

ESTIMATES COMMITTEE
1957-58

TWENTY-FIRST REPORT

(SECOND LOK SABHA)

PLANNING COMMISSION



LOK SABHA SECRETARIAT
NEW DELHI
April, 1958

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Shri C. S. Swaminathan—*Under Secretary.*

*Ceased to be a Member on his appointment as Deputy Minister with effect from 2nd April, 1958.

INTRODUCTION

I, the Chairman, Estimates Committee, having been authorised by the Committee to submit the Report on their behalf, present this Twenty-first Report on the Planning Commission.

2. The Committee wish to express their thanks to the Secretary and other officers of the Planning Commission for placing before them the material and information that they wanted in connection with the examination of the estimates. They also wish to express their thanks to the Deputy Chairman and Members of the Commission for giving the benefit of their views on a number of questions concerning the Planning Commission.

NEW DELHI;
The 23rd April, 1958.

BALVANTRAY G. MEHTA,
Chairman,
Estimates Committee.

I

HISTORICAL

The origin of planning consciousness in India can be traced to nearly a quarter of a century ago. In 1933 Shri M. Visweswarayya formulated a ten year plan with the target of doubling the income of the country. Five years later, in 1938, at a conference of the Ministers of Industries held under the Chairmanship of Netajee Subhas Chandra Bose a resolution was passed which stated:

“The problems of poverty and unemployment, of National Defence and of economic regeneration in general cannot be solved without industrialisation. As a step towards such industrialisation a comprehensive scheme of national planning should be formulated.”

The Conference appointed a National Planning Committee with Pt. Jawaharlal Nehru as Chairman. The National Planning Committee appointed several sub-committees to study different aspects of the national economy. A number of reports were prepared keeping in view the object of attaining national self-sufficiency for the country and doubling the standard of living in ten years. This Committee succeeded in making the people planning conscious.

2. In 1941, the Government of India appointed a Committee for planning under the Chairmanship of the then Commerce Member. This Committee was replaced in 1943 by the Reconstruction Committee of the Council with the Viceroy as the Chairman. The Reconstruction Committee made two reports and pointed out that the ultimate object of all planning must be to raise the standard of all living of the people as a whole and to ensure employment for all. In the next year a Planning and Development Department was established and panels were constituted for the development of the basic and important consumer goods industries.

3. In the same year, some leading industrialists of India prepared 'a plan for the economic development of India' known as the Bombay Plan. It was a fifteen year plan for the economic development of India to be given effect to in three successive five-year stages at a cost of Rs. 10,000 crores and aimed at doubling the *per capita* income within a period of 15 years, by doubling the agricultural output and raising that of industry to five times the existing level.

4. Soon after the formation of the Interim Government in September, 1946, steps were taken to have a national plan prepared. An Advisory Planning Board was appointed in the first instance with a limited reference to make a rapid survey of the work already done in the field of planning as also a tentative order of priority as well

as suitable machinery for giving effect to the Plan. Under the chairmanship of Shri K. C. Neogy, the Board completed its task and submitted its Report to the Government in December, 1946.

5. The Advisory Planning Board suggested the setting up of a Planning Commission, a single compact authoritative organisation directly responsible to the Cabinet and devoting its attention continuously to the whole field of development. The Commission was to be composed of not more than five and not less than three members assisted by a Secretariat and appropriate technical panels. It was also to be a non-political body completely and permanently dissociated from the vicissitudes of politics.

6. The main function of the Commission, as recommended by the Board, was to formulate plans for the development of major industries and important minerals; to scrutinise, co-ordinate, stimulate and watch the progress of various provincial and central projects; to make recommendations to Government regarding allocation of funds, forms of State-aid, regulation of industries, trade, currency and credit; to allocate material resources in accordance with priorities, encourage and organise research and publish statistics and periodic reports of progress. The Commission could only make recommendations and decisions would rest with Government; but as far as priorities were concerned, the Commission's decisions should be final. In order to make the advice and opinion of a higher body available to the Commission, the Board suggested the appointment of a consultative body of 25 to 30 members including representatives of Provinces and States and representatives of agriculture, industry, commerce, labour, science etc.

7. The Planning Commission was established by a resolution of the Government of India dated the 15th March, 1950. The resolution is reproduced in Appendix I. The Commission commenced work on the 28th March, 1950.

II

FUNCTIONS AND CONSTITUTION

Functions

8. Under its terms of reference, the Planning Commission has to perform the following functions:

- (1) make an assessment of the material, capital and human resources of the country, including technical personnel, and investigate the possibilities of augmenting such of these resources as are found to be deficient in relation to the nation's requirements;
- (2) formulate a Plan for the most effective and balanced utilisation of the country's resources;
- (3) on a determination of priorities, to define the stages in which the Plan should be carried out and propose the allocation of resources for the due completion of each stage;
- (4) indicate the factors which are tending to retard economic development and determine the conditions which, in view of the current social and political situation, should be established for the successful execution of the Plan;
- (5) determine the nature of the machinery which will be necessary for securing the successful implementation of each stage of the Plan in all its aspects;
- (6) appraise from time to time the progress achieved in the execution of each stage of the Plan and to recommend the adjustments of policy and measures that such appraisal might show to be necessary; and
- (7) make such interim or ancillary recommendations as might be appropriate on a consideration of the prevailing economic conditions, current policies, measures and development programmes, or on an examination of such specific problems as may be referred to it for advice by Central or State Governments for facilitating the discharge of the duties assigned to it.

9. Para 6 of the Resolution constituting the Commission lays down that the Planning Commission will make recommendations to the Cabinet. The responsibility for taking and implementing decisions will rest with the Central and State Governments. In framing its recommendations, the Commission has to act in close understand-

ing and consultation with the Ministries of the Central Government and the Governments of the States.

10. During the examination of the representatives of the Planning Commission, the Committee were informed that the functions of the Commission were purely advisory. It prepares a Plan in consultation with the State Governments and the Central Government Ministries and places it before the National Development Council and the Cabinet. Once the Plan is accepted, it gives advice on the revision of the Plan needed from time to time. As regards the implementation, it only watches how the plan is implemented and advises the Government, where necessary. Periodically, it places reports on the working of the Plan before the National Development Council. It was claimed that it was not doing anything which was not purely advisory.

11. The Committee brought to the notice of the Commission that there seemed to be a generally prevalent feeling that the Planning Commission was not just an advisory body, but that it was an additional authority to be reckoned with, which though not part of the ordinary machinery of the Government of India decided every programme of work and whose decisions were to be carried out by all. There also seemed to be a feeling that this additional step in getting schemes sanctioned sometimes caused delays and occasionally even dissatisfaction. The Committee held detailed discussions on these questions with the officials and the Members of the Planning Commission.

12. The Committee were informed that one of the functions of the Planning Commission was to assess the progress made on the various schemes and to find out whether there were any deviations, whether the purpose and objects were being fulfilled or whether anything was taking place which would make Planning difficult later on, etc. The assessment of the implementation raised certain obligations and it was in the course of the discharge of these obligations that some felt that there were delays. It was also explained that since the resources were limited, the Planning Commission had to prune various proposals. When States brought forward their proposals, the Planning Commission would have a say over the matter because it had to produce a Plan which would fit in with certain targets. It was said that it was an unpleasant obligation, but decisions were always reached after due consultation. Whenever any difficulties were experienced in the working of the Plan, the State Governments were entitled to place them before the National Development Council and there were elaborate discussions in the Council. Also, if and when there was any difference of opinion between the Planning Commission and the Ministry concerned and it could not be otherwise resolved, the Ministry was free to take the matter to the Cabinet for final decision. It was also stated that there were occasions when the Planning Commission's recommendations were not accepted but some other recommendations were accepted.

13. *The Committee appreciate that Planning involves allocation of scarce resources, and consequently fixation of priorities. They also realise that in a federal constitution, it has special difficulties. Also, when it happens that the financial resources of the States are inelastic and they have to depend upon the Centre for financing a very large portion of their development programmes, very great importance is attached to the approval of the Planning body, as a prerequisite to the release of funds by the Centre. In consequence, it is understandable that a feeling like the one referred to by the Committee earlier could grow. The Committee would, however, suggest that the entire procedure now adopted should be reviewed, so that if any practice has grown, which lends support to this feeling, it could be rectified.*

14. The Committee would in this connection point out that after the five year plan is approved and the ceilings are determined, there is an annual rephasing of the plan. Under the third term of reference the Commission has to define the stages in which the Plan should be carried out and propose the allocation of resources for the due completion of each stage. The Commission plays an important part at present in the annual and periodical allotment of finances. The proposals of the States for schemes to be included in the annual plan are discussed by the Planning Commission with the State Governments a few months in advance of the presentation of their budgets and the ceilings of outlay, overall and under particular heads, are indicated. Similarly, ceilings are indicated in respect of the Central Budget also. This practice began from the first year of the Second Five Year Plan. *The Committee would suggest that the utility of this practice to the State Governments and the Central Ministries should be reviewed in the light of experience gained in the last two years. It should also be considered to what extent this function should be performed by the Planning Commission and whether it should not be left to the Governments themselves leaving the Planning Commission to concentrate on the evaluation of the current Plan and formulation of the future Plan. In this connection, the Committee feel that in normal circumstances it should be possible to allow this function to be performed by the Governments themselves, though in the present circumstances, considering the various difficulties, such as those relating to foreign exchange, etc., it might not be possible to exclude the association of the Planning Commission in the formulation of annual plans.*

15. The Committee would also point out that at present it is necessary for the State Governments to approach the Planning Commission and satisfy it in respect of allocation of funds for their schemes, and thereafter approach the administrative Ministry. There is thus an extra step in the procedure to be followed for getting funds for the States' schemes. *The Committee would suggest that for the purpose of getting schemes approved for Central assistance, the procedure should be so revised that the State Governments*

should approach directly the Central Ministries concerned. The Ministries should take decisions on all such matters in consultation with the Planning Commission and the State Governments concerned. In case there is any difference of opinion between the Planning Commission and a Central Ministry the difference should be resolved by the Cabinet, and in case there is any difference between the Planning Commission and a State Government, it should be resolved by the National Development Council. If this procedure is adopted, the Committee feel that no justifiable feeling of dissatisfaction will remain.

16. Incidentally, the Committee would refer to the question of delays in issuing financial sanction by the Centre to the payment of loans and grants to States to finance the schemes for which the States are responsible. The Committee discussed this question with the Planning Commission and enquired from them what procedure they have suggested for eliminating these delays. They were informed that the procedure was being revised in consultation with the Finance Ministry so that the State Plans would be implemented as autonomous Plans and would not be bound too closely with those of the Central Ministries, except for purposes of broad allocation. They understood that from 1958-59, the financial procedure would be such that the State Governments would get the money in April, in accordance with the total allotment agreed to during the discussion between the Planning Commission and the States, while deciding the annual Plan, and that the State Governments, would have special facilities to transfer funds within certain groups. *The Committee hope that necessary orders would be issued without delay.*

Constitution

17. When originally constituted, the Planning Commission consisted of the Prime Minister as Chairman and five full-time members. One of the members was the Deputy Chairman.

18. In May, 1950, one of the members became the Finance Minister in the Government of India but continued to be a member of the Planning Commission. Since then successive Finance Ministers have been members of the Planning Commission. In 1952, the Deputy Chairman became a Minister and also continued to be a member of the Planning Commission, but later ceased to be the Deputy Chairman. One of the full-time members became the Deputy Chairman. In 1956, another Minister of the Cabinet was also appointed to the Planning Commission. Certain changes took place in the full-time members also. At present, the Planning Commission consists of four Cabinet Ministers including the Prime Minister and four full-time members, in addition to one, who has been mentioned as a *de facto* member *vide* Appendix II. Thus,

even though the Planning Commission originally started as a body of full-time members working under the chairmanship of the Prime Minister, by a gradual process it has become a mixed body with the Cabinet Ministers forming nearly 50 per cent of its strength.

19. The Committee considered the question whether Cabinet Ministers should function as members of the Planning Commission. One view that could be taken is that the Planning Commission should be body of experts, both in the technical and administrative fields, who would make an independent survey of problems and formulate plans, without being influenced by day to day expedients. The Commission would, of course, have to work in close co-ordination with Central Ministries and State Governments, but would give independent advice. This would require also that the independence should be vouchsafed to it, both by its composition and the procedure of its functioning. According to this view, the purely advisory character of the Commission is lost if Cabinet Ministers, including the Prime Minister, are members of the Commission. A decision, to which they are a party, taken in the Planning Commission and transmitted to the Ministries, to be considered by them or in the Cabinet is, it is pointed out, more than advice and is very nearly a final decision. Further, it is claimed that under this arrangement the very basis for the constitution of a separate Planning Commission, as 'an organisation free from the burden of the day to day administration but in constant touch with the Government at the highest policy level' is affected.

20. On the other hand, the view in favour of the existing arrangement may be summed up as follows:—

“For the first time an experiment is being carried out of planning for social and economic development in a large underdeveloped country, with a democratic and a federal constitution. It is not possible to draw a parallel with other countries and we have to rely upon our own experience. Planning in such a situation cannot be rigid and should have a degree of elasticity. If there was a Planning Commission consisting of whole time experts, it would be like a panel of economists and not really a Planning Commission. An expert body like that will think in a vacuum and may not take into account the social, political and other implications. Totally detached from Government, it will be an ineffective body. In this matter, the essential need is to have pragmatic advice. The Planning Commission started as a body with full-time members, without any minister, except the Prime Minister, who was Chairman, but the present system is found to be more advantageous. It brings an essential link between the Planning Commission and the Cabinet. The presence

of the Ministers does not prevent the Commission from bringing an independent judgment to bear upon problems under consideration. The Ministers in their personal capacity contribute their valuable experience to the Planning Commission. Even though they are members of the Cabinet, they function purely as members of the Commission within the Planning Commission. Even though a Minister may be in the Planning Commission, he may disagree with the view taken in the Commission when the matter is considered later on by the Cabinet and that this has happened in actual practice."

