branches at present in Pondicherry town (3), at Madras (1), Kanchipuram (2), Tiruvannamalai (2) and Neyveli (1). Some of the branches run by the society at Arni, Sathanur Dam, Villupuram and Pondicherry had to be closed down as they were not found profitable.

Till 1974, the society obtained all its requirements of coffee seeds from the All India Workers Co-operative Societies Federation in New Delhi of which it is a member. Following improvements in its financial position, the society participates in the auction conducted by the Coffee Board in Bangalore, Ootacamund or Vijayawada. The society also runs a Co-operative Printing Press in Pondicherry. The society is administered by a nine-member Board of Directors elected once in three years.

XII. State trading

The Administration first entered the field of public distribution in the forties of this century i.e. when widespread scarcity of essential commodities was experienced as a result of World War II. This led to large scale black marketing of goods forcing the Administration to enter the field of public distribution.

A coupon system was first introduced in the year 1943 with the intention of supplying rice and kerosene which were not readily available in the open market for public consumption. But later on, maida, wheat, sooji and sugar were also supplied on coupons. The coupons were issued first in the form of cards and then in the form of booklets by the '**Mairie**' of Pondicherry in pursuance of the orders of the '**Bureau de Ravitaillement**' (Civil Supplies) then attached to the '**Bureau des Affaires Economiques**'. The commodities were supplied through fair price shops, the dealers of which were nominated by the Government.

Price control measures were introduced for firewood, charcoal and even pulses. From January 1944 special coupons for cloth were issued. Yarn was distributed to weavers since January 1946 on special coupons. On the basis of certificates issued by the Health Officers, coupons were issued for items of baby foods like tinned milk, milk powder, etc.

In Karaikal there was neither strict control on the distribution of rice, which was carried on by private dealers nor a centralised agency to attend to distribution. The fixation of price of rice was attended to by a committee, of which the Administrator was the Chairman and a few merchants its members. It appears that in most of the cases, the price fixed was disadvantageous to the Administration. The sale proceeds of rice were credited once a week by the Administrator to the General Funds of the Government. Mahe got its requirements of 100 tonnes of rice from Karaikal every month from Government stock. In Yanam, paddy was purchased by Government at cheaper rates from the ryots of neighbouring villages of Yanam and stocked in godowns under the control of the Government. After milling, the same was delivered to retail dealers for sale to the public through ration cards. Owing to non-availability of certain food grains and essential commodities like sugar, kerosene, cloth, etc., a Branch Rationing Office was established in Yanam and arrangements were made to distribute the above commodities to the public through ration cards. Sugar and kerosene quotas were also allotted to the dealers of Yanam under special arrangements with the then Madras Government. Quotas of cloth varieties like shirtings, dhoties, etc., were allotted from Pondicherry mills to the wholesalers at Yanam for sales to the public on ration cards. It is learnt that in respect of other varieties of cloth, arrangements were made with the Madras Government for supply through mills there.

After merger : Even after merger, the distribution of scarce commodities was attended to by **'Bureau des Affaires Economiques'** for some months. The staff dealing with the subject was then attached to the **'Bureau des Affaires Politiques'**. The Essential Commodities Act, 1955 was extended to this Territory with effect from 27 January, 1956. There were then no special problems to attend to. Since 1959, however, there were signs of scarcity for items such as sugar, baby food and a rise in the price of rice and paddy which led to the issue of several **arrétês** regulating the distribution of scarce commodities as during pre-merger days. It became increasingly necessary to set up a full-fledged office to attend to all problems connected with the public distribution of essential commodities. Accordingly, the Civil Supplies Office started functioning from 24 November 1964, charged with the responsibility of ensuring the regular supply of essential commodities. The office had also to enforce the various control orders issued since then by the Administration and the Central Government under the Essential Commodities Act, 1955, to regulate the price, sale, storage and movement of food grains and other essential commodities and for licensing of dealers in the Territory.

