

The Milk of Co-operation

THE Prime Minister of India is to perform this week the official opening ceremony of the dairy buildings of the Kaira District Co-operative Milk Producers' Union limited at Anand in Gujerat. Last year, the President had laid the foundation-stone of these building. The decision to organise the dairy industry in the district along co-operative lines was taken on the advice of the late Sardar Patel at a meeting pre-faded over by Bombay's Chief Minister, Shri Morarji Desai, who was then President of the Gujerat Provincial Congress Committee. This high-level association with the Co-operative Milk Producers' Union and its new dairy at Anand is symbolic of its importance, for the country.

The origin of the Co-operative Milk Producers' Union is to be traced to the nauration in 1945 of the Bombay, Government's scheme, for the supply of milk to Bombay City, of which the Aarey Colony near Bombay is one express on. Purchase of surplus mille from the Kaira district, which is famous for its production of good milk, was started by Government under this scheme. During the initial stages, the collection and pasteurisation of the milk was left to private milk contractors and dairies. As a result the benefit of the higher price offered by Government, as compared with the existing local price did not percolate down to the milk procurers, who felt aggrevated and decided to boycott the scheme. When they approached Sardar Patel in this connection, he advised them to organise the dairy industry of this area along co-operative lines, and that is how co-operation came to be established in this district. At a meeting of milk producers presided over by Shri Morarji Desai. It was decided to organise in every village a Milk Producers' Co-operative Society, and to form a Union of these Societies with the object of establishing a pasteurising plant at Anand and carrying out other activitle- for the benefit of the member Societies.

The Union started processing milk in June 1948 in the buildings of the Government of India Research Creamery, which were then lying unused and which were leased to them through the good offices of Dr Rajendra Prasad, who was then the Minister for Food and Agriculture. The quantity of milk handled by the Union has increased since then from 500 lbs per day to 1,00,000 lbs; the

number of farmer members has increased from 900 to over 18,000 and the assets of the Union have risen from Rs 40,000 to nearly Rs 22 lakhs.

The new dairy being set up at Anand has, a pasteurising capacity of 3,00,000 lbs per day. In addition, it can make 10,000 lbs of butter and ghee per day, 12,500 lbs of milk powder and 1,200 lbs of casein. One of the objects of the new dairy is to utilise the surplus quantities of milk available to the Union during the flush season for the manufacture of subsidiary products, since a fixed quantity has to be supplied throughout the year under the Bombay Government's milk scheme. Condensed milk, milk powder and baby foods will be manufactured in India for the first time.

The capital requirements of the few project have naturally been heavy estimated at Rs 40 lakhs. Of this huge amount only Rs 19.4

lakhs have been provided by the Union out of its own funds. Of the remainder, Rs 10 lakhs have been provided by the Government of, Bombay as a loan, Rs 8 lakhs by way of dairy equipment from UNICEF in return for which the Union has undertaken to distribute milk worth Rs 12 lakhs free to children and expectant mothers in the district, and Rs 2.6 lakhs by way of dairy equipment from the Government of New Zealand under the Colombo Plan, half as a gift and the rest as a loan, interest free.

Anand—The New Perspective

THE importance of the Anand dairy lies, of course, primarily in the stimulus it provides to the production of milk and milk products, the need for which has by now been generally recognised. The development of dairying on a large scale will also tend to raise incomes, while at the same time the establishment of plant for the production of subsidiary products will help to stabilise milk prices and thus raise the incomes of farmers even more. Most important, however, from the point of view of the future of the industry is the form of organisation which has succeeded in establishing itself in the Kaira district.

The Aarey Colony near Bombay is an example of State initiative and enterprise. Though private producers do maintain cattle on the colony, the area itself is owned by the Slate and so is the dairy. That the Anand dairy should have been set up under the ownership of a Co-operative Union is a tribute to the leadership of the locality and at the same time an example to milk producers of other localities. It opens a new perspective for the solution of problems of rural areas in so far as they can be linked to the production of milk or eggs or other subsidiary foods. Not merely the marketing of these products, but also their processing can be carried out along co-operative lines as has been done so successfully in Denmark.

If the example of Kaira and the Anand dairy ia followed in other areas and in other spheres, we ought to see the rapid development of a co-operative sector in the country, a force when would act as a balance to the expanding power of the State in the economic sphere and which at the same time would not be the private sector in the strict sense.



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PST 149

Non-Justiciable Directive

THE Prohibition Inquiry Committee, appointed by the Planning Commission, has recommended nation-wide prohibition by April 1, 1958. Judging by the press summaries of the Report, It would appear as though the approach of the Commission has largely been moralistic, and proper consideration has not been given to the financial, administrative and even social aspects of the problem. Shri P Kodanda Rao, in his ably argued minute of dissent, has rightly questioned this rather priggish approach of the Commission to a problem which cannot be neatly pigeon-holed 'as moral turpitude, or a vice, or a sin'. He has also raised the important point, all too often overlooked, that prohibition is a non-justiciable Directive principle. Furthermore, one may pose the question whether it is proper to assign a target date for the achievement of so fundamental a transformation in society as Prohibition implies. What would be the consequences of failure to achieve the target?