21. The Committee have given very careful consideration to both these points of view. They agree that much can be said on either side.. A decision on this question can, however, be based only on practical considerations and will have to be taken with reference to the particular circumstances that exist at present. The present position is that considerable progress has been made in planning, of which the country has also become conscious. The two Five Year Plans have been given practical shape, of which one has been successfully completed and the other is in progress. The credit for the success of planning in the country goes to the Prime Minister who, by his genius for planning, gave the necessary impetus to it and brought the Planning Commission to its present stature by his formal as well as active association with the Planning Commission. *While the Prime Minister's formal association was absolutely necessary during the formative stages and while he would still have to provide the guidance and assistance to the Planning Commission so as to facilitate the success of planning, it is a matter for consideration whether it is still necessary for him to retain a formal connection with the Planning Commission. Similarly, it would also have to be considered whether it is necessary to continue the formal association of the Finance Minister and other Ministers of the Central Government with the Commission. The association of Ministers is justified mainly on the ground that it facilitates close consultation and co-ordination with the Ministries. This can, however, be effected by the Minister being invited to attend the meetings of the Commission when a subject with which he is concerned is discussed. The co-ordination with the Cabinet can also be maintained by a representative of the Commission attending the meeting of the Cabinet when a matter of interest to the Commission is considered. This practice is said to be followed even at present.*

22. In this connection it was pointed out that the Planning Minister had to be a member of the Planning Commission in view of the Government's responsibility for planning as well as for providing a link with the Parliament. *However, the Committee observe an anomaly in regard to the Planning Minister in that he has no secretariat, further, he is not the Head of the Commission not even the Deputy Chairman. It is not doubt necessary to have a spokesman of the*

Planning Commission in the Parliament so as to explain matters relating to planning in the House. However, if a member of the Commission who is not the Head of the Commission or even its Deputy Chairman could be its spokesman, it might be possible for this function to be performed by any Minister designated by the Prime Minister without being formally associated with the Commission or by any Member of Parliament who might be associated with the Commission. In the circumstances the Committee feel that the time has come when a review of the entire position regarding the formal association of Cabinet Ministers of the Central Government with the Planning Commission should be made.

23. The Committee would, in this connection, also refer to the fact that there is a *de facto* member in the Planning Commission (*vide* Appendix II). They are informed that he has been doing a great deal of work for the Planning Commission and attends its meetings. *The Committee, however, feel that the present position is anomalous. If the Planning Commission desires to get advice and assistance from a person, who is not able to become a whole time member, it could be so arranged that he is available for advice, if and when necessary, without making him a de facto member of the Commission. The Committee would, therefore, recommend that this anomalous position should be rectified.*

24. At present, there is no full-time Secretary for the Planning Commission. The Secretary to the Cabinet is appointed *ex-officio* Secretary of the Planning Commission. It was stated that this arrangement had distinct advantages. The Secretary of the Planning Commission being also the Cabinet Secretary was able to get the views of the Ministries and in his dual capacity could do things by way of discussion on difficult questions at official level at the meetings of Secretaries etc. It was said that though there were also disadvantages in this, it was considered that the balance of advantage was in favour of the present arrangement. The Committee were further informed that there was also some difficulty in getting a person who would make a good Secretary and if a suitable person could be got, it should be possible to have a separate Secretary.

25. *The Committee consider that the present arrangement is neither necessary for the high-level contacts that were mentioned, nor conducive to efficiency. Contacts between the Planning Commission and the Cabinet can exist, even without there being a common Secretary. As already stated, ministers who are concerned with subjects under consideration of the Planning Commission might attend the relevant meetings of the Commission and also a representative of the Commission might attend meetings of the Cabinet, when matters of interest to the Commission are discussed. At the official level, there should be no difficulty about a whole-time Secretary of the Planning Commission having discussions and meetings with the Secretaries of the Ministries and of the Cabinet and, when necessary, attending the*

meetings of the Economic Secretaries. On the other hand, the present arrangement appears to leave very little time for the Cabinet Secretary to give adequate attention to the Planning Commission. The activities of the Planning Commission have increased and have to be well organised if the Commission is to fulfil its obligations and responsibilities. It is necessary that its activities are planned and organised efficiently with the utmost co-ordination not only among its own divisions, but also with activities of a similar nature being carried on elsewhere. For all these, there should be a person with ability and experience, giving his whole-time attention to this matter. The Committee would, therefore, recommend that there should be a whole-time Secretary for the Planning Commission.

III

OFFICE OF THE PLANNING COMMISSION

Office Organisation

26. A chart showing the organisation of the office of the Planning Commission is given in Appendix III.

27. Members of the Commission work as a body but for convenience each member has charge of one or more subjects and directs the study of problems in his respective field. Each subject or group of allied subjects is handled in a Division. The units doing technical work are designated as Divisions or Sections, whereas those dealing with administration, establishment, coordination and other such functions are referred to as Branches. A statement showing the different Divisions, Branches and Sections and indicating their sanctioned and actual strength is given in Appendix IV.

28. *From the chart of Organisation, the Committee find that allocation of work among the Divisions has not been done on a rational basis. It is seen that allied subjects are dealt with by different Members. Economic, Finance and Resources Division is under Member Finance, whereas Foreign Aid is under the Deputy Chairman. Information and Publications are dealt with by a Division under the Deputy Chairman, but Integrated Publicity is under the Planning Minister. 'Trade Imports and Exports' is a subject under the Industries and Minerals Division working under Member Industry, but Export Promotion and Commercial Policy' is also an item under International Trade and Development Section, working under the Minister of Defence. The Committee understand that the Planning Commission has prepared a scheme for re-organising the Divisions. A note explaining the scheme is given in Appendix V. The Committee hope that early steps will be taken to effect the re-organisation.*

29. The actual expenditure under the various heads like pay of officers, pay of establishment, allowances, honoraria etc. for the four years commencing from 1952-53, the revised estimates for 1957-58 and the budget estimates for 1958-59 are given in Appendix VI.

30. It is seen that the total expenditure has been steadily rising, the rise being very steep in 1955-56. The budget estimates for the total expenditure on the office of the Planning Commission is more than three times the actuals of 1952-53 and nearly 2½ times the actuals of 1953-54. It is also seen that the provision made for other activities of the Planning Commission like the Research Programme

Committee and Programme Evaluation Organisation has also increased considerably during the last three years.

31. The Committee find that there has also been a very steady increase in the number of sanctioned posts in the office of the Planning Commission since the year 1953-54. A statement showing the sanctioned number of posts for each year from 1953-54 is given in Appendix VII. The increase has been particularly large in certain categories like Section Officers, Senior Research Officers; Research Officers, Economic Investigators (Grades I & II), Assistants, Stenographers, Upper Division Clerks, Lower Division Clerks, and Peons. This increase has been explained as due to the increase in the tempo of work of the Commission since 1953 and the fact that the concept and the scope of the Plan were subjected to a continuous process of adjustment. In order to deal with the many new and pressing problems, which arose during the course of the implementation of the Plan, additional staff on the research side as well as the Secretariat Branch had to be appointed. The preparation of the Second Five Year Plan also involved heavy work and necessitated the strengthening of the technical side of the Planning Commission. This correspondingly led to the strengthening of the administrative Branches also.

32. The Committee understand that the strength of the various Divisions, Branches and Sections had been determined on an *ad hoc* basis in the light of experience gained and not on any standards laid down. It was stated that the nature of the work handled in the Commission could not be judged by the usual yardstick of the number of receipts and issues. Any request for additional staff was judged on an *ad hoc* basis looking into the extra work that was required to be done. *The Committee, however, feel that even though the same yardstick that applies to the Secretarial staff may not apply to the research personnel in the various Divisions and Sections of the Planning Commission, it should be possible to lay down standards of work to assess the number of persons required to deal with the work on hand. These standards may vary according to the type of the job to be done. The Committee would, therefore, suggest that with the experience gained so far, standards should be laid down and the creation of new posts judged against those standards. They would like to point out that while the organisation is expanding rapidly, it is very necessary to ensure that posts are sanctioned only when they are fully justified by the work on hand.*

Part-time Officers

33. The Committee have already referred to the fact that the Secretary functions part-time in the Planning Commission. They find that besides the Secretary, there are four other officers who are also part-time officers in the Planning Commission. The Chief Economic Adviser to the Ministry of Finance is also the Chief of the Economic Division in the Planning Commission. An officer of the Ministry of Food and Agriculture is Chief of the Land Reforms

Division in the Planning Commission. A Deputy Secretary in the Ministry of Labour and Employment is the Director of Labour and Employment Division in the Commission. The Director of Information in the Planning Commission is the Deputy Principal Information Officer in the Ministry of Information and Broadcasting. All these officers draw their salaries from their respective Ministries.

34. *The Committee feel that it is neither in the interest of efficiency of the work of the Planning Commission, nor fair to the officers themselves that they should be required to play this dual role. They are of the view that the officers who are engaged in Planning should be free from the burden of day-to-day administration. Even though planning has to be done in close coordination with practical administration, it requires a freshness of outlook and independence of judgment which are difficult to secure if officers have to serve simultaneously both the Planning Commission and the administrative Ministries. The Committee would, therefore, suggest that except when it is unavoidable, officers should be full-time in the Planning Commission.*

Temporary Staff

35. A statement showing the number of permanent and temporary posts as also the number of permanent Government servants employed in the Commission is given in Appendix VIII (A & B). It is seen from this statement that a very large number of posts in the Planning Commission is temporary. The Committee were informed that when the Planning Commission was set up in 1950, it had a sanctioned strength of 226 posts, all of which were temporary. In 1955 when it was clear that there would be a succession of Plans and the work of the Planning Commission would, therefore, be of a continuous nature, the question of creating permanent posts was taken up and 50 per cent of the temporary posts which had been in existence for three years or more and which were likely to continue on a long term basis were converted into permanent ones. Out of 670 posts in existence on the 1st January, 1956, 187 were made permanent on that basis. Of these, 69 represented Secretariat posts, confirmations against which were to be made by the Home Ministry, and for the remaining 118 posts confirmations have only been made against 25, most of which are posts of Peons and Daftaries. The Committee were informed that the difficulty in confirming persons against the remaining permanent posts was due to their seniority not having been fixed. It was stated that within a short time the seniority list would be finalised and confirmation would be made against the permanent posts available. *The Committee recommend that action should be taken expeditiously.*

36. *It is understood that the Ministry of Finance have agreed to more number of temporary posts being converted into permanent*

ones. The Committee hope that early action will be taken in the matter. They would recommend that there should be no delay in making confirmations against these additional posts, when they are made permanent. Necessary administrative action like fixation of seniority of all the persons who will be affected should be initiated very early. They desire that in the matter of converting as many temporary posts as possible into permanent ones and confirming persons in the permanent posts, the Planning Commission should set an example to other Ministries/Departments of the Government of India.

O & M Section

37. The Committee were informed that the Organisation and methods units in the various Ministries of the Government of India were started on a recommendation made by the Planning Commission in 1952. However, the O & M Section in the Planning Commission was constituted only about the middle of 1955. It started with an assistant, a clerk and a part-time Section Officer. *During the last two years the Section does not appear to have made any useful contribution.* It was explained that the Planning Commission's office was till recently dispersed in several buildings and this hindered the work of the O & M Section. It was also said that the Planning Commission had grown during the last few years and was very busy with important work and, therefore, it did not have the time to get down to the work of organisation and methods. The Committee are not convinced by these reasons. They have already referred to the rapid increase in staff strength which has taken place during the last few years. *In the absence of a unit examining the organisation and methods of the various Divisions, Branches and Sections, it will not be possible to know whether work has been organised in the most efficient and economical way. The Committee would, therefore, emphasise the need for the O & M Section of the Planning Commission to function actively.*

Adviser (Transport)

38. The Committee notice that the post of Adviser (Transport) has been lying vacant for nearly two years. They understood that the incumbent of the post left about two years ago and the Planning Commission had not succeeded in getting a suitable person to fill that post. *The Committee would suggest that the post may be abolished as it is not necessary to have a whole-time Adviser to advise the Planning Commission on transport problems only. The Commission should, whenever transport problems are considered, draw upon the services of specialists from the Transport Ministry and the Railway Ministry as well as of persons who have special knowledge of transport problems in the country.*

Public Management Studies Section

39. This section has got a staff strength of one Director, three Economic Investigators (one in Grade I and two in Grade II), one Assistant and one Lower Division Clerk. Although it was started with a view to making studies in regard to public enterprises, in actual practice the section has been making some studies on the side of public administration. The Committee understand that this section had prepared some papers on certain special problems referred to it by members. They have prepared papers on the relationship between the Government and public enterprises in U.K., as well as in India, relationship between the Comptroller and Auditor-General and public undertakings, some problems of organisation of public enterprises, etc. The Committee notice that these papers attempt to set out an analysis of the prevailing practices and are only intended to be used as material for consideration in the Planning Commission. The Committee also find that the Director of this section participated as a convener of a study group, in the preparation of a Report on the efficiency and economy in the irrigation and power sector, which was published by the Ministry of Irrigation and Power. *They are, however, of the view that even though this section has been engaging itself in some activities, they have not been very useful for the discharge of the main functions of the Planning Commission. They feel that whatever studies are required on the subject of public management could be got done through other agencies like the Institute of Public Administration and I.M.R.U. and it is not necessary to keep a section in the Planning Commission to do this kind of work.*

40. *The Committee understood that the scope of the work to be done by this section was under review.* It was stated that some of the work that was proposed to be entrusted to the unit was as follows:

- (1) Follow up of the recommendations in regard to the administrative tasks of the Second Five Year Plan and keeping in touch with developments in regard to them;
- (2) Keeping in touch with the growth of and adjustments in the Central Government on account of requirements of planning and development visualised in the Plan;
- (3) Study of relationship between the Central Government and its autonomous and semi-autonomous bodies;
- (4) Study of relationship between Parliament, the Estimates Committee and public enterprises;
- (5) Study of the requirements for and resources of management and other specialised managerial personnel for both public and private sectors in consultation with the Directorate of Manpower in the Ministry of Home Affairs; and
- (6) Study of the organisation and methods of planning adopted in various States in regard to Planning.

