



ADMINISTRATIVE REFORMS COMMISSION

REPORT OF THE STUDY TEAM
ON
CENTRE-STATE RELATIONSHIPS

VOLUME III

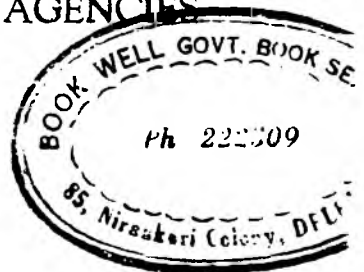
SPECIAL APPENDIX
STUDIES OF SEVEN CENTRAL AGENCIES

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Study I

SMALL SCALE INDUSTRIES

All industries, except those

- (i) declared by Parliament by law to be necessary for defence, and
- (ii) control of which by the Union is declared by Parliament to be in the public interest,

are covered by the State List. The following Acts have been passed by the Parliament bringing a number of industries under the control of the centre:—

Rubber Act, 1947.

Industries (Development and Regulation) Act, 1951.

Tea Act, 1953.

Coir Industry Act, 1953.

Rice-Milling Industry (Regulation) Act, 1958

Sugar (Regulation of Production) Act, 1961.

2. By special notifications, however, small scale industries have been exempted from the operation of these Acts. Small scale industries, therefore, remain a state subject.

3. The following organisations at the centre deal with all matters relating to small scale industries:—

- (a) a part of the Ministry of Industry;
- (b) the Central Small Industries Organisation;
- (c) the National Small Industries Corporation Ltd.;
- (d) the Small Industries Training Institute, Hyderabad;
- (e) the National Design Institute, Ahmedabad; and
- (f) the Inventions Promotion Board.

The functions of these organisations are briefly described below.

4. *The Ministry of Industry* functions as the overall administrative authority for all the organisations mentioned at (b) to (f) at paragraph 3 above.

5. *The Central Small Industries Organisation (CSIO)* was created in 1954 as an attached office of the then Ministry of Commerce and Industry to undertake promotional measures for the development of small scale industries in the country. It consists of a headquarters organisation under the Development Commissioner, Small Scale Industries and one Small

Industries Service Institute (SISI) in each state under a Director. There are a few extension centres under each SISI. An organisation chart of the CSIO is at *Annexure I*.

6. The CSIO, through the SISIs in states, renders direct technical assistance to the small scale units to enable them to start new enterprises and produce better products. A gist of the services provided by the CSIO is given below; the detailed functions are at *Annexure II*.

(i) **Technical Advisory Service** : This consists of direct technical advice for setting up new enterprises, selection, installation and operation of machinery, assistance in design and development of new products and other measures to improve production processes.

(ii) **Workshop and Laboratory Service** : This consists of demonstration and use of technical process and assistance in testing of raw materials, quality control and tool room facilities, etc.

(iii) **Management Consultancy Service** : This consists of giving guidance in proper methods of industrial management, cost reduction, and other types of techno-managerial advice.

(iv) **Managerial and Technical Training Service** : This consists of training courses on industrial management and other detailed training courses for supervisors and artisans.

(v) **Economic Service** : This consists of conducting economic and market surveys of particular areas.

(vi) **Information Service** : This mainly consists of preparing and publishing model schemes, technical bulletins and other promotional literature.

(vii) **General Service** : This consists of encouraging small scale units to undertake exports and giving these units assistance and encouragement for securing government orders and orders from large industries.

(viii) **Co-ordination of the activities of various agencies connected with the development of small industries, namely, state governments and the central agencies and departments concerned.**

(ix) **Advice to the state governments on location of industrial estates.**

(x) **Collection of statistics relating to small scale industries on an all-India basis.**

7. All these activities provide leadership, initiative and technical assistance to the small scale units. At the field level all these promotional measures are taken through the Small Industries Service Institutes and their extension centres. Direct handling of this activity by the centre, besides being a clear encroachment on the states' sphere, leads to a problem of co-ordination. All the regulatory functions for small scale industries are performed by the state governments, whereas the Central Government, through

the Small Industries Service Institutes and their extension training centres performs a large number of promotional activities. This forces the small scale industries to deal with two completely different agencies functioning under different governments for different aspects of their requirements. The location of both the regulatory and promotional functions at one place would secure a better co-ordinated effort for the development of this sector and both the regulatory and the promotional wings would be able to function more effectively. At the initial stages the state governments did not have the organisation, resources or staff to build up their own service institutions and extension centres. The Central Government, in filling up this gap, has undoubtedly rendered a valuable service; but now that each state has a SISI with several extension centres under each, all properly staffed with adequately trained men, it is no longer necessary to divide the regulatory and promotional responsibilities between two different governments. Our proposal is that the SISIs with their extension centres should be transferred to the state governments where they are situated to enable the state governments to have the necessary organisation and personnel for performing all the promotional activities now performed by the institutes and the extension centres and which are their legitimate responsibility. This would leave the headquarters organisation mainly engaged in planning, evaluation, co-ordination, collection and dissemination of information and rendering technical and economic advice and assistance to the state governments and other organisations of the Government of India.

8. Before implementing this proposal two problems would have to be solved :—

- (i) the state governments may not have the resources to bear the expenditure for the maintenance of these institutes and extension centres and to perform all the necessary promotional measures; and
- (ii) there may be some difficulty in transferring the present staff of the Institute, who are Central Government employees, to the state governments. The grades of pay drawn by the Central Government employees in the SISIs are in most cases higher than those paid by the state governments for equivalent classes of officers. Even if this is sorted out, a number of Central Government employees may be hesitant to join the state governments.

9. The first problem should be taken care of by financial devolutions from the centre. The second would require detailed working out in consultation with the states, but there is nothing insuperable about it. The men must go to the place where the function belongs.

10. In relation to personnel, another problem to be taken care of will be the availability of experts. At present not every SISI has every kind of specialist nor is this type of self-sufficiency required. If a particular SISI

needs the services of a specialist and does not have one, he can be transferred from another SISI. Economical deployment and optimum utilisation thus become possible when personnel are centrally controlled. This argument, however, is not as strong as it sounds. For one, the number of such specialists is small and a decision on the system need not depend on this factor. For another, specialists can be trained. If a state is going in for, say, the manufacture of leather goods, and does not have a leather expert, it can easily either train one or employ one. And in a planned economy it will always have an indication in advance of the kind of industries that are proposed to be set up and the fields in which technical advice will be required. In those areas of technology where there is a general shortage of personnel or where a long time is required to produce personnel with the necessary expertise, the CSIO may employ a nucleus of experts and attach them to a few SISIs where their services are required. These experts would function administratively under the CSIO which could deploy them wherever necessary.

11. *The National Small Industries Corporation Ltd. (NSIC)*: The National Small Industries Corporation Ltd., was established in 1955 primarily with the object of providing marketing assistance to small units and organising production for meeting government orders. The functions of the Corporation have since been enlarged and at present its main functions are:—

- (i) assistance to small units to secure contracts for supply of stores from the Directorate General of Supplies and Disposals and other Central Government agencies;
- (ii) credit facility schemes;
- (iii) supply of machines on hire-purchase basis;
- (iv) management of the Naini Industrial Estate;
- (v) management and administration of Prototype Production and Training Centres—one each at Okhla, Rajkot and Howrah; and
- (vi) participation in exhibitions to publicise small industries' productions.

A brief description of each of these activities is given below.

(i) **Assistance to Small Units to Secure Contracts for Supply of Stores** : Under the present arrangement the Corporation acts mainly as a liaison agency to help the small units in securing larger number of government contracts. This service has necessarily to be centralised in order to render this assistance to all the small scale units throughout the country on an equitable basis.

(ii) **Credit Facility Schemes**: Financial assistance to the small scale industries is made available by a number of banks through the Credit

Guarantee Scheme evolved by the NSIC. The details of this scheme have been explained in *Annexure III* under the activities of the NSIC. The main help rendered by the NSIC to the small scale industries through this scheme is their guarantee to underwrite probable losses incurred by the banks in implementing this scheme. Only the Central Government could have begun an all-India scheme of this type. But now that the scheme has been put into operation it should normally be the responsibility of the respective state governments to give the requisite guarantees to the banks against the possible losses that the banks may incur in giving the benefit of the Credit Guarantee Scheme to the small scale units in each state. The NSIC should, therefore, dissociate itself from this scheme and decentralise the functions to the states.

(iii) Supply of Machines on Hire-purchase Basis: In order to enable the small scale units to acquire capital equipments, the NSIC administers a hire-purchase scheme under which applications from small scale units for supply of machines are routed to the NSIC through the State Directorates of Industries. The period of repayment is generally 7 years, and the first instalment becomes due one year after the date of delivery of the machines. The supply of equipment manufactured in the country on a hire-purchase basis could and should be taken over by the states; the responsibility for the supply of imported equipment should continue with the NSIC.

(iv) Management of the Naini Industrial Estate: This estate is due to be transferred to the state government as soon as the terms and conditions for such transfer are settled.

(v) Prototype Production and Training Centres: These are regional centres for imparting production-based technological training and development and prototype production of machines. As all these centres cater to several states they may continue to be administered by the NSIC.

(vi) Participation in Exhibitions: This is a promotional activity to inform the general public and other industries about the progress made in the small scale sector and to popularise the products of the small scale industries. This activity may continue with the NSIC as at present.

12. *The Small Industries Training Institute, Hyderabad*: The Central Industrial Extension Training Institute was registered as a society at Hyderabad and started functioning from July, 1962.

Objectives: The Institute is designed to accelerate growth and development of small industries through training, research and service activities directed towards improved development methods and better management brought about by a more efficient extension of modern knowledge.

Financial arrangements: The Institute is financed by the Government of India and receive assistance from the Ford Foundation. A provision of Rs. 6 lakhs has been made for the first year of the Fourth Plan.

Training programmes: The Institute has been offering mainly two types of courses:—

- (i) the Industrial Management Course for the technical and management personnel of the CSIO and other similar institutes;
- (ii) the Area Development Courses for the economic investigation officers of the CSIO and the Directorates of Industries and for the district industries officers of the state governments.

This is an all-India training institute and may continue to be administered centrally.

13. *The National Design Institute, Ahmedabad* : The National Design Institute, Ahmedabad was set up by the Government of India as a society in September, 1961 with the assistance of the Government of Gujarat and the Ford Foundation for research, training and service in industrial designs of India.

Its activities are mainly directed towards finding the most effective means of contributing to industrial growth through product improvement.

This is also an all-India training institute and may continue to be administered centrally.

14. *The Inventions Promotion Board*: This is an autonomous body created in 1960 under the then Ministry of Commerce and Industry for providing incentives to inventors. The details of its functions are at *Annexure IV*. As this is an all-India scheme this may also continue to be centralised as at present.

15. The activities of all these central organisations in the field of small scale industries could be broadly categorised as follows:—

Overall activities:

- (i) providing initiative and leadership to the states and serving as a clearing house of information;
- (ii) undertaking responsibility for drawing up the national plan for the development of small scale industries in close collaboration with the states;
- (iii) undertaking research at a national level for the development of small scale industries;
- (iv) undertaking training programmes of a foundational nature;
- (v) in a limited way, evaluating and checking the progress of plan activities; and
- (vi) providing a forum and meeting ground for state representatives for the exchange of ideas on different subjects and for the evolution of guidelines.

Promotional activities:

- (i) rendering marketing assistance to small scale industries in securing Central Government contracts;
- (ii) supply of capital equipment to small scale industries through hire-purchase schemes;
- (iii) providing incentive to inventors;
- (iv) rendering various kinds of technical guidance to small scale industries;
- (v) training of artisans, craftsmen, etc., for small scale industries;
- (vi) administering a management consultancy service; and
- (vii) rendering indirect financial assistance to small scale industries through credit schemes.

Routine activities:

- (i) follow-up action on the recommendations and decisions taken at conferences, meetings, etc.; and
- (ii) parliament and miscellaneous work.

We have already recommended decentralising to the states the promotional activities mentioned at (iv) to (vii) above.

16. The first item of work mentioned above, *i.e.*, providing initiative and leadership to the states and serving as a clearing house of information should perhaps be the most important function of a central organisation dealing with a state subject; the other items (ii) to (vi) categorised as overall activities in paragraph 15 could be said to be natural implications of this function. The extent to which this function is performed by the central organisation is discussed below.

17. Initiative and Leadership : At present, with the Central Government doing almost all the state governments' work for the promotion of small scale industries, there is not much left for the State Directors of Industries to do. The scope for giving guidance to the state governments is, therefore, considerably reduced. But if the state governments fulfilled their obligations regarding the development of small scale industries in their states, the Central Government would have a very important role to play in providing initiative and leadership to the states, involving :

- (a) technical guidance to the State Directorates of Industries;
- (b) dissemination of various types of economic and technical information; and
- (c) formulation of plans and policies.

18. **Technical Guidance :** The Central Government could arrange for the training of the officials of the state directorates in all-India and regional training institutions administered by them as well as in various industries scattered all over the country. They could also guide the state governments in building up their executive machinery for taking the different types of promotional measures necessary for the development of small scale industries in different states. A third type of technical guidance that the centre could give to the states could be technical know-how through experts to be employed by the central organisation for this purpose. This last service would imply the creation of a technical consultancy service at the centre manned by experts in various fields of technology, management and industrial finance, to assist the state governments when required.

19. **Dissemination of Useful Information :** A noticeable deficiency exists in this sector. The responsibility for collecting data regarding small scale industries is distributed today between the Central Statistical Organisation and the CSIO. The former is responsible for collecting *structural* data while the latter is responsible for collecting *operational* data. Neither of these two organisations has been able to collect adequate data with the result that planning and evolution of detailed policies are based on insufficient factual information. The clear need to organise a data collection system at the centre is obvious. How the requisite data should be collected, or by whom, is beyond the purview of our study.

20. With decentralisation of most of the direct promotional work to the state governments, dissemination of information would become a very important activity. Not only will the central organisation have to collect details about economic conditions and technical know-how from different parts of the country and disseminate them to all the states, they would also have to keep track of various types of promotional measures adopted in each state and disseminate this information. For this purpose a machinery for flow of information from the states to the centre and the dissemination of useful information from the centre back to all the states will have to be set up.

21. **Formulation of Plans and Policies:** For formulation of national policies and aiding state governments to evolve their own policies and plans the following types of meetings between the officers of the Central Government and the state governments are utilised:

- (a) meeting of the Small Scale Industries Board (annual);
- (b) annual plan meetings; and
- (c) meetings between the Development Commissioner, CSIO and the State Directors of Industries (quarterly).

These meetings provide sufficient communications between the centre and the state for evolving national and state plans and policies and for making

readjustments whenever necessary. Representatives of state governments are also included in the special groups formed for formulating the five year plans.

Conclusions:

Earlier, while discussing the functions of the various central organisations dealing with small scale industries, we have recommended decentralisation of all direct promotional activities to the state governments, centralising only a few activities which operate on a regional or on an all-India basis. As far as the centre is concerned, this would imply decentralisation of activities for which it is spending over a crore and a half rupees, *i.e.*, the total expenditure of the SISIs and the extension centres. If these are transferred to the state governments along with their functions, the headquarters organisation would also become slightly smaller.

Functionally, the central organisations should perform only the following types of activities for the development of small scale industries:

- (i) providing initiative and leadership to the states and serving as a clearing house of information;
- (ii) undertaking responsibility for drawing up the national plan for the development of small scale industries in close collaboration with the states;
- (iii) undertaking research at a national level for the development of small scale industries;
- (iv) undertaking training programmes of a foundational nature;
- (v) evaluating and checking the progress of plan activities;
- (vi) providing a forum and meeting ground for state representatives for the exchange of ideas on different subjects and for the evolution of guidelines;
- (vii) administering a technical consultancy service for state governments and other central organisations;
- (viii) organising regional, all-India or industry-wise surveys;
- (ix) rendering assistance to the State Directorates of Industries to enable the small scale industries in their states to secure central contracts and contracts from other states for purchase of stores;
- (x) supplying imported capital equipment through the hire-purchase scheme of the NSIC;
- (xi) acting as a general co-ordinator for all organisations whose activities have an impact on the small industries sector;

- (xii) co-ordinating and liaising with the state governments for fulfilling the requirements of raw materials for small scale industries in each state;
- (xiii) administration of all-India and regional institutes for research and training;
- (xiv) providing incentive to inventors;
- (xv) taking follow-up action on the decisions taken at meetings and conferences; and
- (xvi) parliament and miscellaneous work.

Organisation Chart
Development Commissioner (Small Scale Industries)

H.Q. Office	S.I.S.I. Andhra Pradesh	S.I.S.I. Assam	S.I.S.I. Bihar	S.I.S.I. Delhi	S.I.S.I. Gujarat	S.I.S.I. Jammu & Kashmir	S.I.S.I. Kerala	S.I.S.I. Madhya Pradesh	S.I.S.I. Madras	S.I.S.I. Maharashtra	S.I.S.I. Mysore	S.I.S.I. Orissa	S.I.S.I. Punjab	S.I.S.I. Rajasthan	S.I.S.I. Uttar Pradesh	S.I.S.I. West Bengal	S.I.S.I. (Br.) Goa	Production Centre Ettumanur	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	
	— — —	— — —	— — —	— — —	1 Br. S.I.S.I. — —	1 Br. S.I.S.I. — —	— — —	— — —	— 1 Training Centre —	— — —	1 Br. S.I.S.I. — —	— — —	— — —	— — —	2 Br. S.I.S.I. 1 Training Centre 1 Shoe Lace Factory	— — —	— — —	— — —	— 2 Production Centres —
	3 Extension Centres	*3 Extension Centres	3 Extension Centres	3 Extension Centres	5 Extension Centres	—	4 Extension Centres	3 Extension Centres	5 Extension Centres	4 Extension Centres	2 Extension Centres	1 Extension Centre	6 Extension Centres	3 Extension Centres	4 Extension Centres	9 Extension Centres	—	2 Extension Centres	
1 J.D.C. (Admn. & Co-ord.) 1 Director (EI & Stat.) 1 Director (I. D.) 1 Director (Ancillary) 1 Director (Chem.) 1 Director (I.M.T.) 1 Director (C.E.) 1 Director (Planning)	Director	Director	Director	Director 2 Industrial Designers	Director	Director	Director	Director	Director	Director	Director	Director	Director	Director	Director	Director	Director	Director	
16 Dy. Directors	1 Dy. Director (Foundry) 1 Dy. Director (Mech.)	1 Dy. Director (Mech.)	1 Dy. Director (Mech.) 1 Dy. Director (General)	1 Dy. Director (Mech.) 1 Dy. Director (Met.) 1 Dy. Director (E.I.) 1 Dy. Director (I.M.T.) 1 Dy. Director (Ceramics)	1 Dy. Director (E. I.) 1 Dy. Director (I.M.T.) 1 Dy. Director (Mech.) 1 Dy. Director (Ceramics)	—	2 Dy. Directors (Mech.)	1 Dy. Director (Foundry) 1 Dy. Director (Mech.)	1 Dy. Director (Leather) 1 Dy. Director (Mech.) 1 Dy. Director (I.M.T.) 1 Dy. Director (E.I.) 1 Dy. Director (C.E.) 1 Dy. Director (Elec.) 2 Dy. Directors (Foot wear)	1 Dy. Director (Chem.) 1 Dy. Director (E.I.) 2 Dy. Directors (Mech.) 1 Dy. Director (I.M.T.) 1 Dy. Director (C.E.)	2 Dy. Directors (Mech.) 1 Dy. Director (Foundry) 1 Dy. Director (Chem.)	1 Dy. Director (Elec.)	1 Dy. Director (Hosiery) 1 Dy. Director (Met.) 2 Dy. Directors (Mech.)	1 Dy. Director (Ceramics) 1 Dy. Director (Chem.) 1 Dy. Director (Mech.)	1 Dy. Director (Chem.) 3 Dy. Directors (Mech.) 1 Dy. Director (E.I.) 1 Dy. Director (C.E.) 1 Dy. Director (Sports Goods)	1 Dy. Director (Leather) 1 Dy. Director (Mech.) 1 Dy. Director (I.M.T.) 1 Dy. Director (C.E.) 1 Dy. Director (Ceramics) 1 Dy. Director (Chem.) 1 Dy. Director (Elec.) 1 Dy. Director (H.T.) 1 Dy. Director (E.I.) 1 Dy. Director (Trade not specified)	Dy. Director (Incharge)	1 Dy. Director (Mech.)	
17 Asstt. Directors	12 Asstt. Directors	6 Asstt. Directors	10 Asstt. Directors	19 Asstt. Directors	10 Asstt. Directors	5 Asstt. Directors	14 Asstt. Directors	10 Asstt. Directors	20 Asstt. Directors	13 Asstt. Directors	14 Asstt. Directors	9 Asstt. Directors	13 Asstt. Directors	10 Asstt. Directors	19 Asstt. Directors	21 Asstt. Directors	5 Asstt. Directors	5 Asstt. Directors	
5 Jr. Officers	18 Jr. Field Officers	15 Jr. Field Officers	14 Jr. Field Officers	28 Jr. Field Officers	16 Jr. Field Officers	3 Jr. Field Officers	15 Jr. Field Officers	15 Jr. Field Officers	26 Jr. Field Officers	23 Jr. Field Officers	14 Jr. Field Officers	9 Jr. Field Officers	21 Jr. Field Officers	11 Jr. Field Officers	27 Jr. Field Officers	26 Jr. Field Officers	7 Jr. Field Officers	9 Jr. Field Officers	

*Includes one in Nagaland.

The Central Small Industries Organisation

The Central Small Industries Organisation (CSIO) is the main central organisation for dealing with all matters relating to the small scale industries sector. The main functions performed by them are indicated below:—

- (i) Formulation of National Plans and Policies for the Development of Small Scale Industries.
- (ii) Technical Advisory Service:
 - to give direct technical advice for setting up new small scale enterprises, choice of machinery, design, fabrication, layout, installation and operation of plant and machinery;
 - to prepare designs and drawings for production equipment and accessories, jigs, fixtures, tools and gauges and assist in improving the production processes generally;
 - to provide technical guidance on the efficient use of raw materials, utilisation of substitutes, salvages and scraps;
 - to provide technical assistance in design and development of new products and by-products, standardisation and simplification of designs of existing products;
 - to provide technical assistance in the development of ancillary enterprises.
- (iii) Workshop and Laboratory Service:
 - to demonstrate use of modern technical processes on selected machines and equipment;
 - to assist in the testing of raw materials and products of small scale enterprises and assist in their inspection and quality control;
 - to provide common service and tool room facilities;
 - to carry out experiments, and laboratory analysis on new and substitute raw materials and study the effects of design variables on performance, quality improvement, and such other field problems as are posed by small scale enterprises.
- (iv) Management Consultancy Service:
 - to give guidance in proper methods of industrial management including cost reduction, finance and accounts, production management, marketing and other specific areas of industrial engineering with a view to ensuring intensive utilisation of **resources;**

Annexure II—contd.

- to conduct complete in-plant studies, as well as provide *ad hoc* managerial advice on specific problems;
 - to provide special techno-managerial advice for cost reduction and quality improvement to export-oriented small scale enterprises.
- (v) Managerial and Technical Training Service:
- to conduct general industrial management training course and other courses in specialised subjects like financial management, production management and marketing; also to conduct *ad hoc* courses in other areas of interest to small scale industries;
 - to conduct technical training courses in various subjects, for supervisors and artisans, such as, machine shop practice, tool room practice, foundry practice, blueprint reading, heat treatment, electroplating, footwear manufacture, fruit preservation, etc.;
 - to conduct export promotion courses for small scale industries;
 - to train village artisans in the use of improved tools and equipment through mobile workshops.
- (vi) Economic Service:
- to conduct economic surveys of particular industries and areas and make concrete recommendations for development programmes;
 - to undertake market distribution aid surveys for individual enterprises;
 - to supply market information in selected cases.
- (vii) Information Service:
- to provide guidance on the establishment of new enterprises;
 - to prepare and publish model schemes, technical bulletins, industry prospect sheets and other promotional literature.
- (viii) General Service:
- to enlist small scale enterprises for participation in government stores purchase programmes;
 - to recommend small scale enterprises to public and private large industries for supply of stores;
 - to guide and encourage small scale enterprises to undertake exports;
 - to recommend small scale enterprises for financial assistance from the State Bank;
 - to render advice on procuring machinery on hire-purchase basis from the National Small Industries Corporation;

Annexure II—concl'd.

- to render all assistance—technical, managerial, economic, etc., in the programmes of rural industrialisation launched at 45 rural industrial projects by the Planning Commission;
- to evaluate development programmes in small scale sector.
- (ix) Co-ordination of the activities of various agencies connected with the development of small industries, namely, state governments and the central agencies and departments concerned.
- (x) Advising state governments on location of industrial estates.
- (xi) Collection of statistics relating to small scale industries on an all-India basis.

The National Small Industries Corporation Ltd.

The National Small Industries Corporation Ltd., was established in 1955 primarily with the object of providing marketing assistance to small units and organising production for meeting government orders. The functions of the Corporation have since been enlarged and at present its main functions are:—

- (i) assistance to small units to secure contracts for supply of stores from the Directorate General of Supplies and Disposals and other Central Government agencies;
- (ii) credit facility schemes;
- (iii) supply of machines on hire-purchase basis;
- (iv) management of the Naini Industrial Estate;
- (v) prototype production and training centres—one each at Okhla, Rajkot and Howrah; and
- (vi) participation in exhibitions to publicise small industries products.

A brief description of each of these activities is given below.

Assistance to Small Units to Secure Contracts for Supply of Stores : Under the present arrangement the Corporation acts mainly as a liaison agency to help the small units in securing a larger number of government contracts. To begin with the various stores purchased by government were classified into the following groups:—

- (i) items which were of no interest to small scale units and could be produced only in the large scale sector;
- (ii) items which by their very nature required large scale firms as prime contractors but permitted substantial scope to the large scale contractors to purchase components and parts from small scale units;
- (iii) residuary items which firms, both in the large scale as well as in the small scale sector, could supply; and
- (iv) items which could be reserved for procurement from small scale units only.

The efforts of the Corporation were concentrated in securing contracts for small scale units specially falling under group (iii). As regards group (ii), the Corporation tried to persuade large scale public and private sector undertakings to accept the existing small units as their ancillaries as well as to encourage new small units for the purpose. For items under group (iv),

Annexure III—contd.

the effort of the Corporation was directed towards increasing their number in order to enlarge the exclusive field for purchase from the small scale sector.

Credit Facility : A small scale industrial entrepreneur lacks the assets, creditworthiness and very often the familiarity with the processes attached to institutional financing that will assist him in obtaining assistance from recognised banking institutions and his need is not so meagre that it can be met by private borrowing. His case, therefore, calls for special examination and treatment. When his need for finance is related to the supply of manufactured items and parts required by the government and its agencies like the Railways, etc., the need for special arrangements becomes more important as the business demands *ad hoc* and not sustained treatment. Production against the requirements of the market, as it is called, accommodates regularisation but the contracts from government institutions are rather sporadic and the party quoting the lowest price is normally the winner. Further, government contracts stipulate almost immediate delivery of goods mainly because they have to conform to formalities which take up considerable time for finalising contracts leaving comparatively little time for their execution.

In order to meet the above difficulties, the NSIC introduced, some five years ago, a Credit Guarantee Scheme (CGS) in conjunction with the State Bank of India (SBI). All small units that are registered with the NSIC and have secured contracts from government organisations could obtain finance under the Credit Guarantee Scheme. Under the Scheme, the units could procure finance needed for buying the necessary raw materials. Banks, in the course of their normal business, grant cash credit facility to their manufacturing clients. But in such cases the loans available from the Banks are up to about 70 per cent of the value of the pledged materials because a banking margin is retained. Thus the borrower has not only to draw his supplies against cash payment but also has to meet this margin from his already meagre cash resources. The particular advantage behind the NSIC's CGS was that it also covered this normal banking margin. On the strength of issue of a guarantee by the NSIC, the Bank advanced up to 100 per cent of the value of raw materials pledged by the small unit. For this valuable assistance, the NSIC charged a nominal rate of half per cent over the normal interest charged by the State Bank.

It was subsequently decided to enlarge the scope of financial assistance to the small units by making it cover their financial needs at all stages of production. After detailed discussions with the representatives of the Government of India, Reserve Bank, State Bank and the Federation of Association of Small Industries, a new scheme called "NSIC—GUARANTEE SCHEME NO. 2" (NSIC—GS) has now been introduced. The main features of the Scheme are: —

- (a) while issuing copies of tenders to the small units enlisted with the NSIC, the Corporation will ask the units to contact the

Annexure III—contd.

Agent of the branch of the State Bank of India nearest to them in order to familiarise themselves with the facilities available to them under the NSIC—GS;

- (b) the NSIC will send weekly statements depicting the contracts placed on small units, to the branches of the State Bank so that their representatives may call on the units concerned and advise them about the procedure to be adopted for deriving benefit from the scheme. The NSIC's despatch of the weekly statements assists the Bank to initiate, without loss of time the preliminary work that must precede all extensions of credit;
- (c) after the representative of the unit has called on the local branch of the SBI or the latter has called on the former, the application form relating to the NSIC—GS will be handed over by the branch to the unit and the unit in its turn will hand over the original contract to the Bank along with the application, after completing the details. The Bank after making out a copy of the contract will return the original to the unit concerned;
- (d) the Agent of the State Bank may either sanction the advance for raw material at his own discretion or send the relevant documents to his head office for approval;
- (e) in the meanwhile, the NSIC will have received the SISI's recommendation regarding the technical competency, managerial ability and past performance of the unit. A copy of this would also be marked to the branch concerned of the SBI. On the basis of the recommendation and after necessary examination, the NSIC will issue their guarantee which is of course subject to the Bank's decision to give the credit. The advance finance resulting from the credit will cover all stages of production, from the purchase of raw material to the discounting of bills. Thus, by simultaneous action by the NSIC and the State Bank for completing the necessary formalities, loans will be sanctioned speedily under the NSIC—GS; and
- (f) there may arise occasions when the SBI may be prepared, in the case of particular clients, to advance amounts which are less than the amounts recommended by the NSIC; it may also happen that the SBI may refuse advances altogether. Such occurrences will not be frequent and when they do arise, it will, of course, not be possible to divulge reasons.

An industrial unit which conforms to the definition of a small industry and is enlisted with the NSIC can take advantage of the NSIC—GS. The credit facilities can be obtained against orders secured from any Central Government or state government agencies including public sector

Annexure III—contd.

undertakings. The credit facility under the Scheme covers the assistance to small units in the following forms:—

- (a) a loan from the State Bank for the purchase of raw materials;
- (b) a cash credit account, *i.e.*, payment of advance against pledge of raw materials;
- (c) overdraft against raw materials and components during the process of production;
- (d) advance against the government bills duly presented to the Bank alongwith the inspection notes and the railway receipt number, etc.;
- (e) opening of letter of credit on behalf of the clients to pay to the supplier from whom the clients purchase the raw materials; and
- (f) the issuance of bank guarantee to the supplier of raw materials against the purchases made by the manufacturing client or direct payment to the supplier of raw materials.

The administration of this Scheme should be transferred to the states.

Supply of Machines on Hire-purchase Basis: Under the existing arrangement applications for supply of machines on hire-purchase basis are routed through the State Directorates of Industries. To discourage and weed out frivolous applicants, a system of taking a token payment from applicants as earnest money has been introduced. The period of repayment is 7 years in the case of graded machines and in the case of ungraded machines the period is 5 years. The first instalment becomes due after 1 year from the date of delivery of machines and subsequent instalments are payable after every six months. To operate this scheme on a self-sufficiency basis, the NSIC has since 1961 introduced service charges also.

