

is forgotten was the Viking. The entire fleet of these have disappeared from the public eye, and no one has ever said a word. The purchases were made before the I A C was formed and so no one ever bothered about them since the company which had made the selection and purchase ceased to exist with the formation of the Indian Airlines Corporation. But where are the Vikings gone and what happened to them?

Employment Potential of Khadi

THE Government continued to support khadi and village industries, "not because Mahatma Gandhi had advocated them, but because they were the means through which gainful employment could be provided to the villagers". This is what Shri Lal Bahadur Shastri said the other day at Bhavnagar. The argument is not new, but how high is the 'employment potential' of khadi?

According to the Gyanchand Committee which evaluated the programme of development of khadi and village industries, the average annual earnings of a spinner during 1957-58 on a traditional charkha was Rs. 20.25 per capita, and varied between Rs 11 in West Bengal and Rs 55 in Mysore. On an average the charkha spinner worked "119 days or a little less than 5 months during the year at 25 days per month and 3 hours per day". In other words, the duration of employment in that year came to 357 man hours or 41.6 man days of 8 hours each.

The position is substantially the same in the case of Ambar Charkha. Effective employment on the basis of 4 hours of work every day is no more than 110 days in a year. In terms of man days, it is only 55 days. The average earnings per operator on Ambar Charkha work out to about Rs 53 per year.

These figures have to be read against the total expenditure of Rs 10.55 lakhs on various programmes for development of khadi and village industries in 1957-58, providing employment to 8,23,400 persons. On an average, the Government thus incurred an expenditure of Rs 109 for every person employed. In view of this, was it surprising that the Gyanchand Committee should conclude that 'Mahatma Gandhi's name and legacy account for the official and non-official support that the khadi pro-

gramme has received and is receiving".

This is not to say that the khadi and village industries programme should be scrapped. So long as the Slate is unable to provide any kind of social security or unemployment relief, even khadi may have a significant role. It does not follow, however, that the Khadi and Village Industries Commission should be maintained for a wrong reason or that its operational inefficiency should be tolerated. Incidentally, the Commission would have done well to study and profit from Gyanchand Committee's Report instead of silling tight over it in order to avoid public criticism.

Coffee Industry's Problems

LIKE tea, tilings have not been going too well with another important foreign exchange earner, coffee, either. For the first time in many years the industry is faced with the problem of not being able to find buyers, within the country or abroad, for its accumulating stocks. World production of coffee in 1959-60 amounted to 4.5 million metric tons, representing an increase of over 1 million metric tons over the previous year. The increase in world imports from 2.2 million to 2.5 million metric tons did not keep pace with the increase in output and, consequently, stocks with producing countries increased from 1.0 million metric tons to nearly 3 million metric tons. World prices have, therefore, declined; the decline in the prices earned by Indian coffee, however, has been steeper than those earned by, say, Kenya coffee. Indian coffee now fetches a price in export markets which is below the minimum release price fixed for the internal market. This is a reversal of the position that existed till recently, when export prices were so attractive that the profits on exports could be partly diverted to subsidise the internal selling price. Further when export prices were high, export quotas were restricted and a high export duty of Rs 70 was levied on every ounce of coffee. It is ironic that just when Indian coffee is facing an adverse export market, greater pressure is being exerted for increasing coffee exports.

Production in 1960/61, estimated at 52.290 metric tons, will be an all-time high. It is expected to be

made up of 30.885 metric tons of the Arabica variety and 21.105 metric tons of Robusta. The Robusta crop is, in fact, expected to yield much more. Domestic consumption during the first 11 months of 1960 was slightly lower at 27.321 metric tons than in the corresponding period of 1959.

In view of the trends in production and in internal consumption and export demand the marketing policies of the Coffee Board will have to be suitably changed. On the exports side, there is something to be said for the demand of the estates producing the better grades of coffee that they should be allowed to make their own marketing arrangements, since if we are to maintain our position in the world market we can do so only on the basis of the quality of our coffee.

The present system of marketing of coffee by the Coffee Board, was introduced in 1918 immediately following removal of price control at a time when production was very much below domestic demand. The system involves the release of coffee for internal consumption through various channels, coffee is sold by pool and local auction for whatever price it fetches above the basic minimum release price and by allotment to co-operative societies at the basic minimum release price. The object of the system, when it was introduced, was to keep down prices.

Sharply attacking the policies of the Coffee Board which he rightly castigated as being completely out of touch with the current situation, Shri C. Machia, speaking at the Annual General Meeting of Consolidated Coffee, argued that the Coffee Board should be reconstituted and made into a smaller body of experts, so that it could act more quickly in the present fluctuating market. As he happens to be the chairman of the two leading coffee-producing companies in the country, Shri Machia forestalled the criticism that what he wanted was the dominance of the producers' interests, by asking for a Government-appointed Chairman for the reconstituted Board. Whether the reconstitution of the Coffee Board on the lines suggested by him is necessary or not, a change in the Board's marketing policy is certainly called for, and appears to be overdue.