41. *The Committee feel that even in this list of functions which are proposed to be entrusted to this unit, there are some on which the Planning Commission itself need not undertake studies. In the view of the Committee, all work in the Planning Commission should be organised primarily for the purpose of formulating a plan and advising on its implementation. The machinery of the Commission should not be made cumbersome by undertaking work which could be got done through other agencies.*

42. *The Committee recommend that the studies of this unit should be so organised that they will facilitate the formulation of plans in regard to the building up of trained manpower—technical, managerial and administrative—for the purpose of implementing the Five Year Plans. They should be concerned broadly with questions of how to make management and administration more efficient, more economical and less dilatory. The utilisation of manpower resources available in the Armed Forces and the Reserves could also be considered by this unit. In all these matters the studies should be made with the objective of making a plan in respect of that matter.*

Public Co-operation Division

43. This Division started its work in November, 1956. The staff consists of a Section Officer, a Research Officer, an Investigator, Grade I, and an Investigator, Grade II. The main function of the Division was said to be to advise on the schemes of public co-operation and recommend them for financial assistance by the Centre or the State Governments. It was stated that this Division was concerned with Central direction and co-ordination of public co-operation activities of various agencies working in the country, undertaking studies of the problems relating to public co-operation and evolving techniques of public co-operation in the context of the Plan objectives. A provision of Rs. 5 crores has been made in the Second Five Year Plan for schemes relating to the organisation of public co-operation. The money is to be utilised (i) to stimulate and mobilise public co-operation, (ii) to supplement the allied activities of the various Central Ministries in their respective programmes in the field of public co-operation, and (iii) to assist the non-official and non-political voluntary organisations engaged in public co-operation work.

44. The Committee noticed that the State Governments and the Ministries of the Government of India and various non-political and non-official voluntary organisations of all-India character had been addressed to send schemes and proposals for public co-operation to be undertaken by them. These schemes are examined by this Division and passed on, with their recommendations, to the Ministries concerned for the sanction of grants. Where, however, no particular Ministry was concerned with the subject matter of the scheme, sanc-

tions were issued by the Planning Commission. It was stated that recently the question of simplifying the procedure for approval of schemes of public co-operation had been considered and it has been agreed that (i) the Planning Commission will be treated as the Administrative Ministry for the purpose of processing such schemes irrespective of the sponsoring authorities; (ii) the Central Ministry concerned with the subject-matter of the scheme would be consulted by the Planning Commission; (iii) where schemes of public co-operation can be directly related to the scheme of development projects, the expenditure of such schemes should be debited to the projects, provided the projects concerned are prepared to meet such expenditure out of their budget provision; and (iv) sanctions approving the schemes may be issued by the Planning Commission.

45. *The Committee are of the view that 'Central direction and co-ordination of public co-operation activities of the various agencies' and the sanction of grants-in-aid to those agencies are executive functions. As such they fail to understand why the Planning Commission should be concerned with these matters. They would recommend that the Planning Commission should be divested of this responsibility, which should be transferred to an appropriate Ministry of the Government of India. In so far as public co-operation is concerned, the Planning Commission should confine itself to giving a general outline and suggestions for enlisting public co-operation for various purposes. With the transfer of work at present being done in the Commission, the staff strength should also be correspondingly reduced.*

Prohibition Section

46. The Committee understood that this section was created as a result of a Resolution passed in the Lok Sabha in March, 1956, stating—

“The House is of opinion that prohibition should be regarded as an integral part of the Second Five Year Plan and recommends that the Planning Commission should formulate the necessary programme to bring about nationwide prohibition speedily and effectively.”

The sanctioned strength of the section is one Officer on Special Duty, one Economic Investigator Grade I, one Economic Investigator Grade II and one Lower Division Clerk.

47. It was claimed that it was due to the co-ordinating activities of the section that there was constant improvement in the working of the phased programme of prohibition in the various States. It was stated that the Officer on Special Duty toured different States in order to see closely the working of prohibition, the problems that came in the way of prohibition policy and steps that could be taken to carry on the phased programme of prohibition. *The Committee,*

however, do not feel that there is sufficient work for this section. They are, therefore, glad to find that it is proposed to wind up this section.

48. It was stated that the present strength was only one Investigator and one Clerk and that they would be transferred to the Public Co-operation Division, and that the only work to be done in the Planning Commission would be to keep in touch with the progress made by the States in the matter of prohibition. The Committee understand that it is proposed to form a Central Committee on Prohibition under the Ministry of Home Affairs. *They, therefore, consider that is not necessary for the Planning Commission to maintain separate staff just for the purpose of watching the progress made by the States and to bring the difficulties to the notice of the Ministry concerned. This work could be done by the Planning Commission in the same manner as it watches progress of plans in other spheres, by maintaining suitable liaison with the Central Committee, from whom the Planning Commission could obtain information whenever required.*

49. The Committee understood that the Officer on Special Duty appointed in the Prohibition Section has been utilised for the public co-operation work. *In view of their earlier recommendation suggesting that the Planning Commission should divest itself of executive work relating to Public Co-operation, the Committee would suggest that the question of having an Officer on Special Duty as the head of the Public Co-operation Division should be reviewed.*

Land Reforms Division

50. This Division watches the extent to which the State Governments work towards the broad objective of the policy of land reform outlined in the Plan. It makes a survey of the position of land reforms in the various States in India. It was said that pieces of legislation or proposals from States which might then or later require the assent of the President were considered by the Central Committee on Land Reforms and they were initially considered by the Planning Commission, the Ministry of Food and Agriculture, the Ministry of Law and the Ministry of Home Affairs. *The Committee feel that it is not necessary for the Planning Commission to examine all these proposals as a matter of routine. In their view, these matters should be dealt with by the appropriate Ministries of the Government of India, and only when an important question which would have an impact on the Plan or on future planning is involved, the matter need be considered by the Planning Commission.*

51. *The Committee feel that this Division should focus its attention on the difficulties experienced by the States in effecting land reform and offer suggestions for overcoming them. It should also*

make a full assessment of the consequences of land reform in the social and the economic fields and on agricultural production, employment etc., in order to help future planning.

52. The Chief of this Division is a part-time officer who also holds a position of responsibility in the Ministry of Food and Agriculture. The Committee have already referred to this aspect of the matter. *They would point out, in this context, that among the staff working in the Division there is no person who has personal experience of land tenures and their problems in the States. The Committee feel that the absence of experienced people in this Division might, to a certain extent, account for the lack of progress in regard to the land reforms work. They recommend that persons who have field experience as well as academic attainments and have attained the necessary stature, should be appointed to this Division.*

Perspective Planning and Scientific and Tehnical Manpower Division

53. This Division has been started only in February, 1957. Most of the staff employed in the Division belongs to the Indian Statistical Institute. It was stated that the Division was trying to assess the requirements of the country in respect of various sectors of activity, so that projection could be made into the future over a period of 20 or 25 years. At present, only a tentative outline of such a projection in respect of certain sectors of activity has been drawn up. This is still in a draft stage and has not been approved by the Planning Commission.

54. *The Committee feel that the work of this Division will have to proceed a very long way before it can be claimed that some kinds of perspective planning is being done. The Committee will again refer to the question of perspective planning later in this Report. They would, however, point out that the present arrangement of having of few persons from the Indian Statistical Institute to work in the office of the Planning Commission is not satisfactory. The Committee consider that while the services of non-Government bodies should be utilised to the extent possible for this and other specific purposes, their functions, duties and tasks should be clearly defined and allotted.*

Statistics and Surveys Division

55. A cell of the Central Statistical Organisation was created in 1955 in the Planning Commission specially to deal with the statistical work relating to planning and to work in close collaboration with the Planning Commission, Central Ministries, the Indian Statistical Institute and State Statistical Bureaus. Since February, 1957, this cell came to be designated as "Statistics and Surveys Divi-

sion" of the Planning Commission. The entire personnel of the Division excepting one investigator were borne on the strength of the C.S.O. There were two Assistant Directors and five Research Officers besides a number of junior technical staff and clerks.

56. At the moment two specific tasks were entrusted to it, namely (1) preparation of monthly reports on 40 selected projects and quarterly reviews on the working of the programmes, and (2) study of requirements and availability of certain key materials including iron and steel, coal, cement and timber.

57. This Division prepares forms for reporting on schemes and projects with a view to improving the quality of statistics. The main object of opening this cell of the C.S.O. was to bring together the work of all statistical agencies both at the Centre and in the States in respect of the Plan schemes. Briefly, it catered to the statistical needs of the Planning Commission in matters generally assigned or specially requested by the Commission.

58. The Committee were informed that even though the Planning Commission had sanctioned some staff originally for this Division, they have not been recruited. *The Committee would recommend that it is not necessary to duplicate arrangements in the Central Statistical Organisation and the Planning Commission for collection and collation of data. It should be possible for the Planning Commission to get all the statistical data it requires from the C.S.O. The Planning Commission should concentrate on the important work of studying, analysing and deducing inferences from the data and formulating advice on the basis of those inferences, rather than fritter away its energy on work, which can as well be entrusted to other statistical organisations.*

IV EVALUATION

59. One of the functions of the Planning Commission is to appraise from time to time the progress achieved in the execution of each stage of the Plan and to recommend the adjustment of policy and measures that such appraisal might show to be necessary. The Commission makes this appraisal— (i) through monthly reports of selected projects, quarterly reviews on the working of the Plan, the annual progress reports obtained from the Central Ministries and the State Governments; (ii) through the Advisers (Programme Administration) who visit the State within their charge throughout the year and study at first hand the working of the development programmes giving special attention to the more important projects; and (iii) through the machinery of the Committee on Plan Projects.

60. In addition, there is a Programme Evaluation Organisation which assesses the work of National Extension Service and Community Development programmes.

Advisers

61. Three posts of Advisers (Programme Administration) were created in November, 1952. These posts were filled by senior I.C.S. Officers of suitable administrative experience in the States. It is understood that recently a fourth Adviser has joined the Planning Commission.

62. The functions of the Advisers are to keep the Planning Commission in close touch with the progress of the planning in its various aspects and to give the fullest possible assistance to State Governments and the Central Ministries in matters concerning implementation of various Projects. They help to effect co-ordination between the States and the Planning Commission in regard to (i) preparation of the Five Year Plan, (ii) preparation of the annual Plan, (iii) provision of adjustments in the Plan, (iv) watching the progress of the Plan and attending to the problems of implementation which they come across during their visits to the States. The Committee understand that as regards the implementation of the Plan, the Advisers held discussions, during their visits to the States, with the various development departments and the State Planning and Finance departments and review the progress of the Plan in different sectors and projects. Particularly, they look into those projects which are assisted by loans and grants from the Central Ministries, and also note the States' efforts to raise resources. In the course of these dis-

cussions and field inspections, problems relating to bottlenecks due to non-availability of steel, technical personnel, allocation of foreign exchange, procedural delays in the approval of schemes and the sanctions for financial assistance by the Ministries of the Government and other such matters come to the notice of the Advisers and are dealt with in their reports. The Planning Commission draws the attention of the Ministries concerned to these problems through personal discussions and suggests that an immediate solution is necessary. The Committee also understand that the Advisers sometimes lead teams of experts from different Ministries to examine particular problems and make recommendations to the Government of India. They check the estimates of projects and assess the expenditure incurred on the projects in terms of the Plan. They also offer advice to the State Governments for improving the implementation of the projects and the Plan in different fields of development.

63. The present allocation of States amongst the three Advisers is as below:—

	<i>States</i>
I. Shri S.V. Ramamurty	Bombay Mysore.
II. Shri Nawab Singh.	Punjab Rajasthan Jammu & Kashmir Delhi Himachal Pradesh Andhra Pradesh Madras Kerala
	<i>Other Areas.</i>
	Pondicherry Laccadive, Minicoy & Amindive Islands.
III. Shri M. S. Sivaraman	Uttar Pradesh | Madhya Pradesh Bihar West Bengal Orissa Assam | Manipur Tripura.
	<i>Other areas .</i>
	NEFA. Andaman & Nicobar Islands.

64. The Committee find that the allocation has not been done on a rational basis. One of the Advisers is in charge of only two States whereas all the other States have been divided between the other two. Again, while Bombay and Mysore have been allotted to one Adviser, another Adviser has in his jurisdiction states widely dispersed as Jammu and Kashmir and Punjab in the North and Madras and Kerala in the South. *The Committee are of the view that this allocation of the States is not conducive to efficient functioning. They would, therefore, recommend that each Adviser should have a compact area preferably comprising of all the States in an administrative zone. They would also suggest that the Adviser in charge of the States in a zone should be available for consultation and for advising the Zonal Councils on problems involving the development of the zone.*

65. It is understood that at present one of the Advisers has got his headquarters in Madras whereas the other two have their headquarters in Delhi. The Committee also understand that the Advisers who have their headquarters in Delhi spend on an average 15 days in a month on tour in the areas allocated to them. The other, to whom the States of Bombay and Mysore are allocated and who has his headquarters in Madras, spends on an average 10 days in a month in Delhi. *The Committee are of the view that the headquarters of the Advisers should be located in the zone which will be under their charge. Most of their time must be available for consultation with the State Governments and for a closer contact with the various State Planning Committees. This would also help them to maintain a closer touch with the Plan activities in their zone. For the purposes of co-ordination between each other and for holding personal discussions with the Planning Commission and the Central Ministries, they should visit the headquarters of the Planning Commission for a few days every month, preferably timing their visits in such a manner that all of them would be in Delhi during the same period.*

66. The Committee have enquired into the arrangements that exist for keeping each Adviser fully posted with the experience of the other two. They understand that important points of the reports of every Adviser are called out and circulated to the other Advisers. In addition, some times visits are arranged jointly by two Advisers to a State where there are common problems. The arrangement is worked with a large measure of elasticity. They also understand that the more important observations of the Advisers are included in the progress reports issued by the Planning Commission. *The Committee would, however, suggest in this connection that there should be a more systematic collection of all the useful observations and suggestions made by the Advisers which should be tabulated, analysed and given a shape and should be circulated to all the States. Also, more of such observations and greater details should be included in the progress reports issued by the Planning Commission.*

Committee on Plan Projects

67. This Committee was set up in September, 1956 in pursuance of a decision of the National Development Council, with the object of achieving maximum economy and efficiency in the use of financial and other resources in the Second Plan period. The Committee is composed of the Ministers of Home Affairs, Planning and Finance and the Deputy Chairman of the Planning Commission. In addition, the Prime Minister as Chairman of the National Development Council proposes two Chief Ministers of the States as Members of the Committee for each class of projects. The Union Minister concerned with the project or a class of projects under investigation is also a Member of the Committee. The Home Minister is the Chairman of the Committee.