In so far as the supply of imported machines is concerned the Corporation has to depend upon the foreign credits negotiated with friendly countries. In order to utilise the limited resources more appropriately and for priority items of industries, committees have been set up to screen applications. Applications for indigenous machines are considered by a committee consisting of officials of the Office of the Development Commissioner, Small Scale Industries, and of the Corporation, and those for imported machines are examined by a committee which also includes a representative of the Office of the Chief Controller of Imports and Exports.

Incentives to Ancillaries: For setting up an ancillary unit the ceiling of maximum capital limit has been relaxed to Rs. 10 lakhs in respect of certain selected industries. In pursuance of the Government of India policy to encourage ancillary industries, the Corporation till recently offered more liberal terms of hire-purchase for them.

Annexure III—contd.

Marketing Assistance: In order to provide marketing facilities to small units, the Corporation evolved various schemes. Wholesale depots were set up to encourage production of standardised goods and mobile vans were introduced to provide direct assistance to small units.

When the primary objective of this scheme was achieved (that of creating a market for the products of small industries) and it was found that the industries concerned could stand on their own, the Corporation withdrew from the activity but has since been concentrating on making available to small industries items of raw materials and components which are scarce in the market.

Raw Materials Depot, Delhi: The Corporation has also set up a raw materials depot in Delhi which arranges to buy, in bulk, scarce raw materials, keeps them in store and distributes them in convenient lots to small industries in the Delhi territory.

Most of the imported items are purchased from the State Trading Corporation and the Minerals and Metals Trading Corporation. Materials are distributed to small scale industries on the basis of the quota certificates issued by the appropriate authority. (This is primarily the function of the state governments. In most of the states this function is being discharged by the State Small Industries Corporation. Since there is no such corporation in the Delhi territory the NSIC has taken over this work as a result of a request made by the Delhi Administration).

Industrial Estates: The NSIC constructed two industrial estates with a view to providing small industrial units with suitable factory premises built according to health and municipal regulations and equipped with necessary facilities like water, electricity, etc. The one at Okhla was transferred to the Delhi Administration in April, 1959. The other was set up at Naini near Allahabad. This estate continues to be administered by the NSIC because the terms and conditions on which the Corporation wants to transfer it to the state government are not acceptable to the latter.

Prototype Production Training Centres: The urgent necessity for the extension of production-based technological training was accepted on the basis of the recommendations of experts (West Germany). It was also felt that the development of machinery should include research in manufacturing techniques, instituting specifications; preparing jigs, tools, fixtures and drawings. Three such centres have, therefore, been set up, one at Rajkot (with US AID assistance), the second at Okhla (with West German assistance) and the third at Howrah (with Japanese assistance). Work relating to the running and establishment of the centres at Rajkot and Okhla was entrusted to the NSIC during 1957. The administrative control of the Howrah centre was transferred to the Corporation with effect from the 1st of May, 1963.

The main objectives of these centres are :

- (1) design, development and prototype production of machines suitable for small industries;
- (2) intensive training of skilled workers and supervisors both for existing industries and for meeting the demands of the expanding industry; and
- (3) providing common facilities and technical services in production techniques, processes, etc., for small industry.

Exhibitions: In order to make known the impact made on the small scale sector by various developmental plans and schemes operated by the NSIC and other agencies engaged in similar functions, the media of exhibitions is utilised for disseminating information and displaying actual products of the small scale sector.

Inventions Promotion Board

Following the rapid and wide-spread industrial development achieved since Independence, it was felt that the inventive talent of the country should be harnessed to enable Indian inventors to make their distinctive contributions to economic progress. Accordingly, the Joint Standing Committee for Research and Industry, Council of Scientific and Industrial Research, at a meeting held under the chairmanship of the then Minister for Industry, Shri Manubhai Shah, constituted a working group to consider and draw up a concrete scheme for setting up an organisation to guide the country's inventive talent in the most fruitful channels. The working group submitted its report to the Joint Standing Committee for Research and Industry which recommended its adoption by the Government of India.

The recommendations were accepted by the Government of India and it was decided to set up "the Small Inventions Development Board" in the Ministry of Commerce and Industry. Subsequently, the Board was renamed as "Inventions Promotion Board", made an autonomous body under the administrative control of the Ministry of Commerce and Industry and registered as a society on the 5th of June, 1960 under the Societies Registration Act, 1860.

Principal functions: The principal functions vested in the Board are:

- (a) to encourage and inculcate the spirit of invention amongst independent workers, artisans and technicians;
- (b) to assist in guiding the country's inventive talent in the most fruitful channels; and
- (c) to promote and implement such ideas and inventions by suitable technical and financial assistance.

Means of Promotion and Procedure : The Board undertakes to assist and encourage development of new ideas, products and processes by:

- (a) providing technical assistance and guidance;
- (b) granting financial assistance to inventors to help them in developing their ideas/proposals which are technically feasible and of utility. This is determined by scrutiny of the inventions by the technical staff of the Board, obtaining the opinion of outside experts in the field concerned and making a financial assessment of the grant required for development. The financial assistance is generally meant for meeting the workshop charges for fabrication, cost of raw materials and labour and small tools required for work, etc. It is also given for taking

Annexure IV—concl'd.

out patents by the Board on behalf of the inventors. In order to obtain proper data, in special cases, on the performance of the inventions claimed, the Board also arranges and meets the cost of testing at a test house or laboratory; and

- (c) awarding prizes for outstanding inventions whose utility and viability have been fully testified.

Study II

MINOR IRRIGATION

INTRODUC-
TION

1. Minor irrigation comprises small projects costing less than Rs. 15 lakhs each, which can be conceived and handled to a large extent by the cultivators themselves to bring quick results. This criterion is subject to the proviso that only those schemes which have independent water sources would be taken up under the minor irrigation programme. Local drainage and flood protection works costing less than Rs. 50,000 each are also financed under this programme.

CONSTITU-
TIONAL
PROVI-
SION

2. Agriculture is included in List II of the Seventh Schedule to the Constitution. Similarly irrigation and canals, drainage and embankments are also state subjects. Minor irrigation should, therefore, come under the purview of the state governments. But there are a number of central and centrally sponsored schemes of minor irrigation.

STUDY OF
THE MINOR
IRRI-
GATION DIVI-
SION

3. The schemes and the role of the Department of Agriculture (Minor Irrigation Division) as a central ministry handling this subject have been studied to see whether the Department is performing any functions which should legitimately be performed by the states and whether it is performing all the functions vis-a-vis the states which it should be expected to perform.

4. Schemes on minor irrigation under the central and centrally sponsored programmes come to the Department of Agriculture from the states for scrutiny. The assistance of the Irrigation Adviser and other technical officers in the ICAR, Directorate of Extension, etc., is taken for scrutinising the schemes. The schemes are thereafter approved and financial sanctions issued. The state schemes on minor irrigation are not scrutinised in the Department of Agriculture except when the state schemes come up for discussion in the Joint Working Group every year, when the representatives of the Department and the state governments discuss the matter with the Planning Commission. The states are, however, asked by the Department to draw up annual programmes of action and teams consisting of secretariat officers and technical officers in the Department visit each state government for discussion and advice. The statement at *Annexure I* shows the statewise expenditure incurred in the Third Plan period on minor irrigation including the states' shares of the centrally sponsored schemes and the figures that have been finally agreed to for the Fourth Plan.

ORGANISA-
TIONAL
SET-UP

5. The organisational set-up in the Department of Agriculture dealing with the Minor Irrigation Division is shown in *Annexure II*. There is thus a research and advising branch and a programmatic branch consisting of the Tubewells Section and the Minor Irrigation Section.

MINOR
IRRIGA-
TION
SECTION

6.1 The Minor Irrigation Section has been assigned the following schemes:—

- (i) scheme for research on minor irrigation and water use (centrally sponsored scheme);
- (ii) training on minor irrigation and water use (centrally sponsored scheme);
- (iii) scheme for survey and investigation of ground water resources (centrally sponsored scheme);
- (iv) subsidy on electricity rates for agricultural purposes (centrally sponsored scheme);
- (v) Ayacut development programme (centrally sponsored scheme); and
- (vi) water resources and agricultural study in Punjab and Haryana (central scheme).

The details of these schemes may be seen in *Annexure III*.

6.2 All these schemes except that at (vi) above can be decentralised to the states. A short discussion of each scheme is available at *Annexure III*. Briefly speaking, the five schemes proposed to be decentralised are already being implemented by the states. They are, however, being financed by the centre and being centrally sponsored they are scrutinised by the centre. Central scrutiny is not necessary as the states are quite competent to carry out the necessary scrutiny themselves. As for central subsidy, it has been pointed out in Chapters VII and IX that there should not be a segmental approach to this problem. What money can be transferred to the states and spent on subjects falling within the states' sphere should be decided upon as a whole and assistance for crucial items among these tied, the judgment as to what is crucial and what is not being exercised very discriminatingly and after viewing the plan as a whole. There is no reason, therefore, for continuing to have any centrally sponsored sector in minor irrigation.

TUBE
WELLS
SECTION

7.1 The Tubewells Section deals with the following schemes:—

- (i) training on ground water and water well techniques (central scheme);

- (ii) United Nations Development Programme Project on ground water surveys in Uttar Pradesh and Rajasthan (central scheme); and
- (iii) scheme of the Exploratory Tubewells Organisation (central scheme).

The details of these may be seen in *Annexure IV*.

7.2. The discussion at *Annexure IV* shows that the first scheme—the training scheme— should continue to be implemented by the centre but should be paid for by the participating states. The principle here is that the training is of a substantive and not of a foundational nature and it should be run centrally because of its administrative convenience and for the sake of economy. The responsibility to train, strictly speaking, is that of the states which should, therefore, pay for this training. The second scheme should also remain a central scheme partly because it is a programme involving foreign collaboration and partly because the survey, spread over two states, can best be done by a central agency (the Exploratory Tubewells Organisation).

As for the third scheme, it is doubtful if it should be financed by the centre. The financing arrangement is peculiar in that successful boring is charged to the states but expenditure on unsuccessful boring is borne altogether by the centre. Unsuccessful borings heavily outnumber successful borings. In line with the argument adopted in Chapter XI of Volume I, this is an illustration of a service that may, for operational and for administrative reasons, be continued to be rendered by the centre on payment by the states.

7.3. If these proposals are accepted schemes worth Rs. 94.07 crores will be completely decentralised and schemes worth Rs. 3.9 crores will be retained with the centre.

8.1 After this decentralisation, the schemes that will remain with the centre will be:

- (i) training on ground water and water well techniques including the Orientation Training Course (central scheme);
- (ii) United Nations Development Programme Project on ground water surveys in Uttar Pradesh and Rajasthan (central scheme); and
- (iii) water resources and agricultural study in Punjab and Haryana (central scheme).

8.2 In this field the scope for initiative is naturally limited. The centre asks the state governments to draw up annual programmes of action for each financial year and its teams visit each state government for discussion and advice. The Ministry draws up model schemes and suggests them to the states.

A few pamphlets and monographs are prepared, from time to time, bringing out important aspects on minor irrigation and these are circulated to the states.

A seminar is held every two years, called the Near-East South Asia Irrigation Practices Seminar to know about the problems of minor irrigation in other countries and the manner in which they are being tackled. This seminar is co-sponsored by the participating countries and the USAID. The reports brought out are sent to the states for follow-up action in respect of programmes, which may suit them.

No fundamental or foundational research is undertaken. Only applied research is encouraged by the Department. The scheme for research on minor irrigation and water use, the details of which are given in *Annexure III*, is relevant in this context. The items of research work selected are not beyond the research resources of the states but the initiative given by the centre in this regard induces them to undertake such research work.

Thus some initiative is taken, some research is conducted and some clearing house functions are performed. As mentioned above the scope for these in this field is limited but even here perhaps more is possible in the matter of getting acquaintance with the latest techniques, experimentation and dissemination.

8.3 In the Working Group for formulation of the national plan the Ministry is represented adequately by competent and technically qualified people. Detailed information is collected from the state governments before the proposals are formulated. The annual visits of the teams of central experts supplement this work.

8.4 Monthly and half-yearly returns are received from the state governments giving the expenditure figures and the physical progress made by them in the minor irrigation programmes. These are scrutinised in the Division. Progress of the state schemes and other minor irrigation programmes are discussed during the annual visit of the team of experts from the centre and remedies are suggested for bottlenecks and difficulties coming in the way of implementation. Short-term evaluation at the

field level is done to a very limited extent during these visits by the Irrigation Adviser and his men. No long-term evaluation in respect of even important state schemes has been done by the Department of Agriculture so far. However, in 1960-61 the minor irrigation programme was taken up by the Programme Evaluation Organisation when field study was done in all major states of India and in each state one or more districts were selected according to the number of sources of minor irrigation. No such evaluation has been done by the Programme Evaluation Organisation or by the Department of Agriculture after 1960-61.

8.5 Training on minor irrigation and water use and training on ground water and water well techniques is imparted by the centre. Besides an All-India Orientation Training Course of two months duration is conducted every year to which officers from the various states are invited. Chief Engineers from various states and other experts on minor irrigation deliver lectures and practical training in new ideas is also imparted during the orientation course. This role is being adequately discharged.

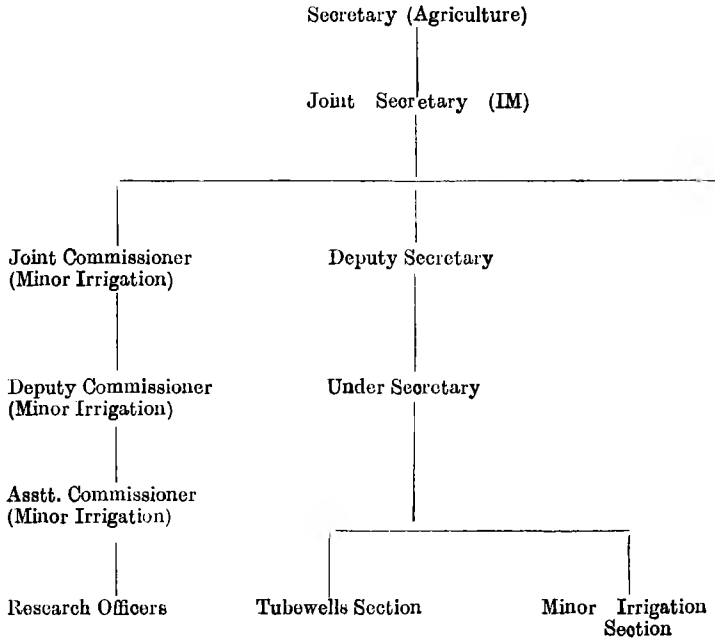
8.6 On the whole it could be said that the legitimate functions of the centre in this field are not being ignored although there is a case for strengthening them especially in the matter of intelligence, research, experimentation and evaluation.

Annexure I
(See paragraph 4)

Plan Schemes—Minor Irrigation

S. No.	State					Third Plan	Fourth Plan	
						Actual Expendi- ture	Proposed by state	Tenta- tively agreed to
(Rs. in lakhs)								
1	Andhra Pradesh	..	..	..	..	2,947	4,500	4,327
2	Assam	..	..	..	..	416	1,290	750
3	Bihar	..	..	..	..	1,268	5,000	4,800
4	Gujarat	..	..	..	..	1,167	2,631	2,543
5	Haryana	..	..	..	..	..	1,263	963
6	Jammu & Kashmir	..	..	..	..	120	540	330
7	Kerala	..	..	..	..	560	1,110	1,100
8	Madhya Pradesh	..	..	..	..	2,085	3,500	3,500
9	Madras	..	..	..	..	2,298	5,225	5,077
10	Maharashtra	..	..	..	..	2,324	6,550	6,550
11	Mysore	..	..	..	..	3,564	3,900	3,900
12	Orissa	..	..	..	..	618	1,400	1,600
13	Punjab	..	..	..	..	822	2,167	2,167
14	Rajasthan	..	..	..	..	1,127	1,480	1,520
15	Uttar Pradesh	..	..	..	..	5,681	12,200	12,205
16	West Bengal	..	..	..	..	1,289	2,730	2,750
17	Nagaland	..	..	..	..	..	25	25
						26,286	55,501	54,107

Minor Irrigation Division
Organisational Set-up



Annexure III
(Sec paragraphs 6.1, 6.2 and 8.2)

Minor Irrigation Division

Items of work dealt with in the Minor Irrigation Section

S. No.	Name of the scheme	Brief description	Remarks
1	2	3	4
1	Scheme for research on minor irrigation and water use (centrally sponsored scheme).	<p>This scheme was started in the Third Five Year Plan to meet the need for applied research on various items connected with minor irrigation, as the methods and practices adopted in the design, construction and operation of minor irrigation works offer scope for considerable improvement. Specific items are selected from the following subjects:—</p> <ul style="list-style-type: none"> (i) earth movement and compaction; (ii) open wells and tube-wells; (iii) water lifting appliances; (iv) tanks, weirs and channels; (v) water distribution and application; and (vi) water requirements of crops. <p>The selected items of research work are taken up on regional basis by the existing research institutions belonging to the states, Government of India and autonomous bodies. Field studies are entrusted to the state technical departments. The responsibility for implementation of the schemes rests with the state governments/heads of research institutions.</p>	<p>The items of research work selected for research in the research institutions are of minor nature. The state governments are competent to carry out the research work themselves and technical guidance could be continued to be given to them by the ICAR, etc. Dissemination of the results of the research work can continue to be done by the publication of the results in journals and distribution thereof.</p> <p>This scheme could be transferred to the state sector.</p>

1	2	3	4
		<p>Detailed schemes received from the states/research institutions are examined at the centre by a technical committee consisting of the Irrigation Adviser, representatives of the Central Board of Irrigation and Power, Indian Council of Agricultural Research (ICAR) and the Directorate of Extension. After the schemes are approved, half-yearly progress reports are received and examined by the technical committee. 100% grant is given by the centre and about Rs. 10 lakhs were spent out of the provision of Rs. 40 lakhs for the Third Plan. Rs. 40 lakhs have been provided in the Fourth Plan.</p>	
2	<p>Training on minor irrigation and water use (centrally sponsored scheme).</p>	<p>This scheme was started in the Third Plan with a view to having a large number of experienced and trained technical hands who would assist in the implementation of the minor irrigation programmes on sound technical lines and also guide the farmers in the construction and operation of minor irrigation works.</p> <p>Theoretical and practical training is imparted to agricultural inspectors, engineering overseers and others of equivalent status. It has been proposed to organise the scheme on state-wise basis and three courses of three months duration turning out about 30 trainees per course are held in each centre. Smaller states depute their men for training to the nearest centre in a neighbouring state. Regional training centres have been opened in Gujarat,</p>	<p>All the work concerning the training institutions is done at the state level. Once a model scheme is drawn up the states are competent to run the training centres themselves, suited to their individual requirements. This scheme may be transferred to the states.</p>

1	2	3	4
		<p>Madhya Pradesh, Madras, Orissa, Rajasthan and Uttar Pradesh and 385 persons have been trained so far. The recurring expenditure for one centre is about Rs. 40,000 per annum.</p>	
		<p>The schemes received from the states are scrutinised at the centre and approved. 100% grant is given by the centre and out of the provision of Rs. 40 lakhs in the Third Plan about Rs. 9 lakhs have been spent. Rs. 40 lakhs have been provided in the Fourth Plan.</p>	
<p>3 Scheme for survey and investigation of ground water resources (centrally sponsored scheme).</p>		<p>Systematic ground water exploratory work is done by the Exploratory Tubewells Organisation (ETO). Deep drilling is done by the ETO. There are vast areas in the states, where ground water surveys and investigations by drilling up to 250 feet could be done without the assistance of the equipment and men of the ETO. The main objective of the scheme is to delineate ground water worthy areas and to provide technical assistance to the farmers in the construction of open wells and tubewells. This scheme was started with this aim in view in the Fourth Plan. For surveying an area of 6 lakhs sq. miles about Rs. 15 crores are to be spent. 1/3 of the total area is to be surveyed during the Fourth Plan and the expenditure shared between the centre and the states on 50:50 basis.</p>	<p>The very purpose of this scheme is to enable the states to carry out survey and investigation for ground water resources with their own men and machines. This scheme may be entrusted to the states and technical advice given by the ETO or by the Department of Agriculture, whenever the states require such help.</p>
		<p>A model scheme and guidelines were prepared by the</p>	

1

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3

4

centre and the states were asked to send their schemes for scrutiny by the Central Ministry, in consultation with the Exploratory Tube-wells Organisation. Out of the budget provision of Rs. 10 lakhs for 1966-67 funds have been sanctioned to the following states:—

		Rs. in lakhs
Mysore	..	2.00
Rajasthan	..	2.53
Maharashtra	..	0.95
Kerala	..	1.00
Orissa	..	1.75
Bihar	..	1.75

This is, at present, a centrally sponsored scheme for two years and a review is to be made of the implementation of the programme and further decision taken for the remaining period.

4 Subsidy on electricity rates for agricultural purposes (centrally sponsored scheme).

In order to promote lift irrigation in the country, state governments were advised by the centre from time to time to lower the rates of electric supply for this purpose. With a view to encouraging agricultural pumping programme the centre has decided to subsidise electricity rates where these are in excess of 12 paise per unit, for a period of 3 years commencing from 1966-67. The subsidy is to be shared between the centre and the states equally. The rates in force on the 1st of January, 1966 or the rates prevailing at any later time, whichever are lower, are to be taken into account for the purpose of ascertaining the excess of

In this scheme the basic idea is to subsidise the rates of electric supply for agricultural pumping and the centre does nothing except to share the cost of subsidy with the states. The scheme need not, therefore, be continued as a centrally sponsored scheme.

1	2	3	4
		electricity rates for agricultural purposes.	
		A provision of Rs. 305 lakhs has been made in the Fourth Plan.	
5 Ayacut development programme' (centrally sponsored scheme).		This is a new scheme in the Fourth Five Year Plan with an outlay of Rs. 80 crores and aims to ensure speedy and optimum agricultural benefits from the irrigation projects. It envisages an integrated approach, using improved agricultural practices in relation to irrigated farming, co-operation and development of rural industries. A guideline for the formulation of this scheme was forwarded to the state governments. The programme may vary in details from region to region and approach to approach but its essential ingredients are as under:	It has already been decided by the Planning Commission in January, 1967, that the scheme should be transferred to the state sector. The total outlay of this scheme will form part of the outlay of the states, and the central share for the scheme will be available as central assistance over and above the amount already agreed to for the states' plan. Central assistance will be earmarked and any shortfall in the annual plan expenditure on the scheme would entail a short fall in payment of central assistance.
		<ol style="list-style-type: none"> 1. Crop planning and regulation of irrigation supplies providing supplemental irrigation wherever necessary and feasible. 2. Proper distribution and application of irrigation water — provision of adequate drainage facilities. 3. Land shaping and consolidation of holdings. 4. Soil survey for efficient crop and water use planning. 5. Arrangements for supplies and complementary inputs. 6. Extension and demonstration. 7. Financial arrangements to meet the credit needs of the cultivators. 	

1

2

3

4

8. Co-operative storage and marketing facilities.

9. Communication and agro-industrial development.

The scheme aims to cover the unutilised irrigation potential in the country, which is at present of the order of 4 million acres. About 2 million acres are to be covered during the Fourth Plan and the programme will be implemented in compact blocks each covering an area of about 5,000 to 10,000 acres. The amount to be incurred on a 10,000 acre block has been estimated at Rs. 40 lakhs.

The state governments were asked to prepare detailed schemes and these were examined at the centre. A provision of Rs. 120 lakhs as central expenditure was made in the budget for 1966-67. The expenditure on the scheme is to be shared equally between the centre and the states.

6 Water resources and agricultural study in Punjab and Haryana (central scheme).

This is a new scheme in the Fourth Five Year Plan. An agreement has been entered into with the United States of America by the Government of India for technical and financial assistance for the project. Details of the scheme are being worked out in consultation with the Governments of Punjab and Haryana.

Rs. 3 crores have been provided in the Fourth Five Year Plan and a budget provision of Rs. 5 lakhs was made for the year 1966-67.

As collaboration with a foreign government and co-ordinated work by the two newly created states are involved, this scheme could remain as a central plan scheme.

Minor Irrigation Division

Items of Work Dealt with in the Tubewells Section

S. No.	Name of the scheme	Brief description	Remarks
1	2	3	4
1	Training on ground water and water well techniques (central scheme).	<p>This scheme was started with a view to orienting technical men with basic ground water background towards the science of water well construction (dug wells and tubewells) and to make them conscientious of the importance of analysis of hydrological data related to ground water development. The Chief Engineer, Exploratory Tubewells Organisation is in overall charge of the scheme whose role is to scrutinise and co-ordinate the scheme, inspect the training centres and watch the progress of the implementation of the scheme. About 30 officers of the state governments are taken at each centre for undergoing the training course of 9 weeks duration. The deputed trainees are given stipends for the training period under the provision of the training scheme and their pay, travelling and other expenses are borne by the states.</p>	<p>Both because of administrative convenience and because of the paucity of qualified geohydrologists it is neither possible nor desirable at this stage to decentralise this scheme. However, this is not a scheme involving training of a foundational nature and substantial training is clearly the responsibility of the states for it is they who will utilise the services of the trainees. In such a situation, therefore, while the scheme should be implemented by the centre (as a service agency) the states should bear the cost of training by paying capitation charges. They can then be expected to take real interest in the training to depute suitable persons for it and utilise them appropriately after training.</p>
		<p>On completion of the training, the officers will conduct the actual technical survey related to dug wells and tubewells siting and ground water development investigations in the states. The Exploratory Tubewells Organisation looks after the training imparted.</p>	

1	2	3	4
		<p>The training has started at Dehra Dun and two other centres are likely to be opened shortly. Approximately Rs. 40 lakhs have been provided in the Fourth Plan.</p>	
<p>2 United Nations Development Programme (UN DP)—Project on ground water surveys in Uttar Pradesh and Rajasthan (central scheme).</p>		<p>This scheme is executed by the Exploratory Tubewells Organisation and is directed towards undertaking extensive pre-investment ground water development surveys in selected areas of Rajasthan and Uttar Pradesh. The technique evolved will help ground water assessment. The amount tentatively provided in the Fourth Plan is about Rs. 50 lakhs which does not include the foreign exchange available under the UNDP.</p>	<p>As collaboration with the United Nations Development Programme is involved, the scheme, the duration of which is only 4 years, could remain as a central scheme. Further, the survey is to be done entirely by the central officials belonging to the Exploratory Tubewells Organisation.</p>
		<p>This programme will help the states in their development regarding utilisation of ground water for agricultural needs as the project aims at the total evaluation of underground resources in the pilot areas and budgeting of the same for future needs. To start with, survey work is being undertaken in the Rajasthan areas.</p>	
<p>3 Scheme of the Exploratory Tubewells Organisation (central scheme).</p>		<p>Systematic ground water exploratory work was started in India in 1954-55 under the Dollar Aid received from the Technical Co-operation Mission (TCM) of the U.S.A. The Exploratory Tubewells Organisation was set up in 1954 for this purpose. The Geological Survey of India was also associated with the project</p>	<p>The three issues involved here relate to:—</p> <ol style="list-style-type: none"> (1) the technical and administrative competence of the states to undertake this work; (2) the administrative feasibility of decentralisation; and (3) the willingness of the states to spend the money required on this activity.

1	2	3	4
		<p>for geo-hydrology and geo-physical work. Four agreements called Operational Agreements (OA) Nos. 6, 12, 42 and 49 were signed with the TCM. The work under the agreements has almost ended. The ETO is now concerned directly with OA 12 and indirectly with OA 6 and OA 49 only.</p> <p>The exploratory work aims at delineating areas suitable for ground water development by means of irrigation tubewells, the general yardstick for the capacity of a successful tubewell being 20,000 gallons per hour at 20 feet draw down. The successful tubewells are transferred to the state governments for use as agricultural wells and the cost of these wells is treated as long-term loan to the state governments. No charge is made for an unsuccessful boring. During the Second Plan, 350 tubewells were tried, out of which 179 proved successful. During the Third Plan period 67 tubewells proved successful out of the 201 tubewells drilled. Rs. 1,42,76,839 were sanctioned as long-term loan for the successful tubewells, up to the end of the Third Five Year Plan.</p> <p>The ETO is also concerned with the construction of production tubewells on 'deposit' work basis on behalf of the state governments and others subject to the availability of spare capacity.</p>	<p>Regarding the first two it may be said that it would neither be possible nor desirable to decentralise the schemes. Decentralisation will be uneconomical and will also involve more foreign exchange. Administratively it is best that the scheme at this stage is operated upon centrally.</p> <p>Regarding the financing of the scheme, the approach, in principle, should be that for the reasons mentioned above, the centre should undertake this activity as a service to the states but that the payment for this service should be made by the states. Because of the uncertain returns the states may be unwilling to pay for this work. It is considered that if there is stark need for such a programme and if on the whole it is clearly beneficial there is no reason why the states should not pay for it. If they refuse to pay for it its overall utility can be questioned.</p>

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4

There are four divisions under the Exploratory Tubewells Organisation and the divisions are shifted from one state to another for the exploratory work.

NOTE—In addition, this section deals with routine matters concerning state tubewell schemes and programmes and for making arrangements for drilling machines, etc., involving foreign exchange.

Study III

NATIONAL CO-OPERATIVE DEVELOPMENT CORPORATION

FORMA- TION OF THE NCDC

1. The National Co-operative Development Corporation (NCDC) is a statutory organisation constituted by the Government of India under an Act of Parliament. It was set up in March, 1963 as a successor to another statutory body called the National Co-operative Development and Warehousing Board established in 1956 in pursuance of the recommendations of the All-India Rural Credit Survey Report.

HISTORI- CAL BACK- GROUND

2. The Rural Credit Survey Committee in its report had recommended :

- (i) the creation of a National Co-operative Development and Warehousing Board with the object of promoting the planned development throughout the country of co-operative credit, marketing, processing, storage and warehousing;
- (ii) the creation of an All-India Warehousing Corporation for constructing and running licensed godowns and warehouses at suitable places of all-India importance; and
- (iii) the creation of state warehousing corporations for constructing and running licensed warehouses at suitable places in the states.

The Board was to be a policy-making, promotional and financing body. The warehousing corporations were to function as business organisations subject to the general directions of the Board.

The Government of India broadly accepted these recommendations and it was originally proposed to constitute a National Co-operative Development Board and an All-India Warehousing Corporation both being independent organisations. The Board was not to be in charge of planning and policy-making in relation to warehousing but was to hold shares in the All-India Warehousing Corporation. These proposals were approved by the Cabinet in April, 1955 as a suitable basis for consultation with the state governments.

Final proposals on the above lines were formulated but the Ministry of Food and Agriculture in the light of the discussions with state ministers suggested a reconsideration of the decision that the All-India Warehousing Corporation and the National

Co-operative Development Board should be two independent organisations. It was urged that there was no need to have two such independent organisations under the same Ministry and that they should be interlinked with each other. The Cabinet in August, 1955 approved the modified proposal and the Agricultural Produce (Development and Warehousing) Corporations Act, 1956 was passed in June, 1956. The Board and the Corporation came into being with effect from the 1st of September, 1956 and the 2nd of March, 1957, respectively. The National Co-operative Development Board and the Central Warehousing Corporation were closely interlinked in their Directorates and the National Co-operative Development Board had supervisory powers over the Central Warehousing Corporation. When the Department of Co-operation was created in January 1959, it was decided to allocate the business of the National Co-operative Development Board to the Department of Co-operation and the business of the Central Warehousing Corporation to the Department of Food. As a result, the administration of these two bodies vested in two different ministries. To rationalise the arrangements the Government enacted legislation in 1962 for the creation of a separate corporation which was to deal with the promotion of co-operation in regard to the articles listed in Entry 33 of the Concurrent List.

