CHAPTER I

THE Emergence of the Tamil Nadu Civil Supplies Corporation

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CHAPTER I

THE EMERGENCE OF
THE TAMIL NADU CIVIL SUPPLIES CORPORATION LIMITED

Of the various achievements that India could be proud of as a sovereign State for half a century long, one has a considerate view to rank India's self-sufficiency in food as perhaps the greatest achievement, for, the success not only stabilise the power of the nation but also enhanced her status in international arena. In other words, a changed scenario with scarcity of foodgrains would have weakened the nation by jeopardising all her other achievements and pushing the nation to the door steps of the donors in food grains.

This spectacular success of India can be attributed to two main factors: First there is a technological advancement in agricultural sector like soil, seed, manure, pesticide, irrigation and cultivation pattern leading to the Green Revolution in the State. Secondly, there is a scientific management in the foodgrain processing chain like procurement, transportation, storage, damage control, loss prevention and distribution leading to the formulation of Food Policy in India. On the nature of these two factors, the role of the Government varies accordingly, and while the farmer could get the governmental assistance and patronage only, the latter is more effectively controlled and executed by the Government. It is here, the intervention of the Government in food sector becomes significant for a study.
Working on the principles of a welfare state, the functions of the Government became manifold. First, the Government should Procure adequate quantity of foodgrains at the time of bumper production by analysing its quality and selecting the variety. Secondly it should Process the commodities and Store them in the most scientific manner to prevent its loss and damage till it is to be distributed during the lean period. Thirdly, it should develop a systematic scheme to distribute the commodities among the people it is meant for.

Thus comes here, the Tamil Nadu Civil Supplies Corporation Limited (Hereafter TNCSC Ltd. or the Corporation is used interchangeably) as a pivotal governmental agency in fulfilling the policy of the Government and in improving the standard of living of the people of Tamil Nadu.

The Scope of the Study

The work is thus an attempt to study the necessity, the origin and the metamorphosis of the TNCSC Ltd. as an agent to implement the socio-economic programmes in Tamil Nadu. In the process, the study is spread over five chapters. Both descriptive and analytical methods are adopted to explain the different concepts of the study. Besides, for an easier comprehension of the varied statistics, datas are used in tabular forms as and when required. While some tables are supplementary to the main text, few tables are presented directly to explain the comparative trend projected therein. Efforts are also made to present photographs depicting different establishments, machineries and the functions associated with the working of the Corporations.
The introductory chapter entitled The Emergence of the Tamil Nadu Civil Supplies Corporation Limited attempts to analyse the need for State intervention of food sector and the establishment of a host of committees and commissions to study the food problems in India from time to time and to suggest ways and means to tackle the problem. It further analyses the developments in the Provincial Government of Madras and the various organisations and institutions that preceded the formation of the TNCSC Ltd. as an independent agent in the State since 1972.

The second chapter The Objects and Administration focuses on the ends and means of the Corporation. It discusses the policies of the Corporation as reflected in its Memorandum of Association. It further studies in depth the administration aspect based on the rules and regulation as charted in the Articles of Association. After studying the budgeting and financing of the Corporation it discusses the management and administrative set up of its commercial wings such as Direct Purchase Centres, Godown Managements, Regional Laboratories, Management of Modern Rice Mills and Gunny bag management.

With the third chapter, the dissertation enters into the more technical aspects of the study. Captioned as The Functions of the Corporation, it highlights the different methods, quantity and varied prices of procurement of paddy and rice by the Corporation. The allotment of other essential commodities like wheat and wheat products, sugar, kerosene, palmolein oil etc., for the public distribution purpose by the Central Government to the Tamil Nadu State Government are also discussed. The TNCSC Ltd., being the
sole agent of the Tamil Nadu Government takes care of the distribution of these essential commodities to public. It also brings out the details about the construction of godowns for storage of foodgrains during the period 1972-92, the measures taken by the TNCSC Ltd. to avoid storage losses are also dealt with. The conversion of paddy into rice for the public distribution carried through the processing centres like Modern Rice Mills are analysed in this chapter.

The Socio-economic Programmes is the next chapter devoted for the study of different types of programmes undertaken by the Corporation either for economic development or social upliftment or both from time to time. Ranking the utility of the programmes while the Public Distribution System (PDS) was given a detailed treatment, the other programmes had the share of focus according to available contextual references.

The concluding chapter As assessment and overview evaluates the Corporation not only as a commercial organisation but also as a social service agent of the Government. In the process, it points out the defects and difficulties studded with the organisation and further progresses to enumerate and explain the various recommendations suggested to enhance the efficiency of the organisation towards the fulfilment of its noble objectives.