68. Three separate Teams for the study of (a) Community Projects and National Extension Service Blocks, (b) Irrigation and Power Projects, and (c) selected buildings projects, were set up by the Committee on Plan Projects. All these Teams have submitted their reports. The recommendations of the Team for Community Projects and National Extension Service Blocks were said to be under active consideration of the State Governments and the Ministries concerned. It was also stated that the recommendations of the Irrigation and Power Team on Lakkavali Project (Mysore) were likely to result in a saving of Rs. 30 to Rs. 40 lakhs. The Team for the study of selected buildings projects had completed a study of the structure of grain godowns and suggested a new design which would result in economy amounting to Rs. 1.8 crores on an estimated plan expenditure of Rs. 22 crores. The Committee also understand that it is proposed to appoint shortly a Team to study social welfare projects, including welfare programmes of the Central Social Welfare Board and welfare schemes of the Scheduled Castes and Tribes administered by the Ministry of Home Affairs.

69. *The Committee feel that even though the Committee on Plan Projects has been doing very valuable work through the appointment of various Teams, by its very nature this method would be successful only for specialised studies to be made at some intervals. It will not be possible through this method to assess the progress of all the projects continuously. For the purpose of making a continuous evaluation of the various projects that are being implemented through the States, it would be necessary to supplement the present agencies with a machinery like the Programme Evaluation Organisation.*

Programme Evaluation Organisation

70. The Programme Evaluation Organisation was set up in October, 1952, to make a systematic recurring evaluation of the methods and results of the Community Development programme, to point out those extension methods which were proving effective and those which were not, to explain why some recommended practices

were adopted while others were rejected by the villagers etc. The Organisation has submitted four evaluation reports on the National Extension Service and Community Projects. It has also undertaken a number of field surveys and investigations. In para 122 of their Thirty-eighth Report, the Committee have pointed out that they were favourably impressed with the quality of work done by the Organisation. The Committee have, therefore, enquired into the possibility of entrusting the continuous evaluation of projects other than Community Development and National Extension Service to the P.E.O. or an organisation similar to the P.E.O.

71. The Committee were informed that it was proposed to re-organise the P.E.O. and in the re-organisation it was proposed that the P.E.O. should evaluate not only the Community Projects and the N.E.S., but also the rural development programmes as a whole including village and small scale industries, agriculture, land reforms, co-operation, etc. The object was to see how a better measure of results in the field of rural development could be obtained. *In this connection, the Committee feel that there is considerable scope for improving the machinery of the local authorities and Panchayats so as to secure greater progress in rural development. They would, therefore, suggest that a comprehensive evaluation of the extent of assistance which these bodies render at present and could render in this matter should be made and steps taken to ensure their greater participation and co-operation in the field of rural development.*

72. *The Committee would further recommend the setting up of two types of evaluation machinery in respect of the various Plan projects. Firstly, there should be continuous evaluation of projects by the Central Government in respect of projects under it as well as in a State in respect of works in that State. It would be in keeping with the principle of democratic decentralisation if this pattern could be extended to the local administrations at lower levels also. In order to ensure uniformity in evaluation, the Advisers (Programme Administration) should guide and direct this internal evaluation machinery. Secondly, there should be an external evaluation machinery under the Planning Commission which should continuously and independently evaluate the progress made in regard to various projects under the Central Government and the State Governments. The Committee feel that it would be a distinct advantage if the members of the Planning Commission played a more direct role in the evaluation of Plan projects.*

Advice on Executive Machinery

73. It is one of the functions of the Planning Commission to advise on the nature of the machinery that will be necessary for securing the successful implementation of each stage of the Plan, in all its aspects. The Committee understand that the Advisers look into this problem also and discuss it with the State Governments

and the Central Ministries. The Commission also gives advice on the reorganisation needed for meeting the administrative tasks laid down in the Plan. *The Committee would, however, point out that there are certain problems of co-ordination and rationalisation of functions among the ministries and departments, on which also the Planning Commission may usefully advise.*

74. *As an example, they would point out the question of land reclamation. This is a problem which the Ministry of Food and Agriculture may not be able to tackle, because they have no machinery for it. The Central Water and Power Commission may have the resources but may not be concerned with the problem. But meanwhile schemes, which may well lead to additional food production, remain unexamined. Similarly, the question of inland water transport is a matter which merits attention by the Centre as well as by the States. There might be other questions also which need similar attention because the administrative responsibility has not been properly allocated.*

75. *In this connection, the Committee would also point out that the subject of Irrigation is being dealt with by three ministries of the Government of India viz., the Ministry of Irrigation and Power, the Ministry of Food and Agriculture and the Ministry of Community Development. Such an arrangement raises questions of co-ordination among the ministries and as between every State Government and each of these three ministries. The Committee would recommend that the Planning Commission and the Advisers should take into consideration all such questions, whenever they notice them, and after consultation with the authorities concerned, suggest a rational distribution of functions, with a view to ensuring speedy and efficient execution of the schemes.*

V

PLANNING

Preparation of the Plan

76. The First Five Year Plan was in a large measure a consolidation of current post-war development programmes although it included important new programmes like the National Extension Service and Community Projects. It is understood that the priorities of the First Plan were largely dictated by the situation which existed when the Plan was formulated, namely, food shortage and inflation. The Planning Commission stated that during the preparation of the First Five Year Plan certain defects in procedure came to their notice. They were:

- (i) There were several large irrigation and power projects which had already been begun. This left less room for small and medium schemes.
- (ii) Many schemes which had been taken up or to which State Governments were committed needed further investigation.
- (iii) There was not enough co-ordination between thinking in certain fields in the Central Ministries and as embodied in programmes followed in the States.
- (iv) Essential national income and other statistical data were not yet available.
- (v) At the stage of formulation, planning of industrial schemes in the public sector was not adequate. This gap had to be made good later.
- (vi) State programmes were drawn up at the State headquarters and it was only after the Plan had been finalised that an attempt to break them up into district programmes could be made.

77. It was stated that an earnest attempt was made while formulating the Second Plan to reduce the defects that came to notice in the preparation of the First Plan. But the Planning Commission admitted that all the shortcomings still existed though in a lesser degree. On the other hand, it was stated that the economy was now more complex, its modernisation was under way, shortages and bottlenecks were an ever present challenge and the technique of planning demanded by the current situation were of a much more rigorous character than would have passed muster some years ago. It was accepted that such progress as had been made was by no means sufficient.

78. In particular, the Committee would like to draw attention to the unemployment problem in India. The tasks to be faced in this connection were stated in the Second Five Year Plan to be three-fold, namely, the existing unemployed in the urban and rural areas; secondly, the natural increase in the labour force estimated at about two million persons a year; and lastly, the under-employed in agricultural and household occupations in rural areas. It was pointed out in the Review of the First Five Year Plan that the growth of employment opportunities, which were estimated in all to be about 4.5 million in the First Plan period, tended on the whole to lag behind the increase in the labour force and consequently the extent of unemployment and under-employment in the economy had not diminished significantly over the Plan period. It was also admitted that this problem was rooted structurally in the economy and that in spite of the additional employment of about eight million people, which the Second Plan might generate, its impact on the two-fold problem of unemployment and under-employment would not be as large as the situation demanded. The human as well as the economic aspects of the unemployment problem need no special emphasis to be understood or appreciated. *The Committee would, therefore, suggest that this problem should be tackled in a bold and energetic manner and that there should be a continuous assessment of the progress made, so that timely steps could be taken to ensure that the targets of employment laid down in the Second Plan are not only realised but even bettered to a substantial degree.*

79. The Committee noticed that active work in connection with the Second Five Year Plan started in February, 1954 and the preparation and finalisation of the Plan took nearly two years. It is now the third year of the Second Five Year Plan and before the end of the year preparations would have to be made for the Third Five Year Plan. *But the Committee notice with regret that adequate arrangements have not been made for commencing the preparation of the Third Five Year Plan. They would suggest that the methods of framing the Third Plan should receive urgent attention.*

Machinery for Planning at State level

80. The machinery for planning in the States was stated by the Planning Commission to be as follows:

"The machinery is fairly well developed at the State level. As a rule, there are whole-time Secretaries in charge of planning and development many of whom also carry executive responsibilities in relation to National Extension and Community Projects. The Planning Departments in the States are co-ordinating in varying degrees the work of other Departments in the States in relation to the Plan. At State headquarters, co-ordination is achieved through an inter-Departmental committee of

Secretaries in charge of various development departments. The Chairman of the Committee is the Chief Secretary or the Secretary in charge of planning. Generally the functions of co-ordination for planning and for the implementation of district programmes are combined in a single officer commonly described as the Development Commissioner. As a rule, a Committee of the State Cabinet under the Chief Minister provides overall guidance and direction. Leading non-officials are associated with the formulation and implementation of Plans at the State level through the State Planning Boards."

In addition, there is generally at the State level a State Development Committee consisting of the Chief Minister and Ministers in charge of Development Departments for laying down general policy and other matters concerning the Five Year Plan. In certain States like Uttar Pradesh, there is also a State Planning Board which includes non-officials.

81. *It is thus seen that planning at the State level is mostly done by the officers of the State Government under the general direction and control of a Committee of Ministers. The Committee feel that in a vast country, with a variety of natural regions, climatic conditions, social and economic developments, etc., planning can be effective only if it is decentralised. They are separately referring to the question of planning from below but would emphasize here the need for a sound organisation at the State level. In this connection, it might be mentioned that in China (vide the Report of the Indian Delegation to China on Agricultural Planning and Techniques) the position in this respect is as follows:*

"At the provincial level there is a Provincial Planning Commission which is a counterpart of the State Planning Commission at the national level. The organisation is more or less the same, main departments being industry, agriculture, capital construction, wages and labour, research and culture, transportation and communications, finance and economics, sanitation and public health. As, at the Centre, the State Planning Commission and the State Statistical Bureau are under the same Vice Premier, similarly at the provincial level, the Provincial Planning Commission and the Provincial Statistical Bureau are under the same Vice Governor."

82. *The Committee feel that if in a unitary form of Government, Planning Commission at the State level besides that at the Central level is considered necessary for the success of planning, it would be much more so in a federal form of Government like ours. A body of this type in each State might consist of experienced administrators and non-officials with an intimate knowledge of the problems of the State. They could concern themselves with all aspects of planning*

in the State and also function in co-ordination with the statistical and evaluation organisations at the State level referred to earlier. The Committee feel that such bodies at the State level would go far to secure the success of planning in the country. They, therefore, recommend that the desirability of setting up a body corresponding to the Planning Commission in each State should be examined in consultation with the State Governments.

83. It is understood that while framing the Second Five Year Plan it was decided that planning had to be done from below. Detailed instructions were sent from the Planning Commission and the State Governments indicating how districts should prepare local and village plans within the general framework and how, within the district, the work of planning must be organised, plans being prepared for individual villages and groups of villages, such as tehsils, national extension development blocks, etc. It is stated that a serious effort was made in the initial stages to plan from below, but after the State plans were pruned, they were not adequately broken up into district and local plans and implemented as such. It has now been decided by the Standing Committee of the National Development Council that the general principle of giving responsibility for development to the representatives of the people within the district should be accepted. *The Committee welcome the decision and hope that a decentralised democratic machinery will be set up at the village level and upwards to deal with local administration and planning.*

84. *In this connection, they would also suggest that the District Councils recommended by the COPP Team on Community Development and N.E.S. should be given responsibility for the implementation of the Plan. Further, the Councils should constitute a number of Sub-Committees, each of them being in charge of a subject like agriculture, education, irrigation, roads, village industries, co-operation, etc. The Sub-Committees should have a non-official member of the Council as the Chairman and an official concerned with the subject as Secretary. Each Sub-Committee should look after the particular subject in the entire district. Such an organisation would be in keeping with the principles of democratic decentralisation recommended by the Study Team for Community Development and N.E.S.*

85. *Further, the broad distribution of the budget provision under the Plan should be prescribed by the Centre within which the State should evolve its own schematic budget, in consultation with the Central Ministries. Within this framework, the district and block level local representative organisations should work out priorities and phasing, subject to certain guiding principles and restrictions. Finally, within the block, the panchayat samiti recommended by the COPP Team on Community Development and N.E.S. should break the integrated plan into smaller units e.g. Gram Sewak circles, villages and families. In this manner, all planning for the future should proceed from the village level upwards through*

the machinery of the Sub-Committees of the District Council suggested earlier. Also when a plan, compiled in this manner and processed at the State level and at the Centre, has to undergo readjustments and pruning, it should be ensured that the modified outline is passed on to the district level, so that at that level necessary modifications can be made to fix the final village plan. If done this way, it would really emerge as the people's plan and would evoke spontaneous and enthusiastic co-operation from the people and consequently a major portion of the difficulty in the implementation of the Plan would be automatically removed. This process of building up of a plan from the village level will necessarily take some time. Since the formulation of the Third Five Year Plan has to be taken on hand now, the Committee would recommend that the machinery suggested by them should be organised without loss of time and set in motion early.