It is not merely the financial costs of implementing Prohibition that have to be taken into account in any objective evaluation of the programme but also the social and administrative costs. The administrative machinery today is inadequate even for the implementation of more urgent tasks such as economic development, and it should not be subjected to unnecessary strains. Whatever the absolute ethical merit of total abstinence there is none in enforced virtue, as philosophers like T H Green have long ago pointed out -the fact remains that countries such as England, Norway and Sweden, without enforcing prohibition, have higher standards of health and law and order than India. Admittedly, there is a case for regulating the production and sale of alcoholic liquors in the country, but then this could more conveniently take the form of stringent conditions of sale as in the Scandinavian countries rather than of absolute legal prohibition.

As even the Commission has admitted, the magnitude of the drink problem in the country is relatively small. It is only in a few countries such as France that chronic alcoholism has reached the proportion of a public health problem. In the ultimate analysis, the only real corrective to the problem of drink is a rise in the standard of living. Whether one regards prohibition or temperance as the final solution, both alike

should be regarded as a by-product of more fundamental improvements in society.

Freight Element in Cost

THE decision of the Indian Coastal Conference, representing all the shipping companies engaged in the Indian coastal trade, to raise freight rates by five per cent with immediate effect, is reported to have been actuated by the increasing costs of operation since the last general rise in shipping freights in 1950. In the absence of complete data, it is difficult to fathom the exact reasons for this so-called rise in operational costs - whether it be due to a rise in port dues or in costs of fuel, labour etc. By itself the cryptic statement about rising costs hardly conveys anything, and the rise in freights could always be attributed to this factor, failing any special reasons.

The structure of freight rates in coastal shipping depends upon slightly more complex factors than those which govern trans-oceanic shipping freights, as for instance, competition from country craft, inland transport etc. The inter-relations of shipping freights are largely a terra incognita even to the professional economist, and there has been no systematic study of the problem since Professor Lewis's pioneering work, based on the data for the inter-War period. In coastal shipping, where the average length of the voyage is shorter and the average proportion of time spent in port proportionately greater, port charges also play an important part in determining freights, though here again it is a question of the relative proportions of the different items such as wage-costs, fuel, port dues etc., which enter into freight rates. It would also be interesting to know how far the suspension in varying degrees of coastal shipping traffic during the monsoon months affects the earnings of the companies concerned and whether this has also been a contributing factor in the rise of freights. Of course, this factor has always been operative in the case of coastal traffic, and its impact cannot be regarded as being particularly severe in any one year. To the extent that the freight rates are governed by periodic decisions of the Indian Coastal Conference, the coastal shipping freight market cannot be regarded as being competitive in any accepted sense of the term. This is a world-wide tendency, and it may not be long before the humble tramp

steamer, the only really competitive element in the shipping freight market, is finally squeezed out.

The Government of India, which has approved the increase in coastal freights, should enlighten the public about the factors that have contributed to the rise in costs of operation. In the context of a developing economy, any increase in costs cannot be conceived in terms of unilateral decisions. When the determination of wage-costs in most industries is a matter of public knowledge, there is no reason why the Government should be so secretive in the case of the freight-element in costs of production.

Planning for Poultry

THE FAO Regional Technical Meeting on Poultry Production at Poona last week has focussed attention on India's poultry plans. With the achievement of targets of food-grain production during the first Five Year Plan, we can now pay some attention to increasing the supply of food of a higher nutritive and protective value such as fruits and vegetables, milk and milk products, eggs, fish, meat etc. Development of poultry and egg production must naturally occupy an important place in such concerted efforts if only because their capital requirements are relatively limited and the markets are ready at hand. The disclosure made by Dr Harekrushna Mahatab, Governor of Bombay that a countrywide programme for the development of poultry is to be launched soon will therefore, be very welcome.

The success of the community development projects has apparently weighed in favour of concentration of development effort on limited areas. The scheme proposes, therefore, to establish a net-work of about 300 development blocks for extension of poultry farming on an organised basis. In these blocks, baby chicks imported from abroad or produced from accredited breeds in India will be housed and maintained in Government farms for periods of four to five months before they are distributed to individuals proposing to take up organised poultry farming. Each development block is to have a small government demonstration farm with about a hundred birds. These farms will not only demonstrate to villagers the technical aspects of breeding and maintenance of poultry but assist in marketing the products. Some 60 such farms already exist in the country, housing a total of twenty thousand birds and these will pre-