The Sources

The sources of the study are plenty, varied and complex, classified into two groups as primary and secondary. The primary sources include the
Government Orders, Records, Annual Reports and Policy Notes of both the Government of India and the Government of Tamil Nadu. It also includes similarly documents of the Corporation besides its Memorandum of Association, Articles of Association, Hand Books, Manuals, Souvenirs, Journals, Circulars and Brochures of various types. Individual Interviews with persons occupying high responsibilities in the Corporation and being associated with the organisation for a long period also provided many technical and useful data of this study.

Similarly there are quite a good number of scholars engaged in the study of Food Policy with reference to Tamil Nadu exclusively. While *The Public Distribution System in Tamil Nadu*, by C.Annadurai (Madras 1988), *The Public Distribution System in Tamil Nadu* by P.Bhaskaran (Bangalore, n.d.), *Food and Agriculture in Madras State* by B.Natarajan (Madras 1953) highlight the policy framework of the Government in a broader perspective, *A study of State intervention in Paddy/Rice Marketing in Tamil Nadu* by C.Bragadha (Madras 1986), *Paddy and Rice Marketing in Northern Tamil Nadu* by Barbara Herniss (Madras 1977), *A Survey of Procurement and Rationing of Food in Madras State* (1942-1949) by I.R. Jones (Madras 1951), *Public Distribution and Rice Procurement in Tamil Nadu and Government Operations in Rice - A Case Study of Tamil Nadu* by T.Prabha (Trivandrum, 1982 and Bombay, 1983) respectively analyse the functional aspects of the issues. It is therefore felt that there is a need for a comprehensive study of the evolution and the functions of the Government of Tamil Nadu as exercised by its organisation called Tamil Nadu Civil Supplies Corporation Ltd.

**The Origin of the State Intervention**

The evolution of modern state system from its old feudal form to the present democratic norms along with the birth of a host of new political ideologies and economic theories has brought radical changes not only in the structure and style of the State, but also in its purpose and functions. As a result the modern State is not merely confined to its old role to rule the
people, but has assumed modern responsibilities to govern the society. Referring to this, the noted political scientist Harold Laski wrote,

The purpose of the State is to create such an atmosphere in which all the people should be able to lead a supreme and self sufficient life.¹

Gradually, this objective gained importance and gave rise to the concept State as a means to an end and corollary to it, the status of the State also began to change from Police State to Welfare State. According to Arthur Schelesinger,

the welfare state is a system wherein the Government agrees to underwrite certain levels of employment, income, education, medical aid, social security and housing for all its citizens.²

Similarly, Herbert Lehman defines that

... in the welfare state the people are free to develop their individual capacities, to receive just awards for their talents and to engage in the pursuit of happiness, unburdened by the fear of actual hunger, actual homelessness or oppression by reason of race, creed and colour.³

The modern Government, thereby, being the agent of the State, irrespective of its norms and forms, is required to perform the ever expanding


2. Ibid., 564

3. Ibid.
functions over the periods. Starting from its earliest role to police the people and maintain a law and order in the society, it accepted the additional function to protect their property from violence and finally adopted the new responsibility to promote their all-round development. It is precisely for this new found function, the Government formulates, executes and monitors various schemes for the people from time to time. Thus comes the rationale in the Government’s efforts in implementing a Food Policy monitoring the food economy and executing food administration for its people.

The need for Government intervention in food sector gained importance on the ground that such a vital, commodity as foodgrain, free market forces, if left to themselves, especially in a situation of overall shortages, would create destabilising effects through speculative activities which benefit neither the producer nor the consumer. Even the marketing mechanism could not achieve the Government’s specific welfare objectives. Intervention does not dispense with the market altogether as it has evolved and as is prevailing at present in the country. Government intervention has created a two-market two price regime, an open market and a Government run concessional food supply system.4

The origin of the Food Policy of India can be traced back to the outbreak of the Second World War in 1939 when the demand for foodgrains for armed forces increased while supplies from the exporting countries became

uncertain. This gave rise to speculative activities and a sudden spurt in prices. During this period, several countries introduced rationing of foodgrains and other essential commodities. Most of the countries, particularly the European countries discontinued the rationing system after the war. In India the system continued though there were changes in size, nature and coverage.\footnote{Ibid.}

During the course of the Second World War, there was a considerable rise in the prices of foodgrains and other primary commodities. In order to control the rising price of foodgrains, numerous price control conferences were held in Delhi during the period from 1939 to 1942.

The First Price Control Conference was held in October 1939\footnote{S.L. Bapna, \textit{Food Security through the PDS: The Indian Experience}, (---, n.d.), p. 104} which appreciated the price rise from the point of view of the producer but was conscious in not letting the prices rise as this would cause social discontent.

The Second Price Control Conference was held in January 1940\footnote{R.N. Chopra, \textit{Evolution of Food Policy in India}, (Delhi, 1981), p. 24} which decided that the Central Government to hold the responsibility of controlling primary wholesale prices and the regulation of primary whole sale markets and the State Governments to be responsible for controlling retail markets.
The Third Price Control Conference which was held in October 1941 marked a definite stage in India’s realisation that food position in the country had become a major problem which could not be solved by normal methods.