Perspective Planning

86. In connection with the question of Planning for the future, the Committee would emphasise the importance of perspective or long-term planning. They have already referred to the work of the Perspective Planning Division in the Planning Commission. The work of perspective planning seems to have just started and much progress has to be made before it could form the basis for the formulation of a Plan. *The Committee consider it unfortunate that a start on this work was not made much earlier. They consider that unless the long range objectives are well settled, short-term planning cannot be meaningful. The planners would have to think of at least a 25 year period and fix practicable limits to the growth of the economy during the period.*

87. The Committee understand that various Ministries are also expected to give serious thought to future developments in the field within their jurisdiction. In certain selected fields like planning for technical personnel such work was already going on. In respect of irrigation and certain industries, such as steel, the Ministries concerned were taking action. But it was admitted that the Planning Commission was only at the fringe of the problem, even though this was one of the major tasks before any planning body. *The Committee would recommend that immediate attention should be given to this matter. The cells working in each Ministry should work out a long term plan while they are preparing one for the immediate future. Such questions as the location of industries, their development, facilities for transport, agricultural production, afforestation, harnessing of atomic energy for peaceful purposes, long range export promotion, mineral exploitation, etc., should be considered and a plan laid out for each. In particular, the problem of the haphazard growth of cities and the growing urbanisation in the country are matters which should be given sufficient consideration. This might need the provisions of suitable facilities and amenities in the villages and for this purpose suitable planning would have to be*

undertaken. *The associated problem relating to slum clearance as well as town planning also needs attention. Further, the need to disperse industries over wide areas so as to prevent their springing up in an unwieldy and haphazard manner as also the connected labour problems has to be given due consideration. All such plans should be co-ordinated by a group of experts who would study the limits of our resources, the relations between the different targets and prepare a composite perspective plan. Such planning should proceed concurrently with the five year plans. Also it should be a continuous process, so that as the economy develops and additional factors come to light necessary readjustments can be made. The flow of statistical data, their analysis and researches should be directed not only to frame the five year plans, but to work out the perspective plan as well. Steps should be taken to train a sufficient number of economists, statisticians, engineers and other technical personnel who will not only be experts but also have general ability and the capacity to look at problems with insight and imagination.*

Statistical Data for Planning

88. At present the Planning Commission obtains information in two ways: (a) by sending out proformas of its own to the Central Ministries and State Governments to collect information required for the preparation of progress report, annual plans, etc. and (b) drawing upon published and unpublished information contained in the reports prepared by the Central Ministries, State Governments and Statistical and Agricultural Organisations at the Centre and in the States. The Committee were informed that generally the existing arrangements for statistical work needed further strengthening and improvement. Much had yet to be done in regard to the flow of information to the Planning Commission and improvement in the accuracy of the data. It was also stated that the State Statistical Bureaus were being utilised to an increasing extent by the State Planning Departments.

89. *The Committee would point out that without an adequate body of reliable data, Planning would be unrealistic. Since the problem affects the very foundation of Planning, it should be given more urgent attention. There should be a well laid out plan for the purpose of ensuring that all the data necessary for the building up of a plan, both short-term and long-term, will start flowing within a fixed period.*

90. The Committee find that at present there is a multiplicity of machinery at the Centre which collects statistical data. Besides the Central Statistical Organisation under the Cabinet Secretariat, there are such organisations as the Office of the Chief Economic Adviser, Ministry of Finance, Directorate of Economics and Statistics in the Ministry of Food and Agriculture and the Office of the Economic Advisers in the Ministries of Commerce and Industry and Labour. In addition, there are statistical sections and bureaus in

various other Ministries. There are statistical organisations in the States. Besides, the National Sample Survey and the Indian Statistical Institute collect and process various kinds of statistics. The Reserve Bank of India also compiles very valuable statistics. In spite of all these, there is dearth of necessary statistical data for planning and for assessment of its implementation. *The Committee would, therefore, suggest that the Planning Commission, in consultation with the Central Statistical Organisation, should appoint a team of experts to enquire into the nature of statistical data compiled by all these diverse organisations, the duplication of effort involved, rationalisation of their functions, rationalisation of the basis of collection of data, maximum utilisation of the data collected, allocation of functions among the different organisations under the Central and State Governments and other bodies, so that taking the country as a whole, there will be a network of organisations producing, without waste of effort or overlapping of functions, the data necessary for the purposes of planning and administration. This team should also look into the gaps that now exist in the statistical data. They should also suggest measures for getting reliable data about the private sector and what is at present the un-organised portion of the private sector. The efforts of the team should be directed to produce a workable plan by which in the very near future a co-ordinated machinery will function throughout the country making the flow of all the necessary data available to the interested organisations.*

BALVANTRAY G. MEHTA,

Chairman,

Estimates Committee.

NEW DELHI;

The 23rd April, 1958.

APPENDIX I

(Vide Para 7)

GOVERNMENT OF INDIA

CABINET SECRETARIAT

RESOLUTION

(PLANNING)

New Delhi, the 15th March, 1950.

No. 1-P(C)/50.—For some years past, the people of India have been conscious of the importance of planned development as a means of raising the country's standard of living. This consciousness found expression in the appointment in 1938 of the National Planning Committee by the Indian National Congress. The work of the Committee was, however, interrupted by political and other developments in the beginning of the war, although much useful material has since been published. In 1944, the Government of India established a separate Department of Planning and Development and, at its instance, the Central as well as the Provincial Governments prepared a number of development schemes to be undertaken after the war. Problems of planning were reviewed towards the end of 1946 by the Advisory Planning Board which was appointed by the Interim Government of India, an important recommendation of the Board being the appointment of a Planning Commission to devote continuous attention to the whole field of development, so far as the Central Government was concerned with it.

2. During the last three years, the Centre as well as the Provinces have initiated schemes of development, but experience has shown that progress has been hampered by the absence of adequate coordination and of sufficiently precise information about the availability of resources. With the integration of the former Indian States with the rest of the country and the emergence of new geographical and economic facts a fresh assessment of the financial and other resources and of the essential conditions of progress has now become necessary. Moreover, inflationary pressures inherited from the war, balance of payments difficulties, the influx into India of several million persons displaced from their homes and occupations, deficiencies in the country's food supply aggravated by partition and a succession of indifferent harvests, and the dislocation of supplies of certain essential raw materials have placed the economy under a severe strain. The need for comprehensive planning based on a careful appraisal of resources and on an objective analysis of all the relevant economic factors has become imperative. These purposes can best be achieved through an organisation free from the burden of the day-to-day administration, but in constant touch with the Government at the highest policy level. Accordingly, as announced by the Honourable the Finance Minister in his Budget speech on the 28th February, 1950, the Government of India have decided to set up a Planning Commission.

3. The Constitution of India has guaranteed certain Fundamental Rights to the citizens of India and enunciates certain Directive Principles of State Policy, in particular, that the State shall strive to promote the welfare of the people by securing and protecting as effectively as it may a social order in which justice, social, economic and political, shall inform all the institutions of the national life, and shall direct its policy towards securing, among other things,

- (a) that the citizens, men and women equally, have the right to an adequate means of livelihood ;
- (b) that the ownership and control of the material resources of the community are so distributed as best to subserve the common good ; and
- (c) that the operation of the economic system does not result in the concentration of wealth and means of production to the common detriment.

4. Having regard to these rights and in furtherance of these principles as well as of the declared objective of the Government to promote a rapid rise in the standard of living of the people by efficient exploitation of the resources of the country, increasing production, and offering opportunities to all for employment in the service of the community ;

The Planning Commission will :—

- 1. make an assessment of the material, capital and human resources of the country, including technical personnel, and investigate the possibilities of augmenting such of these resources as are found to be deficient in relation to the nation's requirements ;
- 2. formulate a Plan for the most effective and balanced utilisation of the country's resources ;
- 3. on a determination of priorities, define the stages in which the Plan should be carried out and propose the allocation of resources for the due completion of each stage ;
- 4. indicate the factors which are tending to retard economic development, and determine the conditions which, in view of the current social and political situation, should be established for the successful execution of the Plan ;
- 5. determine the nature of the machinery which will be necessary for securing the successful implementation of each stage of the Plan in all its aspects ;
- 6. appraise from time to time the progress achieved in the execution of each stage of the Plan and recommend the adjustments of policy and measures that such appraisal may show to be necessary, and
- 7. make such interim or ancillary recommendations as appear to it to be appropriate either for facilitating the discharge of the duties assigned to it or on a consideration of the prevailing economic conditions, current policies, measures and development programmes ; or on an examination of such specific problems as may be referred to it for advice by Central or State Governments.

5. The Planning Commission will be composed of the following :—

Chairman

Shri Jawaharlal Nehru.

Deputy Chairman

Shri Gulzarilal Nanda.

Members

Shri V. T. Krishnamachari.

Shri Chintaman Deshmukh.

Shri G. L. Mehta.

Shri R. K. Patil.

Secretary

Shri N. R. Pillai.

Deputy Secretary

Shri Tarlok Singh.

6. The Planning Commission will make recommendations to the Cabinet. In framing its recommendations, the Commission will act in close understanding and consultation with the Ministries of the Central Government and the Governments of the States. The responsibility for taking and implementing decisions will rest with the Central and the States Governments. The Government of India feel confident that the States will give the fullest measure of help to the Commission so as to ensure the maximum coordination in policy and unity in effort.

7. The work of the Planning Commission will affect decisively the future welfare of the people in every sphere of national life. Its success will depend on the extent to which it enlists the association and cooperation of the people at all levels. The Government of India, therefore, earnestly hope that in carrying out its task the Commission will receive the maximum support and goodwill from all interests and, in particular, from industry and labour.

8. The headquarters of the Commission will be at New Delhi.

APPENDIX II

(Vide Para 18).

Composition of the Planning Commission

1. Shri Jawaharlal Nehru, (Prime Minister).	Chairman
2. Shri V. T. Krishnamachari.	Deputy Chairman
3. Shri G. L. Nanda, (Minister of Planning).	Member
4. Shri K. C. Neogy	do
5. Shri J. C. Ghosh	do
6. Shri Morarji Desai, (Minister of Finance).	do
7. Shri V. K. Krishna Menon, (Minister of Defence).	do
8. Shri C. M. Trivedi	do
9. Prof. P. C. Mahalanobis.	<i>de facto</i> Member.

APPENDIX IV

(Vide Para 27)

Statement showing the sanctioned and actual strength in different Divisions, Branches and Sections.

	Sanctioned strength	Actual present strength
1. Plan Coordination		
Assistant Chief	1	1
Senior Research Officer	3	1
Research Officer	3	2
Economic Investigator Grade I	3	1
Section Officer	1	1
Assistant	2	2
Upper Division Clerk	1	2
Lower Division Clerk	3	3
2. Programme Administration		
Director	1	1
Assistant Chief	1	1
Senior Research Officer	4	4
Research Officer	7	3
Economic Investigator Grade I	4	2
Economic Investigator Grade II	6	6
Section Officer	1	1
Assistant	4	5
Upper Division Clerk	2	1
Lower Division Clerk	9	8
3. Health		
Consultant (Medical)	1	1
Chief	1	1
Assistant Chief	1	1
Senior Research Officer	1	1
Research Officer	2	2

	Sanctioned Strength	Actual present strength
Economic Investigator Grade I	2	2
Economic Investigator Grade II	2	2
Assistant	1	1
Upper Division Clerk	1	..
Lower Division Clerk	2	3
4. Education		
Director	1	1
Assistant Chief	1	1
Senior Research Officer	2	1
Research Officer	4	3
Economic Investigator Grade I	2	2
Economic Investigator Grade II	6	6
Assistant	1	1
Upper Division Clerk	1	..
Lower Division Clerk	2	3
5. Food & Agriculture		
Joint Secretary	1	1
Officer on Special Duty	1	1
Assistant Chief	1	1
Senior Research Officer	2	1
Research Officer	3	3
Economic Investigator Grade I	1	1
Economic Investigator Grade II	4	4
Assistant	1	1
Upper Division Clerk	1	2
Lower Division Clerk	2	3
6. Labour & Employment		
Director	1	1
Senior Research Officer	2	1
Research Officer	3	4
Economic Investigator Grade I.	4	2
Economic Investigator Grade II	4	4
Assistant-in-Charge.	1	1
Assistant	1	1
Upper Division Clerk	2	1
Lower Division Clerk	2	3

	Sanctioned strength	Actual present strength
7. Land Reforms		
Chief	1	1
Senior Research Officer	2	2
Research Officer	3	3
Economic Investigator Grade I	3	2
Economic Investigator Grade II	1	1
Assistant	1	1
Upper Division Clerk	1	1
Lower Division Clerk	2	2
8. Economic Finance and Resources		
Chief	1	1
Deputy Chief	1	..
Assistant Chief	3	2
Senior Research Officer	5	5
Research Officer	5	5
Econometrician	1	..
Economic Investigator Grade I	5	4
Economic Investigator Grade II	7	10
Assistant	2	1
Upper Division Clerk	1	..
Lower Division Clerk	4	4
9. Industries and Minerals		
Chief	1	..
Director	1	1
Assistant Chief	1	1
Senior Research Officer	4	2
Research Officer	4	4
Economic Investigator Grade I	3	1
Economic Investigator Grade II	1	1
Assistant	1	1
Upper Division Clerk	3	2
Lower Division Clerk	3	3
10. Transport & Communications		
Adviser	1	..
Assistant Chief	1	1

	Sanctioned strength	Actual present strength
Senior Research Officer	1	1
Research Officer	2	1
Economic Investigator Grade I	2	2
Economic Investigator Grade II	4	3
Assistant	1	1
Upper Division Clerk	1	2
Lower Division Clerk	2	2
11. Information, Publicity & Publications		
Assistant Chief	1	..
Assistant Information Officer	1	..
Information Assistant	2	2
Publicity Investigator	1	..
Economic Investigator Grade II	1	1
Assistant	1	1
Upper Division Clerk	2	2
Lower Division Clerk	5	5
12. Natural Resources		
Chief	1	1
Deputy Chief	2	1
Assistant Chief	2	1
Research Officer	5	5
Economic Investigator Grade I	3	3
Section Officer	1	1
Assistant	3	3
Upper Division Clerk	2	1
Lower Division Clerk	3	4
13. Perspective Planning & Scientific & Technical Manpower		
Director	1	..
Senior Research Officer	4	..
Research Officer	4	..
Economic Investigator Grade I	4	1
Economic Investigator Grade II	12	3
Section Officer	1	..
Lower Division Clerk	5	1
Computer	10	..