The price of food grains in the Territory is regulated or fixed by the following orders :

1. The Mahe Rice (Maximum Prices) Order, 1965.
2. The Pondicherry Cholam and Ragi (Maximum Prices) Order, 1966.
3. The Pondicherry Paddy (Maximum Prices) Order, 1967.
4. The Pondicherry Rice (Maximum Prices) Order, 1967.
5. The Yanam Paddy (Maximum Prices) Order, 1967.
6. The Yanam Rice (Maximum Prices) Order, 1968.

The following orders regulate the movement of essential commodities and food grains within or across the limits of the Territory:

1. The Pondicherry Coarse Grains (Export Control) Order, 1965.
2. The Pondicherry Paddy and Rice (Movement Control) Order, 1965.
3. The Pondicherry Paddy and Rice (Movement Control) Order, 1966.
4. The Pondicherry Cholam and Ragi (Declaration and Requisitioning of Stocks) Order, 1966.
5. The Pondicherry Coarse Grains (Movement Control) Order, 1966.
6. The Pondicherry Grams (Export Control) Order, 1966.
7. The Pondicherry Food Grains (Movement Restrictions and Exemption of Certified Seeds) Order, 1968.
8. The Pondicherry Gram and Gramdhal (Movement Control) Order, 1966.

The sale of food grains is either controlled or regulated through licensed dealers under the Pondicherry Food Grain Dealers Licensing Order, 1964. As on 31 March 1975 the number of licences issued in all the four regions stood as follows :

Territory		Pondicherry	Karaikal	Mahe	Yanam
413	..	222	170	15	6

Until 1969, the grant of licences for rice mills was regulated by the **arrêté** of 13 January, 1883. However, with the extension of the Rice Milling Industry (Regulation) Act, 1958 (Central Act 21 of 1958) to this Territory with effect from 15 May 1969, rice mills had to be licensed under the provisions of the above said Act and the rules made thereunder. Till 14 May 1969 the licensing of rice mills was attended by the Inspector of Municipal Councils and Local Boards. It is now attended to by the Directorate of Civil Supplies. As on 31 March 1974 there were 185 rice mills functioning in all the four regions of this Union Territory as detailed below:

Territory	Pondicherry	Karaikal	Mahe	Yanam
185	106	68	—	11

The Wheat Roller Flour Mills (Licensing and Control) Order, 1957 (Central) regulates the licensing of wheat roller flour mills in the Territory. However, no licence had been issued for wheat roller flour mills in the Territory till 1976.

The Pondicherry Guest Control Order, 1968 and the Pondicherry Food (Restriction on Service of Meals by Catering Establishments) Order, 1968 are the other regulatory measures now in force in the Territory. These orders seek to prevent the misuse and wastage of essential commodities so as to ensure their availability to the public.

So far as food grains are concerned the following are the Central Orders in force in the territory:

1. The Imported Food Grains (Prohibition of Unauthorised Sale) Order, 1958.
2. The Food Grains (Prohibition of use in the manufacture of starch) Order, 1966.
3. The Food Grains Movement (Exemption to Food Corporation) Order, 1966.
4. Food Grains Movement Restriction (Exemption of Seeds) Order, 1970.

Rationing : Informal rationing was first introduced with effect from 1964 in the three chronically deficit communes of Pondicherry, Mudaliyarpettai and Ozhukarai in Pondicherry region where 20 fair price shops were opened. In Karaikal, the millers and the Marketing Society declare the stocks to the Administrator who issues necessary directions in the matter. The movement of rice from Karaikal to Mahe and its distribution to consumers was entrusted to private merchants. This system did not work well. When in 1956, the Mahe Employees Co-operative society was set up, it took up the entire work of distribution of essential commodities required for this region and this arrangement still continues :