FUNCTIONS

3. The main functions of the Corporation are:—

- (i) to plan and promote programmes for the production, processing, marketing, storage, export and import of agricultural produce and notified commodities through co-operative societies;
- (ii) to advance loans or grant subsidies to state governments for financing co-operative societies and for the employment of staff for implementing programmes of co-operative development;
- (iii) to provide funds to the state governments for financing co-operative societies for the purchase of agricultural produce and notified commodities on behalf of the Central Government; and
- (iv) to plan and promote programmes through co-operative societies for the supply of seeds, manures, fertilisers, agricultural implements and other articles for the development of agricultural produce.

The role of the Corporation thus is to plan and promote programmes for the production, processing, marketing, storage, export and import of agricultural produce and notified commodities through co-operative societies. The Corporation is thus

essentially charged with responsibilities in the fields of co-operative agricultural credit, marketing, processing, supply of agricultural inputs and storage. In consultation with the states, it draws up an annual programme, listing physical targets and financial outlays. After the Central Government has approved the programme, the Corporation assists the states in implementation. Besides financial aid, the assistance to the states is provided through various promotional measures such as circulation of model blueprints for co-operative processing, supply of designs for rural and mandi-level godowns, identification of areas offering scope for development, laying down of guidelines for location of godowns, etc. The Corporation also pools the successful experience of various states in the field of co-operative marketing and processing and transmits it to others. In certain crucial sectors, the Corporation finances schemes either of a pilot or supplementary nature from its own funds.

CONSTITUTIONAL POSITION

4. Although 'Co-operative Societies' come under the State List 'Co-operation' is not mentioned as a specific entry in any of the three lists in the Seventh Schedule to the Constitution. With the object of promoting planned development of co-operative credit, marketing, processing, storage and warehousing throughout the country, the Rural Credit Survey Committee had recommended the creation of the National Co-operative Development and Warehousing Board (NCD&W Board). At the time of drafting the Agricultural Produce (Development and Warehousing) Corporations Bill, 1955, the view of the Agriculture Ministry was that the scope of the Bill should be extended not only to all the agricultural commodities, but also to forests, fisheries, horticulture and live-stock. The main reason for holding this view was that the functions of the Board were to be mainly of a planning nature and financial assistance was proposed to be given to the state governments without impinging on the state sphere of activity. However, on the basis of oral advice tendered by the then Attorney-General for India, the scope of the Act was confined to those activities which were relatable to Entry 33 of List III (*Annexure I*). The argument stated to have been advanced by the Attorney-General was that the legislative powers conferred by Entries 43 and 44 (relating to incorporation, regulation and winding up of corporations) of List I could not be so exercised as to affect the legislative powers conferred on state legislatures unless the centre was prepared to go to individual state legislatures and get them to pass resolutions authorising the Central Government to undertake legislation in respect of the other commodities also. Were it otherwise, Parliament by resorting to the device of constituting

a corporate body could successfully invade the state fields. Thus the scope of the definition of 'agricultural produce' was restricted to the articles mentioned in Entry 33 of List III. However, it may be mentioned that Entry 33 itself was included in List III as the centre considered it necessary to retain in some form or other the powers to control the production, supply and distribution of the articles mentioned in the Entry. Although commodities other than agricultural produce did not figure in the erstwhile Agricultural Produce (Development and Warehousing) Corporations Act, 1956, Section 2(e) of the NCDC Act, 1962 extends the scope to other commodities also if notified under the Act. A "notified commodity" means

"any commodity (other than agricultural produce) which the Central Government may, by notification in the Official Gazette, declare to be a notified commodity for the purposes of this Act, being a commodity with respect to which Parliament has power to make laws by virtue of Entry 33 in List III in the Seventh Schedule to the Constitution."

This gives a very wide scope to the NCDC. It can bring within its fold all commodities mentioned in the First Schedule to the Industries (Development and Regulation) Act, 1951. Soap, match boxes, kerosene oil, textiles, cement and tea have recently been notified at the instance of the NCDC to enable it to assist such of the co-operative societies whose field of activity covers items other than 'agricultural produce'. It would thus appear that although conceived as a body for promoting co-operation in the rural field, during the process of hammering out the law this body was also given powers to undertake promotional activities outside the agricultural field.

ORGANISATION

5. Organisationally, the Corporation is in the nature of a standing commission. It has no board of directors as such. Its principal administrative organs consist of the Corporation and an executive committee. The Corporation comprises 20 members, both officials and non-officials, connected with co-operative development. The Union Minister of Food, Agriculture, Community Development and Co-operation is the Chairman of the Corporation. Among the official members are Secretaries to the Planning Commission and to the Ministry of Food, Agriculture, Community Development and Co-operation as well as senior officials representing the Ministries of Commerce and Finance. The Deputy Governor of the Reserve Bank of India and the Managing Directors of the State Bank of India, Food Corporation of India and Central Warehousing Corporation are also members

of the Corporation. There are eight non-official members who include eminent co-operators and experts in the field of rural economics and co-operation.

EXECUTIVE COMMITTEE

6. The Corporation is assisted by an executive committee constituted by the Central Government under Section 10 of the NCDC Act, 1962. The executive committee of the Corporation consists of seven members with the Union Deputy Minister (Co-operation) as Chairman. Other members include two non-official co-operators, the Deputy Governor of the Reserve Bank of India, Secretaries in the Union Departments of Co-operation and Agriculture and a representative of the Ministry of Finance.

FUNCTIONAL COMMITTEES

7. For consultative purposes, the Corporation has constituted three Functional Committees under Section 11 of the NCDC Act, 1962, viz., the Functional Committee on Co-operative Agricultural Credit, the Functional Committee on Co-operative Agricultural Marketing and Processing and the Functional Committee on Co-operative Agricultural Supplies and Storage. These committees comprise subject-matter experts, key officials of state and national co-operative federations and Registrars of Co-operative Societies.

ADMINISTRATION

8. The administration of the Corporation is carried on by its Secretary who is the chief executive officer of the Corporation. A copy of the organisation chart of the Corporation may be seen at *Annexure II*.

FUNDS

9. The Corporation has no equity capital nor does it raise any funds by borrowing from the market. Its funds are derived primarily by way of loans and grants from the Central Government. The Corporation maintains a fund called the National Co-operative Development Fund which is not lapsable. This is built from the following sources :—

- (a) funds inherited from the erstwhile National Co-operative Development and Warehousing Board:

The erstwhile NCD&W Board used to receive the entire amount required by them for making loans and grants to the state governments as a grant from the Central Government. The repayments of loans by the state governments were accumulated in the Corporation's fund. The intention was that in course of time the Board would build up a sizeable corpus of its own so as to be able to finance co-operative development schemes without any outside assistance from the Government under the NCDC Act, 1962. The Corporation had inherited a sum of Rs. 20.33 crores from the erstwhile NCD&W Board. A sum of Rs. 19 crores has been loaned to the state governments for

various schemes and the cash balance of the Corporation as on the 31st of March, 1966 was Rs. 1.90 crores.

- (b) grants and loans annually sanctioned by the Central Government to enable the Corporation to give assistance to the states:

The Central Government is required to give to the Corporation loans and grants to the extent required for giving loans and subsidies to the state governments as assistance for plan schemes. The loans and grants which are given to the Corporation by the Central Government for various plan schemes undertaken by the state governments are passed on to the state governments concerned by the NCDC after watching the progress of the schemes.

- (c) additional grants made by the Central Government for the purpose of the National Co-operative Development Corporation Act:

Since the entire funds given by the Central Government to the NCDC are passed on to the states the NCDC is not left with any surplus amount to build up its own fund so as to make it self-reliant. To mitigate this difficulty and to enable it to maintain a fund under Section 13 of the Act, the Central Government gives a subsidy equivalent to the interest paid by the Corporation on the loans received from the Central Government. This is, however, an administrative decision and the Central Government is not bound by statute to respect it.

- (d) repayment of loans, interest on loans and dividends on investments:

These represent the amount of loans repaid by the state governments, the interest on them and income on investments.

CATEGORI-
SATION OF
ACTIVITIES

10. The activities performed by the NCDC have been studied in detail and are broadly categorised below :—

- I. providing leadership and initiative to the states and serving as a clearing house of information;
- II. undertaking the responsibility for drawing up the national plan;
- III. taking initiative in evaluating programmes with the object of locating problems and taking remedial measures;
- IV. providing a forum and meeting ground for the state representatives for the exchange of ideas on different subjects and for the evolution of guidelines;
- V. all-India and inter-state federations;

- VI. matters relating to the United Nations/foreign countries and other foreign agencies;
- VII. sponsoring and financing of schemes out of its own corpus; and
- VIII. involvement with actual centrally aided and centrally sponsored schemes.

Activities mentioned at (I) to (VI) have necessarily to be retained by the centre as they flow from its role as leader, innovator and technical guide. The activities mentioned at (VIII) should be decentralised. A fuller discussion of the activities to be decentralised (item VIII) may be seen in paragraphs 11 to 14 and at *Annexure III*. The functions/schemes which have to be retained by the Corporation may be seen at *Annexure IV*. The decentralisation and retention proposed here broadly follow the principles laid down in Chapter XI and have regard also to feasibility. There is, however, one significant departure. Schemes financed from within its own corpus have been mentioned in the list of activities to be retained. This has been done not because these schemes are inherently fit for retention at the centre but only because the corpus has an independent entity and, as long as the Corporation itself exists, may well be allowed to continue and retain its separate existence. Regarding the continuance of the Corporation itself we have not made any comments as this is not an organisational study. Assuming that the Corporation will continue, the corpus has been proposed for retention. Otherwise, the bulk of the corpus schemes can also be decentralised in accordance with the same principles.

In the subsequent paragraphs we discuss first the activities that can be decentralised and later those that should be performed by the centre and the extent to which they are being performed.

ACTIVITIES
THAT CAN
BE DECENTRALISED

11. Involvement with actual centrally sponsored and centrally aided schemes (item VIII) is in the following respects :—

- (a) the formulation, sanction and scrutiny of centrally sponsored schemes;
- (b) sanction and release of financial assistance for centrally aided and centrally sponsored schemes;
- (c) follow-up action of measures suggested for accelerating progress; and
- (d) field investigation of utilisation of financial assistance by various states and follow-up action thereon.

While a fuller discussion of the activities that should be decentralised (item VIII) is available in *Annexure III*, a brief recapitulation of the main points may be seen in the paragraphs following.

Centrally sponsored schemes

12. The centrally sponsored schemes may be taken first. The NCDC has the following centrally sponsored schemes :—

- (1) agricultural credit stabilisation fund;
- (2) establishment of export-oriented processing unit such as solvent extraction plant, fruit and vegetable processing units and modernization of rice mills;
- (3) subsidy to primary marketing societies for distribution of consumer articles in rural areas; and
- (4) special assistance to the eastern states and Rajasthan.

None of the schemes in this list conforms to the criteria laid down by the Planning Commission for centrally sponsored schemes which are : (i) they should relate to demonstration, pilot projects, survey and research; (ii) they should have a regional or inter-state character; (iii) they should require lump sum provisions to be made until they can be broken down territorially; and (iv) they should have an overall significance from the all-India angle. There appears to be no necessity of foisting the centre's judgement on the states regarding the necessity of any of the centrally sponsored schemes in this sector. Except for providing broad guidelines, the centrally sponsored schemes should be completely decentralised. If, on an overall view of the entire development programme, any schemes in the co-operative sector are considered to be of overriding priority, central assistance can be tied to them.

Sanction and method of release of funds for centrally aided and centrally sponsored schemes

13.1 In regard to various centrally aided schemes the Corporation grants long-term loans as well as subsidies to the state governments for the following purposes :—

Loans

- (i) to subscribe to the share capital of marketing and processing co-operatives;
- (ii) to grant loans for construction of godowns by village co-operatives, marketing and processing societies;
- (iii) to grant loans for construction of co-operative cold storages and setting up of processing units;
- (iv) to grant loans to marketing and processing co-operatives for purchase of transport vehicles;

Grants

- (v) to grant subsidies to village marketing and processing societies for construction of godowns;
- (vi) to grant subsidies to large-sized credit societies and marketing/processing societies for hiring of godowns;
- (vii) to grant subsidies to marketing and processing societies to establish grading units;
- (viii) to grant managerial subsidies to co-operative credit, marketing and processing institutions at various levels;
- (ix) to make outright grants towards special bad debt reserves of central co-operative banks and primary agricultural credit societies; and
- (x) for employment of additional departmental staff in state co-operative departments.

The centrally aided and centrally sponsored schemes of co-operative development included in the Fourth Five Year Plan which are operated by the NCDC are listed in *Annexure VI*. The NCDC examines broadly the details and releases assistance in instalments after watching the progress of schemes.

13.2 For state plan schemes the central assistance is released by the NCDC. An interesting feature obtaining in this organisation is that apart from working as an autonomous corporation created under the Act, it is also functioning as the Marketing Wing of the Ministry of Food, Agriculture, Community Development and Co-operation (Department of Co-operation). Thus, all the central assistance falling under the subjects dealt with by the Corporation is passed on to the state governments through this Corporation. For schemes other than those falling under heads : co-operative credit, marketing, processing, storage, supplies and godowns the central assistance to the state governments for various plan activities pursued by them in the state sector is passed on to them by the Department of Co-operation themselves in much the same way as is done by the Department or Agriculture or for that matter any other department of the Central Government. Another feature of the working of this arrangement is that, unlike other sectors of economy, ways and means advances are not given to the states against plan schemes for adjustment against central assistance at the end of the year. All the plan schemes included in the state sector which fall within its jurisdiction are released their financial assistance from this Corporation. In fact, before any assistance is released by the Registrars of Co-operative Societies in their region they have to send to the Corporation in a prescribed form various details, *viz.*,

the names of the society, actual expenditure already incurred, anticipated expenditure during the remaining part of the year and some other relevant details to get the proportionate share of the assistance promised by the Central Government. No detailed scrutiny is, however, done at the central level but on the basis of facts intimated in the prescribed form financial assistance is released in one lump sum or in two instalments depending upon the type of schemes.

13.3 Thus within the 'co-operative' sector two different methods of release of assistance are followed, one by the NCDC and the other by the Department of Co-operation. For 'co-operative farming' and 'training & education', the Department of Co-operation issues sanctions sometime in March for central assistance to be adjusted against ways and means advances made to the state governments. By linking release of funds with the progress of expenditure and implementation of schemes, the NCDC endeavours to ensure proper utilisation of funds by the states and has met with increasing success in recent years. However, except for the release of assistance for the schemes sponsored and financed by the Corporation from its own corpus, there is no reason why the state governments should not be relied upon for releasing assistance to societies themselves, obtaining utilisation statements from the societies and having on the spot investigations, if lump sum assistance for plan schemes is placed at their disposal. This will obviate the necessity of the Registrars of Co-operative Societies having to send the details and of the NCDC having to scrutinise them. An avoidable load of work and unnecessary centralisation of functions at the headquarters can be done away with. Besides, this scrutiny is squarely the responsibility of the Registrars and not that of the centre, which, incidentally does the scrutiny on the basis of arranged information supplied by the Registrars. This spoon-feeding is unnecessary and undesirable. The Registrars of Co-operative Societies should be authorised to release assistance to co-operative societies in the same number of instalments as are prescribed by the NCDC. The Corporation will thus be divested of its functions in regard to scrutiny of each type of scheme and release of grants and loans and ancillary work.

Field work

14. As a result of this decentralisation most of the field work mentioned at (c) and (d) in paragraph 11 will devolve on the states as pointed out in the details at *Annexure III*.

EXTENT
OF DECENTRALISATION

15. If the analysis here is accepted as correct work relating to the release of central assistance of about Rs. 102 crores during 1966-67 to 1970-71 in respect of centrally aided and centrally

sponsored schemes would be decentralised. Work relating to schemes worth Rs. 19 crores financed out of the corpus will be retained.

CAPACITY
AT THE
STATE
LEVEL

16. A point that would now arise is whether it will be possible for the Registrars of Co-operative Societies to undertake this activity. This will not pose any problem, as the bulk of the work of this nature is in any case being handled at present by them. The NCDC has already taken the initiative for strengthening the state departments of co-operation at all levels and has provided substantial aid to state governments for this purpose. There may, however, be several technical problems, e.g., problems of installation, managerial problems, operational problems and problems relating to working capital and block capital requirements for which the NCDC may continue to provide technical guidance as at present.

FUNCTIONS
TO BE RE-
TAINED

17.1 The analysis done so far indicates what functions the Corporation has been performing which should in fact have been performed by the states and should be decentralised. It would be of interest to note how effectively it has been able to discharge some of the basic functions that flow from its role as leader, disseminator of information, planner and evaluator.

Sponsoring
and financ-
ing of sche-
mes from its
own corpus

17.2 In certain crucial sectors, the Corporation sponsors and finances schemes from its own corpus owing to paucity of plan funds. A list of such schemes is at *Annexure V*. In respect of these schemes the Corporation generally provides assistance to the state governments to the full extent of the assistance sanctioned by them to the co-operatives concerned. Such assistance is given outside the state plan ceilings. The rate of interest charged in respect of the loans sanctioned for the Corporation schemes is the same as that charged for the loans given for the normal plan schemes. The interest on such loans is the income of the Corporation and is credited to its funds. During 1966-67 the assistance granted to the state governments out of its own funds was of the order of Rs. 2.31 crores. Up to the end of March, 1967, such assistance was of the order of Rs. 10.10 crores. Some of the schemes in this category are:—

- (a) development of hybrid seed producer co-operative processing-cum-marketing societies on a pilot basis;
- (b) scheme for fabrication of agricultural implements by selected co-operative marketing societies;
- (c) scheme for establishment of formulation units for pesticides/insecticides by apex marketing societies; and

- (d) establishment of granular fertiliser plants in five selected apex marketing societies.

These schemes receive technical and financial sanction by the NCDC before they are taken up for implementation by the states. In accordance with the remarks in paragraph 10, this function may continue to be handled by the NCDC as it would be anxious to see that the funds are properly spent on activities it desires to be undertaken.

Serving as a clearing house of information

17.3 The NCDC holds various meetings of key executives at the state level and of functional offices and experts for the exchange of ideas. The experience of the states in regard to the working of co-operative schemes is passed on to other states. Problems faced by the states in implementation of various schemes are discussed at the centre or through personal visits. Various pamphlets and brochures are also brought out by it and circulated to all the states. The NCDC examined the directory of wholesale produce establishments brought out by the Directorate of Agricultural Marketing and Inspection, Nagpur and asked the Registrars of Co-operative Societies of all the states to initiate steps to find out which of the wholesale markets in the states were covered and which remained uncovered by the co-operative marketing societies.

Drawing up of the national plan

17.4 In the drawing up of the national plan the NCDC undertakes areawise and commoditywise planning, identification of special areas offering potential for the development of processing co-operatives and formulation/scrutiny of five year plans and annual plans relating to co-operative marketing, processing, storage and supplies.

Research and training

17.5 Research at the national level and foundational training fall outside the purview of the functions of the NCDC. These functions are looked after by the National Co-operative College and Research Institute, Poona and the Committee on Co-operative Training. This is discussed further in paragraphs 18 and 19.

Evaluation

17.6 The evaluation of schemes has not received much attention mainly because it is too early to evaluate these schemes. There is no single organisation or agency in India solely devoted to the task of evaluation of work relating to co-operative development. Short-term evaluation is undertaken by preparing annual reviews in regard to various programmes of co-operative marketing and processing based on data collected from the states. These are very useful for getting a total picture of the work done by the states. In addition, the NCDC has undertaken

special studies, *e.g.*, working results of co-operative cold storage societies, impact of outright grants for special bad debt reserves on weaker sections of the community etc. The Corporation should create organisational and other facilities for conducting a long-term evaluation of schemes undertaken by it. The evaluation work to be done by the NCDC should, however, be complementary to that being done by the state co-operative departments, if any.

**Conferences
and seminars**

17.7 The NCDC conducts various conferences and seminars of key executives at the state level, thus providing a good forum and meeting ground for the exchange of ideas. It also holds meetings of functional officers (expert level) of various states to discuss and exchange views on problems relating to individual societies. Discussions in various conferences and meetings enable the Corporation to evolve a common policy after taking into account the experience of various agencies in the states. Guidelines are thus evolved and suggested to the states concerned.

Guidelines

17.8 To the extent the NCDC prepares model blueprints and guidelines in respect of plan schemes, provides technical guidance to the states, sponsors and finances schemes of crucial importance out of its corpus, provides liaison with other central ministries, and arranges for meetings of key officers at the state level, it may be concluded that it discharges properly the function of providing initiative and leadership. A good beginning has been made by the NCDC in arousing the interest of the states in co-operative development. Thus schemes have been evolved for the fabrication of agricultural implements by selected co-operative marketing societies, the establishment of formulation units for pesticides/insecticides by apex marketing societies and the establishment of granular fertiliser plants in selected apex marketing societies.

TRAINING

18. 'Training' falls outside the purview of the functions of the NCDC. At the central level, the National Co-operative Union of India (NCUI) is charged with the responsibility of overall training. The NCUI has constituted a committee for training in co-operation in consultation with the Government of India. This Committee is in overall charge of the co-ordination of programmes of this training in the country. It administers 13 intermediate training centres and the National Co-operative College and Research Institute at Poona. The NCDC, however, helps the Committee on Co-operative Training in drawing syllabi and other details of various schemes of co-operative training.

RESEARCH 19. Research on various aspects of co-operation is sponsored and conducted by the National Co-operative College and Research Institute, Poona. To start with, a research project on the linkage of co-operative credit and marketing has been undertaken. Other studies of regional and national importance, *e.g.*, study of the content and adequacy of the supervision machinery with reference to the working of primary agricultural co-operative societies have been taken in hand. The taking up of these functions by the NCDC will be a mere duplication, which may be avoided.

NATIONAL UNIONS 20. In the ultimate analysis, the objective is to strengthen national unions and to entrust to them the functions which are presently performed by the NCDC. In other words, it will be the co-operative federations at the national level which will be responsible for promoting, planning and financing the schemes to be undertaken by co-operatives with the help of central funds, if needed. They will be the regulatory organisations of the entire co-operative movement in which case both the Central and state governments will shed their respective powers and functions in favour of these all-India bodies.

CONCLUSIONS

21. To conclude :

1. the NCDC should shed the work relating to the release of central assistance for centrally aided and centrally sponsored schemes to the states (paragraphs 12, 13.2 and 13.3);
2. it may continue to finance schemes out of its corpus and exercise the same control as at present (paragraph 17.2).

Entry 33 of List III of the Seventh Schedule to the Constitution

Trade and commerce in, and the production, supply and distribution of:

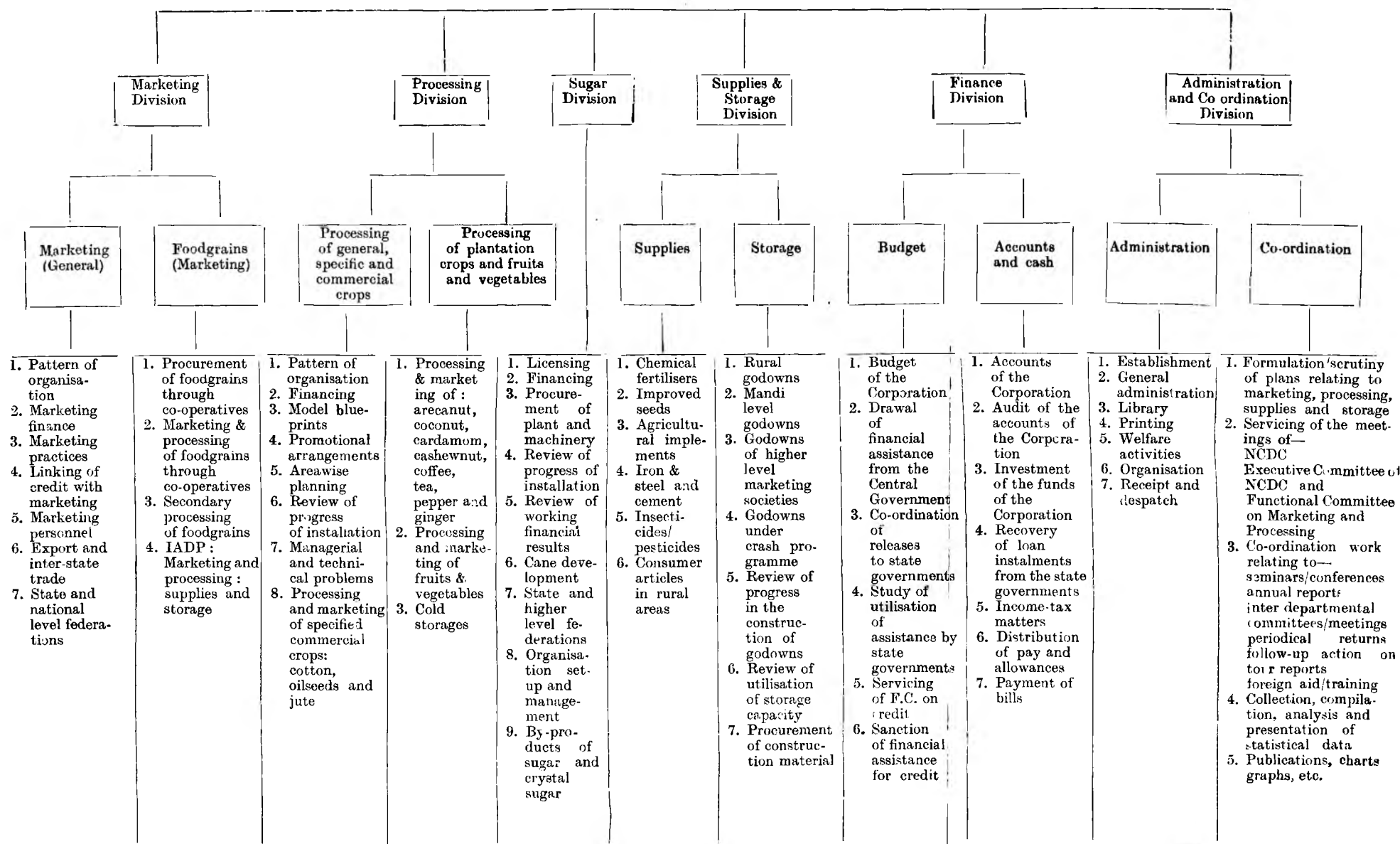
- (a) the products of any industry where the control of such industry by the Union is declared by Parliament by law to be expedient in the public interest, and imported goods of the same kind as such products;
- (b) foodstuffs, including edible oilseeds and oils;
- (c) cattle fodder, including oilcakes and other concentrates;
- (d) raw cotton, whether ginned or unginned, and cotton seed; and
- (e) raw jute.

National Co-operative Development Corporation
Organisation and Functions

Corporation

Executive Committee

Secretariat



Annexure III

(See paragraphs 10, 11 and 14)

National Co-operative Development Corporation

Functions that may be decentralised to the states

S. No.	Functions/Schemes	Nature of functions	Remarks
1	2	3	4
	<i>Involvement with actual centrally aided and centrally sponsored schemes</i>		
	A—Centrally aided schemes		
1	Managerial subsidy to Village co-operatives, central co-operative banks, apex co-operative banks and land mortgage banks.	1. Sanction and release of financial assistance to the state governments for various centrally aided and centrally sponsored schemes.	1. The Corporation is at present releasing central assistance for various centrally aided schemes in the state sector on the basis of the progress of implementation of schemes conveyed to them by the concerned state governments. In other sectors, e.g. the agriculture and animal husbandry sectors, 10/12th of the total central assistance is released to the states in the form of 10 monthly instalments beginning from April and the balance at the end of the year on the basis of estimated expenditure. As compared to this procedure the NCDC is releasing central assistance in two instalments, or in one lump sum on receipt of information regarding names of societies concerned, actual expenditure already incurred and the anticipated expenditure during the remaining part of the year.
2	Outright grants for contribution to special bad debt reserve of village co-operatives and co-operative banks.	2. Checking up of utilisation statements and follow-up action thereof.	
3	Relief and guarantee fund.	3. Correspondence with state Accountants General regarding verification of figures of expenditure and utilisation certificates.	
4	Share capital contribution to marketing societies.	4. On the spot investigations of utilisation position of funds and visits to co-operative institutions.	
5	Managerial subsidy to marketing societies.	5. Preparation of utilisation reports and follow-up action on them.	There is no justification for this double scrutiny being carried on both at the level of state governments as well as the Central Government. Nor does the NCDC contribute tangibly by way of scrutiny—technical or otherwise. On the
6	Subsidy to apex marketing societies for creation of common cadre of personnel.		
7	Subsidy to marketing societies for contribution to price fluctuation fund.		
8	Subsidy to marketing societies for establishment of grading units.		

1	2	3	4
9	Loans to marketing societies for purchase of trucks.		other hand, the state governments are put to a great deal of delay and unnecessary exchange of correspondence and notes. Similarly, on the spot visits for investigating utilisation position of the assistance in various states by the NCDC except for overall evaluation is uncalled for. This should be completely decentralised. There may be difficulties in initial stages but they will diminish as new attitudes are developed to take the place of old ones. The NCDC could, therefore, evolve steps for effective evaluation of the programmes which are assisted by the Central Government or by the Corporation out of its own funds.
10	Loans to sugar factories.		2. For schemes sponsored and financed by the Corporation out of its own corpus the existing procedure of linking releases with progress of schemes may continue for the present.
11	Share capital and managerial subsidy to other processing societies.		
12	Loans for installation of cold storage plants.		
13	Loans and subsidies for godowns.		
14	Subsidy to the state co-operative departments for appointment of additional departmental staff.		
B—Centrally sponsored schemes			
1	Agricultural credit stabilisation fund (this is being transferred to the Department of Co-operation).		
2	Establishment of export-oriented processing units such as solvent extraction plants, fruit and vegetable processing units, and modernization of rice mills.		
3	Subsidy to primary marketing societies for distribution of consumer articles in rural areas.		
4	Special assistance to the eastern states and Rajasthan (for 1967-68).		

Annexure IV
(See paragraph 10)

National Co-operative Development Corporation

List of functions to be retained at the central level

S. No.	Broad category	Detailed head	Remarks
1	2	3	4
I.	<i>Providing initiative and leadership to the states and serving as a clearing house of information</i>	<p>1. General matters relating to cooperative agricultural marketing :</p> <p>(1) pattern of organisation of marketing societies ;</p> <p>(2) share capital structure ;</p> <p>(3) marketing finance ;</p> <p>(4) marketing personnel ;</p> <p>(5) market practices ;</p> <p>(6) linking of co-operative credit with co-operative marketing ; and</p> <p>(7) inter-state and export trade.</p> <p>2. Co-operative marketing of foodgrains :</p> <p>(1) role of the co-operatives in procurement of food-grains ;</p> <p>(2) modern rice mills;</p> <p>(3) conventional rice mills; and</p> <p>(4) role of co-operatives <i>vis-a-vis</i> Food Corporation of India.</p> <p>3. Marketing and processing of individual crops namely— (a) sugarcane (b) foodgrains</p>	<p>Most of the functions performed under this head are promotional and are of an initiative-oriented nature which the NCDC, being a central agency on co-operative marketing, is performing and has to perform in future. The functions relate to the preparation of blue prints or model schemes in respect of various activities like price fluctuation fund, co-operative rice mills, modern rice mills, standard viable units for processing industries, solvent extraction plants, multi commodity fruit and vegetable processing, co operative cold storage projects, report for establishment of insulation board plants, etc. These have to be handled at the central level. The functions include evolving of policy and of a co-ordinated approach to solution of problems.</p> <p>In short, the functions performed by the NCDC are in the nature of a liaison agency, a technical advisory body and a clearing house of information.</p>

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(c) cotton (d) groundnuts (e) fruits and vegetables (f) jute and plantation of crops and other commercial crops.