	Sanctioned strength	Actual present strength
14. Statistics and Surveys Division		
Senior Research Officer	2	..
Research Officer	3	..
Economic Investigator Grade I	3	..
Economic Investigator Grade II	3	1
Section Officer	1	..
Assistant	1	..
Upper Division Clerk	1	..
Lower Division Clerk	2	..
Computer	6	..
15. Village & Small Industries		
Director	1	..
Officer on Special Duty	1	1
Senior Research Officer	1	1
Research Officer	3	2
Economic Investigator Grade I	1	1
Economic Investigator grade II	2	2
Assistant	1	1
Upper Division Clerk	1	1
Lower Division Clerk	2	2
SECTIONS		
1. Scientific and Industrial Research		
Officer on Special Duty	1	1
Research Officer	1	1
Economic Investigator Grade I	2	2
Assistant	1	1
Lower Division Clerk	2	2
2. Housing		
Director	1	..
Senior Research Officer	1	..
Research Officer	3	3
Economic Investigator Grade I	1	1
Economic Investigator Grade II	2	2
Assistant	1	1
Upper Division Clerk	1	1
Lower Division Clerk	2	2

	Sanctioned strength	Actual present strength
3. Social Welfare		
Assistant Chief	1	1
Research Officer	4	4
Economic Investigator Grade I	3	3
Economic Investigator Grade II	4	4
Assistant	1	1
Upper Division Clerk	1	1
Lower Division Clerk	2	2
4. Prohibition		
Officer on Special Duty	1	1
Economic Investigator Grade I	1	1
Economic Investigator Grade II	1	1
Lower Division Clerk	2	1
5. Public Management Studies		
Director	1	1
Economic Investigator Grade I	1	1
Economic Investigator Grade II	2	2
Assistant	1	1
Lower Division Clerk	1	1
6. Public-Co-operation		
Section Officer	1	1
Research Officer	1	1
Assistant Information Officer	1	1
Economic Investigator Grade I	1	1
Economic Investigator Grade II	1	1
Assistant	2	1
Upper Division Clerk	1	1
Lower Division Clerk	3	2
7. International Trade & Development		
Director	1	1
Senior Research Officer	1	..
Research Officer	2	1
Economic Investigator Grade II	2	2

	Sanctioned strength	Actual present strength
Assistant Lower Division Clerk	1 4 }	Jointly with the Economic, Finance and Resources Division.
8. Charts and Maps		
Senior Artists	1	1
Junior Artist	1	1
Senior Draughtsman	1	1
9. Library		
Librarian	1	1
Technical Assistant	5	5
Economic Investigator Grade	1	1
Upper Division Clerk	1	1
Lower Division Clerk	7	7
BRANCHES		
1. Administration (Including General, Accounts Branches and Central Registry)		
Deputy Secretary	1	1
Under Secretary }	3	3
Administrative Officer	1	1
Section Officer	8	8
Assistant	12	12
Upper Division Clerk	16	17
Lower Division Clerk	60	60
2. Coordination		
Deputy Secretary	1	1
Under Secretary	1	1
Section Officer	1	1
Assistant	4	4
Upper Division Clerk	4	1
Lower Division Clerk	6	6

	Sanctioned strength	Actual present strength
3. Local Works		
Section Officer	1	1
Assistant	3	3
Upper Division Clerk	1	1
Lower Division Clerk	3	3
4. Organisation & Methods		
Section Officer	1	1
Assistant	1	1
Upper Division Clerk	1	1
Lower Division Clerk	1	1

APPENDIX V

(Vide Para 28)

Note explaining the proposed reorganisation of the Divisions, Branches and Sections:

In order to ensure adequate co-ordination of the work of the Planning Commission at the official level, it has been decided, as a part of the re-organisation of the Commission, that Divisions dealing with allied subjects should be grouped together and one of the senior officers should be designated as Co-ordination Officer for each Group. Work of the Planning Commission is dealt with in a large number of Divisions, apart from the Secretariat Branches dealing with service matters etc. It is proposed to group these Divisions into 8 convenient groups and place them each in charge of Co-ordinating Officer as shown below:

Group No.	Name of the Group	Divisions forming Group	Coordinating Officer
1	2	3	4
I.	Plan Integration	(1) Plan Coordination (2) Programme Administration (3) Statistics & Surveys (4) Labour & Employment	Joint Secretary (Plan Coordination)
II.	Economic	(1) Resources, Finance and Economics (2) International Trade & Development.	Chief (Economic)
III.	Scientific & Technical Manpower	(1) Scientific and Technical Manpower (2) Perspective Planning	Chief (Scientific and Technical Manpower)
IV.	Agriculture	(1) Agriculture (2) Land Reforms (3) Community Development (4) Local Works (5) Public Administration (including Local Bodies)	Joint Secretary (Agriculture)

1	2	3	4
V.	Industry	(1) Industry & Minerals . (2) Village & Small Scale Industries (3) Transport and Communications	Adviser (Planning)
VI.	Irrigation & Power	Irrigation & Power	Chief (Irrigation and Power)
VII.	Social Service	(1) Organisation & Methods (2) Housing (3) Social Welfare . (4) Public Co-operation (including Planning Forums & Prohibition)	Joint Secretary (Planning)
VIII.	Administration and General	(1) Administration (2) General (3) Education (4) Scientific Research (5) Health	Joint Secretary (Co-ordination)

2. The Group leader will be responsible for the satisfactory working of the Divisions in the Groups and, in discussions, will represent these Divisions. The Group leader will be responsible to the Secretary, so far as the organisation and the work in the Planning Commission are concerned. A Co-ordination Committee consisting of these Group leaders will function as the body which would be responsible to the Planning Commission for the implementation of the decisions taken by the Commission.

3. For purposes of securing adequate co-ordination and to provide the necessary direction to the Secretariat staff attached to the various Divisions, it was decided that they should also be suitably grouped together. At present, each of the Divisions has a small Secretariat Unit attached to it. Some of these units are in charge of Section Officers, but most of them are without such officers. It was difficult to provide for each of these Secretariat Units to be supervised by the separate Section Officers, as this meant creation of a number of additional posts, which in the context of the present economy drive, was clearly not possible. Further, in some of these divisions, the work did not justify a whole-time Section Officer. It is, therefore, proposed that the Secretariat units of the various Divisions should also be grouped so that each group has a Section Officer and a complement of other ministerial staff to provide Secretariat assistance to the group of Divisions. The Section Officer would ensure that the Secretariat work of the divisions forming each Group, is organised strictly according to the Secretariat pattern. He would particularly ensure

that the records are maintained in a systematic manner and periodical returns like weekly and monthly arrear reports are sent in time. The Chief advantages of the grouping arrangements are that:

- (a) it would provide competent Secretariat assistance to all the Divisions,
- (b) the divisions would have a larger number of Secretariat staff to rely upon,
- (c) the continuity of Secretariat work would not be affected in the absence of one or two members of the staff, which is the greatest drawback under the present arrangement with smaller numbers of Secretariat staff in each Division, and
- (d) there would be better supervision

4. For the purposes of grouping of the technical divisions under Group Co-ordination Officers and for re-organising the Secretariat Units attached to these Divisions it is not necessary to sanction additional staff.

APPENDIX VI

(Vide Para 29)

Statement of Expenditure

	Actuals 1952-53	Actuals 1953-54	Actuals 1954-55	Actuals 1955-56	Actuals 1956-57	Revised Estimate 1957-58	Budget Estimate 1958-59
<i>Planning Commission</i>							
Pay of Officers	4,83,848	7,02,648	8,03,331	10,51,160	13,10,860	14,42,000	16,36,100
Pay of Establishments	2,82,719	3,18,462	4,26,490	6,22,664	7,59,442	8,94,200	10,22,200
Allowances, Hon. etc.	3,47,687	4,13,345	5,31,109	7,76,551	9,83,850	9,90,500	10,16,000
Other charges	2,10,992	2,33,898	3,04,363	6,10,215	3,75,377	4,62,300	3,25,700
TOTAL	13,25,246	16,68,353	20,65,293	30,60,590	34,29,529	37,89,000	40,00,000
Research Programme Committee . . . . .	..	..	8,99,094	9,66,975	10,23,855	8,78,000	11,17,500
Programme Evaluation Orgn.	24,466	4,12,151	8,72,759	8,56,690	8,20,621	9,74,000	14,15,500
Committee on Plan Projects . . . . .	..	..	..	..	44,695	8,00,000	9,00,000

APPENDIX VII

(Vide Para 31)

Statement showing the Number of Sanctioned Posts for the year 1953-54 to 1957-58

Sl No.	Designation of Post	Scale of Pay	Number of sanctioned posts during					
			1953-54	1954-55	1955-56	1956-57	1957-58	
1	2	3	4	5	6	7	8	
		Rs.					23	
1	Deputy Chairman . . .	2250/- p.m. (fixed)	1	1	1	1	1	
2	Members . . .	2250/- p.m. (fixed)	3	3	3	3	3	
3	Advisers (Programme Administration) . . .	3500/- p.m. for the present incumbents	3	3	3	3	3	
4	Adviser (Planning) . . .	3000/- p.m. for the present incumbent	1	1	1	1	1	
5	Adviser (Transport) . . .	No fixed scale	..	..	1	1	1
6	Joint Secretary . . .	Secretariat Scale of Pay	1	1	2	3	4	
7	Deputy Secretary . . .	Do.	2	2	3	3	3	
8	Under Secretary ; . . .	Do.	3	3	4	6	6	

1	2	3	4	5	6	7	8
		Rs.					
9	Administrative Officer . . .	530-30-800	..	..	1	1	1
10	Section Officer (Category 'B' Post) Secretariat Scale of Pay		4	4	6	14	16
11	Librarian . . .	275-25-500-30-800	1	1	1	1	1
12	Chief of Division . . .	No fixed scale	5	5	5	6	6
13	Director . . .	1100-50-1300-60-1600	..	..	4	9	9
14	Deputy Chief of Division . . .	1100-50-1300-60-1600	..	..	3	3	3
15	Assistant Chief . . .	800-50-1150	10	10	10	14	14
16	Econometrician . . .	800-50-1150	..	..	1	1	1
17	Senior Research Officer . . .	600-40-1000-50/2-1150	..	..	26	28	28
18	Research Officer . . .	350-25-500 EB-30-650-EB-30-800	40	40	52	59	64
19	Officer on Special Duty (Cottage Industry) . . .	800-50-1150	1	1	1	1	1
20	Officer on Special Duty (Agri-culture). . .	No fixed scale (Rs. 1800- personal to present incumbent)	..	..	1	1	1

21	Officer on Special Duty (Scientific Research)	No fixed scale (Rs. 1700—personal to present incumbent)	..	..	1	1	1
22	Officer on Special Duty (Prohibition)	No fixed scale (Rs. 1500—personal to present incumbent)	..	..	1	1	1
23	Officer on Special Duty (Welfare Extension)	Rs. 600—40—800	..	1	1	1	1
24	Private Secretary to Chairman.	No fixed scale (Deputy Secretary's scale—personal to present incumbent).	1	1	1	1	1
25	Private Secretary to Minister	No fixed scale (U.S.'s scale—personal to present incumbent)	1	1	1	1	1
26	Private Secretary to Deputy Chairman	No fixed scale (Rs. 600—1150—personal to present incumbent)	1	1	1	1	1
27	Private Secretary to Secretary	300—20—400	1	1	1	1	1
28	Private Secretary to Deputy Minister	300—20—400	..	..	1	1	1
29	Private Secretary to Members	600—40—800	3	3	3	3	3
30	Asstt. Private Secy.	300—20—400	2	2	2	2	2
31	Special Assistant to Minister	450 p.m. (fixed)	1	1	1	1	1
32	Assistant Information Officer	350—25—500—EB—30—620	..	..	..	..	3
33	Economic Investigator Grade I	275—25—500	8	13	17	32	54

45	P. A. to Deputy Minister (Grade II of C.S.S.S.)	Secretariat scale of pay	..	..	I	I	I
46	P.A. to Deputy Secretary	160—10—330 plus special pay of Rs. 25 p.m.	I	I	I	I	I
47	Technical Assistant (Library)	160—10—330	I	3	4	4	5
48	Senior Artist	300—20—400	I	I	I	I	I
49	Junior Artist	200—10—300	..	I	I	I	I
50	Proof Reader	100—5—125—6—155—EB—6—195	..	2	2	2	2
51	Telephone Operator	60—3—81—EB—4—125—5—130	3	3	3	3	3
52	Library Attendant	40—1—50—2—60	..	..	I	2	4
53	Guestner Operator	60—5/2—75	2	2	3	4	4
54	Staff Car Drivers	-do-	..	3	3	4	4
55	Despatch Rider	50—2—60—5/2—65	..	..	..	I	I
56	Daftiy	35—1—50	7	8	13	24	28
57	Jamadar	-do-	8	9	11	16	14
58	Upper Division Clerk	Secretariat scale of pay	..	..	40	44	48

*4 } posts carry a special pay of Rs. 40/- p.m. and 1 post
†8 { carries a special pay of Rs. 25/-).