The Fourth Price Control Conference was held on 6 and 7 February 1942 to advise the State Governments to regulate the distribution of wheat and its acquisition. It was in this conference that the need for Central co-ordination of movement of foodgrains and other prices under war condition was felt for the first time by the Central and Provincial Governments in this conference.

The Fifth Price Control Conference of April 1942 felt that if price control was to be retained then some measure of restraint namely a check on quantities, location and movement of stocks etc. must be imposed over the stocks of grain by the Provincial Governments.

In the beginning of 1942, a series of events took place and that acted as catalyst in the policy formation of the Government of India. In April 1942, Burma was occupied by Japan and that had dislocated the food supply to India. The situation was further aggravated with severe drought condition in southern states. In October 1942 came a great natural calamity of cyclone and

8. Ibid.
9. Ibid., p. 25
10. Ibid.
torrential rain in Bengal forcing the traders and the shop-keepers to close their shops for several days. The Bengal famine of 1943 became a great tragedy with the death of one and a half millions of people and that sent shock waves throughout the country. Thus the price began to rise, the poor began to starve and the Government began to act seriously.

In the meantime on 21 May 1942, the Foodgrain's Control Order was introduced with the main objects of segregating the genuine trader from the speculator and securing information of wholesale stocks and their movements. In June 1942, a Central Food Advisory Council was set up. In July 1942, a Civil Supplies Commissioner for rice and other commodities was appointed by the Government of India. In September 1942 emerged the first scheme for centralised purchase of foodgrains during the Sixth Price Control Conference.

The Advent of Food Policy

December 1942 can be considered as a milestone in the progress of food policy of India on two grounds. First it was on 2 December 1942 that an exclusive Department of Food was established by the Government of India to formulate serious programmes in this regard. Secondly, it was on 14 December 1942 the First Food Conference was held to


12. Ibid, pp. 26-27
frame agreed estimates of foodgrains requirements and resources of main administrative areas of the country and to draw up a programme for the utilisation of such stocks as may be found available on the lines best calculated to meet the most essential needs of the country, in other words, to frame a quota programme for supply of deficit areas.  

The Department of Food started functioning with right earnest and issued orders to the Provincial Governments on 2 January 1943 to prohibit the export of all major foodgrains except under permit. The permits were confined to only purchases made by the importing Governments. The provinces were asked to set up a procurement machinery at once. But the idea of equality of sacrifice in the country was not widely accepted by the provinces.

Rapid and violent fluctuations in agricultural prices would always have harmful consequences. For example, the steep decline in the price of foodgrains would cause heavy loss on the growers and when the prices soared very high, the consumers were put to hardships. Therefore it became necessary to evolve an agricultural prices policy to safeguard the interests of both producers and consumers. In the years of surplus, the Government planned to build up buffer stocks through purchases at minimum support prices fixed by the Government, thereby protected the interest of the farmers for having produced more. In the years of scarcity, the Government released the buffer stocks in a phased manner at reasonable prices so that the interests of the consumers were protected. Thus the agricultural prices policy of the Government served

13. Ibid., p. 28
a dual purpose of not allowing the prices to rise inordinately and not allowing them to fall below a certain minimum level.

In September 1943, Foodgrain Policy Committee was set up by the Department of Food under the Chairmanship of Sir Theodre Gregory.\textsuperscript{14} The committee was required to examine the past policy and present position in India, in relation to the supply, distribution and price of foodgrains in the light of relevant condition, including those imposed or liable to be imposed by the war and to make recommendations, both of policy and of administration for securing for the duration of the war, maximum supply, equitable distribution and proper control of prices in relation to foodgrains.\textsuperscript{15}

The recommendations of the committee led to a number of formal Government intervention on the side of foodgrains. It prescribed the essentials of control in procurement of foodgrains, distribution including rationing, statutory price control and co-ordination between the Central and Provincial Government.\textsuperscript{16} It also recommended for setting up of a central foodgrains reserve, basic plan - movement of surpluses of provinces to deficit states through procurement and distribution, the mechanism of fixing prices of foodgrain for agriculturists and increase in agricultural production. However,

\begin{itemize}
\item 14. R.N. Puduval, n. 4, p. 632
\item 15. R.N. Chopra, Food Policy of India - A Survey, (New Delhi, 1988), p. 38
\end{itemize}
the committee rejected the extreme polices of free trade in market purchase and Central Government's foodgrain monopoly.

