stores, or the need for increasing purchases from the small-scale sector (which in 1958-59 amounted to only Rs 4.62 crores, inclusive of purchases from the Khadi & Village industries sectors). Among the imported items which could profitably have been increasingly sought indigenously may be mentioned the following: Diesel Engines, Power Driven Pumps, Sewing Machines, Machine Tools, Workshop Machine Tools (at least of some descriptions) and Air Compressors. There are many more items which could have been procured through the small-scale sector in significant volume.

It may be recalled that the Government of India had commissioned an expert—Mr Kennard Weddel Chief of the Small Business Programme in the U S Air Force Purchase Organisation to make a spot survey and recommend measures to

promote small-scale industries using Government Stores Purchase Programme as the effective lever. On advice of this expert, the Government of India categorised Government Purchases into four categories and took effective steps to stream-line the procedures for purchases to be made from the small-scale sector. The four categories are:

I Items to be purchased exclusively from the large-scale sector.

II Items which can be purchased mainly from the large-scale sector but wherever possible large-scale units should be encouraged to contract out manufacture of ancillaries and components to small-scale units.

III Items which can be purchased from the small-scale sector.

IV Items exclusively reserved for the small-scale sector.

Purchases under all these categories have to be effected through the Open Tender system. Govern-

ment has also removed some of the impediments which stood in the way of small-scale units to enable the latter to partake of the liberalised scheme of purchases outlined above. Both in matters of Imprest money to the paid as well as the delay and red-tape involved in direct negotiations with the D G S & D, Government has come to the rescue of the small-scale units. The former has been entirely done away with and the latter has been considerably reduced by appointing the National Small Industries Corporation as the Party quoting for the Tenders. Besides, special Liaison officers have been appointed who act in close collaboration with the Small Industries Service Institutes and the Directorate of Industries on the one hand and the D G S & D on the other.

The result of these measures have been quite encouraging.

Global Food Imbalance

The State Of Food and Agriculture, FAO. Rome 1960—Price \$ 2 or 10s. Pages 182.

A REPORT with so wide a subject as the state of world food and agriculture is useful more for the statistical and other information available than for the recommendations and suggestions made. The latter are normally so general that they never rise above the level of dull platitudes and pious wishes. This report falls into the general pattern of a beautifully presented section on the events of last year and nothing very interesting to say on how to improve the state of food and agriculture in the future.

We are told that the world food production in 1959-60 has risen by 2 per cent over the production of 1958-59 which is more than the increase in world population of 1.6 per cent; also, the level of stocks of food grains in the major exporting countries is high at 126 million tons which is four times as much as in 1952; however, much of this surplus is in the more developed countries rather than the less developed, and the gap in food supplies between the two groups has widened rather than narrowed. Partly this widening can be explained by the increase in livestock in the developed countries; as livestock products are more heavily weighted in the production index, it lends to exag-

gerate the difference which there would lie otherwise.

In the poorer countries methods of production are still lagging far behind and the increase in production is more due to increased area under cultivation while the more developed countries have been able to increase the yield by almost 2 to 5 per cent annually for the last twelve years and sometimes total production has increased in spite of a reduction in the acreage under cultivation. However, an encouraging feature of agricultural production was an increase by 3 per cent in the production of the Far East (excluding of mainland China); Pakistan particularly harvested a record rice crop which was almost 25 per cent above the previous year's total.

International agricultural trade also increased; and the volume of exports rose by 6 per cent but the terms of trade were on the whole unfavourable, and were the lowest since the war, with the result that the value only rose by 3 per cent showing a decline in average prices on the world markets. Much of the exports were carried out under special terms like the PC 480. Since its inception in 1954-55, the American Government have exported sur-

pluses to the value of \$9.3330 million, most of which is paid for by local currency. In the new agreement concluded with India for 17 million tons of food-grains, 85 per cent of the rupee payments will be either loaned or given to the Indian Government for economic and development projects; 5 per cent will be given as loan to the US-Indian private firms; and the rest will pay for the American Government's expenses in India.

The prices of agricultural exports as a whole dropped particularly in the beverages and tobacco group; raw materials were an exception, especially rubber prices which continued to rise; the sharpest falls were in prices of dairy products and certain oil seeds. However, although there was a general fall in wholesale prices, the retail prices in over 50 per cent of the countries continued to rise, the benefits of the surpluses in the world food supply having reached the consumers.

From the report of the FAO, the most vivid impression that emerges is that there is a fundamental imbalance in the supply of food products. Nowhere is it so necessary to find some organisation to enable the abundant surpluses of those who have to be given to the crying deficit of those who have not.

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