1	2	3	4	5	6	7	8
		Rs.					
59	Steno-typist	Secretariat Scale of pay	..	10	16	25	26
60	Lower Division Clerk	-do-	33	55	79	110	136
61	Parash	-do-	4	6	7	10	10
62	Sweeper	-do-	6	8	9	15	15
63	Chowkidar	-do-	..	2	2	2	2
64	Peon	-do-	78	81	95	136	142
65	Senior Draughtsmen	150-7-185-EB-8-225	2	2	2
66	Computer	60-4-120-5-150	1	3	3	6	18

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APPENDIX—VIII-A

(Vide Para 35)

Statement showing the number of permanent and temporary posts in the various grades.

Sl. No.	Name of Post	Number of Permanent Posts	Number of Temporary Posts	Remarks
GAZETTED				
1	Deputy Chairman . . . . .	..	1	
2	Members . . . . .	..	3	
3	Advisers (Programme Administration) . . . . .	..	3	
4	Adviser (Planning) . . . . .	..	1	
5	Joint Secretaries	1	2	
6	Deputy Secretaries	1	2	
7	Under Secretaries	1	5	
8	Chiefs of Division	2	4	
9	Member-Secretary (Research Programmes Committee) . . . . .	..	1	
10	Director	2	7	
11	Deputy Chief . . . . .	..	3	
12	Assistant Chief	5	9	
13	Econometrician . . . . .	..	1	
14	Officer on Special Duty . . . . .	..	5	
15	Senior Research Officer	5	23	
16	Research Officer	20	47	
17	Private Secretary	3	5	
18	Asstt. Private Secretary . . . . .	..	2	
19	Special Assistant to Minister (Planning) . . . . .	..	1	

Sl. No.	Name of Post	Number of Permanent Posts	Number of Temporary Posts	Remarks
20	Assistant Information Officer	..	3	
21	Librarian	I	..	
22	Administrative Officer .	..	I	
23	Section Officer .	2	16	
24	First Personal Assistants (Grade I of the Central Secretariat Stenographers' Service)	3	I	
NON-GAZETTED				
25	Economic Investigator Grade I	7	45	
26	Economic Investigator Grade II	16	58	
27	Publicity Investigator .	..	I	
28	Information Assistants .	..	2	
29	Assistants	18	47	
30	Stenographers .	14	59	
31	Second Personal Assistants (Grade II of Central Secretariat Stenographers' Service)	I	10	
32	Steno-typist . . . .	..	26	
33	Upper Division Clerk .	..	48	
34	Lower Division Clerk .	29	127	
35	Technical Assistants (Library) ..		5	
36	Senior Artist . . . .	..	I	
37	Junior Artist . . . .	..	I	
38	Senior Draughtsman .	..	2	
39	Proof Reader . . . .	..	2	
40	Computer	I	17,	
41	Telephone Operators .	2	I	
42	Library Attendant . . . .	..	4	
43	Gestetner Operator . .	I	3	
44	Staff Car Driver	I	2	
45	Dispatch Rider . . . .	..	I	
46	Daftry	4	25	

Sl. No.	Name of Post		Number of Permanent Posts	Number of Temporary Posts	Remarks
47	Jamadars	. . .	4	12	
48	Peons	. . .	39	99	
49	Farash	. . .	..	10	
50	Sweeper	. . .	..	15	
51	Chowkidar	. . .	..	2	

APPENDIX VIII-B

Statement showing the number of permanent Government servants employed in the Planning Commission

S. No.	Name of Post	Number of posts held by permanent Government servants	Remarks
1	Advisers	2	Permanent I.C.S. Officers.
2	Joint Secretary	4	3 Permanent I.C.S. Officers 1 C.S.S. Officer.
3	Deputy Secretary	3	1 Permanent I.A.S. Officer. 2. C.S.S. Officers
4	Under Secretary	6	Permanent C.S.S. Officers.
5	Chief	2	1 Permanent I.S.E. Officer 1 Permanent I.A.S. Officer.
6	Assistant Chief	8	The Officers in question hold permanent appointments elsewhere.
7	Director	4	Do.
8	Officer on Special Duty	1	Do.
9	Section Officer	12	Permanent C.S.S. Officer.
10	Private Secretary	4	{ The Officers hold permanent appointment elsewhere.
11	Senior Research Officers	9	
12	Research Officer	6	
13	Librarian	1	Permanent in Planning Commission.
14	Assistant Private Secretary	5	

Sl. No.	Name of Posts	Number of posts held by permanent Government servants	Remarks
15	1st Personal Assistant (Grade I of Central Secretariat Stenographers' Service)	2	
16	Assistant	3	
17	Stenographers	10	
18	Clerk	6	
19	Senior Artist	1	Permanent as Junior Artist.
20	Peons	18	
21	Daftry	1	
22	Jamadar	4	
23	Staff Car Driver	1	
24	Gestetner Operator	1	

APPENDIX IX

Statement showing the summary of Conclusions/Recommendations of the Estimates Committee contained in the Report.

Sl. No.	Reference to para No. in the Report	Summary of Conclusions/Recommendations
I	2	3
1	11-13	<p>The Committee appreciate that Planning involves allocation of scarce resources, and consequently fixation of priorities. They also realise that in a federal constitution it has special difficulties. Also, when it happens that the financial resources of the States are inelastic and they have to depend upon the Centre for financing a very large portion of their development programmes, very great importance is attached to the approval of the Planning body, as a prerequisite to the release of funds by the Centre. In consequence, it is understandable that a feeling could grow that the Planning Commission was not just an advisory body but that it was an additional authority to be reckoned with, which though not part of the ordinary machinery of the Government of India, decided every programme of work and whose decisions were to be carried out by all. The Committee would, however, suggest that the entire procedure now adopted should be reviewed, so that if any practice has grown which lends support to this feeling, it could be rectified.</p>
2	14	<p>The Committee would suggest that the utility to the State Governments and the Central Ministries of the role at present played by the Planning Commission in the annual and periodical allotment of finances, should be reviewed in the light of experience gained in the last two years. It should also be considered to what extent this function should be performed by the Planning Commission and whether it should not be left to the Government themselves leaving the Planning Commission to concentrate on the evaluation of the current</p>

Plan and formulation of the future Plan. In this connection, the Committee feel that in normal circumstances it should be possible to allow this function to be performed by the Governments themselves, though in the present circumstances, considering the various difficulties, such as those relating to foreign exchange, etc., it might not be possible to exclude the association of the Planning Commission in the formulation of annual plans.

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The Committee would suggest that for the purpose of getting schemes approved for Central assistance, the procedure should be so revised that the State Governments should approach directly the Central Ministries concerned. The Ministries should take decisions on all such matters in consultation with the Planning Commission and the State Governments concerned. In case there is any difference of opinion between the Planning Commission and a Central Ministry the difference should be resolved by the Cabinet, and in case there is any difference between the Planning Commission and a State Government, it should be resolved by the National Development Council. If this procedure is adopted, the Committee feel that no justifiable feeling of dissatisfaction will remain.

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The Committee were informed that the procedure of issuing financial sanction by the Centre to the payment of loans and grants to States to finance the schemes for which the States are responsible, was being revised by the Finance Ministry so that the State Plans would be implemented as autonomous Plans and would not be bound too closely with those of the Central Ministries, except for purposes of broad allocation. The Committee hope that necessary orders would be issued without delay.

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While the Prime Minister's formal association was absolutely necessary during the formative stages and while he would still have to provide the guidance and assistance to the Planning Commission so as to facilitate the success of planning, it is a matter for consideration whether it is still necessary for him to retain a formal connection with the Planning Commission. Similarly, it

would also have to be considered whether it is necessary to continue the formal association of the Finance Minister and other Ministers of the Central Government with the Commission. The association of Ministers is justified mainly on the ground that it facilitates close consultation and co-ordination with the Ministries. This can, however, be effected by the Minister being invited to attend the meetings of the Commission when a subject with which he is concerned is discussed. The co-ordination with the Cabinet can also be maintained by a representative of the Commission attending the meeting of the Cabinet when a matter of interest to the Commission is considered.

- 6 22 The Committee observe an anomaly in regard to the Planning Minister in that he has no secretariat. Further, he is not the Head of the Commission nor even the Deputy Chairman. It is no doubt necessary to have a spokesman of the Planning Commission in the Parliament so as to explain matters relating to planning in the House. However if a member of the Commission who is not the Head of the Commission or even its Deputy Chairman could be its spokesman, it might be possible for this function to be performed by any Minister designated by the Prime Minister without being formally associated with the Commission or by any Member of Parliament who might be associated with the Commission. In the circumstances, the Committee feel that the time has come when a review of the entire position regarding the formal association of Cabinet Ministers of the Central Government with the Planning Commission should be made.
- 7 23 The Committee feel that the present position of the *de facto* member in the Planning Commission is anomalous. If the Planning Commission desires to get advice and assistance from a person, who is not able to become a whole-time member it could be so arranged that he is available for advice, if and when necessary, without making him a *de facto* member of the Commission. The Committee would, therefore, recommend that this anomalous position should be rectified.
- 8 25 The Committee consider that the present arrangement of having the Cabinet Secretary to function also as Secretary of the Planning Commission
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is neither necessary for high-level contacts nor conducive to efficiency. The present arrangement appears to leave very little time for the Cabinet Secretary to give adequate attention to the Planning Commission. The activities of the Planning Commission have increased and have to be well organised if the Commission is to fulfil its obligations and responsibilities. It is necessary that its activities are planned and organised efficiently with the utmost co-ordination not only among its own divisions, but also with activities of a similar nature being carried on elsewhere. For all these, there should be a person with ability and experience, giving his whole-time attention to this matter. The Committee would, therefore, recommend that there should be a whole-time Secretary for the Planning Commission.

- 9 28 From the chart of Organisation, the Committee find that allocation of work among the Divisions has not been done on a rational basis. The Committee understand that the Planning Commission has prepared a scheme for re-organising the Divisions. They hope that early steps will be taken to effect the re-organisation.
- 10 32 The Committee feel that even though the same yardstick that applies to the Secretariat staff may not apply to the research personnel in the various Divisions and Sections of the Planning Commission, it should be possible to lay down standards of work to assess the number of persons required to deal with the work on hand. These standards may vary according to the type of the job to be done. The Committee would, therefore, suggest that with the experience gained so far, standards should be laid down and the creation of new posts judged against those standards. They would like to point out that while the organisation is expanding rapidly it is very necessary to ensure that posts are sanctioned only when they are fully justified by the work on hand.
- 11 34 The Committee feel that it is neither in the interest of efficiency of the work of the Planning Commission, nor fair to the officers themselves that they should be required to play a dual role by working part-time in the Ministry and in the Planning
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Commission. They are of the view that the officers who are engaged in Planning should be free from the burden of day-to-day administration. Even though planning has to be done in close coordination with practical administration, it requires a freshness of outlook and independence of judgment which are difficult to secure if officers have to serve simultaneously both the Planning Commission and the administrative Ministries. The Committee would, therefore, suggest that except when it is unavoidable, officers should be full-time in the Planning Commission.

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The Committee recommend that action should be taken expeditiously to finalise the seniority list and make confirmation against the permanent posts at present available.

It is understood that the Ministry of Finance have agreed to more number of temporary posts being converted into permanent ones. The Committee hope that early action will be taken in the matter. They would recommend that there should be no delay in making confirmations against these additional posts, when they are made permanent. Necessary administrative action like fixation of seniority of all the persons who will be affected should be initiated very early. They desire that in the matter of converting as many temporary posts as possible into permanent ones and confirming persons in the permanent posts, the Planning Commission should set an example to other Ministries, Departments of the Government of India.

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During the last two years the O. & M. Section does not appear to have made any useful contribution. In the absence of a unit examining the organisation and methods of the various Divisions, Branches and Sections, it will not be possible to know whether work has been organised in the most efficient and economical way. The Committee would, therefore, emphasise the need for the O. & M. Section of the Planning Commission to function actively.

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The Committee would suggest that the post of Adviser (Transport) may be abolished as it is not necessary to have a whole-time Adviser to advise the Planning commission on transport

problems only. The Commission should, whenever transport problems are considered, draw upon the services of specialists from the Transport Ministry and the Railway Ministry as well as of persons who have special knowledge of transport problems in the country.

15(i) 39 The Committee are of the view that even though the Public Management Studies Section has been engaging itself in some activities, it has not been very useful for the discharge of the main functions of the Planning Commission. They feel that whatever studies are required on the subject of public management could be got done through other agencies like the Institute of Public Administration and I.M.R.U. and it is not necessary to keep a section in the Planning Commission to do this kind of work.

15(ii) 40-42 The Committee understood that the scope of the work to be done by this Section was under review. They feel that even in the list of functions which are proposed to be entrusted to this unit, there are some on which the Planning Commission itself need not undertake studies. In the view of the Committee, all work in the Planning Commission should be organised primarily for the purpose of formulating a plan and advising on its implementation. The machinery of the Commission should not be made cumbersome by undertaking work which could be got done through other agencies.

The Committee recommend that the studies of this unit should be so organised that it will facilitate the formulation of plans in regard to the building up of trained manpower—technical, managerial and administrative for the purpose of implementing the Five Year Plans. They should be concerned broadly with questions of how to make management and administration more efficient, more economical and less dilatory. The utilisation of manpower resources available in the Armed Forces and the Reserves could also be considered by this unit. In all these matters the studies should be made with the objective of making a Plan in respect of that matter.