Similarly the Second Foodgrain Policy Committee set up in September 1947\textsuperscript{17} under the Chairmanship of Sir Purushotham Das Thakur Das prescribed indirectly some precautions and pre conditions of a decontrol policy due to Gandhiji's influence of free trade. However, a food crisis appeared in 1948 and food prices rose substantially. Accordingly, controls were reintroduced. Due to increased internal production of foodgrains in 1951-53 food situation eased in 1953-54 and food controls and rationing were practically dismantled.\textsuperscript{18}

It was quite surprisingly even in the years of plenty i.e. in 1953-55, scarcity condition prevailed in the country. This was due to droughts in parts of Bombay, Andhra Pradesh, Rajasthan, Madhya Pradesh and in Madras in 1953-54 and due to floods in parts of Assam, West Bengal and Eastern Uttar Pradesh.\textsuperscript{19} This could have been avoided if the Government had a buffer stock of grain kept in storage suitably spread out in the country. The Government then felt the need of building up a reserve stock of foodgrains which ofcourse was recommended earlier by the Foodgrains Policy Committees and the Famine Enquiry Commissions.

\textsuperscript{17} Rudder Dutt and K.D.M. Sundaram, \textit{Indian Economy}, (New Delhi, 1995), p. 499

\textsuperscript{18} S.K. Misra and V.K.Puri, n. 11, p. 537

\textsuperscript{19} Rudder Dutt and K.P.M. Sundaram, n. 17, p. 500
Building up and maintaining buffer-stocks of foodgrains, thus, occupied an important place in India's Food Policy. It was considered as an important instrument of maintaining price stability of the essential commodities. It was for the first time that in 1952, the country had a reserve stock of four lakhs tonnes of foodgrains with the Centre. The position became improved in 1953 with a little over five lakhs tonnes and was very good in 1954 when the Government maintained a centre reserve of fifteen lakhs tonnes of foodgrains. These stocks were defined as

counter speculative stocks in anticipation of the fact that sentiment among private traders and farmers could lead to an additional stock demand for grain and consequently to hoarding for medium of short periods.

Inspite of the increase in foodgrain production, the food position remained under pressure during 1957 and the demand was outstripping the supply. An important change that was brought in the southern states was the formation of a South Zone on 9 July 1957 in order to meet the deficit of Madras, Kerala and Mysore states with the help of the surplus of six lakhs tonnes of rice from Andhra Pradesh. A Foodgrains Enquiry Committee was appointed in June 1957, to investigate into the causes of rise in prices despite higher production and to suggest remedial measures to prevent hoarding of


foodgrains. On the recommendations of this committee calling for social control over the wholesale trade in foodgrains and its subsequent endorsement by the National Development Council in November 1958, the Government of India experimented with state trading in foodgrains in April 1959. The Committee also recommended that rationing system through Fair Price Shops (FPS) to become the permanent component of an effective food policy management. In order to maintain buffer stock and for consumption, the committee recommended the Government to make arrangements from major exporting countries on a long term basis. Suggesting long term agreements with U.S.A. and Burma, this committee observed,

India would be able to assure herself of certain quantities of foodgrains from abroad in the years to come. Such a supply would enable the formulations of a stable and long-term food policy. In fact, assurances of continued imports of certain quantities of foodgrains will continue the very basis of a successful food policy for some years to come.

The Government of India signed the PL 480 agreement with U.S.A. in 1956. In the same year it had also signed an agreement with Burma for the import of 20 lakhs tonnes of rice for a period of 5 years from June 1956. Foodgrains on a commercial basis were also imported from Australia. Wheat and wheat flour were imported from Canada, both on a Commercial basis as

22. R.N. Chopra, n. 6, p. 89
23. S.K. Misra and V.K. Puri, n. 11, p. 537
24. R.N. Chopra, n. 6, p. 101
well as under the Canadian Food Aid Programme. Rice was imported also from Cambodia, Nepal and Thailand. The period from 1958-59 to 1962-63 saw ups and downs in production, rise and fall in prices, the gap in demand and supply continued to be met by imports from other countries. The stresses and strains on the country's food economy were felt during the period from 1963 to 1964 due to shortfall in production of all grains except rice.

The Birth of The Food Corporation of India (FCI)

The year 1965 witnessed the advent of two major events namely the establishment of Food Corporation of India on 1 January 1965 and secondly the setting up of the Agricultural Price Commission (APC) in January 1965. The Agricultural Price Commission was set up to advise the Government of India on the price policy for agricultural commodities with a view to evolving a balanced and integrated price structure in the perspective of the overall needs of economy and with due regard to the interest of the producer and consumer.