Family identity cards are classified under four groups viz., A, B, C & D. 'A' cards are issued only to agriculturists and landlords who are entitled to get all food commodities except rice supplied. 'B' card holders get rice supply for a period of six months together with other commodities. 'C' and 'D' card holders get their full requirements of rice and other commodities. The supply of rice to card holders who are either land-owners or who get their requirements of rice from outside is correspondingly reduced or stopped. Family identity cards in Pondicherry Commune were last renewed in 1970 and the work of renewing the family identity cards of Mudaliyarpettai Commune was taken up by the end of 1970. In all, 19,110 family identity cards were issued to the public in Pondicherry Commune, 5,578 cards in Mudaliarpettai and 11,132 cards in Ozhukarai and 3,361 cards in Mahe.

In 1970 the number of fair price shops was increased from 20 to 44 duly fixing a ceiling of 700 to 900 ration cards for each shop. In the meanwhile, arrangements were made for the distribution of food grains to mill workers through the Co-operative Employees Stores attached to the mills. The distribution of sugar in the rural areas of Villiyanur and Ariyankuppam was arranged through Village Co-operative Societies. As on 31 March 1971, as many as 71 fair price shops were in operation in the Territory i.e., 44 in Pondicherry region, 12 in Karaikal town and 15 in Mahe region. Owing to the satisfactory food position in the Territory, the public distribution system was suspended with effect from 16 April 1971 in all the three Communes of Pondicherry. But rationing was again introduced with effect from 26 November 1971 in the three Communes of Pondicherry, Karaikal town and Mahe region on the advice of the Central Government. The commodity-wise position is explained in the next few paragraphs.

Rice : Of the four regions, only Pondicherry and Karaikal are major rice producers, and rice is the staple food of the people in all the regions. While in terms of production, Pondicherry region suffers a deficit, Karaikal enjoys a surplus. The rice produced in the other two regions is hardly sufficient to meet their own requirements.

The monthly requirement of rice for Mahe, estimated at about 180 metric tonnes, is supplied by the Food Corporation of India at the rate of 200 tonnes per month. Out of this, a good portion is received directly from the Central stock held by the Food Corporation of India at Cannanore and the balance taken delivery of either from the Food Corporation of India Depot at Coimbatore or Karaikal based on the release order issued by the Directorate of Civil Supplies.

Whenever there is surplus production of rice, the Administration makes arrangement to export some quantity to a needy State. Thus in 1965, as much as 2,134 tonnes of rice were exported to Kerala. On the other hand, during periods of short fall in production, the Government obtains from the Central stocks. In 1969 when the Pondicherry region was affected by drought, 1,000 tonnes of rice were obtained from the Government of India stocks. Delivery from the Central Pool is taken by the Food Corporation of India. Similarly, during 1970 also when there was a short fall in procurement in Karaikal region, the Government had to approach the Government of India for the allotment of 2,000 metric tonnes of rice.

Wheat : Till 1964, the regions of Pondicherry and Karaikal used to get their wheat supplies met from allotments to Tamil Nadu. The requirements of Mahe and Yanam used to be drawn from the quota allotted to Kerala and Andhra Pradesh respectively. As this arrangement did not work well, the Centre was requested to sanction a separate quota for this Territory. Since 1964 the Centre started sanctioning a separate monthly quota of wheat which was drawn from the Regional Directorate of Food (Central Storage), Madras. Till 1969, the monthly requirement of wheat products was supplied by the flour mills of Tamil Nadu on the advice of the Food Corporation of India. The Inter-zonal Wheat and Wheat Products (Movement Control) Order, 1969 came into force on 14 April 1969. This order was rescinded on 4 April, 1970. After the control and distribution system of wheat products was lifted by the Government of Tamil Nadu, the Food Corporation of India stopped operating on behalf of this Administration. Hence, separate arrangements were made by the Administration to get the supply of wheat products through a private firm (M/s) Honesty Agencies from one of the roller flour mills in Tamil Nadu. Sizeable quantities of maida and sooji poured into Pondicherry. With increased availability, the prices of maida and sooji came down and were sold at a rate lower than the controlled price fixed by the Government of India, whereas the price of wheat bran went up since January 1970. Hence, control on wheat products was lifted temporarily on the request of wholesalers and bulk consumers. Control was reimposed subsequently. Details of wheat allotments since 1965 are given below :