In regard to above, the NCDC's functions relate to:

- (1) preparation of model blueprints;
- (2) licensing problems;
- (3) problems of installation;
- (4) block capital requirements;
- (5) working capital requirements;
- (6) managerial problems; and
- (7) operational problems.

4. Development of secondary processing and by-products industries in the co-operative sector, e.g. solvent extraction plants, rice bran oil, power alcohol, paper, vanaspati and spinning mills.

The NCDC's functions in regard to the above relate to the following :

- (1) preparation of model blueprints;
- (2) licensing problems;
- (3) problems of installation;
- (4) block capital requirements;
- (5) working capital requirements;
- (6) managerial problems; and
- (7) operational problems.

5. Agricultural supplies (chemical fertilisers, seeds, implements, pesticides and insecticides).

1	2	3	4
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The NCDC's functions in regard to the above relate to—

- (1) preparation of blue-prints;
- (2) problems and policies regarding distribution;
- (3) problems and policies regarding production ;
- (4) liaison with national/inter-state bodies; and
- (5) technical and operational problems.

6. Rural supplies :

Blueprints for centrally sponsored schemes for distribution of consumer articles in rural areas through marketing/village co-operatives.

7. Budget : The functions include the following :

- (1) preparation of budget estimates for various schemes of co-operative development coming within the purview of the Corporation based on working group discussions ;
 - (2) computation of the Corporation's share of assistance on the basis of state budget provisions and Finance Ministry's allocations ;
 - (3) obtaining of funds from the Central Government for various schemes falling under the category of :
 - (a) centrally aided plan schemes ; and
-

1	2	3	4
		(b) centrally sponsored schemes ;	
		(4) submission of returns and statements to the Central Government under Section 14(1) of the NCDC Act; and	
		(5) work connected with the Audit and the Public Accounts Committee.	
		8. Seminars, conferences and meetings:	
		(1) seminars of key executives at state level engaged in various activities;	
		(2) conferences of state ministers in charge of co-operation, Registrars of Co-operative Societies and Joint Registrars concerned with the subjects;	
		(3) meetings of functional officers (expert level) of various states to discuss and exchange views on problems relating to individual activities; and	
		(4) publication of brochures/pamphlets, preparation of charts/graphs.	
		9. Miscellaneous functions :	
		(1) servicing of the meetings of the NCDC ;	
		(2) executive committee of the NCDC ;	
		(3) the functional committees on co-operative marketing and processing; and	
		(4) liaison with the central agency for the import of spare parts etc.	

1	2	3	4
<p>II <i>Undertaking responsibility for drawing up the national plan for the development of co-operative marketing, processing, storage and supplies.</i></p>	<ol style="list-style-type: none"> 1. Formulation/scrutiny of five year plans and annual plans relating to co-operative marketing, processing, storage and supplies at the national/state level. 2. Advance statewise studies of plans of co-operative development in regard to co-operative marketing, processing, storage and supplies. 3. Areawise planning/commoditywise planning. 4. Identification of specific areas offering potential for development of processing. 	<p>The NCDC is concerned with overall national planning on co-operative, marketing and undertakes <i>inter alia</i> areawise planning, identification of specific areas offering potential for the development of various processing units, formulation of five year plans relating to co-operative marketing, compilation, analysis and presentation of statistical data.</p>	
<p>III <i>Taking the initiative, in a limited way, in evaluating programmes with a view to locating problems and taking remedial measures on an overall basis.</i></p>	<ol style="list-style-type: none"> 1. General evaluation : <ol style="list-style-type: none"> (1) preparation of annual reviews based on the data furnished by the state governments in regard to agricultural marketing, processing and supplies and storage; (2) specific evaluation : special studies on— <ol style="list-style-type: none"> (i) utilisation of godowns, (ii) working results of cold storages, (iii) economic viability of rural godowns, (iv) marketing of paddy, wheat and jute in selected states, (v) effect of managerial subsidies on revitalisation of village societies, 	<p>The NCDC being a central agency is concerned with evaluating the progress of various co-operative units with a view to locating problems and suggesting remedial measures. However, if the decentralisation of plan assistance and consequent scrutiny of schemes is agreed to, the NCDC will be concerned with evaluation only on an overall basis and with long-term evaluation.</p>	

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- (vi) impact of outright grants for special bad debt reserves on weaker sections of the community,
 - (vii) how to achieve co-ordination between short, medium and long-term credits, and
 - (viii) review of working and financial results of sugar factories.
2. Preparation of reviews :
- (1) review of progress, installation and observance of performance trial of sugar factories;
 - (2) progress and problems—establishment of promotional cells ;
 - (3) progress and problems of co-operative marketing of cotton in different states—relations with textile mills;
 - (4) progress and problems of co-operative marketing of oilseeds in different states;
 - (5) co-operative marketing of jute—progress and problems;
 - (6) co-operative marketing of fruits and vegetables—progress and problems in different states;
 - (7) spot study of weaker units to find out the reasons for inefficiency and suggesting ways and means of introducing improvements;
 - (8) review of progress and organisational set-up of marketing of sugarcane through cane units in Uttar Pradesh, Bihar and Punjab ;
-

1	2	3	4
		<p>(9) progress and problems of distribution of chemical fertilisers and their sale promotion through co-operatives in the states;</p> <p>(10) progress and problems of distribution of seeds undertaken by co-operatives in the states;</p> <p>(11) progress and problems of distribution of agricultural implements by co-operatives in the states;</p> <p>(12) progress and problems of distribution of insecticides/pesticides through co-operatives in the states; and</p> <p>(13) undertaking studies regarding utilisation of storage capacity created in the co-operative sector.</p>	
IV	<p><i>Providing a forum and meeting ground for state representatives for the exchange of ideas on different subjects and for the evolution of guidelines.</i></p>	<ol style="list-style-type: none"> 1. Seminars of key executives at the state level engaged in various activities. 2. Conferences of state ministers in charge of co-operation, Registrars of Co-operative Societies and Joint Registrars concerned with the subject. 3. Meetings of functional officers (expert level) of various states to discuss and exchange views on problems relating to individual activities. 4. Publication of brochures/pamphlets, preparation of charts/graphs. 	<p>The NCDC conducts various conferences and seminars as well as meetings of Registrars of Cooperative Societies/ co-operation ministers of states/ key officers. Discussions with them enable the Corporation to evolve a common policy after taking into account the experience of various officers in the states. The guidelines thus evolved are communicated to the states for adoption.</p>
V	<p><i>Dealings with all-India organisations.</i></p>	<ol style="list-style-type: none"> 1. All-India Federation of Co-operative Spinning Mills, Ltd. 2. National Federation of Co-operative Sugar Factories. 	<p>These are all-India/inter-state bodies. The Corporation has to provide financial assistance or deal directly with these bodies.</p>

1	2	3	4
		3. National Agricultural Co-operative Marketing Federation.	
		4. All-India Central Land Development Banks Union, Ltd.	
<i>VI Matters relating to the United Nations/foreign countries/other foreign agencies.</i>		Complex fertiliser plant with the techno-economic collaboration of the U.S.A. Cooperatives with the assistance of US AID/Co-operative League of the U.S.A.	This involves negotiation with a foreign agency through the ministry concerned at the central level and has got to be handled by the Corporation.
<i>VII Sponsoring and financing of schemes out of its own corpus.</i>		In certain crucial sectors, the Corporation sponsors and finances schemes from its own corpus owing to paucity of plan funds. The list of such schemes is at <i>Annexure V</i> .	This function may continue to be handled by the Corporation.

Annexure V
(See paragraph 17.2)

National Co-operative Development Corporation

List of schemes sponsored and financed by the National Co-operative Development Corporation out of its own corpus

(Rs. in lakhs)

S. No.	Name of the scheme	Pattern of assistance	Units	Amount
1	Conventional type of rice mills.	100% loan to state governments.	463	857.00
2	Promotional and assessment cells in the state apex marketing societies and the National Agricultural Co-operative Marketing Federation (NACMF).	100% subsidy for first 2 years 75% 3rd year 50% 4th year 25% 5th year	..	5.00 (1966-67)
3	Assistance to National Agricultural Co-operative Marketing Federation.	Share capital	..	10.00 (1966-67)
		<i>Subsidy</i>		
4	Assistance to All-India Central Land Development Banks Union Ltd.	1st year 0.50 2nd year 0.33 3rd year 0.25 4th year 0.17	..	1.25
5	Development of hybrid seed producer co-operative processing-cum-marketing societies on a pilot basis.	1.47 loan 0.27 subsidy	} per unit	20 36.00 (1966-67 to 1969-70)
6	Scheme for fabrication of agricultural implements by selected co-operative marketing societies.	0.70 loan 0.13 subsidy	} per unit	45 37.62 (1966-67 to 1969-70)
7	Scheme for establishment of formulation units for pesticides/insecticides by apex marketing societies.	1.81 loan 0.19 subsidy	} per unit	8 16.00 (1966-67 to 1969-70)
8	Supplementary programme of establishment of co-operative cold storages.	100% loan	30	250.00 (1966-67 to 1970-71)
9	Assistance to All-India Federation of Co-operative Spinning Mills, Ltd.	1st year 100% 2nd year 100% 3rd year 75% 4th year 50% 5th year 25%	..	0.50 (1967-68 to 1970-71)
10	Establishment of granular fertiliser plants in five selected apex marketing societies.	Loan 18.25 per unit	5	91.25

Annexure VI
(See paragraph 13.1)

National Co-operative Development Corporation

Financial outlay for schemes of co-operative development falling within the purview of the National Co-operative Development Corporation during the Fourth Five Year Plan and the quantum of central assistance payable.

(Rs. in lakhs)

S. No.	Name of the Scheme	Total outlay	Central assistance
1	2	3	4
A. Centrally aided schemes			
<i>I Credit</i>			
1	Managerial subsidy to:		
	(i) village co-operatives	1,200·50	600·25
	(ii) central co-operative banks	205·92	102·96
	(iii) apex co-operative banks	7·00	3·50
	(iv) land mortgage banks (including subsidy for appointment of land valuation officers).	162·62	81·31
2	Outright grants for contribution to special bad debt reserve of:		
	(i) village co-operatives	778·73	389·36
	(ii) central co-operative banks	269·40	134·70
3	Relief and Guarantee Fund	268·50	134·25
		2,892·67	1,446·33
<i>II Marketing</i>			
1	Share capital contribution to:		
	(i) primary marketing societies	813·03	609·77
	(ii) district marketing societies	59·10	44·33
	(iii) apex marketing societies	326·00	244·50
		1,198·13	898·60
2	Managerial subsidy to:		
	(i) primary marketing societies	46·38	23·19
	(ii) district marketing societies	0·15	0·08
	(iii) apex marketing societies	29·41	14·70
		75·94	37·97
3	Subsidy to apex marketing societies for creation of common cadre of personnel.	52·00	26·00
4	Subsidy to marketing societies for contribution to price fluctuations fund.	377·20	188·60
5	Subsidy to marketing societies for establishment of grading units.	19·59	9·80
6	Loan to marketing societies for purchase of trucks ..	228·50	171·38
		1,951·36	1,332·35

Annexure VI—concl'd.

1	2	3	4
III Processing			
1	Sugar factories:		
	loans to sugar factories	1,162·00	1,162·00
2	Other processing societies:		
	(i) share capital	1,248·90	936·67
	(ii) managerial subsidy	61·34	30·84
		2,472·24	2,129·51
IV Storage			
1	Cold storages:		
	loan for installation of cold storage plants	586·24	439·68
2	Godowns:		
	(i) godowns of marketing societies :		
	(a) loan	671·33	559·44
	(b) subsidy	223·77	111·88
	total	895·10	671·32
	(ii) godowns of processing societies:		
	(a) loan	42·00	35·00
	(b) subsidy	14·00	7·00
	total	56·00	42·00
	(iii) rural godowns:		
	(a) loan	840·17	700·14
	(b) subsidy	280·05	140·03
	total	1,120·22	840·17
3	Subsidy to village co-operatives for hiring of godowns	7·24	3·62
		2,664·80	1,996·79
V Departmental staff			
	Subsidy to state co-operative departments for appointment of additional departmental staff	677·69	338·85
	Total—A	10,658·76	7,243·83
B. Centrally sponsored schemes			
1	Agricultural credit stabilisation fund (to be transferred to the Department of Co-operation)		1,986·00
	Establishment of export-oriented processing units such as solvent extraction plants, fruit and vegetable processing units, and modernisation of rice mills		750·00
3	Subsidy to primary marketing societies for distribution of consumer articles in rural areas		66·09
4	Special assistance to the eastern states and Rajasthan (the scheme is to continue till March 1968 for the present)		104·44
	Total—B .. .. .	..	2,906·53
	GRAND TOTAL (A+B) .. .. .	..	10,150·36

Study IV

ANIMAL HUSBANDRY INCLUDING DAIRYING

**INTRO-
DUCTION
AND CON-
STITU-
TIONAL
POSITION**

1. The following entries in Lists I, II and III of the Seventh Schedule to the Constitution relate to Animal Husbandry:

Inter-state quarantine	.. .. .	Entry 81 List I
Agriculture, including agricultural education and research, protection against pests and prevention of plant diseases	..	Entry 14 List II
Prevention, protection and improvement of stock and prevention of animal diseases; veterinary training and practice	..	Entry 15 List II
Prevention of cruelty to animals	.. .. .	Entry 17 List III
Prevention of the extension from one state to another of infectious or contagious diseases or pests affecting animals	..	Entry 29 List III
Production, supply and distribution of cattle fodder	..	Entry 33 List III

Besides undertaking activities falling under List III, the Department of Agriculture at the centre undertakes and sponsors schemes falling in List II. Activities falling in List II are undertaken not only by the Central Government but also by a registered society created by the Central Government called the Central Council of Gosamvardhana (CCG). Before the role of the central agencies is commented upon, a brief resume of the nature, division and extent of the work in this field may be given.

**NATURE
OF WORK**

2. The work relating to Animal Husbandry can be divided into three broad heads:

- (1) development work,
- (2) research, and
- (3) training.

While 'research' and 'training' are entrusted to the Indian Council of Agricultural Research (ICAR), development work at the centre is the responsibility of the Department of Agriculture. An organisation chart of the Animal Husbandry and Dairying Division of the Department of Agriculture is at *Annexure I*. The plan schemes undertaken by the Department in the Fourth Plan under each of the above heads are listed in *Annexure II*.

**PROVISION
IN THE
FOURTH
PLAN**

3. The programmes in Animal Husbandry have a three-fold objective, namely, to increase the supply of protective foods, to provide draught power for farm operations and to improve the output of certain products of commercial importance such as

wool and hides. A vast potential of animal resources remains to be tapped. Besides effective animal resources need to be created. The Fourth Five Year Plan provides for a total allocation of Rs. 160 crores against Rs. 78 crores actually spent during the Third Plan period in the Animal Husbandry sector. The programmes envisaged during the Fourth Five Year Plan are larger in scope and their object is to have a greater impact on the rural economy of the country. The role of the centre is conceived here to be that of leader, helper, planner, innovator and stimulator.

**CATEGORI-
SATION OF
FUNCTIONS**

4. The activities performed by the Animal Husbandry Division of the Department of Agriculture have been studied in detail and are broadly categorised below:—

- I. providing leadership and initiative to the states and serving as a clearing house of information;
- II. undertaking the responsibility for drawing up the national plan;
- III. undertaking research at a national level;
- IV. taking initiative in evaluating programmes with the object of locating problems and taking remedial measures;
- V. providing a forum and meeting ground for the state representatives for the exchange of ideas on different subjects and for the evolution of guidelines;
- VI. all-India organisations;
- VII. matters relating to the Union Territories;
- VIII. matters relating to the United Nations/foreign countries and other foreign agencies;
- IX. matters falling under the Concurrent List;
- X. central schemes;
- XI. statutory and constitutional obligations of the Central Government;
- XII. release of foreign exchange;
- XIII. matters relating to inter-state questions or matters affecting more than one state;
- XIV. schemes undertaken either by the Department or the Central Council of Gosanvardhana which could be decentralised to the states straightway; and
- XV. training schemes.

**ITEM-WISE
DISCUSSION**

5. Activities mentioned at (I) to (V) above flow from the centre's role as leader, innovator and technical guide. These have, therefore, to be necessarily retained at the centre. A fuller discussion of the activities to be decentralised (items XIV and XV) may be seen at *Annexure III*. The functions/schemes that have to be retained at the centre may be seen at *Annexure IV*. The need for retention at the centre of the activities mentioned at items (VI) to (XIII) is discussed item-wise below:

VI. Matters relating to all-India organisations

The following activities are covered by this item:

- (a) grants to the Central Council of Gosamvardhana, the Animal Welfare Board and the Animal Experimentation Committee;
- (b) National Dairy Development Board; and
- (c) meetings and conferences held by the ICAR, CCG and Indian Standards Institution.

In regard to (a) above, the central agency makes a payment of annual grants for meeting administrative expenditure and for financing schemes through the Central Council of Gosamvardhana and the Animal Welfare Board. The latter may be decentralised. Regarding (b) and (c), these are bodies at all-India level which have to be handled by the central agency.

VII. Matters relating to the Union Territories

The Department is also concerned with animal husbandry in the Union Territories and runs the Delhi Milk Scheme. The DMS could be run by the Delhi Administration but Delhi being a Union Territory and therefore the responsibility of the Central Government, there can be no objection to the central Department of Agriculture running this scheme.

VIII. Matters relating to the UN/foreign countries and foreign agencies

All these matters have obviously to be handled by a central agency.

IX. Matters falling under the Concurrent List

Under this would fall the activities mentioned below:—

- (a) the central agency has to grant permission to various state governments for delegating powers to the collectors in regard to control of stocks, prices and movements of cattle fodder and cattle feeds in their respective districts; and

- (b) administration of the Prevention of Cruelty to Animals Act, 1960. Under this Act two central bodies, *e.g.*, the Animal Welfare Board and the Animal Experimentation Committee have been constituted.

In pursuance of this Act, the Animal Experimentation Committee have framed draft rules called the Experiments on Animals (Control and Supervision) Rules, 1966 (which are yet to be approved by the Government) according to which every person will have to seek a licence from this Committee for performing experiments on animals. The Committee will appoint inspectors throughout the country for conducting inspection and supervision of the premises where experiments are performed.

All these functions as also other functions relating to imposition of penalty and registration could be delegated to the state governments under Section 37 of the Act. The central agency may retain with itself only overall policy matters leaving the functions relating to implementation in the field to various state governments.

X. Central schemes

Some of the important schemes have been taken up by the centre mainly for the following reasons: —

- (1) inadequacy of technical know-how at the state level;
- (2) paucity of finances in the states' budgets; and
- (3) all-India and regional interests.

(1) and (2) are not really valid reasons for the centre to take up schemes in the state sphere. Allocation of resources should depend altogether on priorities settled taking the plan as a whole into account. Technical and administrative inadequacies in states provide a better but not good enough reason. The centre's role here should be to help strengthen the states' set-up to enable them to discharge their responsibilities squarely rather than to take over the functions of the states and absolve them of this responsibility. As the actual examination of the schemes proposed in this study for decentralisation will show, this particular weakness is not forbiddingly serious. The only valid consideration for taking up any schemes by the centre is when they cater to an all-India or inter-state clientele, particularly when they are also experimental in character. Thus, difficulties in distributing equitably quality animals amongst states, apathy of some states to share their animal resources with other states and economic viability and administrative feasibility have compelled the central agency

to undertake the following development programmes under its own control.

(a) Jersey Cattle Breeding Farms

The Government of India have established two jersey cattle breeding farms, one at Kataula in Himachal Pradesh and the other at Hessarghatta in Mysore. The foundation stock which was received as a gift from the U.S.A. is multiplied at both the farms and distributed to various state governments and institutions for crossbreeding programmes. The jersey bull can be reared only at places which are about 3,000 ft. above mean sea level. These farms are nucleus farms and cater to several states. They cannot be decentralised at this stage.

(b) Establishment of Cattle Breeding Farms

These are experimental farms to be established at six places for taking up scientific breeding of cattle for progeny testing of bulls. The experiment may require about a decade before the first results are known. The progeny tested bulls so produced will be distributed to all states for improving the genetic quality of cattle in state farms, intensive cattle development projects and key village centres. Only breeds of all-India importance and exotic breeds are proposed to be taken up. The farms are, therefore, experimental in character but have an all-India significance and, at this stage, must be run by the centre. The experiment may be evaluated in due course. If it is successful a stage will arrive when these farms will cease to have an all-India aspect and the states in which they are located will provide a self-contained sphere for them. The other states will either have an adequate stock themselves by that time to start their own farms or will be able to purchase the stock required. At that stage these farms should be decentralised.

(c) Establishment of Five Large-scale Sheep Farms

The farms are supposed to produce high quality stud rams for increased production of wool and meat. The breeding stock so produced will be distributed to the states for absorption in sheep and wool centres. Out of the five farms, four comparatively small ones are centrally sponsored. These can conveniently be decentralised straightway. The remaining farm which will be in the central sector will be much larger and, besides being experimental, will cater to more than one state. The experiment may be evaluated in due course and the farm decentralised on the same consideration as in (b) above.

(d) Central Poultry Farms

There are three farms, one each at Bombay, Bhubaneswar and Bangalore. Apart from supplying day-old chicks to various states, the farms are engaged in the development of genetically superior strains of poultry by adopting modern breeding techniques. There is no reason why the states cannot conduct the requisite research. Neither the investment nor the skill should be beyond their resources. It is not necessary for the centre, therefore, to handle all the three farms. Two farms may be decentralised while the centre could retain one as a model farm engaged in work relating to genetic improvement of stock.

XI. Statutory and constitutional obligations

- (a) Rinderpest eradication: At present this is a centrally sponsored activity in so far as vaccination stations (quarantine stations), immune belts and vaccine production are concerned. The remaining part of the scheme is included in the state sector. The centrally sponsored portion of the scheme should be made a central scheme and may be implemented by the states on an agency basis.
- (b) Animal quarantine and certification service in India: This function is included in List I and may be implemented through state governments on an agency basis, if necessary.
- (c) Live-stock Importation Act, 1898, as amended in 1953.
- (d) Matters relating to issue of licences under the Industries (Development and Regulation) Act, 1951.

All these items have to be retained by the central agency.

XII. Release of foreign exchange

This function has necessarily to be handled by the central agency.

XIII. Inter-state questions or matters affecting more than one state

(a) Supply of feed and fodder to scarcity areas and areas affected by drought is such an item. The central agency has to help the states experiencing shortage of fodder by arranging supplies from the neighbouring states. The centre may continue to discharge these duties.

(b) Substantive training schemes:

(i) Training Centre for Sheep Husbandry and Wool Technology, Poona: The scheme aims at providing specialised training in various aspects of sheep husbandry and wool technology to the nominees of various states.

(ii) Wild and stray cattle catching scheme (training part): The scheme aims at providing training facilities to the catch teams in the states.

Both schemes could continue to be handled by the centre but should be paid for by the participating states. The principle here is that the training is of a substantive and not of a foundational nature. It has to be run centrally because of its administrative convenience and for the sake of economy. The responsibility to train, strictly speaking, is that of the states which should, therefore, pay for this training.

**FINANCIAL
IMPLICATIONS**

6. If the analysis here is accepted as correct, schemes worth Rs. 3.69 crores will be decentralised and those worth Rs. 17.99 crores retained. Considering the Fourth Five Year Plan as a whole, the states will be responsible for schemes costing Rs. 142 crores as compared to the centre's responsibility for handling schemes costing Rs. 17.99 crores.

**CENTRAL
COUNCIL
OF GOSAM
VARDHANA**

7. A registered society called the Central Council of Gosamvardhana is charged with the responsibility of organising, implementing and co-ordinating activities relating to the preservation and development of cattle. The broad functions of the Council are shown in *Annexure V*. These include the following: —

- (i) to organise, implement and co-ordinate activities relating to the preservation and development of cattle and administer schemes for greater production of milk;
- (ii) to organise and co-ordinate the state councils of Gosamvardhana; and
- (iii) to sponsor schemes relating to increased production of feeds and fodder, development of pastures and grazing areas.

The Council gets a grant of the order of Rs. 13 lakhs and a loan of about Rs. 3 lakhs per annum from the Central Government for meeting its administrative expenditure and for financing some of the plan schemes in the animal husbandry sector. While the Council has succeeded in a large measure in bringing together the official and non-official agencies, its handling and implementing directly some of the schemes in the states raises a question whether such a central body should, in fact, be allowed to undertake such functions. Routing of funds to and through the Central Council is only another method of taking up and financing schemes which fall squarely within the state sphere and regarding which the states should take final decisions.

A few typical schemes pursued by the Council will make the position clear:

- (i) salvage of dry cows from the city of Calcutta;
- (ii) establishment of fodder banks;
- (iii) model gosadans at Dilwari and Gularbhoj;
- (iv) rehabilitation of nomadic cattle breeds in Gujarat; and
- (v) procurement of cow milk from Bikaner area for distribution in Delhi.

These schemes are undertaken by the CCG mainly because:

- (i) the states consider these schemes uneconomical; and
- (ii) the Council feels a moral responsibility regarding certain functions for which the state governments show no concern.

All these schemes should be the exclusive responsibility of the state governments concerned. If the state governments are not inclined to take up these programmes, it should be for the state councils of Gosamvardhana in the respective states to handle these schemes with financial assistance from the states leaving the Central Council with the responsibility only of providing guidelines and effecting co-ordination.

RESEARCH 8. Research is being conducted in an organised way. The ICAR which is an apex body for research has under it a number of central institutes, *e.g.*, Indian Veterinary Research Institute, Sheep and Wool Research Institute, National Dairy Research Institute and National Virus Research Institute. These institutes are performing the functions of fundamental research and providing post-graduate teaching. Out of 143 current schemes of animal husbandry and dairying being executed at various levels with the assistance of the Council about 29 per cent (*Annexure VI*) would appear to fall in the domain of state field. To this extent, decentralisation of research schemes financed by the ICAR may be effected. The Council's policy, however, is to supplement and not to supplant the work of agricultural and animal husbandry/veterinary departments and institutions under the Central and state governments. The cess collected under the Agricultural Produce Cess Act, 1940, is normally to be utilised for financing schemes of regional or all-India importance at the state and university/private institution level but in actual practice state schemes are also financed. An integrated picture of the results obtained under each of these schemes is

examined by the technical officers of the Council and a summary in popular language embodying the results of the research work done during the entire period of the scheme is published in one of the journals of the Council.

9. If a sincere effort is gradually to be made for decentralisation to the states of various schemes and functions performed by the central agency, an equally sincere effort will have to be made for strengthening the departments of animal husbandry in the weaker states to take on these functions. In certain states the technical know-how required for undertaking various programmes of animal husbandry is rather poor and may inhibit them from accepting these functions when they are ripe for decentralisation. It is necessary that more deputations of competent officers to the needy states to build up their departments should start now. Such an interchange of officers would give animal husbandry programmes a much needed injection of realism and perception. The central agency should also take up comprehensive programmes of training of superior personnel in the state animal husbandry directorates, besides freely rendering all technical advice required by the states.

EXTENT TO WHICH CENTRAL FUNCTIONS ARE PERFORMED

10.1 The analysis so far indicates what functions the centre has been performing which should in fact have been performed by the states and should be decentralised. It would be of interest to note how effectively it has been able to discharge some of the basic functions that flow from its role as leader, innovator, technical guide, disseminator of information, planner and evaluator.

10.2 In the discharge of its clearing house functions the central agency and the CCG organise regional and all-India cattle and poultry shows, exhibitions, all-India milk yield competitions, publication of monthly journals, booklets and pamphlets on Gosamvardhana. The results of research are examined and a summary in popular language published in one of the journals of the ICAR as well as in the Technical Report. However, except for a few important state plan schemes, the Department does not get progress reports in respect of other state plan schemes, so that it is not in a position to communicate good work done in one state to others. Thus, a very few state governments may be aware of the work done by the Poultry Corporation, Chandigarh, or the establishment of Poultry Dressing Plant, Poona. Only informal methods of dissemination through personal visits or during annual plan discussions are adopted. These should, however, be supplemented by systematised methods of disseminating all useful information.

10.3 In drawing up the national plan, a working group on Animal Husbandry is constituted two or three years in advance of the launching of a five year plan. No state representatives are included. The ingredients of good planning demand that (i) the planning should be based on facts, (ii) there should be a good system of drawing projections based on proper statistics, (iii) there should be representation from the Ministry of Finance and (iv) there should also be a system of options which will enable the planning cell to develop models with varying ideas. These ingredients in planning are largely absent and the setting up of a good planning cell is necessary.

10.4 Research at the national level is conducted by the ICAR in an organised manner through central research institutes under its control and also by financing research schemes of regional or all-India importance at the state and university/private institution level. There is no systematised method of disseminating to all results of good research done in various states. Only co-ordinated reviews are brought out but not at regular intervals.

10.5 It seems the central agency has not paid much attention to training of a foundational nature. It does not impart any training to the superior personnel of the animal husbandry departments in the states or to the project directors of intensive cattle development projects and officers incharge of various cattle farms/poultry farms in the states. Nor is the central agency in possession of data of untrained superior personnel in the states who are in need of such training. The function of foundational training is very important and may be actively pursued by the Department.