The APC recommended the price policy and relative price structure and required the Government to provide an incentive to producers, to adopt

27. R.N. Poduval, n. 4, p. 632
improved technology and develop a production-pattern consonant with national requirements. It also emphasised the need to ensure rational utilisation of land, water and other resources and the need to assess the effects of changes in price policy on the economy. This Commission is now called as the Commission for Agricultural Costs and Prices.\textsuperscript{28}

The implementation of the Government's policy on procurement, storage, transport, distribution and sale of foodgrains and other foodstuffs through Fair Price Shops (FPS) was vested in the FCI. The FCI was also responsible for promoting the production of foodgrains and setting up or assisting in setting up of rice mills, flour mills and other such undertakings for processing foodgrains and other foodstuffs. It became the sole agency of the Central Government for State trading in foodgrains since 1 April 1969.\textsuperscript{29}

The FCI aimed at providing an incentive price to the farmers for his produce and supplying foodgrains to the consumers at reasonable prices by implementing the price policy of the Government. It also undertook buffer stock operations namely buying foodgrains in surplus regions and storing or supplying to deficit regions. To sum up, the FCI was created by the Central Government with the main object of using it as an instrument of National Food Management in the entire country. The institution secured strategic and commanding position in the foodgrain trade in the country. The headquarters

\textsuperscript{28} T.J.S. George, (ed.), n. 25, p. 117

\textsuperscript{29} S. Sankaran, n. 21, p. 344
of this organisation was in Madras and the person responsible for establishing this was C. Subramanian, a Central Minister from Tamil Nadu.\textsuperscript{30}

With the increased production of foodgrains and the increasing demands on the PDS, the role of FCI had also increased. The FCI supplied foodgrain to the State Governments as per the allocations made by the Centre. It also managed the wholesale distribution network in few States. The State Governments distributed the grains supplied by the FCI through the FPSs or ration shops. Foodgrains were procured by the State Food and Civil Supplies Departments apart from the FCI. The methods of procurement differ from state to state. The stock maintained by the Government of India was known as the Central Stock.\textsuperscript{31} The operations of this stock was the responsibility of the FCI. But the allocation and other related policies were decided by the Central Government.

The grains procured by the FCI and other Central Government agencies were the most important sources of stocks for the Central Pool. The State Governments handed over a portion of their procurement to the Central Government. This also became another source of supply to the central pool. The central stock of grains consisted of two types namely the Reserve Stock and the Operational Stock.\textsuperscript{32} The reserve stocks were held to meet the

\textsuperscript{30} Interview with K. Lakshmanaraju, General Manager (Quality Control), TNCSC Ltd., Madras, 9 May 1992.

\textsuperscript{31} S. Narayanan, Demand-Supply gap and Public Distribution of Foodgrains in India, (New Delhi, 1986), p. 107

\textsuperscript{32} Ibid.
demand arising from the low production which was not enough to fulfil the
normal consumption in bad years. Operational stocks were meant for current
year's consumption which include the stocks in excess of the reserves.

The achievements of the FCI were many. The procurement operations
and the level of procurement had increased considerably ever since the
establishment of FCI. It enabled the Government to build up an adequate
buffer stocks on the one hand and to meet the requirements of the poor on
other. Moreover there was increase in the domestic procurement of foodgrains
which declined the import of foodgrains considerably and enabled the country
to save valuable foreign exchange. The major part of the FCI's procurement
operations were in the nature of price support purchase. Therefore it arrested
price declines to unremunerative levels. The FCI helped in reducing the
inflationary price by supplying foodgrains through PDS. It also had enabled
the low income groups to meet their requirement of foodgrains. Finally, the
scientific storages of the FCI had enabled the country in reducing the storage
loss.33

Inspite of its glorious achievements, the FCI faced a serious disputes
with the States of Punjab and Haryana in the matter of sales tax imposition
on the Levy rice which ended in favour of the FCI. This caused a lot of bad
blood between the FCI and these two States. Many other State Governments
also were not happy over the working of the FCI and the relationship between
the States and the FCI was far from satisfactory.

33. S.K. Misra and V.K. Puri, n. 11, p. 556
Poor procurement operation, high incidentals, heavy overhead charges, enormous subsidy, shady dealings, 'indiscipline among the staff', 'lot of corruption', etc. present a very poor and dismal picture of FCI.\textsuperscript{34}

Similarly the FCI had trouble with its staff and labour unions wherein it yielded to the union requests. Such situations could have been avoided by tactful deals with them by the FCI.

As an ideal arrangement, it would be well to define that all internal procurement, price control enforcement (not price fixation) and grain movement within the State must be left to the State Government agencies themselves. Inter-State movement, storage of grain for the Central pool and its distribution to the State Governments must be with the FCI which would, in addition and in nature of it develop an expertise in technical matters, to be shared with the State Governments.\textsuperscript{35}

However, all imports and exports of grains would be handled by the FCI as an agency of India. The precise functions of the FCI as mentioned above were made at the Chief Ministers' Conference and thereafter, many State Governments set up their own Food and Civil Supplies Corporations.

The recommendations and proposals suggested by the various commissions and committees from time to time were required to be implemented accordingly. The Government of India therefore schemed its

34. S. Sankaran, n. 21, p. 348
35. R.N. Chopra, n. 6, p. 255
machinery to carry out this specific responsibility. As a result, the Department of Civil Supplies was renamed as the Department of Civil Supplies and Co-operation in 1974 as part of the reconstituted Ministry of Industry and Civil Supplies. It combined the work relating to Co-operation in the erstwhile Department of Community Development and Co-operation and that pertaining to Civil Supplies in the Ministry of Commerce. It was converted into a separate Ministry in August 1976. The Ministry of Civil Supplies and Co-operation was again reorganised in December 1984 and renamed as the Ministry of Food and Civil Supplies.