(In tonnes)

	Wheat	Maida	Sooji
1965-66	2,400	1,428	348
1966-67	2,400	1,428	348
1967-68	2,400	1,646	532
1968-69	2,400	1,428	348
1969-70	2,400	1,428	348
1970-71	1,200	1,428	456
1971-72	1,200	1,428	456
1972-73	867	666	128
1973-74	1,186	1,162	415
1974-75	1,800	1,672	290

Sugar: Sugar is distributed to the public either through fair price shops or through Co-operative Village Credit Societies. The Pondicherry Sugar Control Order, 1966 regulates the sale of sugar to the public at controlled price.

From December 1967, 185 tonnes of sugar were allotted every month at controlled rate. Due to inadequate allotment of levy sugar by the Government of India, the entire needs of the public could not be supplied through Family

Identity Cards. The allotment of sugar which was 195 tonnes per month till December 1968 was enhanced to 205 tonnes per month from January 1969. Besides *ad-hoc* quotas are allotted to meet the special requirements of marriages, festivals and other important ceremonies. Since 1967, this Territory was allotted a monthly quota of 296.1 metric tonnes including 0.1 tonne for pharmaceutical industries. In 1970 this was further increased to 400 tonnes which are distributed among the four regions as follows :

Territory		Pondicherry	Karaikal	Mahe	Yanam
400	.. ..	271	90	35	4

With the partial de-control of sugar since November 1967, the price of free market sugar was maintained at the level of Rs. 3.60 per kg. and the distribution of controlled sugar was made through family identity cards. Following de-control of sale and movement of sugar by the Government of India with effect from 25 May 1971, the South India Sugar Mills Association agreed to give 10 per cent of the sugar at Rs. 150 per quintal excluding excise duty. In January 1972 all the sugar mills in India agreed to give 60 per cent of their release at Rs. 150 per quintal excluding excise duty. Accordingly, this Administration received a quantity of 246.1 tonnes of sugar per month for distribution through family identity cards.

The sale of sugar in the Territory is regulated through licensed dealers under the Pondicherry (Free sale) Sugar Dealers Licensing Order, 1967 and the Pondicherry (Levy) Sugar Dealers Licensing Order, 1967. As on 31 March 1975 the number of dealers licensed for the purpose was as follows :

Category		Territory	Pondicherry	Karaikal	Mahe	Yanam
Free sale sugar	..	23	11	12	Nil	Nil
Levy sugar	..	83	62	Nil	14	7

The Sugar Export Promotion Act, 1958 also stands extended to this Territory with effect from 19 April 1961.

Kerosene / Petroleum Products : The Territory's requirements of kerosene are met by the Centre once every quarter. The distribution of kerosene is carried out through a few licensed wholesalers who distribute the same through their retail dealers under the Pondicherry Kerosene Control Order, 1966. The wholesalers obtain their stock from their principals at Madras. Given below are the details of kerosene allotments to the Territory (region-wise) since January 1974 :

(In kilo litres)

	Territory	Pondicherry	Karaikal	Mahe	Yanam
January 1974	960	194	153	13	—
March 1974	1,465	1,193	242	30	—
June 1974	2,065	1,749	276	40	—
October 1974	1,705	1,488	187	30	—
January 1975	1,235	1,041	164	30	—
March 1975	1,537	1,263	234	40	—
June 1975	1,888	1,557	281	50	—
October 1975	1,564	1,268	256	40	—

The licensing of the wholesale and retail dealers is regulated by orders issued from time to time. Region-wise details of wholesalers and retailers as on 31 March 1975 are furnished below :

	Territory	Pondicherry	Karaikal	Mahe	Yanam
Wholesalers	10	4	5	1	Nil
Retailers	324	74	225	11	14

The wholesale and retail selling prices of kerosene are also fixed by the Government as and when necessary. The following are the orders in force in the Territory:

The Petroleum Products (Collection of Information) Order, 1965.