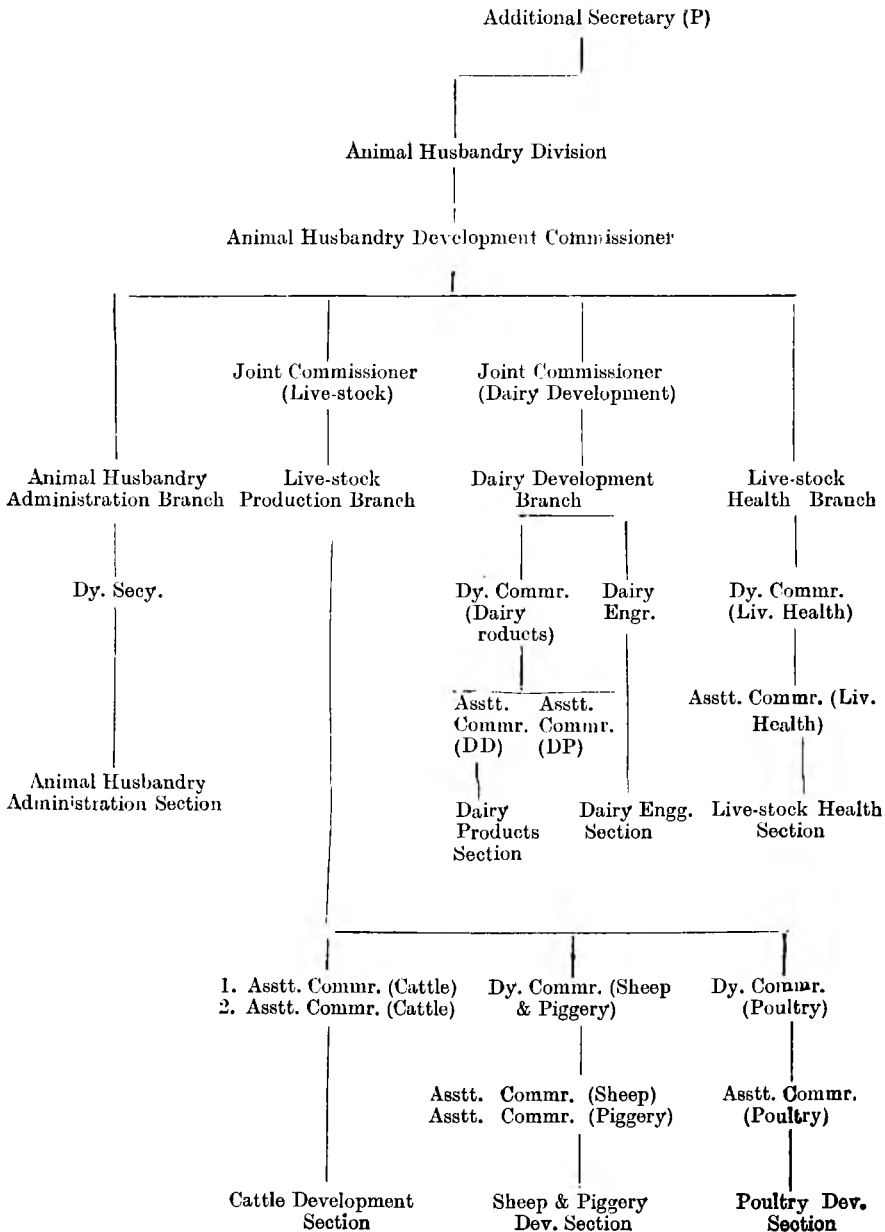
10.6 Evaluation of programmes seems to have received scant attention. Except for a very few important schemes in the state sector, e.g., key village schemes which were originally initiated at the behest of the centre, the Department of Agriculture does not get progress reports in respect of other plan schemes in the state sector nor are they asked for. Consequently there is no systematic review or evaluation of the progress of schemes except for a perfunctory examination of the progress of programmes made in respect of the state schemes at the time of annual plan discussions. Setting up of a separate statistical cell is necessary for this purpose. Similarly no long-term evaluation is being systematically attempted. It is here that the centre can make a positive contribution and this function should be actively taken over by it.

10.7 A forum and meeting ground for the exchange of ideas is provided by holding occasional meetings of officers in charge of a particular class of schemes, *e.g.*, project directors in charge of intensive cattle development projects by the Department of Agriculture. The annual visits of the teams of central experts supplement this activity. The Central Council of Gosamvardhana also arranges some annual meetings and seminars. However, the central agency does not call for regular meetings of the Directors of Animal Husbandry of various states.

10.8 To the extent the Central Department prepares model schemes and guidelines in respect of plan schemes, provides technical guidance to the state animal husbandry directorates, undertakes directly nucleus schemes or schemes of experimental nature, circulates suitable cattle breeding policy to be followed by each state government, attempts rational distribution of good cattle amongst the states and provides machinery for quarantine restrictions and regulation of inter-state movement of cattle, it may be concluded that it provides leadership and initiative to the states. But even more is possible in the matter of dissemination of information, strengthening of weaker state departments of animal husbandry and experimentation.

Animal Husbandry and Dairying Division

Organisation Chart



Animal Husbandry and Dairying Division*New designations of technical officers in the Department of Agriculture*

Present	New/Revised
PRODUCTION WING	
Animal Husbandry Commissioner (ICAR) ..	Animal Husbandry Development Commissioner
Live-stock Development Adviser ..	.. Joint Commissioner (Live-stock Production) Deputy Commissioner (Sheep & Piggery) Deputy Commissioner (Poultry)
Assistant Live-stock Development Adviser ..	.. Assistant Commissioner (Cattle) Assistant Commissioner (Sheep) Assistant Commissioner (Piggery)
Poultry Development Officer ..	.. Assistant Commissioner (Poultry) Deputy Commissioner (Live-stock Health) Assistant Commissioner (Live-stock Health)
Dairy Development Adviser ..	.. Joint Commissioner (Dairy Development)
Deputy Dairy Development Adviser ..	.. Deputy Commissioner (Dairy Products) Assistant Commissioners (2)
Deputy Engineer .. ..	.. Dairy Engineer.

Annexure II
(See paragraph 2)

Animal Husbandry and Dairying Division

List of central and centrally sponsored schemes in animal husbandry and dairying sector in the Fourth Plan

						(Rs. in lakhs)
A. DEVELOPMENT SCHEMES (DEPARTMENT OF AGRICULTURE)						
1.	Expansion of jersey cattle breeding farms	..	..	..	..	16.50
2.	Establishment of cattle breeding farms	..	..	..	..	400.00
3.	Intensive cattle development blocks in milkshed areas of Delhi Milk Scheme (centrally sponsored)	..	..	..	..	340.00
4.	Salvage and rearing of calves	..	..	..	..	25.00
5.	Organisation of regional and all-India cattle and poultry shows	..				7.40
6.	Establishment of five large-scale sheep farms (4 centrally sponsored and 1 central)	..	..	..	..	89.30
7.	Central poultry breeding farms	..	..	..	..	12.67
8.	Egg Powder Factory (not yet finalised)	..	..	..	..	..
9.	Delhi Milk Scheme	..	..	..	..	258.00
10.	Extension of herd registration to the important breeding tracts and formation of breed societies	..	..	..	..	20.00*
11.	Establishment of regional stations for conducting demonstrations of forage production	..	..	..	..	50.00
	Total	..				1,218.87
B. DEVELOPMENT SCHEMES (CENTRAL COUNCIL OF GOSAMVARDHANA)						
12.	Financial assistance to registered recognised societies by the CCG	..				25.00
13.	Model gosadan scheme	..	..	..	..	1.00
14.	Schemes of Central Council of Gosamvardhana	..	..	..	..	160.00
15.	All-India milk yield competition	..	..	..	..	2.50
16.	Control of wild and stray cattle	..	..	..	..	5.00
	Total	..				193.50

*Combined provision for centrally administered and centrally sponsored portion of the scheme, the latter is being transferred to state plan sector.

		(Rs. in lakhs)
C. RESEARCH		
17. Central Sheep Breeding Research Institute	.. .. .	80·93
18. Indian Veterinary Research Institute (including strengthening of the division of IVRI for poultry, animal nutrition and genetics)	.. .. .	70·00
19. Animal Virus Research Institute	.. .. .	67·00
20. Poultry Science Institute	.. .. .	75·00
21. Animal Nutrition Institute	.. .. .	72·00
22. Animal Breeding Institute	.. .. .	50·00
23. Co-ordinated research projects in animal sciences (not yet finalised)	.. .. .	..
24. National Dairy Research Institute	.. .. .	248·00
	Total	662·93
D. DISEASE CONTROL		
25. Rinderpest eradication (centrally sponsored)	.. .. .	30·00
26. Animal quarantine and certification service	.. .. .	20·00
	Total	50·00
E. TRAINING AND EDUCATION		
27. Training centre for sheep husbandry and wool technology (centrally sponsored)	.. .. .	5·00
28. Further training of emergency diploma holders	.. .. .	20·00
	Total	25·00
F. ANIMAL WELFARE		
29. Animal Welfare Board	.. .. .	15·00
30. Animal Experimentation Committee	.. .. .	3·00
	Total	18·00
	Total Animal Husbandry	1,662·30
	Total Dairying	506·00
	GRAND TOTAL	2,168·30

Animal Husbandry and Dairying Division

Functions proposed to be transferred to the state governments wholly or partly

S. No.	Schemes/Functions	Brief description	Remarks
1	2	3	4
<p><i>Schemes undertaken by the Department or the Central Council of Gosamvardhana (CCG) which could be decentralised to states straightway</i></p>			
1	Establishment of regional stations for conducting demonstration on forage production.	Considerable amount of knowledge regarding the production of high quality forages is already available as a result of the researches carried out over a number of years at several centres in the country. It has not, however, been possible to demonstrate widely, and introduce better varieties and methods of forage production so that this would be adopted widely by the farmers. For this purpose five regional stations will be established. Two stations, one at Hissar and the other at Kalyani are being established during the current year. The main functions of the research stations will include demonstration, evolution of fodder calendars, production of foundation seed and extension work.	Most of the work relates to demonstration and extension in the intensive cattle development areas which is a state plan scheme. This is clearly a state function and may be decentralised.
2	Salvage and rearing of calves.	The scheme was initiated in the Second Five Year Plan and is being continued in the Fourth Five Year Plan. Under this scheme calves of 5 to 9 months age having standard weight and health are pur-	Not much work of demonstration is involved in the scheme which can be easily handled by the state government. This scheme may be passed on to the state government concerned subject to the centre's

1	2	3	4
		<p>chased by the Government of India at prices starting from Rs. 150 per calf. These calves are then distributed free of cost to various state governments, bonafide breeders and non-official institutions. Full cost is then reimbursed to the state government, namely, Maharashtra in the case of Aarey centre and West Bengal in the case of Harringhatta centre.</p>	<p>responsibilities being limited to the following:— (a) undertaking the responsibility for distribution of calves among the various states; and (b) undertaking evaluation of the programme.</p>
<p>3 Salvage of dry cows from the city of Calcutta (CCG scheme).</p>		<p>This is a new scheme which the Council wants to take up in the Fourth Five Year Plan. The scheme aims at salvaging dry cows from the city of Calcutta by purchasing in a phased programme the dry cows from the cattle owners and maintaining them in a farm to be created for the purpose. The purchased cows will, on calving, be again sold to the dairy men in Calcutta on condition of salvaging them again when they go dry. The scheme will be implemented by the CCG with the active co-operation of the officials of the West Bengal Government and local non-officials interested in cattle development.</p>	<p>It is really not understood why the CCG should handle this type of scheme in which the state government should be primarily interested and concerned. If the states are not in a position to evince interest in such schemes, the CCG should not take on themselves this responsibility. The scheme may be passed on to the state concerned.</p>
<p>4 Intensive cattle development projects at Bikaner and Rajkot (CCG scheme).</p>		<p>The scheme has yet to be approved by the Planning Commission and the Central Department of Agriculture. The object of the scheme, in brief, is to improve the area around Bikaner and Rajkot districts and saturate them with various facilities like survey, feed and fodder development, distribution of balanced feed to the cattle owners, facilities for improving breeding, in-</p>	<p>The intensive cattle development projects have been classified as state schemes and about 19 such projects are already being taken up in different states of the country. It is really not understood why the CCG should handle these schemes which are the primary responsibility and concern of the state governments. The Governments of Rajasthan and Gujarat should</p>

1	2	3	4
		<p>roduction of high yielding cows, subsidiary rearing of superior cows, survey of high yielding cows, castration of sorub bulls, facilities for disease control, marketing facilities, dairy extension, manure and compost-making and production incentives like cattle shows, etc. All these will go to increase the capacity of the farmers to develop their cattle and to supply more milk for the milk and dairy projects around these areas.</p>	<p>take over these schemes if they consider that the implementation of these schemes is within the resources available to them in the state sector.</p>
<p>5 Rehabilitation of nomadic cattle breeders in Gujarat (CCG scheme).</p>		<p>This is also a new scheme to be implemented in the Fourth Plan. The scheme is yet to be cleared by the Department of Agriculture and the Planning Commission. The scheme aims at improving the milk yield by providing facilities for cream milling, milk sheds, milk cans, providing marketing facilities by directly linking up with dairies and providing better fodder and incentives for production of green fodder. The scheme will be implemented by the CCG with the co-operation of officials of State Department of Animal Husbandry and non-official institutions.</p>	<p>If the scheme is to be implemented by the CCG with the active co-operation of the Animal Husbandry Directorate of the Gujarat State, it is not understood why the State Unit of the Gosamvardhana should not handle this scheme. The scheme may be handled by the Government of Gujarat themselves or by the Unit of Gosamvardhana in the Gujarat State as may be convenient to the Government of Gujarat, the CCG providing only the overall technical guidance, if needed.</p>
<p>6 Establishment of fodder banks (CCG scheme).</p>		<p>The genesis of the scheme is that in the periods of abundance, the fodder will be purchased and collected in substantial quantities and stored in a place from where it could be rushed to the affected areas at short notice. Tentatively, the fodder banks are proposed to be located in Bihar, Uttar Pradesh, Guja-</p>	<p>Ordinarily, the state governments should have included these schemes in their state plans and financed them from the overall plan ceilings allocated to them. In view of widespread scarcity conditions prevailing in different parts of the country, the Government of India will give central assistance for recurring</p>

1	2	3	4
		<p>rat, Rajasthan, Maharashtra or Andhra Pradesh and Delhi/Punjab. The exact location of these banks has not yet been decided but will be done in consultation with the state governments concerned. The scheme has been approved by the Planning Commission.</p>	<p>and non-recurring expenditure. If that is so, the scheme could well be handled by the state government concerned.</p>
<p>7 Goshala development scheme).</p>	<p>Kshetriya Development scheme (CCG)</p>	<p>The scheme aims at utilising resources of progressive Goshalas/private institutions preferably in the milk-shed areas for organising cattle development and milk production activities in Goshalas and rural areas by (a) providing good quality bulls for breeding purposes, (b) organising collection and sale of cow milk, (c) rearing of selected cows and (d) increasing the milk production, cattle feed and fodder. The scheme will be financed entirely by the CCG out of government grants.</p>	<p>This is a scheme fit to be passed on to the state government concerned and the central agency should have nothing to do with it in regard to the implementation of scheme in the field. If the CCG are interested in the scheme, they should direct the State Unit of Gosamvardhana to undertake this activity, with assistance from the state governments concerned.</p>
<p>8 Gramdan scheme (CCG scheme).</p>	<p>Gosamvardhana</p>	<p>This is a new scheme to be run by the CCG at a total cost of Rs. 20.96 lakhs excluding the village contributions. The scheme is yet to be approved by the Planning Commission. The scheme aims at improving the economic condition of the villages by improving their cattle. For this, they will be provided incentives for acquiring a nucleus of better cattle for breeding, multiplication and also better bulls for the production of improved progeny. The emphasis will be on self-help and self-sufficiency. Maximum use will be</p>	<p>This is hardly a scheme which should be run by the central agency. It is stated that the scheme will be administered by the CCG through the State Councils or other non-official agencies. The scheme may, therefore, be passed on to the agency concerned, the CCG providing the overall guidelines to be sought by the state governments, if necessary.</p>

1	2	3	4
		made of local resources. A Gramdan Gosamvardhana Unit will cover all breedable cow population of 250 in one or a group of villages.	
9 Rearing and breeding of surplus female calves (CCG scheme).		The details of the scheme are not available nor has it been approved by the Planning Commission or the Department of Agriculture.	The scheme, as it seems, should not be undertaken by the CCG. The state government concerned may take over the scheme and run it.
10 Model Gosadan scheme (CCG scheme).		The Gosadan scheme aims at segregation of old unproductive and useless cattle and their economic maintenance in the interior forest areas where plenty of grass lands are available. A number of Gosadans are being run under the control of various Animal Husbandry Departments of the states. At present, the CCG is maintaining two Gosadans at Gularbhoj in Uttar Pradesh and Dilwari in Madhya Pradesh. These Gosadans which are now termed as model Gosadans were taken over from the state control because it was felt that the uneconomic running of these Gosadans was primarily due to the faulty management practices in the institutions.	The details of the scheme hardly justify its implementation by a central agency like the CCG. Although the Gosadans are termed as model, there is hardly anything of a pilot or demonstrational nature which should hold out as an example to other states. The model Gosadans should be straightway transferred to the state governments concerned, viz., Uttar Pradesh and Madhya Pradesh.
11 Relief during natural calamities (CCG scheme).		The Council has been providing financial relief to the cattle owners affected by natural calamities mainly through the state governments. Assistance is rendered in the form of supply of feeds and fodder either free or at subsidised rates.	It is hardly necessary that the central agency should handle this type of activity. The proper agency for rendering such relief is the state agency.

1	2	3	4
12 Financial assistance to registered recognised societies by CCG (CCG scheme).	Details of the scheme are not available but it appears the idea is to provide financial assistance to recognised societies which are engaged in the uplift of cattle. The assistance may be rendered by way of grants-in-aid or loans.	The central agency like the CCG should not handle this scheme, and should pass it on to the State Council of Gosamvardhana or the State Department concerned.	
13 Gosamvardhana Week Celebrations (CCG scheme).	In collaboration with the state governments and State Federations of Gaushalas and Pinjrapoles, Gosamvardhana Week is celebrated since 1952. Cattle exhibitions, calf rallies, mass castration campaigns, free distribution of cow milk to school children, distribution of fodder seeds and radio broadcasts are some of the highlights of these celebrations. 50% of the expenditure is met by the Council and 50%, subject to the maximum of Rs. 7,000, by each of the states.	These functions should be handled by the state governments themselves.	
14 Pilot Egg Powder Factory in Kerala.	The objects of the scheme which has been included in the Fourth Five Year Plan with the total cost of Rs. 20 lakhs are (i) to utilise surplus eggs in Kerala by manufacturing egg powder and thereby avoiding huge losses due to spoilage of eggs and (ii) to make available protective food for the Armed Forces. A detailed scheme does not seem to have been drawn up yet and may be done in consultation with foreign experts.	The Government of Kerala should take up the scheme themselves, the Central Government providing them with necessary technical details and also the services of foreign experts, if considered necessary.	
15 Intensive cattle development blocks in milkshed areas of Delhi Milk Scheme (centrally sponsored).	It is proposed to set up three intensive cattle development projects in Gurgaon and Karnal districts of Haryana and Bikaner in Rajasthan	Left to themselves, the states will not include the scheme in their plans because of the meagre resources available to them. The inclusion of	

1	2	3	4
		<p>and to continue the existing project in Meerut District in Uttar Pradesh in the Fourth Plan. These projects are intended to increase the milk production in these areas for supply to the Delhi Milk Scheme which is at present not handling milk to its full capacity. A provision of Rs. 340 lakhs has been made in the Fourth Five Year Plan. There are at present 19 intensive cattle development projects set up in various states. These are in the state sector and the centre is assisting the states with financial aid. The object of inclusion of this scheme as a centrally sponsored one was that all the blocks covered by this scheme fell within an area easily accessible to Delhi and by giving cent per cent assistance, the entire milk in these areas would be available to the Delhi Milk Scheme.</p>	<p>this scheme (a centrally sponsored one) will enable them to achieve two results, (i) to supply milk to Delhi and (ii) to develop their now area of milk-shed and thus help the farmers achieve economic well being. If the Delhi Milk Scheme is turned into a corporation or is eventually transferred to Delhi Administration, the central agency should cease to undertake this activity. In that case, the dialogue will be between the Corporation and the state government concerned or Delhi Administration and the state government concerned whichever may be the case then. So long as Delhi Milk Scheme is run as a departmental scheme the <i>status quo</i> has to be maintained.</p>
	<p><i>Training Schemes which are not of a foundational nature</i></p>		
<p>16 Training of Goshala Managers (CCG scheme).</p>		<p>Under this scheme one year's training is given to the Goshala managers who are finally fixed up in various Goshalas as trained managers. Examination is conducted by the Council and a certificate is awarded by it. The Council bears 75% of the expenditure on the running of the centre, the balance being borne by Rajasthan Gosewa Sangh which is exercising administrative control on the centre at Durgapur near Jaipur.</p>	<p>The administrative control is already with the state agency namely, Rajasthan Gosewa Sangh.</p>

1	2	3	4
17 Further training of emergency diploma holders.	<p>1900 trainees were trained and awarded diploma after two years in veterinary science to meet the requirements of technical personnel for the implementation of animal husbandry schemes in the Second Five Year Plan. Most of the states refused to allow them for admission to the regular degree course as many of them were only matriculates and did not fulfil the minimum requirements for admission into a college. The Manpower Steering Committee of the Home Ministry recommended that arrangements should be made for training these diploma holders to enable them to acquire competence equivalent to veterinary graduates. It is proposed to run the course at the Colleges of Veterinary Science and Animal Husbandry, Mathura and Tirupathi. The scheme would provide these facilities to diploma holders from all the states in India.</p>	<p>The interested states may handle the scheme with the funds provided by the Central Government for the plan. They may also enrol the candidates from other state governments on payment basis. In any case, the nominees of the state governments will be willing to join the courses even on payment by themselves because it serves to improve their prospects. The state governments may look to the Central Government for overall guidance, drawing up of syllabus and such other technical advice they may need.</p>	

Animal Husbandry and Dairying Division
Functions to be retained by the Department

S.No.	Function/Scheme	Brief description	Remarks
1	2	3	4
	<i>Providing initiative and leadership to the states and serving as a clearing house of information</i>		
1	Preparation of model schemes and general guidelines including state plan schemes, e.g., poultry development schemes, sheep development schemes, establishment of slaughter houses in states, prohibition of cow slaughter, live-stock farm in Hissar.	Self-explanatory.	These are central agency functions and have necessarily to remain with the centre.
2	Policy matters		
3	Overall budget—for state plan schemes and budget for centrally administered and centrally sponsored schemes.		
4	Overall allocation/release of funds for state plan and centrally sponsored schemes.		
5	Parliament questions.		
6	Submission of monthly and quarterly statements of expenditure.		
7	Submission of fortnightly return of important activities to the Minister and other O & M returns.		
8	Appropriation accounts and audit reports.		

1	2	3	4
	<i>Undertaking responsibility for drawing up the national plan for the development of animal husbandry in close liaison with the states</i>		
9	Formulation of plan and work connected therewith.	Self-explanatory.	This is a central agency function and has to be necessarily retained with the centre.
	<i>Undertaking research at a national level</i>		
10	Research Institutes : (i) National Dairy Research Institute (ii) Central Sheep Breeding Research Institute (iii) Indian Veterinary Research Institute (iv) Animal Virus Research Institute (v) Poultry Science Research Institute (vi) Animal Nutrition Research Institute (vii) Animal Breeding Research Institute.	As these institutes are engaged in undertaking basic research in various faculties of animal sciences and as this type of research will be beyond the states' research resources, these may continue to be handled at the central level. Yet to be set up.	The institutes should be under the direct control of the central agency.
	<i>Taking the initiative, in a limited way, in evaluating programmes with a view to locating problems and taking remedial measures on an overall basis</i>		
11	Progress reports on animal husbandry and dairy development programmes and the compilation of technical information received from the state.	The progress reports in respect of a few state plans and centrally sponsored schemes are received and scrutinised by the Department of Agriculture.	The activities performed by the Department pertain to the review of schemes. All-India statistics have also obviously to be collected at the central level.

1	2	3	4
12	Follow-up action on the recommendations of central teams.	The central teams of the Department of Agriculture comprising of a number of experts in different fields occasionally go round the states with a view to assess the progress made in regard to various plan schemes and (to locate delays in) execution of projects. The Department of Agriculture takes action on the reports of these teams and pursues the matter with the state governments for implementation of the recommendations made by these teams.	Action in regard to scrutiny and watching the implementation of recommendations made by central teams has obviously to be done at the central level.
	<i>Providing a forum and meeting ground for state representatives for the exchange of ideas on different subjects and for the evolution of guidelines</i>		
13	Organisation of regional and all-India cattle and poultry shows.	The object of organising these shows is to promote development of live-stock in the country by infusing a spirit of competition among the live-stock breeders through awarding attractive prizes for breeding and exhibiting superior animals.	The centre may continue to handle this activity as it provides a common meeting ground for exchanging ideas and experience in the field of live-stock breeding.
14	All-India milk yield competition (CCG scheme).	With a view to encourage breeding and development of high milk-yielding strains of cattle and to provide incentives to cattle owners, the Council has been organising milk yield competitions in respect of selected breeds of cattle and buffaloes in collaboration with the state governments since 1956-57. The competition is at the all-India level and	Since these are competitions at all-India level the CCG may continue to handle them. The state governments are, perhaps, organising such competitions at block and state levels.

1	2	3	4
		<p>cash prizes are awarded to the owners of the animals securing the first three positions in the competition in each breed. A total provision of Rs. 2·50 lakhs has been made in the Fourth Plan.</p>	
15	Exhibition units (CCG scheme).	<p>The CCG shares 50% of the expenditure with the state governments which organise the exhibitions with a view to acquainting the people with various programmes taken up for the development of animal husbandry. There is also an exhibition unit at the headquarters of the CCG which arranges documentary film shows.</p>	<p>This is a unit of the CCG for coordination of states' activities.</p>
16	Publicity and Propaganda (CCG scheme).	<p>The Council has been publishing a monthly popular journal in English and Hindi. Also it has been publishing booklets and pamphlets on Gosamvardhana.</p>	<p>These are very useful activities which help dissemination of news regarding animal husbandry programmes not only to the public but also to other states and non-official institutions. It also brings together at one place all the matters pertaining to this field of activity.</p>
17	Seminars.	<p>There are all-India seminars on various problems connected with animal husbandry.</p>	<p>This is a central activity and may remain with the centre.</p>
	<p><i>Dealings with all-India organisations</i></p>		
18	Central Council of Gosamvardhana.	<p>The CCG was set up by the Government of India through a resolution in 1952 as a society registered under the Societies Registration Act of 1860. The working of this body was reviewed by the Government of India in</p>	<p>While the existence of a body which is interested in the development of cattle in general is understandable, its working is a little questionable from the point of view that it is also executing some of the schemes which rightly fall</p>

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	<p>1960 when the position of the Council was made broadbased and the scope of its activities expanded. The Council has been entrusted with the responsibilities of organising, implementing and co-ordinating activities relating to the preservation and development of cattle and generally to administer the schemes relating thereto for the greater production of milk and increase of draught power. The Council derives its funds from the Government in the form of 'grants-in-aid'.</p>	<p>within the state sector The Council may co-ordinate, advise, educate and initiate but it should be divested of all functions relating to the execution of the schemes in the states and providing central assistance to them. The CCG should liaise directly with the states through State Councils of Gosamvardhana.</p>	
<p>19 Animal Welfare Board. 20 Animal Experimentation Committee.</p>	<p>Both these bodies are the offshoots and by-products of the Prevention of Cruelty to Animals Act, 1960. Both are statutory bodies created under the Act of Parliament. The Board has to look after the promotion of animal welfare generally and the Committee's main duty is to take all measures as may be necessary to ensure that animals are not subjected to unnecessary pain or suffering before, during or after the performance of experiments on them. The advisory functions of the Board include advice to the Government on legislation for the prevention of cruelty to animals, rules and regulations for the purpose, improvement in the design of vehicles, slaughter houses, medical care and attention.</p>	<p>Since both the bodies are statutory, co-ordinating and advisory in nature, they may continue to be handled at the Central level. However, the Board's functions with regard to encouraging or providing for the construction of sheds, water-troughs, veterinary assistance to animals, destruction of unwanted animals in a humane manner, grant of financial assistance to animal welfare organisations, formation of pinjrapoles and sanctuaries and the Committee's functions of licensing, inspection and registration of institutions for carrying out experiments and imposition of penalties should be transferred to the state governments which should be fully responsible for these activities.</p>	

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21 National Dairy Development Board.	The Board was set up in 1965 as a registered body. In addition to the Department of Agriculture, some other central agencies, some state governments, co-operative milk unions and private companies are also represented on the Board. The Board is concerned with all matters connected with dairying and its functions are mostly advisory. It charges fees for the advice rendered to state as well as private agencies.	It is an organisation at a national level and also provides a forum for exchange of views between the Central and state governments and private agencies.	
22 Meetings and conferences relating to the ICAR, CCG and Indian Standards Institution.	Self-explanatory	The matters relating to meetings and conferences organised by all-India institutions have necessarily to be the concern of a central agency.	
<i>Matters relating to the Union Territories</i>			
23 Administrative and other subjects relating to animal husbandry matters in the Union Territories.	A case study indicated that the Tripura Government approached the Ministry for the relaxation of ban in respect of certain posts required by that Government in connection with the implementation of the plan schemes. The proposal was examined in the Department of Agriculture and sent to the Ministry of Finance for relaxation of ban under the then existing orders of the Ministry of Home Affairs. A lot of correspondence and noting at various levels of the Department of Agriculture and the Ministry of Finance ensued justifying the	These have to be handled at a central level, but more delegation of financial powers could be effected in favour of Union Territories.	

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		<p>proposal. Lately the ban had been lifted but still the Department of Agriculture had to satisfy itself about the need for such posts before the sanction was conveyed to the Tripura Government. The proposal which was mooted by the Tripura Government some time in December, 1964 was disposed of finally in July, 1966. All this work could be eliminated if the Government of Tripura were given necessary powers for the creation of posts (both plan and non-plan).</p>	
24	Delhi Milk Scheme.	<p>This is a central plan scheme and was started in November, 1959. It provides for the establishment of a chain of milk collection and chilling centres in the rural areas of Delhi, Uttar Pradesh and Punjab where the milk is collected from the producers, chilled and stored for consignment to a central dairy at Delhi. The central dairy processes the milk, manufactures milk products and supplies the milk and milk products to the population of Delhi, through a distribution organisation with a chain of milk depots and all-day-milk-stalls.</p>	<p>The Delhi Milk Scheme could be run by the Delhi Administration, but Delhi being a Union Territory and therefore the responsibility of the Central Government, there can be no objection to the central Department of Agriculture running this scheme.</p>
	<p><i>Matters relating to the United Nations/foreign countries/other foreign agencies</i></p>		
25	<p>Import of cattle as gift from donors in foreign countries.</p>	<p>In order to improve productivity of indigenous cattle by crossbreeding them</p>	<p>As this function is of a coordinating nature it may be handled by a central</p>

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		<p>with exotic breeds the Government of India have been obtaining gifts of foreign breeds of cattle through the agency of charitable organisations like Heifer Projects Incorporated, USA etc. These animals are distributed to various state governments needing them for increasing the quality of their stock. The state governments share the cost of insurance, import duty, freight, etc. Once the animals are transferred to the state governments the entire responsibility of maintaining and rearing them including the financial cost thereon is of the state governments concerned.</p>	<p>agency. Moreover, the animals have to be kept and acclimatized at a central place before distribution.</p>
26	<p>International Dairy Federation.</p>	<p>India is a member of this Federation. A meeting of this Federation is held once in two years.</p>	<p>All matters relating to International Federation have to be performed at the central level.</p>
27	<p>UNICEF aided dairy projects/training programmes.</p>	<p>The UNICEF assistance is received for the dairy development projects which are all in the state sector. The Department of Agriculture comes into the picture in regard to the execution of the agreements for and finalisation of the projects. Of course, the Indian share of the administration, expenditure and implementation of the projects is the responsibility of the state governments. Under these projects dairy equipment and foreign experts are also received in India and the Department of Agriculture performs various</p>	<p>The foreign assistance is received for projects which are in the state sector and the states should, therefore, be allowed to perform as many functions as possible in regard to this scheme. Only such functions which are of co-ordinating nature and cannot be performed at the state level should be entrusted to the Central Government.</p>

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		<p>functions in connection with the import of equipment and arrival of the experts including the personal effects of the latter. Under these projects, the Government of India can also send persons for training abroad and the selection of these trainees is made by the Department of Agriculture. Training is also arranged within the country and the selection of trainees for this training is finalised by the Department of Agriculture.</p>	
28	USAID assisted dairy projects.	Functions are of similar nature as for UNICEF projects.	Do.
29	Colombo Plan aided dairy projects.	Do.	Do.
30	FAO and Colombo Plan experts and examination of their reports.	Self-explanatory	The matters in regard to the visits of foreign experts and examination of their reports should be handled at the central level.
31	PL 480 research schemes and their progress.	<p>These research schemes are floated by the U.S.A. out of the funds collected under the PL 480 programme. The schemes are fully financed by the U.S.A. and are operated in the various universities and other suitable organisations. Reports on research are sent to the PL 480 authorities through the Department of Agriculture. The role of this Department is apparently that of co-ordination, scrutiny of reports and watching the progress.</p>	This is a function of co-ordination. General supervision has to be performed at a central level because a foreign agency is involved.