The management of India's food economy and monitoring prices and availability of essential commodities were carried out by the Ministry of Civil Supplies. The responsibilities of the Department of Food economy involved complex and large scale operations such as procurement of foodgrains, their timely movement to deficit areas, building up and maintenance of buffer stocks and creation of adequate scientific storage capacity for holding them. The Department of Civil Supplies was responsible for monitoring the prices and availability of essential commodities through Public Distribution System (PDS).

The Madras Scenario

It was seen earlier that the Bengal famine of 1943 was the starting point for the Food Policy in India in a coherent and in serious manner and it

36. T.J.S. George (ed.), n. 25, p. 107
37. Ibid.
had its repurcussion in the provincial administration too. The Madras Province also was undergoing the problem of food scarcity during the same time due to drought and out flow of foodgrains to other States. It is therefore the Government of Madras was called upon to develop a food policy of the State on two grounds (i) to abide by and follow up the Central Governments recommendations and to (ii) initiate its own policies to arrest the food problems. Falling on line with the Central Government one such measure taken up by the Madras Government was the Grow More Food Campaign (GMF).

The GMF Campaign was the result of the occupation of Burma by the Japanese in 1942. When it became clear that the supply or rice was not possible from Burma, the Government of India called for a Food Production Conference on 6 April 1942 wherein it was decided to initiate Grow More Food Campaign to increase food production within the country. Self Sufficiency in food production became the target of the GMF campaign. This campaign was in force for a period of nine years from 1943 to 1951.38

The Emergency Food Plan was drawn up to make each state self-sufficient in foodgrain by co-ordinating the activities of the different departments of Government engaged in stepping up food production like Agriculture, Public Works and Revenue. To bring about such co-ordiantion the Commissioner of Civil Supplies was given the powers over the entire GMF campaign in the State. He was also designated as the Commissioner of Food

38. S.A. Subbaiah, n. 26, p. 10
Production and was made ex-officio Secretary to the Government. He was assisted by a special staff including a technical personnel consisting of a Superintendent, Engineer and seven Executive Engineers.\textsuperscript{39}

At the Secretariat level, a Cabinet Sub-Committee composed of the Chief Minister and the Ministers of Finance, Land Revenue, Agriculture, Public works and Food was constituted to help speedy sanction of GMF scheme. Later in 1952, the Minister for Prohibition became a member as the Minister for Finance. At the District levels, District Food Production Committees were set up to co-ordinate the work and watch the progress of GMF scheme and to create enthusiasm among the people.\textsuperscript{40}

The Madras Foodgrains (Intensive Procurement) Order 1948,\textsuperscript{41} was in force in all the districts except Madras and Malabar as there was very little production for local procurement. The working of this Order for a year was satisfactory. The year 1949-50 was marked by two unprecedented calamities. One was the cyclone that played havoc with the crops, men and property in the northern districts of the State in the month of October 1949 which caused heavy damage to the paddy crops. The other was the complete failure of the North-East monsoon which decimated the yield of foodgrains in the southern districts and produced widespread famine conditions. The year 1950-51 turned out to be much worse than anticipated production. The only remedy measure

\textsuperscript{39} B. Natarajan, \textit{Food and Agriculture in Madras State}, (Madras, 1953), pp. 45-46

\textsuperscript{40} Ibid.

\textsuperscript{41} \textit{G.O.No. 891, Food}, 4 October 1948
the Government could do to meet the critical food situation was to make a
retreat from an over-rigid control position by two ways namely, derationing of
rural areas and abandonment of intensive procurement in all districts other
than surplus ones. Accordingly, rural derationing was effected from 18 January
1951 and the total abandonment of intensive procurement became its logical
consequence.42

Thus, the GMF campaign was not able to achieve the expected results
because the scope was too narrow and restricted. Starting from the objective
of attaining self-sufficiency, the GMF campaign got mixed up with the
production of other commodities like cotton and jute and later with the
production of live-stock and fisheries. The campaign was regarded as a
temporary one to achieve a prescribed target by a particular date.

Agricultural production in the country in general and in Tamil Nadu
State in particular, was subject to many natural hazards, of which adverse
seasonal conditions were the most important. The quantum, timeliness and
distribution of rainfall in a particular year had a large influence on the volume
of production in that year. Past experience had shown that vagaries of
monsoon caused swings in foodgrain production with the limited scope for
increasing the areas under foodgrains; the science of Chemistry, Genetics,
Virology, Nematogy, Ecology and Atomic Science have elevated agriculture
as a highly complex and intricated form of science. The main objective behind

42. B. Natarajan, n. 39, p. 46
this newly developed agricultural technology was to arrest starvation and death occurred due to natural calamities.