The Petroleum Products (Supply and Distribution) Order, 1965.

The Kerosene (Restriction on Use) Cessation Order, 1966.

The Kerosene (Price Control) Order, 1966.

The Kerosene (Fixation of Ceiling Prices) Order, 1966.

The Kerosene (Restrictions on Use) Order, 1966.

The Pondicherry Kerosene Control Order, 1969.

Controlled cloth : The sale of controlled cloth at market price is watched by the Directorate of Civil Supplies with the help of the Enforcement Staff of the Textile Commissioner's Office, Coimbatore. The following are the Central Orders in force in the Territory which have a bearing on cotton textiles :

1. The Cotton Textiles (Control) Order, 1948.
2. The Cotton Textiles (Export Control) Order, 1949.
3. The Cotton Textiles (Production by Powerlooms) Control Order, 1956.

Vegetable oil : The distribution and sale of vegetable oil in the Territory is sought to be regulated through licences issued to dealers under the Pondicherry Hydrogenated Vegetable Oil Dealers Licensing Order, 1969. The number of licences issued to dealers region-wise is given below :

Territory	Pondicherry	Karaikal	Mahe	Yanam
34	21	13	Nil	Nil

Cement : The distribution of cement is regulated in the Territory by the Pondicherry Cement Distribution (Licensing and Regulation) Order, 1973 passed in exercise of the powers conferred by section 3 of the Essential Commodities Act, 1955.

Procurement : Although in terms of production the Territory enjoyed a surplus, it was considered necessary to enter the field of procurement to meet its requirements of informal rationing that was in force in the Communes of Pondicherry, Mudaliyarpettai and Ozhukarai. In the beginning, a voluntary levy system was introduced on an acreage basis. The Pondicherry Paddy and Rice (Declaration and Requisition of Stocks) Order was the first step taken in this direction in 1964.

Following the passage of the Food Corporation Act, 1964 which was made applicable to the whole country, the Food Corporation of India made its entry into Pondicherry in 1964 by opening a branch here. As the Government also did not wish to enter the field of procurement, storage and distribution directly involving its own funds and personnel, it entrusted the work to the Food Corporation of India which functioned as the Chief Agent. The Branch Office under the control of the Regional Manager, Food Corporation of India, Tamil Nadu, took charge of procurement of rice, storage of food grains and fertilizers, and distribution of wheat and fertilizers. Apart from the Corporation, the Pondicherry Co-operative Processing, Supply and Marketing Society and the Pondicherry Co-operative Wholesale Stores in Pondicherry region and the Karaikal Processing, Supply and Marketing Society and some millers in Karaikal region also functioned as procurement agents to collect levy food grains from local land owners and merchants. These agents procure paddy, convert it into rice and hold stocks on Government account. They distribute the same to the nominees of the Government. Check posts were established at 10 border points in Pondicherry and at five border points in Karaikal region. In order to intensify procurement, the Administration issued the Pondicherry Paddy (Procurement by Levy) Order, 1966 imposing a compulsory levy on producers. This order came into force on 5 February 1966. The check posts were however removed at the end of May 1966 and again re-established in January 1967. After 1967, the Food Corporation of India enlarged its activities in Karaikal leaving for the millers a restricted role in the purchase, storage and sale of rice to the public. The task of procurement both in Pondicherry and Karaikal come under the Food Corporation of India.

On an average about 20,000 metric tonnes of paddy were procured from the two regions although the commitment of the Administration was of the order of 16,000 metric tonnes of rice per year. During 1968–69, procurement amounted to 18,000 tonnes besides 20 per cent from the Pondicherry *mandi*.