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32	Indo-Danish project for the establishment of a dairy cattle centre in Mysore for experimental and training purposes.	<p>This is a state plan scheme. An agreement was entered into by the Governments of India and Denmark on 15-5-63 and would remain in force upto 31-3-70. Under the agreement the Government of Denmark is to bear the entire cost of establishment and operation of the project, including salaries of Danish experts and expenditure on their T.A. and D.A. except the following which are provided by the state government .</p> <p>(i) the land required for the project duly cleared, ploughed and fenced ; and</p> <p>(ii) buildings and services such as roads, water supply and electricity required for the project.</p> <p>In addition, the import of all machinery, equipment, etc., required for the project is to be allowed duty free as also the personal effects of the experts. The project is managed jointly by a Danish Director and an Indian Director between whom the duties and responsibilities have been divided. The Indian Director is appointed by the state government. The Directors are under the general control of a Board composed of a representative of the Government of Mysore and a Danish representative.</p>	<p>The work performed by the Government of India is such as can be performed only by a central agency. The <i>status quo</i> may, therefore, continue.</p>

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		<p>The role of the Government of India in regard to this project is as under :</p>	
		<p>(a) co-ordination work, <i>e.g.</i>, grant of passport, visa, import licence, watching of progress of work and conduct of meetings held in New Delhi etc;</p>	
		<p>(b) exemption of imported equipment and personal effects of the experts from customs duty; and</p>	
		<p>(c) amendments of agreements, etc.</p>	
		<p>The scheme is executed by the state government. The Government of India does not give financial assistance to the state government.</p>	
33	<p>Indo-Swiss Project in Kerala and Swiss credit for other projects <i>e.g.</i>, feed mixing plants.</p>	<p>The Indo-Swiss project envisages the establishment of a dairy farm in Kerala. The roles of the Central Government and the state government are similar to those in the case of the Danish project.</p>	<p>The work performed by the Government of India is such as can be performed only by a central agency. The <i>status quo</i> may, therefore, continue.</p>
34	<p>Indo-Australia collaboration programme for the establishment of a sheep farm.</p>	<p>The collaboration lies in the field of import of sheep of good breed from Australia.</p>	Do.
35	<p>Procurement of equipment and poultry feed under the Freedom From Hunger Campaign and World Food Programme.</p>	<p>Under this programme, the Government of India arranges procurement of equipment and feed.</p>	Do.
36	<p>Foreign experts, under the various aid programmes, <i>e.g.</i>, Animal Husbandry and Cattle Development schemes.</p>	<p>This work mostly relates to the exemption of the personal effects of the experts from import duty.</p>	<p>This has to be a central function as it relates to import duty.</p>

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<i>Matters falling under the Concurrent List</i>			
37	Delegation of powers under the Essential Commodities Act, 1955.	<p>Under the Essential Commodities Act, the Maharashtra Government desired that the powers may be delegated by the Government of India to all the collectors in the Maharashtra State except the Collector of Bombay for a period of 9 months so that they could control the stocks, prices and movement of cattle fodder and cattle feeds in their respective districts. There was an acute shortage of fodder and hay due to the failure of rains.</p> <p>Accordingly these powers were delegated to the concerned collectors.</p> <p>In a similar case from Mysore Government the request for delegation to Deputy Commissioners was not agreed to by the Department of Agriculture in the absence of any detailed justification by the state government.</p>	<p>If the state governments are allowed to enjoy these powers of imposing a ban it is likely that they may be guided by narrow considerations of only provincial interests. The central authority may be in a better position to understand the difficulties of other neighbouring states and may in the circumstances agree or disallow the request for imposing a ban. These powers may, therefore, continue to be exercised by the central agency.</p>
38	Matters arising out of powers delegated to various states for banning inter-state movement of hay, etc.	<p>A case study showed that the Government of Gujarat were delegated powers under the Essential Commodities Act, 1955, to regulate the movement of fodder from 7 districts of Gujarat affected by drought conditions. They were also requested that the supply of fodder to areas in Maharashtra and other neighbouring states depending for their supply on Gujarat may be maintained at a reasonable level even after the movement</p>	<p>These powers should continue to be exercised by the centre.</p>

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		<p>of the fodder was restricted under the said Act. The Government of Maharashtra later complained that even the normal supplies of fodder from Gujarat for feeding cattle in Bombay city and Aarey Milk Colony were not being allowed. They requested the Central Government to take up the matter with the Government of Gujarat to allow the movement of normal quantities of fodder to Bombay. The Maharashtra Government also requested for additional supply of railway wagons in adequate numbers and for that matter asked the Central Government to approach the Railway Board. The Central Government wrote to the Government of Gujarat for normal supplies of hay to Maharashtra State which depended on them for their supply of fodder. They also requested the Ministry of Railways to ensure an adequate supply of wagons to the Government of Maharashtra.</p>	
39	Prevention of Cruelty to Animals Act, 1960.	It deals with matters relating to the prevention of cruelty to animals.	This is a central Act falling under the Concurrent List, but actual implementation in regard to imposition of penalties, registration, inspection etc., may be delegated to the states under Section 37 of the Act.
<i>Central Schemes</i>			
40	Expansion of jersey cattle breeding farms.	During the Third Five Year Plan, the Government of India established two	Although the scheme could be handled by the state governments with the funds

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41 Establishment of cattle breeding farms.	<p>jersey cattle breeding farms, one at Kataula in Himachal Pradesh and the other at Hesserghatta in Mysore State. The cattle were received as gift from the U.S.A. The foundation stock was multiplied at both farms and distributed to various state governments and institutions in the country for cross-breeding programmes. During the Fourth Five Year Plan, both the farms are proposed to be expanded by construction of buildings and by acquiring greater number of animals. A sum of Rs. 16.50 lakhs has been provided in the Fourth Plan.</p>	<p>and technical assistance given by the Central Government there might be difficulties in ensuring equitable distribution of animals. However, the experiment may be evaluated and thereafter the scheme can be decentralised if it is not of inter-state character and if it becomes self-paying.</p>	<p>The scheme is a very expensive one requiring a standard of technical competence which the state governments lack at present. There is also a possibility of clash of interests in regard to the distribution of bulls to various states. Also the scheme is of an experimental nature and may require about a decade before the first results are known.</p> <p>The difficulties which are envisaged in the implementation of this programme by the states are (a) lack of funds (b) lack of technical competence and (c) distribution of quality bulls to other states needing them. The above difficulties are not insuperable. The experiment may</p>

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42 Central Poultry Breeding Farms, Bombay, Bangalore and Bhubaneswar.	<p>the purview of the state sector in respect of local breeds in which they were interested. But in the case of breeds of all-India importance and exotic breeds, as a larger number of states in the region were interested and as it was not possible to set up many small farms, it was necessary that such farms should be set up by the centre so that the requirements of several states could be met. The existing scheme "progeny testing of bulls" has been amalgamated with this scheme.</p>	<p>The scheme envisages developing genetically superior strains of poultry by adopting modern breeding techniques. The work consists of (i) combining family and individual selection and (ii) evolving inbred lines for crossing to ascertain their nicking qualities. There are three farms one each at Aarey, Hessarghatta and Bhubaneswar each maintaining 5,000 breeding birds.</p>	<p>be evaluated and thereafter the scheme may be decentralised if it is not of an inter-state character and if it becomes self-paying.</p> <p>Improvement of stock is constitutionally a state subject. This work, however, involves research that has both an inter-state and an intra-state character. Although the work should, in the main, be handled by the states, for it is they who should be interested in maintaining and improving breeding stock, it would be desirable for the centre too to have a station where it can carry on this activity on experimental lines. As the effects of original hybridisation last only for two or three years and as fresh hybridisation has to be undertaken to prevent degeneration, a model central farm can serve a useful purpose, not only in research of an all-India character, but in acting as a line of support should any of the state farms for any</p>

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43	<p>Extension of herd registration to the important breeding tracts and formation of breed societies.</p>	<p>The objectives of the scheme are:—</p> <ul style="list-style-type: none"> (i) to locate superior germ plasm in the breeding tract through milk recording and registration and effect general improvement of the breed through formation of breed societies; (ii) to introduce intensive milk recording in the breeding tract and arrange breeding of selected cows with superior bulls; and (iii) to study the production records collected through the organisation set up in the breeding tracts and lay down standards for selection. <p>The scheme consists of two parts—centrally administered and centrally sponsored—for which a total provision of Rs. 20 lakhs has been made. The centrally sponsored part will be transferred to the state sector. The centrally administered portion represents outlay on the existing small nucleus staff appointed by the Government of India located at Rohtak and also on the new units to be located at Coimbatore, Rajkot and Ongole.</p>	<p>reason fail to produce the expected results. Of the three farms, therefore, two should be handed over to the states and one should be run, on model lines, by the centre.</p> <p>The centrally administered part of the scheme may continue to be retained by the centre as it caters to more than one state in a particular region. Also considerations of co-ordination, supervision and effective check would necessitate its continuance under the control of the Government of India.</p>

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44	Establishment of five large scale sheep farms (one as central scheme and four as a centrally sponsored schemes).	The scheme aims at production of more sheep of improved type through producing high quality stud rams for increased production of wool and meat. These farms will supply breeding stock for sheep and wool extension centres. The proposal covers five large scale sheep farms at a cost of Rs. 17.86 lakhs each. One will be centrally administered and the other four centrally sponsored.	The centrally sponsored units may be decentralised to the states straightway. As for the central unit the experiment may be evaluated and thereafter it may be decentralised if it is not of an inter-state character and if it becomes self-paying.
<i>Statutory/constitutional obligations of the Central Government</i>			
45	Rinderpest eradication (centrally sponsored).	Rinderpest is a very deadly disease of cattle and buffaloes, the programme for eradication of which was taken up during the Second Five Year Plan and has to be continuously maintained. It is essential that precautions be taken to prevent the ingress of the disease from adjoining countries like Bhutan, Sikkim and Pakistan where outbreaks still occur. The important activities under this scheme consist of the following : (1) vaccine production ; (2) vaccine stations ; (3) establishment of immune belts on international borders ; (4) follow-up work within the states ; and (5) establishment of check-posts on well-defined cattle routes.	Matters relating to eradication of disease are items in the Concurrent List. As such the programmes of disease control should continue to be handled by the central agency. The centrally sponsored portion of the scheme should be made a central scheme and may be implemented by the states on an agency basis.

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	<p>Only the first three items are centrally sponsored, the rest falling under the state sector.</p> <p>(1) Vaccine production</p> <p>Large quantities of vaccine are produced at IVRI and at Lucknow, Calcutta, Ranikhet, Hissar and Mhow.</p> <p>The object behind treating this scheme as a centrally sponsored one is to maintain standardisation of product.</p> <p>(2) Vaccine stations</p> <p>21 vaccination stations have been set up on the major cattle routes on the international land frontiers of the country.</p> <p>(3) Immune belts</p> <p>To prevent the infiltration of rinderpest from neighbouring countries an immune belt is being created on the international border up to a depth of 10-15 miles.</p>		
46	<p>Establishment of animal quarantine and certification service in India.</p>	<p>The Animal Quarantine Organisation will be an executive agency for preventing dissemination of infectious and contagious diseases of live-stock through restricting export of animals and similarly preventing introduction of exotic diseases of live-stock by prohibiting import into the country of live-stock affected with contagious diseases or live-stock products contaminated with diseased germs. In India, so far there is no such organisation. Under this scheme</p>	<p>The central agency should continue to run the scheme on an agency basis, if necessary.</p>

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	<p>with headquarters at New Delhi, quarantine stations will be set up at Bombay, Madras, Calcutta and Delhi. The scheme may be handled by the Central Government for ensuring that there is no dispute of opinion, that uniformity is maintained and that the central agency being in direct touch with this scheme may be in the know of any ingress of disease into the country from international traffic. Also in most of the advanced foreign countries, the work connected with quarantine and certification is the responsibility of the Federal Government and not of the state governments.</p>		
<p>47 Export of cattle to foreign countries.</p>	<p>Some of the foreign governments are interested in the Indian breed of cattle for the development of cattle in their own countries. Quite often the requests are received from the foreign countries through their Ambassadors in India. These are looked after by the Animal Husbandry Division. A case study revealed that the Government of Philippines requested for donation of six Murrah male buffaloes by way of technical co-operation. The buffaloes were located with the help of the Philippines Ambassador in India at Aarey Milk Colony, Bombay and the animals were shifted</p>	<p>Since this function relates to exploring the possibility of exporting cattle, it will have to be carried on by a central agency in consultation and correspondence with the state governments. This function has, therefore, to be retained at the central level.</p>	

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48 Live-stock Importation Act, 1898, as amended in 1953 and rules made thereunder.	<p>to Philippines. Sometimes there are prospects of long-term arrangement of exporting cattle during the period, say, 5 to 10 years to help a dairy industry in a foreign country. The prospects of exports of cattle are examined in consultation with the state governments concerned and the foreign agencies are informed accordingly.</p>	<p>Under Section 3 of the Act, the Central Government is empowered to restrict or prohibit the import of live-stock from foreign countries. The state governments are empowered to make rules for the retention, inspection, disinfection or destruction of imported live-stock, fodder, clothing, fitting, etc., pertaining to live-stock. The Central Department of Agriculture framed model rules in regard to the import of live-stock for the benefit of and adoption by the state governments. This helps the state governments to frame the rules in proper perspective and it also enables the Central Department of Agriculture to achieve co-ordination and uniformity of approach with regard to import of live-stock. Since the responsibilities of two agencies, namely, central and state are fairly demarcated the <i>status quo</i> may continue.</p>	<p>At present the liability to frame and administer rules under the Live-stock Importation Act, 1898, as amended in 1953 is the responsibility of the state governments concerned. This activity may continue, the centre providing the necessary technical guidance and effecting co-ordination, whenever necessary.</p>

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49 Milk product factories in the private sector—issue of licences for.	The Department advises the Ministry of Industry in regard to the issue of licences under the Industries (Development and Regulation) Act, 1951, for the establishment of milk product factories in the private sector.	This is an advisory function and has obviously to be performed by the Ministry concerned at the central level.	
<i>Release of foreign exchange</i>			
50 Release of foreign exchange for state plan schemes.	Self-explanatory.	This is a central agency function.	
<i>Matters relating to inter-state questions or matters affecting more than one state</i>			
51 Supply of feed and fodder to scarcity areas and areas affected by drought.	In the face of the latest scarcity and drought conditions the Department of Agriculture is actively helping the states in finding out the supplies of fodder, bhosa, equipment and vehicles, etc., from the sources to which the central agency has an access. The object is that the central agency being in intimate contact with the authority concerned will be in a better position to co-ordinate and strengthen the activities of the state governments in arranging the necessary supplies urgently and expeditiously.	These functions are of temporary and transitory nature and have got to be retained at the central level. These functions can prove effective only in conditions which are emergent and unforeseen. The centre may continue to discharge these duties.	
52 Training Centre for Sheep Husbandry and Wool Technology, Poona (centrally sponsored).	This scheme aims at providing specialised training to the nominees of the state governments in all branches of sheep and wool production. The training centre provides facilities for admission of 30 officers	This is substantive training and should be paid for by the states availing of it. Since this function embraces all states, it may continue to be performed by the central agency.	

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53 Wild and stray cattle catching scheme—only the training part (CCG scheme).	<p>from the various states. This is the only centre of its kind in the country providing specialised training suited to the requirements of sheep and wool programmes of the states concerned. The trainees will be absorbed in the sheep and wool projects of various states. The centre is likely to be shifted to Malpura under the aegis of the Central Sheep and Wool Research Institute.</p>	<p>This consists of two parts— <i>(i)</i> disposal of the surplus unclaimed cattle and <i>(ii)</i> providing training facilities to Catch Teams in the states. A transit camp has been maintained at Karnal where the surplus productive and unproductive cattle caught by the state teams are collected. The productive ones are allotted free to <i>bona fide</i> cattle breeders, Gaushalas and farmers' co-operatives. The unproductive ones are sent to the Gosadans.</p>	<p>Since there should be some agency for such work of training and utilisation of surplus productive and unproductive cattle caught in the states, the CCG is the proper agency to handle it. As for training, it is a substantive training and should be paid for by the state availing of it. Since this function embraces all states, it may continue to be performed by the central agency.</p>

Functions of the Central Council of Gosamvardhana

The broad functions of the Council are:—

1. to organise, implement and co-ordinate activities relating to the preservation and development of cattle and, generally, to administer the schemes relating thereto for the greater production of milk and increase of draught power;
2. to organise and co-ordinate the State Councils of Gosamvardhana, Federations of Gaushalas and Pinjrapoles on matters relating to the development of cattle wealth and establishment and development of Gaushalas on proper lines;
3. to establish key village centres for the breeding of cattle on scientific lines and the starting of Gosadans for bovine cattle and to diffuse useful scientific knowledge on animal husbandry throughout India;
4. to sponsor schemes relating to increased production of feeds and fodder, improvement and development of pastures and grazing areas, salvage of any dry cattle, rearing of calves, rounding up of wild and stray cattle, running of training centres and other allied subjects;
5. to take steps for the prevention and eradication of infectious and contagious diseases affecting the life and health of bovine cattle and also take adequate steps for preservation of cattle in times of famine and other emergent situations;
6. to review from time to time the progress of schemes relating to preservation and development of cattle in the light of the co-ordinated programme and policy laid down for the country and to consider such additions and alterations to the programmes as may be found necessary in the light of experience gained;
7. to take such steps as may be necessary to implement provisions of the Constitution relating to the organisation of animal husbandry as expressed in Article 48;
8. to collect statistics in respect of the cattle population of the country, number of Gaushalas and Pinjrapoles and other matters referred to above;
9. to carry on propaganda for the promotion of the objectives hereinbefore mentioned;

Annexure V—concl.

10. to take such other measures for Gosamvardhana including those mentioned herein as may be considered necessary from time to time;
11. to advise the Central and state governments concerned on any point referred to it by them; and
12. to establish and maintain research and reference libraries, reading rooms, etc.

Annexure VI
(See paragraph 8)

List of schemes financed by the ICAR out of its own funds which may be decentralised

S. No.	Name of the project	Location
1	Anatomy of camel	Rajasthan.
2	Scheme to investigate into the causes of degeneration of Jannapari goats when taken away from their home tract to other areas.	Uttar Pradesh.
3	Scheme to study the influence of environment of chicken in dry and hot regions of Rajasthan.	Rajasthan.
4	Effect of providing supplementary feeds during lean period of the year on meat and wool production.	Uttar Pradesh.
5	Crossbreeding of cattle	Andhra Pradesh.
6	Scheme for crossbreeding of cattle	Mysore.
7	Evolving a new breed of dairy cattle by crossing Haryana and nondescript Bengal cows with an exotic breed (Jersey).	West Bengal.
8	Scheme to compare selective breeding with grading up as a means of improving the cattle of West Bengal.	West Bengal.
9	Scheme for investigating the comparative value of grading up with Sindhi bulls and crossbreeding with Jersey bulls for increased milk production.	Kerala.
10	Milk potentiality of the indigenous cattle of Assam	Assam.
11	Scheme for development of mutton breeds of sheep	Andhra Pradesh.
12	Scheme for development of mutton breeds of sheep	Assam.
13	Developing strains of goats for mohair production	Maharashtra.
14	Development of Angora goats for meat and mohair production	Himachal Pradesh.
15	Scheme for evolving a new type of pigs by crossbreeding	Uttar Pradesh.
16	Comparative study of selective breeding of local pigs in Sikkim versus crossbreeding with a selective foreign breed and to evolve a breed of pigs suitable for Sikkim.	Sikkim.
17	Evolving a new breed of pigs by crossing local pigs with large white yorkshire.	Assam.
18	Scheme to determine the comparative yield of different improved perennial grasses which can be grown in Jabalpur region of Madhya Pradesh and to establish the yield per acre as well as chemical analysis at different cuttings.	Madhya Pradesh.
19	Survey of pig diseases	West Bengal.
20	Scheme for the appointment of Assistant Disease Investigation Officer.	Punjab.
21	Poultry disease investigation	Rajasthan.
22	Appointment of Assistant Disease Investigation Officer	Jammu & Kashmir.
23	Scheme of investigation into diseases of ducks	Andhra Pradesh.

S.No.	Name of the project	Location
24	Scheme of investigation into diseases of ducks	Assam
25	Scheme of investigation into diseases of ducks	West Bengal
26	Studies on the incidence and diagnosis of bovine tuberculosis ..	Orissa
27	Study of the helminthic parasites in camels (morphology and bionomics).	Rajasthan
28	Project for animal virus research laboratory with facilities for cell culture work.	Uttar Pradesh
29	Scheme for studies on mucosal disease complex with particular reference to incidence.	Madhya Pradesh
30	Studies on the chemical composition and nutritive value of duck egg.	Kerala
31	Scheme for hatchability of duck egg	Orissa
32	Sample survey for estimation of annual production of milk and eggs and collection of reliable statistics on various bovine and poultry practices in Mysore.	Mysore
33	Sample survey for estimation of annual production of milk and eggs and collection of reliable statistics on various bovine and poultry practices in Andhra Pradesh.	Andhra Pradesh
34	Sample survey for estimation of annual production of milk and eggs and study of the various bovine and poultry keeping practices in Orissa.	Orissa
35	Sample survey for estimation of annual production of milk and collection of reliable statistics on various feeding and rearing practices of cattle and buffaloes in Kerala.	Kerala
36	Sample survey for estimating annual production of milk and study of the bovine practices in West Bengal (1966-67).	West Bengal
37	Estimating meat production in Madras	Madras
38	Rehabilitation of the depleted clam beds of Vembanad lakes ..	Kerala
39	Economics of farming with cyprinus carpio in paddy fields ..	Kerala
40	Scheme for the investigation of toxic plants and herbs lethal to domestic animals.	Punjab
41	Scheme for study of cattle insurance	Punjab
42	Scheme for study of cattle insurance	Andhra Pradesh

Study V

AGRICULTURAL MARKETING

ORGANISATION

'Agricultural Marketing' falls within the purview of Entry 33 of List III of the Seventh Schedule to the Constitution (*Annexure I*). This subject is dealt with by the Directorate of Marketing and Inspection, which is an attached office, with the Agricultural Marketing Adviser (AMA) to the Government of India as its head. In the Ministry itself, only one section is looking after the secretariat functions of this organisation. The organisation chart of the Directorate is at *Annexure II*.

MAIN FUNCTIONS

2. The main functions of the Directorate are listed below:—

- (i) investigation and survey of conditions of marketing of the major agricultural and animal husbandry products and publishing reports thereon;
- (ii) administration of the Agricultural Produce (Grading and Marking) Act, 1937 and work on standardisation and grading of agricultural and animal husbandry products;
- (iii) market extension;
- (iv) market research and surveys;
- (v) training of marketing personnel;
- (vi) administration of the Fruit Products Order, 1955;
- (vii) administration of the Cold Storage Order, 1964;
- (viii) other marketing developmental work mainly comprising regulation of markets, standardisation of contract terms and standardisation of weights and measures relating to marketing; and
- (ix) undertaking responsibility for drawing up the national plan for the development of activities in close liaison with the states.

3. These functions are either regulatory, advisory or administrative. As will appear from the ensuing discussion, some delegation is possible of the regulatory functions, considerable delegation is possible of the administrative duties, but very little is possible of the advisory functions.

ANALYSIS OF FUNCTIONS

4. An analysis of the functions of the Agricultural Marketing Adviser is given below:—

- (i) *Investigation and survey of conditions of marketing of*

*the major agricultural and animal husbandry products
and publishing reports thereon*

Commodities are taken up by the Directorate for investigation in consultation with the state marketing departments. The Directorate also undertakes surveys at the instance of Commodity Development Councils, the Indian Council of Agricultural Research and other ministries. A questionnaire is developed and sent to the state marketing departments for furnishing necessary information. An integrated all-India picture is then presented for the marketing survey reports published by the Directorate. The state marketing departments are free to publish their own survey reports. The Directorate of Marketing concentrates only on problems of all-India or inter-state character and may continue to do so.

- (ii) *Administration of the Agricultural Produce (Grading and Marking) Act, 1937 and work on standardisation and grading of agricultural and animal husbandry products*

The administration of this Act forms the core of the work of the AMA and relates to the standardisation and grading of agricultural and animal husbandry products. The functions of the AMA here consist of:—

- (a) formulation of grade standards;
- (b) authorising persons (whether producer or middleman) to grade products according to AMA's specification and use his label called "AGMARK";
- (c) inspection of goods graded for export ;
- (d) inspection of goods graded for the consumer in the domestic market;
- (e) assistance in grading at the farmers' level; and
- (f) providing laboratories for testing articles to enable grading.

The Marketing Sub-Committee of the Policy Committee on Agriculture under the chairmanship of Shri T. Vijayaraghavacharya had recommended, as early as in 1946, that the marketing work should be divided between the states and the centre. It had recommended that while the AMA's organisation should be concerned with the drawing up of grades and grade specifications for commodities under the Agricultural Produce (Grading and Marking) Act, 1937, the actual execution and supervision of grading work in the states' sphere and the control of grading stations should rest with the states. Not all the decentralisation recommended by this committee may, however, be desirable.

The discussion below will elucidate what can safely be decentralised and what should be retained.

(a) Formulation of grade standards

With a view to having uniformity of grade standards, it is necessary that the standards are laid down by a central agency. The AGMARK grade specifications are drawn up on the basis of the results of the analysis of a number of samples collected from different areas at different periods of the year. These specifications are then incorporated in the relevant grading and marking rules. So far, the Directorate has drawn up standards in respect of 90 agricultural commodities covering 277 trade descriptions. There are four Central Government Legislative Acts pertaining to the establishment and implementation of standards for use in the marketing of Indian produce and products (*see Annexure V*). There is a broad division of work between the Indian Standards Institution and the Marketing and Inspection Directorate in regard to the promulgation of grade specifications. The latter has the authority to draw up grade specifications for all agricultural produce in their raw form while the former is more concerned with their processed forms, and usually does not concern itself with unprocessed agricultural produce in promulgating its standards unless requested by the Directorate to do so. If the Institution considers specifications necessary for any agricultural commodity in the natural form, it draws them up always with the approval of the Ministry of Food and Agriculture and in collaboration with the Directorate. In all matters concerning agricultural produce, the two organisations work together. Whenever appropriate, the Directorate adopts the specifications prescribed by the Institution; similarly, on certain occasions, the Institution has adopted the AGMARK specifications.

While fixing the specifications under AGMARK the Directorate of Marketing and Inspection takes care that they do not conflict with the minimum compositional standards prescribed by the Ministry of Health under the Prevention of Food Adulteration Rules, 1955. The Ministry of Food and Agriculture is represented on the Central Committee for Food Standards, through the Directorate. This ensures that, while the standards are prescribed under the Prevention of Food Adulteration Rules, the findings of the Directorate and the data it collects are considered.

(b) Issue of Certificate of Authorisation

Any person desirous of being authorised to mark any article with a grade designation has to get a certificate of

authorisation from the AMA. The procedure adopted for the issue and renewal of these certificates is given in detail in *Annexure III*. It clearly does not involve any function which cannot be performed by the state governments competently. The best thing would be for the AMA to delegate his powers in this matter to the states and to conduct random inspections to see that the powers are used correctly. For this purpose, the General Grading and Marking Rules, 1937 will require to be amended to provide for such a delegation.

(c) Grading for exports

With the object of promoting exports, the Central Government has prohibited the export of various commodities under the Customs Act, 1962, unless they are graded and marked in accordance with the provisions of the Agricultural Produce (Grading and Marking) Act. Separate inspectorates have been set up at different centres, including export points, where the commodities are packed for export. The value of exports of commodities requiring compulsory grading amounted to Rs. 60.60 crores during 1965-66. Most of the expenditure is recovered from the traders in the form of label charges. Uniformly high standards have to be maintained lest there should be complaints from importers abroad about sub-standard goods having been despatched to them. There is a general fear that exports being a sensitive item, the state governments, if saddled with this responsibility, may not discharge it properly. Different states have varying degrees of confidence in their ability to handle this work. Although it would appear that administratively the grading work would be well within the competence of the states (laboratory work remaining with the centre), it is doubtful if such an item should be decentralised for the centre does have a responsibility in ensuring minimum standards in the quality of goods exported. How well the centre itself is discharging this responsibility was not really a question to be looked into in this study, but it is clear that the centre is in the best position to secure adherence to standards in export items. Moreover, there is no distinct advantage in decentralising this function to the state agency. In view of what is stated above it is considered that the grading for exports should continue to be handled by a central agency.

(d) Grading for consumers

The Agricultural Produce (Grading and Marking) Act is permissive and the grading is done by the parties on a voluntary basis. For certain articles like eggs and rice, where no laboratory tests are needed, grading is being supervised entirely by the

staff of the state marketing departments. There are, however, certain commodities like ghee, butter, vegetable oils and honey the purity and quality of which can be determined only on the basis of chemical analysis which is done by the Central Directorate. It is considered that grading work in respect of all commodities can be entrusted to the state governments. It has been contended that due to the prevalence of regional standards and their recognition under the Prevention of Food Adulteration Rules, the AMA should continue to have the responsibility to ensure that in the inter-state movement, ghee conforms to the standard of the region where it is produced and packed. However, there are no special reasons for treating ghee on different lines. Even AMA's control extends only to chemists in private laboratories and not chemists in state laboratories who are appointed by the state governments. If the state governments can be trusted to appoint their own chemists they can also be relied upon to exercise control and supervision over private chemists. Routine chemical tests, wherever necessary, for the analysis of samples can be undertaken in the laboratories set up by the states. Commodities requiring intricate chemical tests can be sent by the state governments to the regional laboratories for analysis and direct communication of results to the states. The AMA should, however, have the authority to collect check samples of the commodities graded under the aegis of the state governments. This will enable the AMA to maintain a watch over the powers exercised by the states as a result of this decentralisation and delegation.

(e) Grading at farmers' level

To ensure that the benefits of grading accrue to the farmers, grading of produce (mostly foodgrains and oilseeds), before it is actually sold, has been taken up in the regulated markets and by the co-operative marketing societies of farmers. This work is being already handled entirely by the state marketing staff. The officers of the Directorate, however, are expected to provide liaison in different states and also for solving the bottlenecks and difficulties that may crop up. This liaison work may continue to be handled by the AMA.

(f) Regional laboratories

There is a Central Agmark Laboratory at Nagpur which has been charged with the responsibility of conducting research and analysis and to exercise appellate and supervisory powers over the regional laboratories which mainly undertake analysis and grading of samples. With the proposed decentralisation of grading for consumers, more than one state will be sending samples

to a regional laboratory. Further, the central agency will also be sending samples to the regional laboratories for analysis. It is, therefore, recommended that the control of the Central Agmark Laboratory and the regional laboratories may continue to vest with the centre.

(iii) *Market extension*

The Market Extension Wing does publicity work on grading by bringing out news items, feature articles, pamphlets and periodicals and by participating in a number of international fairs, exhibitions, etc. This Wing is a recent creation and is charged with a function that can appropriately be entrusted to a central agency.

(iv) *Market research and surveys*

There is a market research cell in the Directorate which conducts surveys and brings out reports on commodities of all-India importance. Since this work is of an all-India character, it may continue to be handled by the central agency.