It was the responsibility of the Government to protect people from such suffering. The remedial measure taken by it was popularly known as the Green Revolution. Green Revolution was a direct outcome of new agricultural strategy adopted in the wake of rising food deficits and scarcities of agricultural crops in the country. The main elements of this strategy were

To concentrate attention and resources to those identified areas which have potential for fast growth; to raise rapidly the area under double cropping and to make available resources and various technical services that are helpful in increasing agricultural production.  

A beginning was made by evolving and introducing a package of new technical agricultural practices. Tamil Nadu was closely identified with the gains of the Green Revolution and within Tamil Nadu, the Thanjavur district participated more enthusiastically in the Green Revolution as the model for emulation by other districts. In the name of green revolution the programmes introduced by the Government during the period from 1960 to 1970 included Intensive Agricultural District Programmes (IADP), High Yielding Varieties Programme (HYVP).

44. Ruddar Dutt and K.P.M. Sundaram, n. 17, p. 505
The IADP was first introduced in 1960-61 in Thanjavur District because of its highest potential for developments with the extensive irrigation system together with the fine alluvial soil.\textsuperscript{45} This programme attempted to introduce to the farmers the most effective package of practices and inputs for their individual farm conditions. It also tried to improve the input supply system, extension services and district administrations so that the farmers could derive the greatest benefit from the recommended package. Hence this was also called as Package Programme. The two main objectives of this programme were

\begin{quote}
Increasing food production in order to meet shortage as well as to provide the base for more rapid economic development and demonstrating the most effective ways of increasing food production through the concentration of resources, both human and material, and setting a pattern of extending such intensified agricultural programme to other favourable areas having irrigation or assured water - supply.\textsuperscript{46}
\end{quote}

This programme was later extended to other areas covering fifteen districts. These districts with their specialised organisation and facilities for rapid growth were playing a significant role in popularity of the high-yielding varieties of foodgrains.

\textsuperscript{45} S. Perumalsamy, \textit{Economic Development of Tamil Nadu}, (New Delhi, 1985), p. 136

\textsuperscript{46} S. Sankaran, n. 21, p. 273
The HYVP was introduced in 1966 initiated the use of Chennai fertilisers in agriculture. It also made the farmers to realise that multiple cropping was possible only by increasing the use of fertilisers. The advent of ADT 27 presented the opportunity to convert most of the single-cropped area into double-cropped land. The availability of I.R. 8 (imported variety of paddy) and other exotic paddy varieties like ADT 20 and ADT 27 could do little to change the dim prospect for the agricultural economy of Thanjavur.\(^{47}\)

Due to a series of natural calamities like drought and failure of the monsoon in 1965, there was acute food scarcity in the country. In Madras, the Government introduced control over the movement of rice to prevent smuggling. The Government took upon the task of procurement of surplus rice in the districts. Madras city suffered the most and the people waited for long hours in long queues to get a small quota or rice in the FPSs. Thiru K. Kamaraj who was in Madras at that time saw the plight of the people. He felt that immediate and effective steps should be taken to avert this serious crisis. He requested Mr. T. T. Krishnamachari, the then Union Finance Minister to arrange to supply more foodgrains to Madras. They also considered the introduction of informal rationing.\(^{48}\)

The movement of foodgrains within the districts of the State was facilitated. Rice was brought through Railway Wagons from Thanjavur. Ration

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47. S. Perumalsamy, n. 44, p. 137

Cards were issued to all families. The stocks in the city were considerably augmented. These measures eased the tension, situation and sufferings of the people in the state.

To Kamaraj goes the credit of handling a very bad situation quickly and dexterously thus averting a serious crisis. This was one more instance of Kamaraj’s shrewd perception, quick decision and decisive action. One more feather was added to his cap.\(^{49}\)

However, the soaring prices of the essential commodities were taken up for public discussion as an important election issue by the opposition parties. During the 1967 election, the Dravida Munnetra Kazhagam (DMK), the opposition party in Tamil Nadu politics capitalised this price issue on the basis of the day to day frustrations of the common man and criticised the ruling party as

bad management of state and owned industries, the domination of the rich in the congress.\(^{50}\)

The economic slogan of this party was,

Kamaraj Annachi, Milagai vilai ennachu?, Venkataraman Annachi, Vengaya vilai ennachu?, Alungachi Annachi, Arisi vilai ennachu?\(^{51}\)

49. Ibid.


51. Ibid., p. 157
(Brother Kamaraj, what happened to the price of chillies?, Brother Venkataraman, What happened to price of onion?, Ruling party brother, what do you say about the rising price of rice?).