The Committee are of the view that "Central direction and co-ordination of public co-operation acti-

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		vities of the various agencies" and the sanction of grants-in-aid to those agencies are executive functions. As such they fail to understand why the Planning Commission should be concerned with these matters. They would recommend that the Planning Commission should be divested of this responsibility, which should be transferred to an appropriate Ministry of the Government of India. In so far as public co-operation is concerned, the Planning Commission should confine itself to giving a general outline and suggestions for enlisting public co-operation for various purposes. With the transfer of work at present being done in the Commission, the staff strength should also be correspondingly reduced.
17(i)	47	The Committee do not feel that there is sufficient work for the Prohibition Section. They are, therefore, glad to find that it is proposed to wind up this section.
17(ii)	48	They consider that it is not necessary for the Planning Commission to maintain separate staff just for the purpose of watching the progress made by the States and to bring the difficulties to the notice of the Ministry concerned. This work could be done by the Planning Commission in the same manner as it watches progress of plans in other spheres, by maintaining suitable liaison with the Central Committee, from whom the Planning Commission could obtain information whenever required.
17(iii)	49	In view of their earlier recommendation suggesting that the Planning Commission should divest itself of executive work relating to Public Co-operation, the Committee would suggest that the question of having an Officer on Special Duty as the head of the Public Cooperation Division should be reviewed.
18	50—51	The Committee feel that it is not necessary for the Planning Commission to examine as a matter of routine all pieces of legislation or proposals received from States relating to Land Reforms. In their view, these matters should be dealt with by the appropriate Ministries of the Government of India, and only when an important question which would have an impact on the Plan or on future planning is involved, the matter need be considered by the Planning Commission.

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- The Committee feel that the Land Reforms Division should focus its attention on the difficulties experienced by the States in effecting land reform and offer suggestions for overcoming them. It should also make a full assessment of the consequences of land reform in the social and the economic fields and on agricultural production employment etc., in order to help future planning
- 19 52 The Committee would point out, that among th staff working in the Division there is no perso who has personal experience of land tenures and their problems in the States. The Committee feel that the absence of experienced people in this Division might, to a certain exent, account for the lack of progress in regard to the land reforms work. They recommend that persons who have field experience as well as academic attainments and have attained the necessary stature, should be appointed to this Division.
- 20 54 The Committee feel that the work of the Perspective Planning and Scientific and Technical Manpower Division will have to proceed a very long way before it can be claimed that some kind of perspective planning is being done. They would point out that the present arrangement of having a few persons from the Indian Statistical Institute to work in the office of the Planning Commission is not satisfactory. The Committee consider that while the services of non-Government bodies should be utilised to the extent possible for this and other specific purposes, their functions, duties and tasks should be clearly defined and allotted.
- 21 58 The Committee would recommend that it is not necessary to duplicate arrangements in the Central Statistical Organisation and the Planning Commission for collection and collation of data. It should be possible for the Planning Commission to get all the statistical data it requires from the C.S.O. The Planning Commission should concentrate on the important work of studying, analysing and deducing inferences from the data and formulating advice on the basis of those inferences, rather than fritter away its energy on work, which can as well be entrusted to other statistical organisations.
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22	64	The Committee are of the view that the existing allocation of States among the Advisers (Programme Administration) is not conducive to efficient functioning. They would, therefore, recommend that each Adviser should have a compact area preferably comprising of all the States in an administrative zone. They would also suggest that the Adviser in charge of the States in a zone should be available for consultation and for advising the Zonal Councils on problems involving the development of the zone.
23	65	The Committee are of the view that the headquarters of the Advisers should be located in the zone which will be under their charge. Most of their time must be available for consultation with the State Governments and for a closer contact with the various State Planning Committees. This would also help them to maintain a closer touch with the Plan activities in their zone. For the purposes of co-ordination between each other and for holding personal discussions with the Planning Commission and the Central Ministries, they should visit the headquarters of the Planning Commission for a few days every month, preferably timing their visits in such a manner that all of them would be in Delhi during the same period.
24	66	The Committee would suggest in this connection that there should be a more systematic collection of all the useful observations and suggestions made by the Advisers which should be tabulated, analysed and given a shape and should be circulated to all the States. Also, more of such observations and greater details should be included in the progress reports issued by the Planning Commission.
25	69	The Committee feel that even though the Committee on Plan Projects has been doing very valuable work through the appointment of various Teams, by its very nature this method would be successful only for specialised studies to be made at some intervals. It will not be possible through this method to assess the progress of all the projects continuously. For the purpose of making a continuous evaluation of the various projects that are being implemented through the States, it would be necessary to supplement the present agencies with a machinery like the Programme Evaluation Organisation.

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- 26 71—72 The Committee feel that there is considerable scope for improving the machinery of the local authorities and Panchayats so as to secure greater progress in rural development. They would, therefore, suggest that a comprehensive evaluation of the extent of assistance which these bodies render at present and could render in this matter should be made and steps taken to ensure their greater participation and co-operation in the field of rural development.
- The Committee would further recommend the setting up of two types of evaluation machinery in respect of the various Plan projects. Firstly, there should be continuous evaluation of projects by the Central Government in respect of projects under it as well as in a State in respect of works in that State. It would be in keeping with the principle of democratic decentralisation if this pattern could be extended to the local administrations at lower levels also. In order to ensure uniformity in evaluation, the Advisers (Programme Administration) should guide and direct this internal evaluation machinery. Secondly, there should be an external evaluation machinery under the Planning Commission which should continuously and independently evaluate the progress made in regard to various projects under the Central Government and the State Governments. The Committee feel that it would be a distinct advantage if the members of the Planning Commission played a more direct role in the evaluation of Plan projects.
- 27 73—75 The Committee would point out that there are certain problems of co-ordination and rationalisation of functions among the ministries and departments, on which the Planning Commission may usefully advise.
- As an example, they would point out the question of land reclamation. This is a problem which the Ministry of Food and Agriculture may not be able to tackle, because they have no machinery for it. The Central Water and Power Commission may have the resources but may not be concerned with the problem. But meanwhile schemes, which may well lead to additional food production, remain un-examined. Similarly, the question of inland water transport is a matter
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which merits attention by the Centre as well as by the States. There might be other questions also which need similar attention because the administrative responsibility has not been properly allocated.

In this connection, the Committee would also point out that the subject of Irrigation is being dealt with by three ministries of the Government of India *viz.*, the Ministry of Irrigation and Power, the Ministry of Food and Agriculture and the Ministry of Community Development. Such an arrangement raises questions of co-ordination among the ministries and as between every State Government and each of these three ministries. The Committee would recommend that the Planning Commission and the Advisers should take into consideration all such questions, whenever they notice them, and after consultation with the authorities concerned, suggest a rational distribution of functions, with a view to ensuring speedy and efficient execution of the schemes.

- 28 78 The Committee would suggest that the unemployment problem should be tackled in a bold and energetic manner and that there should be a continuous assessment of the progress made so that timely steps could be taken to ensure that the targets of employment laid down in the Second Plan are not only realised but even bettered to a substantial degree.
- 29 79 The Committee notice with regret that adequate arrangements have not been made for commencing the preparation of the Third Five Year Plan. They would suggest that the methods of framing the Third Plan should receive urgent attention.
- 30(i) 81 It is seen that planning at the State level is mostly done by the officers of the State Government under the general direction and control of a Committee of Ministers. The Committee feel that in a vast country, with a variety of natural regions, climatic conditions, social and economic developments, etc., planning can be effective only if it is decentralised.
- 30(ii) 82 The Committee feel that if in a unitary form of Government, Planning Commission at the State level besides that at the Central level is considered necessary for the success of Planning, it would be much more so in a federal form of government like ours. A body of this type in each State might consist of experienced administrators and non-

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officials with an intimate knowledge of the problems of the State. They could concern themselves with all aspects of planning in the State and also function in co-ordination with the statistical and evaluation organisations at the State level referred to earlier. The Committee feel that such bodies at the State level would go far to secure the success of planning in the country. They, therefore, recommend that the desirability of setting up a body corresponding to the Planning Commission in each State should be examined, in consultation with the State Governments.

31(i)

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The Committee understand that it has now been decided by the Standing Committee of the National Development Council that the general principle of giving responsibility for development to the representatives of the people within the district should be accepted. They welcome the decision and hope that a decentralised democratic machinery will be set up at the village level and upwards to deal with local administration and planning.

31(ii)

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In this connection, they would also suggest that the District Councils recommended by the COPP Team on Community Development and N.E.S. should be given responsibility for the implementation of the Plan. Further, the Councils should constitute a number of Sub-Committees, each of them being in charge of a subject like agriculture, education, irrigation, roads, village industries, co-operation etc. The Sub-Committee should have a non-official member of the Council as the Chairman and an official concerned with the subject as Secretary. Each Sub-Committee should look after the particular subject in the entire district.

31(iii)

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Further, the broad distribution of the budget provision under the Plan should be prescribed by the Centre within which the State should evolve its own schematic budget, in consultation with the Central Ministries. Within this framework, the district and block level local representative organisations should work out priorities and phasing, subject to certain guiding principles and restrictions. Finally, within the block, the panchayat samiti

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recommended by the C.O.P.P. Team on Community Development and N.E.S. should break the integrated plan into smaller units *e.g.* Gram Sewak circles, villages and families. In this manner, all planning for the future should proceed from the village level upwards through the machinery of the Sub-committees of the District Council suggested earlier.

- 31(i) 85 Also when a plan compiled in this manner and processed at the State level and at the Centre has to undergo readjustments and pruning, it should be ensured that the modified outline is passed on to the district level, so that at that level, necessary modifications can be made to fix the final village plan. If done this way, it would really emerge as the people's plan and would evoke spontaneous and enthusiastic co-operation from the people and consequently a major portion of the difficulty in the implementation of the Plan would be automatically removed.
- 31(v) 85 This process of building up of a plan from the village level will necessarily take some time. Since the formulation of the Third Five Year Plan has to be taken on hand now, the Committee would recommend that the machinery suggested by them should be organised without loss of time and set in motion early.
- 32 86-87 The Committee consider it unfortunate that a start on the work of perspective planning was not made much earlier. They consider that unless the long range objectives are well settled, short-term planning cannot be meaningful. The planners would have to think of at least a 25 year period and fix practicable limits to the growth of the economy during the period.
- The Committee would recommend that immediate attention should be given to this matter. The cells working in each Ministry should work out a long term plan while they are preparing one for the immediate future. Such questions as the location of industries, their development, facilities for transport, agricultural production, afforestation, harnessing of atomic energy for peaceful purposes, long range export promotion, mineral exploitation etc., should be considered and a plan laid out for each. In particular,

the problem of the haphazard growth of cities and the growing urbanisation in the country are matters which should be given sufficient consideration.

The associated problem relating to slum clearance as well as town planning also needs attention. Further, the need to disperse industries over wide areas so as to prevent their springing up in an unwieldy and haphazard manner as also the connected labour problems has to be given due consideration. All such plans should be co-ordinated by a group of experts who would study the limits of our resources, the relations between the different targets and prepare a composite perspective plan. Such planning should proceed concurrently with the five year plans. Also it should be a continuous process, so that as the economy develops and additional factors come to light, necessary readjustments can be made. The flow of statistical data, their analysis and researches should be directed not only to frame the five year plans, but to work out the perspective plan as well. Steps should be taken to train a sufficient number of economists, statisticians, engineers and other technical personnel who will not only be experts but also have general ability and the capacity to look at problems with insight and imagination.

33 89—90

The Committee would point out that without an adequate body of reliable data, Planning would be unrealistic since the problems affects the very foundation of Planning, it should be given more urgent attention. There should be a well laid out plan for the purpose of ensuring that all the data necessary for the building up of a plan, both short-term and long-term, will start flowing within a fixed period.

The Committee would, therefore, suggest that the Planning Commission, in consultation with the Central Statistical Organisation, should appoint a team of experts to enquire the nature of statistical data compiled by all these diverse organisations, the duplication of effort involved, rationalisation of their functions, rationalisation

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of the basis of collection of data, maximum utilisation of the data collected, allocation of functions among the different organisations under the Central and State Governments and other bodies, so that taking the country as a whole, there will be a network of organisations producing, without waste of effort or overlapping of functions, the data necessary for the purposes of planning and administration. This team should also look into gaps that now exist in the statistical data. They should also suggest measures for getting reliable data about the private sector and what is at present the unorganised portion of the private sector. The efforts of the team should be directed to produce a workable plan by which in the very near future a co-ordinated machinery will function throughout the country making the flow of all the necessary data available to the interested organisations.

APPENDIX X

Analysis of recommendations contained in the Report and the estimated economy likely to result from their implementation.

		Nos.
I Classification of Recommendations		
A. Recommendations for improving the organisation and working		
S. Nos. 2, 5, 6, 7, 8, 9, 22, 23, 27, 28, 30, 31		12
B. Recommendations for improving the methods and procedure :		
S. Nos. 1, 3, 24, 25, 26		5
C. Recommendations for effecting economy and efficiency		
S. Nos. 4, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 29, 32, 33		16
TOTAL		33
II Important Recommendations directed towards Economy		

S. No.	No. as per summary of recommendations.	Particulars
1	10	with the experience gained so far, standards should be laid down and new posts sanctioned only when they are fully justified by the work on hand judged by those standards.
2	13	The O. & M. Section should function actively as in the absence of an examination by a unit it will not be possible to know whether work has been organised in the most efficient and economical way.
3	14	The post of Adviser (Transport) may be abolished.
4	16	The Planning Commission does not seem to be appropriately concerned with the work done in

1	2	3
5	17(ii)	the Public Co-operation Section, and with the transfer of this work to an appropriate Ministry the staff strength of the Section should be reduced.
		It is not necessary to maintain separate staff in the Planning Commission for the purpose of watching the progress made by the States in respect of prohibition as that will be done by the Central Committee on Prohibition under the Ministry of Home Affairs.
6	17(iii)	The question of having an Officer on Special Duty as the Head of the Public Co-operation Division should be reviewed.