(v) *Training*

Only three training courses are being conducted: one of one year's duration for superior marketing personnel; one for five months for marketing secretaries and the third of three months' duration for graders (inspectors). Except for the one year's course the training imparted by the Central Directorate is not of a foundational nature and need be handled at the central level only on payment basis.

(vi) *Fruit Products Order, 1955*

This order was promulgated under the Essential Commodities Act, 1955. It provides for the compulsory licensing of the manufacturers of fruit products and conformation to certain minimum standards in respect of quality, packing, marking and labelling, as well as of hygiene and sanitation of manufacturing premises. The AMA is the statutory authority for the administration of this Order and performs functions in respect of the prescription of standards, inspection and licensing of factories and collection of samples. The officers and staff engaged in this work are paid by the Department of Food but are under the administrative control of the AMA. Analysis of samples is done by the Central Food Technological Research Institute. In the interest of uniformity, minimum standards should appropriately be prescribed by the central agency. Similarly, analysis of samples should be left to the Central Food Technological Research Institute. However, from a reading of the relevant portion of *Annexure III*, it will be clear that there is nothing in the remaining

itemised activities undertaken by the AMA that cannot be equally well performed by the states. Indeed, for reasons of time and distance, supervision would be better if done at the state level. To begin with, and as a measure of caution, delegation of powers regarding inspection, licensing, etc., to the state governments need not extend to large scale enterprises (defined as those whose annual production exceeds Rs. 1 lakh). But even regarding large scale factories, licences should be granted by the AMA on the recommendation of the state government and no duplicate organisation in the field is necessary. The renewal of licences should be entirely left to the state agency. With a view to ensuring that the rules are not circumvented by the delegated authority, the AMA's organisation can do check sampling and carry out random inspections of factories.

The fruit products industry is increasingly becoming export and defence oriented but the decentralisation proposed should not affect this orientation, particularly because certification for import of equipment will be retained by the AMA.

It may, however, be mentioned in this context that the administration of this Order (as it was issued in 1945) was decentralised to the states in 1949. This decentralisation was not considered a success, partly because the states did not build up adequate technical expertise and partly because the employees transferred were said to have been discontented. That experience, however, need not be repeated. Problems of absorption should not prove insurmountable and the states should be able to set up adequate technical agencies where necessary. The expertise required is of a level well within the range of the states and the Order should be implemented by them to secure maximum efficiency.

(vii) *Cold Storage Order, 1964*

This Order was also promulgated under the Essential Commodities Act. The AMA is the licensing authority under this Act. The officers and the staff engaged in this work are paid by the Department of Food but are under the administrative control of the AMA. His role consists of conducting surveys about the availability of raw materials for storage and certifying the import of spare parts for cold storages, collection of statistics, inspection and licensing of cold storages. These functions can be handled by the state governments without any difficulty and should be decentralised. The AMA will, however, retain power in regard to the inspection of cold storages, on a random basis, with a view to determining whether the provisions of the Cold Storage Order are being complied with by the state governments.

(viii) *Other marketing developmental work*

This mainly comprises:

(a) Regulation of markets

Although 'markets and fairs' is a state subject the Directorate co-ordinates the activities and renders guidance to the state governments, particularly in regard to the preparation and finalisation of the draft agricultural produce market bills. This is necessary for maintaining uniformity in regard to the pattern of regulation throughout the country. It may, therefore, continue to be done by the central agency.

(b) Standardisation of contract terms

The Directorate undertakes formulation of standard contract terms with a view to establishing a uniform and rational system for the negotiation of contracts. The standardisation of contract terms is particularly useful for inter-state and international trade and may, therefore, be done by the central agency.

(c) Standardisation of weights and measures

This subject is now handled by the Ministry of Commerce. The Directorate has been rendering advice to that Ministry with regard to fixation of units of quotation, packaging, etc., and introduction of metric system in the commodity markets.

(ix) *Drawing up of the national plan*

This is obviously a central function and has, therefore, to be performed by a central agency.

DECENTRALISATION

5.1 A detailed analysis of the functions referred to above may be seen at *Annexures III and IV*. *Annexure III* lists the functions/schemes which can easily be decentralised and at *Annexure IV* may be seen the functions/schemes which must perforce remain, as an administrative necessity, with the centre.

FINANCIAL IMPLICATIONS

5.2 If the analysis here is accepted as correct, schemes worth Rs. 0.71 crores approximately will be decentralised and those worth Rs. 1.72 crores approximately retained. Much of the expenditure proposed to be decentralised will, of course, be recovered in the form of label charges from the trade. Besides schemes, many of the functions at present performed by the AMA will get delegated to the states, making it possible to supervise these activities more closely.

EXTENT TO WHICH CENTRAL FUNCTIONS ARE PERFORMED

6.1 The analysis so far indicates what functions the centre has been performing which should, in fact, have been performed by the states and should be decentralised. It would be of interest to note how effectively it has been able to discharge some of the basic functions that flow from its role as leader, innovator, technical guide, disseminator of information, planner and evaluator.

6.2 In the performance of some of these functions varying degrees of leeway need to be made up. Thus, in regard to clearing house functions, while there exist a marketing extension wing and a market research cell charged with the responsibility of (i) providing necessary liaison between the states (ii) carrying out surveys and preparation of reports and (iii) bringing out publicity material including a journal on agricultural marketing and a half-yearly newsletter, etc., there is no systematic reporting and feed-back information from the states. The Ministry itself has only one section and has no technical officer. The Directorate comes in contact with the state governments through spasmodic personal visits, periodical meetings of the state marketing officers, and monthly reports submitted irregularly by the states, etc. The Directorate does not receive any progress reports in regard to state plan schemes from the states and does not have the full account of the administrative set-up of and the activities pursued by the marketing organisations of the states. The Directorate does not analyse the state marketing set-ups and consequently does not communicate to the state governments good points discovered in the state marketing organisations. The Directorate should take effective steps to ginger up state organisations. Although the Directorate issues instructions periodically, these are not in sufficient detail. Thus manuals could have been expected to be completed by the Directorate and issued to all graders and to all state governments for guidance.

6.3 As for drawing up the national plan, there is no systematic effort in planning for marketing. The Working Group, with AMA as one of the members, prepared the report for the formulation of the Fourth Five Year Plan schemes and sent it to the Planning Commission. No representative from the states was included in it, nor was the exercise done in close liaison with the states. No state plan schemes are received from them.

6.4 The work of research at the national level is entrusted to the Central Agmark Laboratory and a research cell which has been created with the responsibility of periodical revision of market reports already published, undertaking of new surveys

relating to the commodities not yet covered, revision of key indicators and investigations into specific aspects such as market trends, shifts in marketing practices, consumption patterns and consumer preferences, cost and margin, estimation of marketing surpluses, causes of shrinkage in market arrivals, carrying out special studies on price spreads of various commodities, etc. Separate survey reports on various commodities have been published. Creditable work has been done in this sphere although the revision of survey reports has been neglected owing to the late receipt of information from the various states. Since the research cell was set up only a few years back, it is expected that the marketing organisation will be able to accomplish the task expected of it.

6.5 As for training, three training courses are being conducted: one of one year's duration for superior marketing personnel; one for five months for market secretaries and the third of three months' duration for graders (inspectors). Except for the one year's course the training imparted by the Central Directorate is not of a foundational nature and need be handled at the central level only on payment basis. The Directorate has not evolved any system for the training of laboratory staff whether of a foundational nature or of a substantive nature so that the states develop confidence in the handling, grading and testing of commodities.

6.6 No evaluation of programmes is being done. There is no system of reporting by the state governments in respect of progress of state plan schemes. Only oral discussions are held during the spasmodic visits of the central officers. Annually, a letter is sent out to the states asking for activities performed at the state level but that is only for purposes of including a paragraph in the annual report.

6.7 A forum for the exchange of ideas is provided by mutual visits of officers and annual and five year plan discussion, etc. The state marketing officers also meet annually. Thus, this function is being discharged although perhaps there is scope for extension by providing a meeting ground for the regional officers of the Directorate of Marketing and Inspection and field officers of the states.

Seventh Schedule to the Constitution of India**List III**

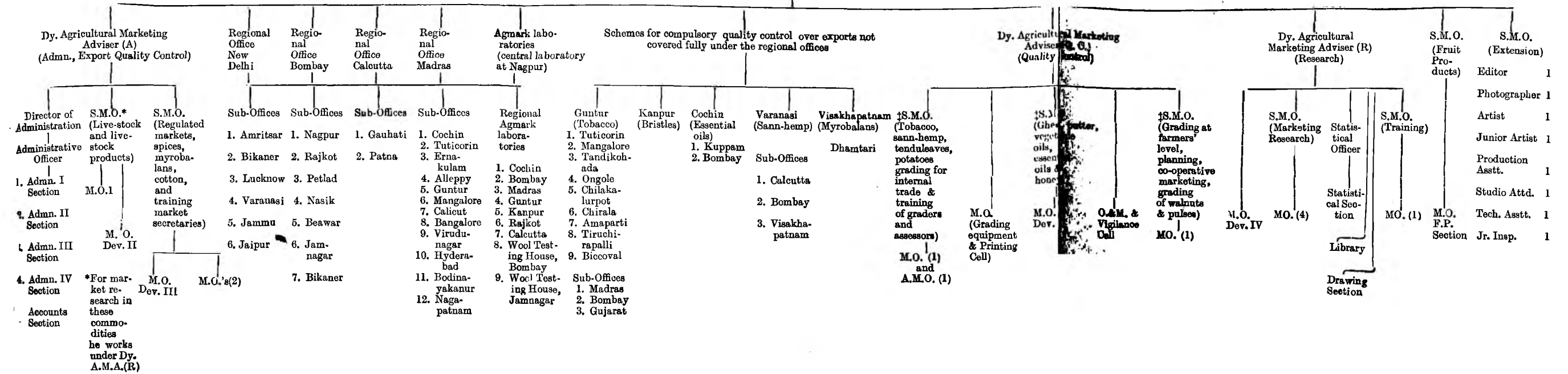
Entry 33. Trade and commerce in, and the production, supply and distribution of:—

- (a) the products of any industry where the control of such industry by the Union is declared by Parliament by law to be expedient in the public interest, and imported goods of the same kind as such products;
- (b) foodstuffs, including edible oilseeds and oils;
- (c) cattle fodder, including oilcakes and other concentrates;
- (d) raw cotton, whether ginned or unginned, and cotton seed; and
- (e) raw jute.

Directorate of Marketing and Inspection
Organisation Chart

Annexure II
(See paragraph 1)

AGRICULTURAL MARKETING ADVISER



‡For compulsory quality control he works with Dy. AMA (Admn.).

Name of Section	Items of work handled
Development I	.. Grading of veg. oils, essential oils, ghee, butter, honey and matters relating to the Central Agmark and regional agmark laboratories.
Development II	.. Grading of wool, bristles and goat hair, animal casings, tobacco, sann-hemp, tenduleaves and internal grading of all commodities other than those listed under other sections.
Development III	.. Grading of myrobalans, black pepper, cardamoms, chillies, turmeric, ginger, onions, garlic, table potatoes, pulses and walnuts. Regulation of markets and training of Market Secretaries.
Development IV	.. Planning, co-ordination of technical activities, training, research, market extension meetings, AP(GM)ACT & Rules, co-op. marketing, Hindi work and parliament questions (tech.), library and marketing journal & news letter.
Fruit Products Administration I to IV	.. All work relating to fruit products. Administration and house-keeping functions.
Accounts	.. Accounts work.

In addition, a Dy. Sr. Marketing Officer assisted junior staff is engaged *ad hoc* economic survey Beedi Tobacco and Industry in the coun

Annexure III
(Sec paragraphs 4 and 5.1)

Directorate of Marketing and Inspection

Functions to be transferred to the state governments

S. No.	Scheme/Function	Brief description	Remarks
1	2	3	4
<i>Subjects/Schemes which can be handled by the state governments under delegated powers</i>			
1	Issue of certificate of authorisation.	Under the Rules made under the Agricultural Produce (Grading and Marking) Act, 1937, any person desirous of being authorised to mark any article with a grade designation has to apply to the AMA. If, after due enquiry, the AMA (or any person duly authorised by him in this behalf) is satisfied that it is expedient in the interest of better marketing that the authorisation be granted and that the applicant is a fit and proper person to receive a certificate of authorisation, he issues such a certificate to the applicant. The Grading and Marking Rules, of course, lay down various conditions in regard to the Agmarking of different commodities, methods of processing and packing of these commodities, etc. A similar procedure is adopted in regard to the renewal of these certificates. This certificate is issued for commodities meant for internal consumption as well as for those to be exported.	This work does not involve any functions which cannot be performed by the state governments who can issue the certificate under delegated powers. For this purpose, the General Grading and Marking Rules, 1937, will require to be amended to provide for such a delegation.
2	Grading for consumers.	This grading is done with a view to establishing the confidence of the consumers in regard to the quality of the articles used by them. Grading is, however, done only on a voluntary basis	The grading of some of the articles where no laboratory test is needed is already being done under the supervision of the state marketing staff. It is considered that grading work in

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A large number of commodities are being graded for internal marketing and trade, and of these the most important are ghee, vegetable oils, butter, rice, wheat flour, honey, gur, raw sugar, cotton, potatoes, eggs, citrus and other fruits. Grading rules for various commodities have been framed under the Agricultural Produce (Grading and Marking) Act, 1937. These rules lay down the detailed procedure and specifications for grading the commodities under different grades. In regard to certain articles like eggs and rice, where no laboratory tests are needed, grading is being supervised entirely by the staff of state marketing departments. In the case of wheat and atta also, grading is done under the supervision of the state marketing staff. The Directorate of Marketing and Inspection comes into the picture in so far as the samples drawn by the state marketing staff have to be analysed by various laboratories set up by the Directorate of Marketing and Inspection.

The position in regard to ghee is, however, slightly different. Under the Prevention of Food Adulteration Act, it has been decided by the Ministry of Health, that, ghee which does not conform to the all-India standards because of certain biological factors like breed of the cattle or feed being given to the cattle, can move from one state to another only if it is graded under AGMARK. Due to the prevalence of regional standards

respect of all commodities can be entrusted to the state governments. Routine chemical tests, wherever necessary, can be under taken in the laboratories already set up or can be easily set up by the state governments themselves. Commodities requiring intricate chemical analysis can be sent by the state governments to regional laboratories as is being done even now by the central agencies. All these functions may be performed by the states under delegated authority.

There are no special reasons for treating ghee on different lines from those mentioned in the above paragraph. This may also be delegated to the state governments subject to the following:—

1	2	3	4
	<p>and their recognition under the Prevention of Food Adulteration Rules, it has become the responsibility of the Directorate of Marketing and Inspection to ensure that in the inter-state movement, ghee conforms to the standard of the region where it is produced and packed. Grading of ghee involves the following steps:</p>		
	<p>(i) Issue of certificate of authorisation</p>	<p>The state government may issue the certificate under delegated powers. The Grading and Marking Rules will require to be amended for such a delegation.</p>	
	<p>(ii) Approval and appointment of chemists</p>	<p>This power may also be given to the states particularly when the state governments are authorised to appoint chemists in the laboratories controlled by them.</p>	
	<p>(iii) Issue of grade designation marks</p>	<p>The AMA should, however, have the power to withhold the issue of labels to the packers and withdraw from the market unconsumed stocks if he finds, on the results of check samples, that ghee graded by packers does not conform to the specified standards.</p>	
	<p>(iv) State/private laboratories</p>	<p>The state laboratories are already under the control of the state governments. For private laboratories, it has been proposed separately that the chemists attached to the private packers may be transferred to the state governments' control.</p>	
	<p>(v) Check sampling</p>	<p>The present procedure of check sampling by the central and state officers may continue.</p>	

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3 Grading at farmers' level.	To ensure that the benefits of grading accrue to the farmers, grading of produce, before it is actually sold, has recently been taken up in the regulated markets and by the co-operative marketing societies of farmers. Here, grading is mostly confined to foodgrains and oilseeds. This work is being entirely supervised by the state marketing staff. The officers of the Directorate of Marketing and Inspection, however, provide liaison, so that uniform standards are maintained in different states and also for solving the bottlenecks and difficulties that may crop up.	This is already decentralised.	
4 Check sampling	Any lot of graded and marked goods can be subjected to check sampling either at the producers' premises or in the market. Different instructions have been prescribed for sampling of various commodities. For ordinary sampling only one sample is drawn while for export purposes and for check sampling, three samples are drawn—one being sent to laboratory for testing and one each being retained by the inspecting officer and the packer. Advisory panels have been constituted for settling of disputes over the decision of the inspecting officer about grades of samples. If there is a difference of opinion between the inspecting officer and the panel, the matter will be referred to the Senior Marketing Officer concerned. The final appeal on these cases lies with the AMA whose decision is binding.	At present the central as well as state government officers are authorised to draw out samples. This position can continue.	

1	2	3	4
5	Regulated markets	<p>With a view to removing various malpractices such as short weights, excessive market charges, unauthorised deductions and allowances by the commission agents and the buyers and providing machinery to settle disputes between sellers and buyers, the necessity of statutory regulation of markets was keenly felt. It is, however, a state subject and the Directorate of Marketing and Inspection co-ordinates the activities and renders guidance to the state governments in the regulation of markets. The draft Agricultural Produce Market Bills prepared by various states are scrutinised and necessary suggestions made, with a view to maintaining uniformity in regard to the pattern of regulation and effective enforcement throughout the country.</p>	<p>The regulation of markets is a state subject and this function is already decentralised. However, some work of co-ordination done by the centre will be necessary even after all the states have enacted the requisite law.</p>
6	Five months' training course of market secretaries and other staff required for regulated markets.	<p>This course was started in 1957 and training is imparted at Hyderabad, Sangli and Lucknow.</p> <p>This course is intended for the training of market secretaries and is conducted at Sangli in Maharashtra, Hyderabad in Andhra Pradesh and Lucknow in Uttar Pradesh. The trainees sponsored for the course would be entitled to a stipend of Rs. 50 p.m. There are two courses every year, one from September to June and another from February to July. Out of the total period of five months two months are spent on lectures on agricultural marketing,</p>	<p>The Committee appointed in 1965 by the Department of Agriculture to go into this question recommended among other things that the Central Government should provide adequate facilities for training of field staff at the state level if necessary with the central assistance, as no arrangements existed for the training of such basic staff. This function should, therefore, be decentralised. As long as it is undertaken by the centre it should be undertaken on payment by the states.</p>

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study of market acts, rules and bye-laws and the remaining period is utilised for practical training in regulated markets, and training in methods of analysis of food grains, etc.

The candidates are sponsored by the state governments from those already in the service of the market committees or from prospective entrants. In case of new recruits the minimum qualification is a degree in agriculture or commerce except in the case of those who have worked as market secretaries for at least three years.

7 Three months' course for graders and assessors.

This course was started in 1962 and training is imparted at Nagpur and Madras. This course is meant for the training of graders and assessors and for supervisors. The qualification for supervisors is graduation in agriculture or science with chemistry as one of the subjects and that for graders and assessors matriculation or equivalent. There are three courses in a year from January to March, May to July and September to November with one month's recess between one course and another.

The Committee appointed in 1965 by the Department of Agriculture to go into this question recommended among other things that the Central Government should provide adequate facilities for training of field staff at the state level, if necessary with central assistance, as no arrangements existed for the training of such basic staff. This function should, therefore, be decentralised. As long as it is undertaken by the centre, it should be undertaken on payment by the states.

8 Fruit Products Order, 1955 (FPO).

This order was first promulgated in 1945 under the Defence of India Rules. After the lapse of these rules a revised order was issued in 1948 under the Essential Supplies (Temporary Powers) Act, 1946. After the Act of 1946 was replaced by the Essential Commodities Act, 1955, another revised FPO was issued in 1955. In early 1949, the Central Government took a decision to decentralise and

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transfer the work relating to the enforcement of the FPO to the state governments. Since most of the states did not appoint suitably qualified food technologists for the implementation of the FPO, the All-India Food Preservers' Association approached the Government for recentralisation in order to bring about uniformity in the enforcement of the Order. Accordingly, the work was recentralised in 1952. The order provides for the compulsory licensing of the manufacturers of fruit products and conformation to the minimum standards in respect of quality, packing, marking and labelling, and the hygiene and sanitation of the manufacturing premises. The AMA is the statutory authority for the administration of the Fruit Products Order. The Order classifies the units manufacturing fruit and vegetable products into the following three categories on the basis of the value of their annual production or the annual capacity to manufacture products of that value :—

- (1) large scale — exceeding Rs. 1 lakh;
- (2) small scale — less than Rs. 1 lakh but more than Rs. 50,000;
- (3) cottage scale — not exceeding Rs. 50,000.

The following functions are carried out by the Directorate:—

- | | |
|--|--|
| <ol style="list-style-type: none"> 1. prescribing minimum standards of products and their revision from time to time; 2. examination of applications for the grant of Fruit Products Order licence and | <ol style="list-style-type: none"> 1. In the interest of uniformity minimum standards should appropriately be prescribed by the central agency. 2 to 6. These functions can be easily entrusted to the state agencies by delegations in so |
|--|--|

1	2	3	4
		renewal of licences after the expiry of the period of validity under clause 4 of the Fruit Products Order;	far as the small scale and cottage scale units with the manufacturing capacity up to Rs. 1 lakh are concerned.
		3. to collect licence fees as prescribed under the rules;	Licensing of large scale factories (over Rs. 1 lakh) should, for the present, continue with the central agency but licences should be advanced after obtaining the recommendation of the state government. The renewal of licences should be entirely left to the state agency. Rules should be amended accordingly but should give the power to the AMA to interfere in any case he considers necessary.
		4. organisation and administration of inspecting staff appointed in this behalf;	
		5. arrangements for the inspection of factories and the collection of samples from the manufacturers and retail shops;	
		6. investigation of cases relating to unauthorised manufacture of fruit products and non-observance of rules and regulations and prosecution of persons contravening the rules and regulations;	
		7. analysis of samples collected by the inspecting staff in the Central Food Technological Research Institute Laboratory, Mysore;	7. The samples collected by the states, after delegating them the authority, can be sent to the Central Food Technological Research Institute, Mysore, for analysis and communication of the results direct to the state agency.
		8. the Agricultural Marketing Adviser is also the certifying authority for the import of equipment and material required by the fruit product industry; and	8. The AMA certifies the need for the import of equipment and material on the basis of recommendations made by the regional/sub-offices. This power of certification can be delegated to the state governments especially as the district authorities (as compared to the regional and sub-offices of the AMA) will be in a better position to recommend the quota that could be allotted to the firms concerned.
		9. for advising the Ministry on matters relating to administration of Fruit Products Order and development of the industry, a Fruit Products Advisory Committee	9. This function is in the nature of co-ordination and may be retained with the centre. The fruit products industry has increasingly become an export and defence oriented industry

1	2	3	4
		<p>has been constituted under the Chairmanship of the Agricultural Marketing Adviser.</p> <p>The officers and the staff are being paid by the Department of Food but are under the administrative control of the AMA.</p>	<p>and 30% of its production is utilised by the Defence and about 10 to 15% of the production is now being exported, but the decentralisation proposed should not affect this orientation, particularly as the certification for the import of equipment will be retained by the AMA.</p>
9	Cold Storage Order, 1964 (CSO).	<p>This order was promulgated under the Essential Commodities Act, 1955 for the development of the cold storage industry. The function relating to granting of licences for cold storages falls in the list of functions to be performed by the Department of Food. It is handled by the AMA because he has been declared a Licensing Officer under the CSO, 1964. The officers and the staff are being paid by the Department of Food but are under the administrative control of the AMA. The AMA's organisation conducts surveys about the availability of raw materials for storage and assists in running the cold storage under proper refrigeratory conditions. It also collects necessary statistics of production and export of fruit products, storage of various commodities in cold storages and related matters. It is responsible for preparing plans for the development of the cold storage industry. The AMA's organisation further carries out inspection of cold storages with a view to ensuring that the provisions of the CSO are fully complied with. The AMA is also the certifying authority for the import of spare parts for cold storages.</p>	<p>Grant and renewal of licences and inspection : These functions can be handled by the state governments without any difficulty. They may accordingly be decentralised.</p> <p>Surveys regarding availability of raw materials : This is preliminary to the granting of a licence and has, therefore, to be done by the state agency.</p> <p>Collection of statistics of production and export : While statistics in respect of a particular region will be the responsibility of the state concerned, co-ordination on an all-India basis will obviously have to be done by the central agency.</p> <p>Plans for development : The national plan and overall guide-lines will be the centre's responsibility while the state plans will be the responsibility of the state.</p> <p>Import of spare parts : Not much of imported machinery is necessary for setting up a cold storage and there are cold storages set up with 100% indigenous parts duly licensed by the AMA. The state government/district authorities will be in a better position to certify the</p>

1	2	3	4
10	Chemists employed by ghee packers.	The chemists employed in the ghee laboratories are required to possess certain qualifications and experience and need to be approved by the AMA. It has been made obligatory that the chemists attached to the packers owning non-government laboratories will be Central Government employees working under the administrative control of the Agricultural Marketing Adviser but paid for by the packers. However, wherever the state governments have set up their own laboratories the chemists employed are state government employees and at such centres it has been made obligatory that the packers work through these laboratories.	needs for the import of any machinery, if at all needed and as such can easily handle the matter. This function may accordingly be decentralised. As the chemists attached to the ghee laboratories owned by non-government packers are Central Government servants some uniformity can be said to exist in regard to their qualifications, appointments, service conditions, etc. If these chemists are placed under the control of the state governments and the appointments are also approved by the latter, there may be uniformity of standards and procedure throughout a particular state irrespective of whether a laboratory belongs to a private packer or the state government. It is, therefore, considered that chemists attached to packers may be transferred to the state governments' control.

Financial provisions for five years based on the Budget estimates for 1966-67

S. No.	Name of the scheme/programme	Provision*	Value to be decentralised	Value to be retained
			(Rs. in lakhs)	
1	Training	8.22	5.48	2.74
2	Grading for consumers	32.20	32.20	..
3	Fruit Products Order, 1955	21.10	14.07	7.03
4	Cold Storage Order	5.95	5.95	..
5	Quality control—panel of chemists for ghee laboratories	13.40	13.40	..
	Total ..	80.87	71.10	9.77

*Includes non-plan expenditure based on the budget for 1965-66.

N.B.—1. There is no separate provision for other items discussed in the above list.

2. As the break up of some of the individual schemes is not available, the figures are approximate, meant to give only a rough and very broad indication.

Directorate of Marketing and Inspection

Functions proposed to be retained at the central level

S. No.	Scheme/Function	Brief description	Remarks
1	2	3	4
1.	<i>Providing initiative and leadership to the states and serving as a clearing house of information</i>		
	Formulation of grade standards.	The Directorate of Marketing and Inspection has drawn up grade standards in respect of 90 agricultural commodities. Standards for adoption by the trade are prescribed by: (1) the Ministry of Food, Agriculture, Community Development and Co-operation under the Agricultural Produce (Grading and Marking) Act, 1937; (2) the Indian Standards Institution; and (3) the Ministry of Health under the Prevention of Food Adulteration Act. The standards prescribed by the last named are the minimum standards and are mandatory. The grade standards prepared by (1) and (2) have initially to conform to the mandatory standards prescribed under the Prevention of Food Adulteration Rules. Agricultural and Food Products Division of the ISI is concerned with the drawing up of standards for certain agricultural and live stock commodities. Standards are also prescribed under the Agricultural Produce (Grading and Marking) Act for some of these commodities.	The grade specifications are drawn up on the basis of the results of analysis of a number of samples collected from different areas at different periods of the year. The nature of work is such that it can be done only by a central organisation.

1	2	3	4
Enactment of the Agricultural Produce (Grading and Marking) Act, 1937.	The marketing surveys carried out in the earlier years clearly showed how the absence of any quality standards and the presence of various malpractices in the trade contributed to a lack of confidence between the buyers and the sellers and to huge losses in foreign exchange suffered due to low prices obtained for export of sub-standard goods and due to shipment of useless material. The first and the most important item of work was, therefore, standardisation of agricultural commodities and organisation of grading service. This was done by passing the Agricultural Produce (Grading and Marking) Act, 1937. The AMA is the statutory authority for administration of the Act. Amendments to the Act are also to be suggested by him.	This is a function relating to initiative and leadership and should, therefore, be dealt with by the centre.	
Standardisation of contract terms.	In inter-state and international trade deals generally take place on the basis of some negotiated contracts between sellers and buyers, the terms and conditions of purchase and sale being specified in writing. There is a wide variation between local quality, standards and contract terms in vogue in terminal markets, with a baneful effect on healthy transactions. In order to eliminate these variations and establish a uniform and rational system for the negotiation of contracts, the Directorate undertakes formulation of model standard contract terms. Preparation of standard contract terms involves preliminary enquiries and collection of contract forms in vogue. Before the terms are finalised, these are		

1	2	3	4
		discussed with the trade. These terms benefit the traders in general.	
Standardisation of weights and measures.		Prior to the decision to introduce the metric system of weights and measures in the country, the subject of standardisation of weights and measures was being dealt with by the Directorate. After the transfer of the subject to the Ministry of Commerce and Industry, the Directorate is actively associated with that Ministry and has been rendering advice with regard to fixation of units of quotation, packaging, etc., and introduction of metric system in the commodity markets.	
Marketing extension.		The Directorate has set up an Extension Cell. The primary aim of this is to enlighten the producer seller and advise him on the proper methods of preparation for the market, grading, storing, packaging, handling and transportation. These improvements are designed to improve the quality of the produce as also to eliminate wastage and secure better returns to the growers. The Directorate is to provide necessary publicity materials to the state marketing organisations who will make use of these materials as they are, or make certain modifications to suit local requirements. The Extension Wing of the Directorate also arranges and conducts "Communication Workshops" for imparting training to the state marketing staff in the	Since the Extension Wing at the centre was created only a few years back and similar set-ups have not sprung up in all states so far and as the publicity of the activity of the Wing is very vital at all levels it is desirable to retain this work with the central agency.

1	2	3	4
		ways and means of carrying to the growers the latest information and the results of research on marketing.	
Market surveys.	The Directorate of Marketing and Inspection brings out surveys and inspection reports in respect of commodities which are of all-India importance and/or are important from the point of view of export trade. Surveys for all commodities which are of local importance are undertaken by the state marketing departments. The state marketing departments are free to publish their own survey reports while the Directorate brings out marketing survey reports depicting integrated all-India or inter-state picture.	The Directorate is conducting surveys of an all-India importance and may continue to do so.	
II. <i>Undertaking responsibility for drawing up the national plan for the development of activities in close liaison with the states.</i>	The Agricultural Marketing Adviser is a member of the Working Group for the formulation of the Fourth Five Year Plan proposals in agricultural marketing.	The drawing up of the national plan has obviously to be a central function.	
III. <i>Undertaking research at the national level.</i>	Market research.	A separate market research cell was created in the Directorate in 1962. Among the various objectives of importance dealt with by the research cell are periodical revision of market reports already published, undertaking of new surveys relating to commodities not yet covered, revision of key indicators and investigations into specific aspects such as market trends, shifts in marketing practices, consumption pattern and consumer preferences, costs	At present the research of national importance is being conducted by the AMA for which he has got a separate cell. The work may continue to be handled by him.

1	2	3	4
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and margins, estimation of marketable surpluses, causes of shrinkage in market arrivals, and problems of transportation, etc. The research cell also undertook a special study on the price spread of cotton for which data were being collected on a continuous basis from assembling and consuming centres selected for the purpose. A similar study on the price spread of raw seed and mustardseed was also taken up towards the end of 1964-65. The cell also prepared during 1963-64 special reports on the marketing of cane jaggery and on market potential of Goa territories.