At the same time, the DMK party manifesto gave suggestions for arresting the price rise as

to eliminate food scarcity to give land and life, to the tillers of the soil to improve agriculture, to develop a good distribution system, to better the procurement process by removing unnecessary and useless controls and by getting rid of the method of coercing the small land holders while bending before the feudal lords and to implement the procurement system without hitting the small land holders.\textsuperscript{52}

Resentment against the ruling Government and promising manifestos of the opposition party changed the political scenario in the state and thus paved the way for the DMK party to come to power. C.N. Annaduari who became the Chief Minister in 1967 proved himself as an able administrator, a responsible minister and incorruptible person. His death in 1969 was a great loss to the state as also to the DMK party.\textsuperscript{53} M. Karunanidhi, popularly known as Kalaigannar continued to serve as the Chief Minister. It was during his tenure of office that the crisis was taken up seriously which is evident from the reply given by P.O. Shanmugam, the then State Food Minister about the

\textsuperscript{52} Ibid., p. 236

\textsuperscript{53} V.M. Krishnamurthi, \textit{History of Tamil Nadu - Political, Constitutional and Cultural, 1565-1970 A.D}, (Neyyoor, 1983), vol. 11, p. 201
decision of the Government to create the Tamil Nadu Civil Supplies Corporation Limited within a short time in the Tamil Nadu Legislative Assembly.\textsuperscript{54} It can be added here, that the name of the State Madras was changed as Tamil Nadu with effect from 14 January 1969 and thus brought a consequential alteration in the name of all the organisations and the institutions belonging to the State.\textsuperscript{55} Accordingly, the Tamil Nadu Civil Supplies Corporation Limited was created and registered as a Private Company on 27.4.1972.\textsuperscript{55}

The management of the food economy of Tamil Nadu is relatively less difficult than some of the other States in the country. It is not a surplus State in rice production as Andhra Pradesh or Punjab or Haryana. Nor is it a deficit State like Kerala or West Bengal. In a normal year (when the monsoon rains do not fail), the production of rice has been regarded as sufficient to meet its requirement.\textsuperscript{57}

The Tamil Nadu Government had an excellent Civil Supplies Department functioning efficiently from 1942 onwards. They were the pioneers in establishing a Civil Supplies Department to look after the

\textsuperscript{54} Tamil Nadu Legislative Assembly Debates, 4th Session of the 5th Legislative Assembly under the Constitution of India, 18, 20, 21 and 22 March 1972, vol. XIX. nos. 1-4, p. 216 See also: Murasoli, 13 July 1972.

\textsuperscript{55} Sadanand Patra, 'Rise and Fall of Madras', The Third Concept, (New Delhi), March 1997, pp. 53-54

\textsuperscript{56} Nam Nadu, 27 April 1972

\textsuperscript{57} R.N. Poduval, n. 4, pp. 635-36
procurement, transportation, processing, warehousing, marketing and distribution of grain within the State. This organisation had taken a strong root in the State and had developed their own expertise in all the aspects of Food Management. They were also able to make a definite contribution to the National Food Management by looking after the needs of the State quite efficiently.58

Within five years, the newly created Department of Civil Supplies had an array of Supply and Ration Officers under a Commissioner of Civil Supplies who was a member of the Board of Revenue, incharge of food production also with the designation of Commissioner of Food Production. He assumed full control over the entire range of activities connected with the execution of Intensive Cultivation Scheme by the different departments. A post of Director of Civil Supplies was also created to give relief to the Commissioner of Civil Supplies and to enable him to devote more attention to his duties. A Cabinet Committee was also constituted to accord sanction to Intensive Cultivation scheme and to review the progress of execution of the schemes from time to time. District Food Production Committees were also constituted to hear representations from ryots seeking assistance for increasing food production.59

In Tamil Nadu, the Government intervention in the foodgrain economy was in the form of price control, procurement by compulsory levies on

58. B. Natarajan, n. 39, p. 44
59. R.N. Peduval, n. 4, pp. 635-36
producers, millers and traders at prices fixed by the Government, supported
by zoning and movement restrictions and controlled by distribution of
foodgrain through rationing. When the food position became improved in the
State during mid seventies, the emphasis on price control was replaced by
providing a remunerative price to the paddy growers as a measure of price
support. The PDS was extended to the people in the rural areas also.

The responsibility for implementing these policies of the Government
was entrusted to the Tamil Nadu Civil Supplies Corporation Limited set
up in 1972.

The concept of the Welfare State is thus begun to get translated with the
opening of the service departments by the Government of India as well as the
Government of Madras such as the Department of Food and Consumer
Affairs and the Department of Co-operation, Food and Consumer
Protection respectively. These departments have undergone an evolutionary
process due to various exigencies and emergencies that had arisen from time
to time. Secondly, to accommodate the various recommendations of the
Commissions and Committees to improve and revamp its functioning, the
departments have undergone reforms and reorganisations. While the functions
became wider and wider the administrative machinery was enlarged to cope
up with the pressure of the work. The following chapters are devoted to discuss
the specific aspects of administrations, functions and other programmes of the
TNCSC Ltd.