IV. Undertaking training programme of a foundational nature.

Training of superior marketing personnel—one year training course for supervisory personnel of the state marketing departments.

This course was introduced in 1956 and training is imparted at Nagpur. The course covers both theoretical and practical aspects of marketing such as production, demand, utilisation, price trends and authorisation, market practices and functionaries, storage, transport, finance, grading and standardisation, price spreads and co-operative marketing. In addition to normal lectures, the trainees are given a fortnightly course in statistics which includes sampling techniques and re-production of statistical data. The practical training includes visits to local markets as well as to other important markets and grading centres in the country. The trainees also undertake a special survey on specific problems in some selected areas and prepare

The training seems to be of a foundational nature and may be handled at the central level.

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reports thereon. The session commences on the 1st of July every year and ends on the 30th of June of the following year. The candidates are sponsored by the state governments and are expected to hold a degree in economics or commerce or agriculture and should be below 45 years of age with at least five years' service in the marketing department. Since 1958, a provision has been made for imparting training to five private candidates every year. All the trainees admitted to the course receive a stipend of Rs. 75 per mensem.

A committee was appointed by the Ministry of Food, Agriculture, Community Development and Co-operation for examining the existing syllabus of the one year training course in the light of the recommendations made in the meeting of the state agricultural marketing officers held at Nagpur in April, 1964. The committee made the following recommendations:—

- (1) the course should initially provide specialised training for (i) marketing of agricultural commodities (ii) marketing of live-stock products (iii) market intelligence (iv) group discussions, seminars, workshop discussions, etc;
- (2) the successful candidate should be awarded a diploma instead of a certificate;
- (3) the existing vacation of 15 days during the mid-term having been abolished, the course should run from 1st of July to 31st of May instead of July to June, thereby

1	2	3	4
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giving a gap between one course and the next. There should be no vacation;

- (4) no arrangements at present exist for the training of the field staff who form the base. The Central Government should, therefore, provide facilities for training of field staff at the state level and the state should receive financial assistance in this regard from the centre; and
- (5) to encourage some of the candidates to take up marketing problems as subjects for theses, the Central Government should consider the grant of some fellowships every year.

All the above recommendations have been accepted by the Government. The Directorate of Marketing and Inspection are taking up the question of recognising the diploma and the introduction of fellowships with the Ministry of Education. They are also preparing details of a scheme for introducing training to field staff in all the states.

V. *Taking the initiative, in a limited way, in evaluating programmes with a view to locating problems and taking remedial measures on an overall basis.*

No systematic functions of the nature are performed by the Directorate. There is no cell for the review of state plan schemes either in the Directorate or in the Ministry.

This function should be performed by the Directorate in respect of state plan schemes in an effective way.

VI. *Providing a forum and meeting ground for state representatives for the exchange of ideas on different subjects and for the evolution of guidelines.*

Periodically at an interval of one or two years, a meeting of state marketing officers is held at headquarters where various problems are discussed.

This function should continue to be performed by the centre. In addition to this the regional officers should have frequent contacts with the officers of the states in the region for exchange of ideas and for locating bottlenecks and gaps etc.

1	2	3	4
VII.	<p><i>Substantive work relating to the implementation of the Agricultural Produce (Grading and Marking) Act, 1937.</i></p>	<p>Internal quality control. This comprises</p> <ul style="list-style-type: none"> (i) marketing development work; (ii) institutional and other development activities, e.g., regulation of markets, standardisation of contract terms and standardisation of weights and measures; (iii) examination of proposals for covering new commodities under the Agricultural Produce (Grading and Marking) Act, 1937; (iv) drawing up specifications and drafting of the rules consequent on (iii) above; consideration of proposals for amending rules and specifications later in the light of the experience gained; (v) preparation and issue of necessary instructions relating to the grading of different kinds of produce for the guidance of authorised packers, state marketing officers, graders, chemists etc.; (vi) authorising officers of the central and state governments to inspect graded produce; and (vii) watching the progress of grading schemes in general and penalising the packer or grading chemist concerned etc., for not following the instructions properly or for 	<p>These are substantive functions and may continue to be handled by the central agency.</p>

1	2	3	4
	<p>unsatisfactory work, by suspending or cancelling the certificate of authorisation or disapproval of the chemist.</p>		
<p>Export quality control</p>	<p>Apart from the activities involved in the internal quality control work, this involves the following additional functions:</p> <ul style="list-style-type: none"> (i) organisation and administration of special inspectorate staff to see that the grading is done and exports take place exactly in accordance with the AGMARK standards and that exports are not hindered or delayed in any way; (ii) setting up of laboratories required for the purpose; (iii) preparation and maintenance of standard AGMARK samples and seasonal despatch of such standard samples to India Government Trade Commissioners; (iv) calling for and examining reports from foreign countries in respect of commodities shipped on the basis of AGMARK standards; and (v) exploring new markets on the basis of AGMARK standards. 	<p>These are substantive functions and may continue to be handled by the central agency.</p>	
<p>Laboratories</p>	<p>As already stated, for determining the purity and quality as also for exercising effective quality control of certain commodities, laboratory facilities are essential. Further, to ensure that analysis of test and check samples is taken up expeditiously, it was decided to set up eight regional laboratories in different parts of the country</p>	<p>The functions entrusted to the Central Agmark Laboratory justify its continuance at the central level. The number of regional laboratories is also very small and the Wool Testing Houses at Bombay and Jamnagar are the only government laboratories of their kind. All these should, therefore, continue to remain under the central control.</p>	

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and one Central Agmark Laboratory at Nagpur. Out of the 8 regional laboratories, seven have already been set up, one each at Cochin, Kanpur, Madras, Guntur, Rajkot, Bombay and Calcutta and the eighth laboratory is being set up near Delhi.

The Central Agmark Laboratory has to conduct research for finding out simpler and quicker methods of analysis or to solve other problems faced and referred to by the trade. It has also to devise suitable methods for detection of possible adulterants in commodities taken up for Agmarking. It also exercises supervision over the work of the regional Agmark laboratories. The regional Agmark laboratories, on the other hand, have to undertake analysis to test the check samples drawn by the central and state marketing staff from the commodities graded under the AGMARK. These laboratories have also to undertake analysis of samples that may be collected from different parts of the country for drawing up of grade standards.

It may also be mentioned that under the Prevention of Food Adulteration Act, it has been decided by the Ministry of Health, Government of India, that ghee in certain areas which does not conform to the all-India standards, because of certain biological factors like the breed of the cattle or the feeds being given to the cattle, can move from one state to another only if it is graded under the AGMARK. Such ghee is produced in the Saurashtra region of Gujarat, and parts of Mysore, Madras, Maharashtra,

The state governments can send samples to these laboratories for analysis and communication of results direct to the state agencies, including those in respect of ghee.

1	2	3	4
		<p>West Bengal and Andhra Pradesh. It becomes, therefore, the responsibility of the Directorate of Marketing and Inspection that such ghee conforms to the prescribed standards and for the efficient discharge of the responsibilities and testing the check samples the maintenance of adequate laboratory facilities is essential.</p>	
Grading for export.		<p>Under the Customs Act, 1962, a certificate of grading has to be produced before the customs authorities before any commodity listed in the Agricultural Produce (Grading and Marking) Act, 1937, is exported. At present, 33 agricultural commodities, viz., sann hemp, tobacco, bristles, wool, lemon-grass oil, sandalwood oil, goat hair, bidi tobacco, palmarosa oil, myrobalans, black pepper, cardamoms, chillies, vetiver oil, walnuts, groundnut oil, castor oil, linseed oil, cottonseed oil (refined), safflower oil (refined), animal casings, turmeric, ginger, tendu leaves, onions, garlic, table potatoes, green gram, black gram, red gram, lentils, moth and Bengal gram are being graded compulsorily for export under AGMARK.</p>	<p>The AMA is of the opinion that, in principle, there is no objection to delegating the power to the officials of the state governments but the only drawback may be that the state governments have no special field staff for testing the quality of produce intended for export. There is a general fear that exports being very sensitive, the state governments may not perhaps be saddled with this responsibility. The chief merit of the grading for export by the central agency is that it helps sustain the confidence of the foreign buyer in regard to the quality of the goods imported by him. Moreover, there is no distinct advantage in decentralising this function to the state agency. In view of what is stated above, it is considered that the grading for exports may continue to be handled by the central agency.</p>
Special facilities for grading of certain commodities.		<p>Special facilities are proposed to be extended for grading lint, kapas, fruits and vegetables. The grading units for kapas and fruits and vegetables will be operated by state governments with central subsidy while those for lint will be operated by the Directorate of Marketing and Inspection.</p>	

Financial provision for five years based on the budget for 1966-67

S. No.	Name of scheme/programme	*Provision	To be retained	To be decentralised
<i>(Rs. in Lakhs)</i>				
1	Grading for export	83·10	83·10	..
2	Laboratories	5·00	5·00	..
3	Lint and kapas grading units	66·50	66·50	..
4	Surveys and drawing up of standards	3·12	3·12	..
5	Continuous inspection service	4·20	4·20	..
	Total	161·92	161·92	..
	Central portion from schemes to be transferred (cf. Annexure III) .. .. .	..	9·77	..
	GRAND TOTAL	161·92	171·69	..

*Includes non-plan expenditure based on the budget for 1965-66.

- N.B.* — 1. There is no separate provision for other items discussed in the above list.
2. The provision excludes the amount of Rs. 37·92 lakhs intended for administration of headquarters.
3. As the break-up of some of the individual schemes is not available, the figures are approximate, meant to give only a rough and very broad indication.

Annexure V
[See paragraph 4(ii)(a)]

Agricultural Marketing
Central Acts for Marketing Standards

S. No.	Name of the Act/ Rule	Administering authority	Extent of authority	Implementation
1	2	3	4	5
1	Agricultural Produce (Grading and Marking) Act, 1937 (Use of its standards called Agmark standards, is "permissive").	Directorate of Marketing and Inspection, Ministry of Food, Agriculture, Community Development and Co-operation.	Covers all agricultural commodities and processed products such as ghee, butter and atta as defined in the Schedule of the Act.	Implementation for internal use is by individual states under the guidance of the Directorate of Marketing and Inspection except agricultural commodities (ghee, vegetable oils, honey and butter) requiring laboratory analysis. The latter are implemented by the Directorate of Marketing and Inspection. These standards in general are permissive rather than compulsory. They are, however, compulsory for certain agricultural commodities which, under the Sea Customs Act of 1878, and/or the Indian Customs Act of 1962, are notified as being prohibited for export unless graded in accordance with AGMARK standard (but <i>only</i> when offered for export). This export grading is performed by the Directorate of Marketing and Inspection.

1	2	3	4	5
2	Indian Standards Institution (Certification Marks) Act, 1952: Rules, 1955: Regulations, 1955. (Use of its standards is "permissive").	Ministry of Industry	Covers all articles—raw, semi-processed and processed—and agricultural produce as well.	This Act does not affect the operation of the Agricultural Produce (Grading and Marking) Act. Hence agricultural produce covered by AGMARK standards cannot be marked (graded) under the Indian Standards Institution.
3	Export (Quality Control and Inspection) Act, 1963. (Use of its standards is "compulsory" upon notification).	Ministry of International Trade.	Has authority to establish its own standards for export trade. It is understood, however, that existing AGMARK and ISI standards will be used.	This Act empowers the Central Government to recognise any agency for implementation of standards. It is understood that the Directorate of Marketing and Inspection will continue to play the same role in implementing AGMARK standards for exports.
4	Prevention of Food Adulteration Rules, 1955. (Use of its standards is "compulsory").	Ministry of Health	Has authority to fix (for Indian internal use) minimum requirements or tolerances for any food and to prosecute for adulteration and sale of products not conforming to the defined minimum requirements.	Through state governments and local bodies.

Study VI

SOCIAL WELFARE

INTRODUCTION AND CONSTITUTIONAL POSITION

1.1 The subject 'social welfare' does not figure in any of the three lists in the Seventh Schedule to the Constitution. By and large, the activities pursued by the Department of Social Welfare are those which individually fall within the State List. This should not be disputed on the plea that Entry 20 in List III in the Seventh Schedule to the Constitution relating to 'economic and social planning' may be interpreted to cover all the activities pursued by both the centre and the states in the field of social welfare. The interpretation of this Entry has to be restrictive, as pointed out in Chapter XI in Volume I, and not so wide as to include the foundation of specific institutions, the regulation of their activities and the grant of aid to them.

1.2 The contention that as 'social welfare' does not figure in any of the three lists it is covered by the provision regarding 'residuary powers' and is thus the responsibility of the Central Government, seems to be erroneous for most of the activities falling within the ambit of 'social welfare' are covered either individually or collectively by Entries 4, 6, 9 and 11 of List II in the Seventh Schedule. It must, therefore, be concluded that a large number of activities at present classed under the particular head 'social welfare' fall in the State List.

2.1 In June 1964, a separate Department of Social Security was created by collecting several subjects handled by different ministries, *viz.*, the Ministries of Home Affairs, Health, Education, Labour and Employment and Industry. In 1966, the Department was renamed as the Department of Social Welfare. An organisation chart of the Department of Social Welfare is at *Annexure I*.

2.2 The subjects which have been given to the Department fall broadly under the following heads:—

- (a) welfare of the backward classes (*i.e.* Scheduled Castes and Scheduled Tribes);
- (b) general social welfare including family and child welfare, education of the handicapped, social defence services and the Central Social Welfare Board;
- (c) co-ordination of the programme of the UNICEF implemented through various departments and ministries of the Government of India, *e.g.*, Ministry of

Education, Ministry of Health, Department of Community Development and Department of Social Welfare; and

(d) social security measures in general.

The present study does not embrace the entire Department. It excludes the first item "welfare of the backward classes" as also those parts of items (b) and (d) as are dealt with by the Directorate of Social Welfare and Rehabilitation. This Directorate has been left out as it is proposed to be transferred from the Department to the Delhi Administration. This study thus ranges over the field covered by the Department pertaining to items (b), (c) and (d).

The Department of Social Welfare besides undertaking direct work on social welfare gives grants to certain voluntary organisations. In addition, it has created a semi-autonomous body in the Central Social Welfare Board through which a large number of schemes are implemented and a number of grants channelised. Obviously, in analysing the role of central ministries in the field of state subjects the functions of such organisations also have to be taken account of. Accordingly, the first part of this study deals with the Department and the second with the Board.

PART I— DEPARTMENT OF SOCIAL WELFARE

3.1 The functions performed by the Department can broadly be categorised as under:—

1. providing initiative and leadership to the states and serving as a clearing house of information;
2. undertaking responsibility for drawing up the national plan for the development of welfare activities in close liaison with the states;
3. undertaking research at the national level;
4. undertaking training programme of a foundational nature;
5. taking the initiative in a limited way in evaluating programmes with a view to locating problems and taking remedial measures on an overall basis;
6. providing a forum and meeting ground for state representatives for the exchange of ideas on different subjects and for the evolution of guidelines;
7. activities relating to the statutory/constitutional obligations/other functions undertaken by the Central Government;

8. dealing with matters relating to the Union Territories;
9. dealing with matters relating to the United Nations/foreign countries/other foreign agencies;
10. dealing with matters relating to the release of foreign exchange;
11. Minister's Discretionary Fund;
12. dealing with matters relating to inter-state questions or matters affecting more than one state;
13. dealing with all India organisations;
14. administering certain central schemes;
15. administering certain centrally sponsored schemes;
16. undertaking activities relating to training other than training of trainers/foundational training; and
17. dealing with voluntary institutions not of an all-India character.

3.2 Activities mentioned at 1 to 6 above flow from the centre's role as leader, innovator and technical guide. The need for centralisation of the other functions has to be examined carefully. These are discussed below itemwise :—

- (7) statutory/constitutional obligations of the Central Government;
- (8) matters relating to the Union Territories;
- (9) matters relating to foreign agencies/foreign countries;
- (10) release of foreign exchange; and
- (11) Minister's Discretionary Fund.

All these should obviously be handled by a central agency.

- (12) matters relating to inter-state questions or matters affecting more than one state.

The Department recognises diplomas/degrees awarded by schools of social work. Since this pertains to formulation of a uniform national standard, it should remain a central function.

- (13) all-India voluntary organisations.

The Department gives grants to all-India voluntary organisations and the voluntary organisations situated in states. The all-India organisations include the Indian Council for Child Welfare, the Association for

Moral and Social Hygiene in India, the Tata Institute of Social Sciences, the All-India Crime Prevention Society, etc. Obviously, these organisations should be encouraged. Grants should not, however, be given to enable them to pass them on to the states as that is only another method by which the centre intrudes into the state field. The principle emerges that voluntary organisations may be assisted :

- (a) if they are national in character, and
- (b) for their establishments or for functions/schemes of a national character which are incapable of decentralisation to the states, and conform to the guidelines proposed for the retention of functions/schemes with the Department itself.

In such a context grants to voluntary organisations in the states will be decentralised.

(14) central schemes.

(i) social defence

The provision in the central sector is mostly for the Central Bureau of Correctional Services which is a subordinate office mainly concerned with the collection, collation and analysis of statistics and developing a uniform policy in the field of social defence and beggary. This involves all-India co-ordination and advisory functions which have obviously to be performed by the centre.

(ii) pre-vocational training scheme

The Department imparts training to the trainers in the regional pre-vocational training centres. This training is of a foundational nature and should, therefore, continue to be handled at the central level.

(iii) homes/infirmaries and outside doles for displaced persons from Pakistan

This is exclusively a non-plan scheme. The Department sanctions grants and loans to the state governments for maintenance and rehabilitation of unattached displaced women and old and infirm displaced persons lodged in homes and infirmaries located in different states. The homes/infirmaries are administered by the state governments but the centre meets the entire expenditure. Even sanctions for essential repairs are issued by the centre. For administrative convenience and speedier work greater financial delegations are required for these

schemes which are implemented by the states on an agency basis.

The above discussion leads one to the conclusion that the centre should handle such schemes/centres which are genuinely regional or national in character in the sense that they necessarily cater to the population of the country as a whole or of many states.

(iv) There are a few more central schemes (*items 14 to 16 of Annexure II*) pertaining to the rehabilitation of the handicapped. Primarily these schemes have intra-state character and they can easily be run by the states. There is no reason, therefore, why the centre should run these schemes.

(15) centrally sponsored schemes.

These schemes pertain to—

- (i) pre-vocational training;
- (ii) social and moral hygiene and after care services;
- (iii) rehabilitation of the handicapped; and
- (iv) welfare of non-student youth.

None of the schemes in this list conforms to the criteria originally laid down by the Planning Commission for centrally sponsored schemes, that

- (i) they should relate to demonstration, pilot projects, surveys and research;
- (ii) they should have a regional or inter-state character;
- (iii) they should require lump sum provisions to be made, until they can be broken down territorially; and
- (iv) they should have an overall significance from the all-India angle.

A detailed discussion of these schemes is available at *Annexure II (items 3, 6 to 13, 19 and 26 to 36)*.

These schemes are being sponsored by the centre on the ground that the state boards do not have sufficient technical know-how or funds. These are not valid reasons for the continuance of these schemes as centrally sponsored schemes. Regarding technical know-how, they are in any case being executed by the states. As for funds, the question is one of priorities, and the priorities settled must govern the allocation of funds. These priorities should be settled after taking an overall view of the state plan as a whole. These schemes are not of an all-India or regional character in the sense that they do not cater to the population of the country as a whole or of many states. It was re-

commended by the Special Committee of the National Development Council in its meeting held on 9-12-1966 that all the schemes of the Social Welfare Board originally included in the Fourth Plan as centrally sponsored may be transferred to the state plans over and above the state plan ceiling with the central assistance tied. It has now been decided to treat these schemes as centrally sponsored. Thus, the Planning Body had rightly accepted the principle that complete control of these schemes should vest in the states. The fear of the Social Welfare Department of the possible neglect of these programmes consequent on the transfer of these schemes to the states seems to be the main reason for the reversal of the recommendation of the Committee of the National Development Council. In Volume I it has been recommended that there should not be any centrally sponsored schemes. Besides the reasons given there, the object of central sponsoring, even with 100 per cent aid, can be defeated, if at the end of five years a state refuses to continue the schemes. And in many of the centrally sponsored schemes included in the programmes of the Department and the Board, this choice will be there with the states even at the end of the plan period. Quite apart from that there will appear to be no necessity for foisting the centre's judgement on the states regarding the necessity of any of the centrally sponsored schemes in this sector. These schemes should, therefore, be decentralised completely. If, on an overall view of the entire development sector, any social welfare schemes are considered to be of overriding priority, the central assistance for them can be tied.

(16) training.

The Department finances Balsevika training programme under which Balsevikas are trained by the Child Welfare Councils in most states. The training programme is implemented by the state branches of the Council. There is no reason why the state councils cannot run the training programme after getting necessary assistance from the governments of the states in which they are located. Here again, priorities provided in the programmes have to be determined in relation to the state plan as a whole. Central involvement is justified only when administratively inevitable. A detailed discussion is at *Annexure II (Item 22)*.

(17) voluntary institutions not of an all-India character.

The Department sanctions grants to the voluntary organisations at the state level to encourage them to undertake social welfare activities. It also scrutinises their schemes, budgets,

accounts, annual reports, etc., to ensure that the grants are sanctioned according to genuine requirements and are effectively utilised. This work need not be performed by a central agency as these organisations are not of an all-India or regional character. A fuller discussion is at *Annexure II (Item 37)*.

**FUNCTIONS
PROPOSED
FOR DE-
CENTRA-
LISATION
AND RE-
TENTION—
FINANCIAL
IMPLICA-
TIONS**

4. It will be seen from the foregoing discussion that some of the schemes and functions at present undertaken by the Department ought to be decentralised. A fuller idea of the activities proposed to be transferred to the states may be had from *Annexure II*, the functions proposed for retention with the centre being listed and elaborated upon in *Annexure III*. If these proposals are accepted schemes worth Rs. 11.16 crores, on a rough estimate, will be decentralised and those worth Rs. 15.24 crores retained. (See *Annexures IV-A and IV-B*).

**EXTENT
TO WHICH
CENTRAL
FUNCTIONS
ARE
PERFORM-
ED**

5.1 The analysis so far indicates what functions the centre has been performing which should, in fact, have been performed by the states and should be decentralised. It would be of interest to note how effectively it has been able to discharge some of the basic functions that flow from its essential role as leader, innovator, technical guide, disseminator of information, planner and evaluator. In the performance of these functions, it will be seen, varying degrees of leeway need to be made up.

5.2 In the discharge of its clearing house functions the Central Bureau of Correctional Services collects, collates and analyses the statistics in the field of social defence, e.g., prisons, borstals, probation services, parole, after care, follow up and operation of the Suppression of Immoral Traffic in Women Act, protective homes, institutions for vagrants, operation of the Children Act, institutions for children, etc., and these statistics are brought out in the form of an annual report. The Bureau has been bringing out a quarterly journal through which it seeks to provide information regarding current developments in the field of corrections to correctional workers and the state governments do not bring out such journals.

While some information is disseminated in discussions at the time of framing five year and annual plans, and also during tours, there is no systematic method by which the details and data about a good job done in one state are communicated to other states for adoption. For example, details about the schemes run by some state governments for the grant of scholarships to the handicapped are not available in the Department. There is no cell for systematic reporting and feedback of information from the states. There should be a cell undertaking the follow-

ing jobs: (a) systematic reporting and feedback from the states (b) regular compilation and dissemination of broad ideas of good performance from one state to another (c) collection, collation and analysis of the facts about schemes and their progress (d) effective communication between the centre and the states and (e) discovering the gaps available at the state level and suggesting methods to bridge the gaps, etc.

5.3 For the drawing up of the national plan there is a Planning Officer assisted by a part-time assistant who provides the secretariat for this purpose. A Working Group on Social Welfare is constituted for the formulation of annual and five year plans. These arrangements appear inadequate. The ingredients of good planning demand that (i) planning should be based on facts (ii) there should be a good system of drawing projections based on proper statistics (iii) targets should be set by experts (iv) there should be representation from the Ministry of Finance and (v) there should be a system of options which will enable the planning cell to develop different models. These ingredients in planning are largely absent and the setting up of a good planning cell is necessary.

5.4 In the field of research at the national level, it may be stated that while routine functions like the preparation of guide books on subjects of social defence, collection of information regarding research projects in the country undertaken by the universities and voluntary organisations, collection of books and publications and preparation of bibliography and digest are performed, no research of national importance is being undertaken. There is, however, a provision of Rs. 2 crores in the Fourth Five Year Plan for research, training, etc.

5.5 Similarly, while the training of trainers is performed in the regional pre-vocational training centres and there is also a teachers' training centre for the blind in Delhi, not enough is being done in this field. The Central Bureau of Correctional Services has not undertaken any regular programme of staff training so far. The officers at the state level generally have no background of social welfare and this orientation is not provided by the Central Department either.

5.6 Work in regard to evaluation seems to have received little attention. There is no evaluation unit. The Planning Commission asks the states to furnish information in elaborate pro-formae about the progress of schemes for use in the plan discussions. A copy of the information sent by the states is received in the Department also. No progress reports are received from

the states in regard to state plan schemes except at the time of annual plan discussions and these too, are incomplete. Even the information about the utilisation of grants and the progress of expenditure is not furnished by the state governments in regard to the state plan schemes, and often is not asked for by the Department. This work needs to be taken up more strenuously.

5.7 Despite these gaps in its functioning the Department provides initiative and leadership in various directions to the states. Thus it evolves model schemes and lays down general policy and guidelines. It further evolves and runs schemes at the central level on model lines. These prove a source of inspiration to the state governments who have drawn up similar schemes in the state sector in some cases. The exchange of visits of officers, annual plan discussions and the occasions of the formulation of five year plans provide meeting grounds for the exchange of ideas. The Central Bureau of Correctional Services also examines the Acts and Rules proposed to be framed by the state governments in the field of social defence.

**CONCLU-
SION**

5.8 It would thus appear that there is considerable scope for decentralising many of the existing functions of the Department and also for the Department to take initiative in certain fields for which the responsibility properly devolves on the centre.

PART II—CENTRAL SOCIAL WELFARE BOARD

**INTRODUC-
TORY**

6.1 The Central Social Welfare Board (CSWB) was set up under a resolution by the Government of India, in August, 1953. The following functions were given to the Board:

- (a) to cause a survey to be made of the needs and requirements of the social welfare organisations;
- (b) to evaluate the programmes and projects of the aided agencies;
- (c) to co-ordinate assistance extended to social welfare activities by the various ministries in the Central and state governments; and
- (d) to promote the setting up of social welfare organisations on a voluntary basis in places where no such organisations exist.

**PRESENT
FUNCTIONS**

6.2 The CSWB is assisted in its activities by the State Social Welfare Advisory Boards created by a resolution of the respective state governments. The applications for grants are received by the CSWB through the State Social Welfare Boards. Annual grants for voluntary organisations are disbursed through the

state boards and all other grants are paid direct to the institutions by the CSWB. At the centre, apart from the Secretary, there are administrative and technical officers dealing with the various activities of the Board. The administrative expenses of the state boards are shared equally by the CSWB and the state governments.

6.3 The functions performed by the Central Board are similar to those performed by the Department of Social Welfare (see paragraph 3.1) except that the Board does not undertake training programmes of a foundational nature. It is not concerned with the statutory/constitutional obligations of the Central Government including the administration of these subjects in the Union Territories. The Board does not operate the Minister's Discretionary Fund and also does not deal with matters relating to inter-state questions.

**ANALYSIS
OF THE
FUNCTIONS**

7.1 The functions being performed by the Central Board at present are discussed below:—

(i) centrally sponsored schemes

A list of these schemes may be seen in *Annexure V (Items 1 to 10)*. The observations made in paragraph 3.2 for schemes of the same category in the case of the Department apply here also. These schemes too do not conform to the criteria laid down and there is no reason why they should be sponsored by the centre. Logically, therefore, the following schemes should be transferred to the states completely:—

- (1) welfare extension projects;
- (2) family and child welfare scheme;
- (3) family planning;
- (4) child welfare scheme and special child welfare programme;
- (5) welfare of jawan's family;
- (6) border areas programme;
- (7) socio-economic programme;
- (8) night shelters;
- (9) welfare of physically handicapped, old and infirm;
and
- (10) holiday homes.

(ii) training other than the training of a foundational nature

The Board sponsors training of Gramsevikas, Balsevikas, etc., and also sanctions grants for running condensed courses and training in crafts. This work is not of a foundational nature and should, therefore, be handled by the state boards themselves.

(iii) inspections about the progress of various schemes

Inspecting Officers attached to the Central Board go round inspecting the accounts and functioning of the voluntary organisations which receive grants from the Board. Apart from these Inspecting Officers, the Central Board has Inspectors and Welfare Officers who are stationed at the headquarters of the State Social Welfare Advisory Boards who keep in touch with the day to day activities of the various voluntary organisations. With the decentralisation contemplated in this study, these functions will have to be performed by the state boards, the centre's role being limited to only those schemes which are financed by them.

(iv) voluntary organisations not of an all-India character

The remarks given in paragraph 3.2 apply in this case also.

A fuller analysis of the functions that should be decentralised to the states may be seen at *Annexure V*. *Annexure VI* gives the overall position of the functions proposed to be retained at the central level.

The principle perhaps needs repetition in this context that, in activities belonging properly to the states' sphere, overall priorities should be determined, taking the state plan as a whole, and priorities determined by individual central ministries should not be forced on the states in a segmented fashion. When the planners determine priorities for the state plan as a whole they can tie central assistance to schemes considered of crucial importance.

**FINANCIAL
IMPLICATIONS**

7.2 If the analysis here is accepted as correct, schemes worth Rs. 15.50 crores will be decentralised (see *Annexure IV-B*).

**EXTENT TO
WHICH
CENTRAL
FUNCTIONS
ARE
PERFORMED**

8.1 The above discussion indicates what functions hitherto performed by the Board need to be decentralised. Now it would be of interest to note how effectively it has been able to discharge some of the basic functions that flow from its role as leader, innovator, technical guide, disseminator of information, planner and evaluator. There is apparently scope for improvement in the performance of some of them. The CSWB aids the exchange of ideas by acting as a clearing house of ideas and information. This is mainly attempted through the submission of annual progress reports by the state boards, annual conferences of the chairmen of the state boards, tours, issue of circulars and periodical statements, publication of journals, etc., and there are occasional instances of the good work done by one state board having been or proposed to be communicated by the Central

Board to other state boards. Nevertheless, there is no systematic method by which the information about a successful programme initiated in one state is being passed on to the other states for adoption as a regular feature. There is no separate set-up in the centre for the systematic reporting and feed-back of information from the states.

8.2 For drawing up the national plan, the CSWB is represented on the Working Group on Social Welfare and is actively associated with planning. The formulation of the plan schemes is based on the reports of the Inspectors and Welfare Officers attached to the state boards, opinions expressed by the chairmen of the state boards at the annual conferences and the views of the chairmen of the Project Implementation Committees who meet at the conferences of these Committees. Planning in the sense mentioned in paragraph 5.3 does not seem to be done, although that should be a major responsibility of the centre.

8.3 The Central Board is not carrying out any research at the national level except as a part of evaluation work. It, however, assists the universities and voluntary organisations in carrying out surveys in accordance with the approved programme.

8.4 The Central Board is not undertaking training programme of a foundational nature. There is, however, a proposal for training of trainers for various training centres as also the state welfare officers, at the schools of social work as a part of the family and child welfare project. A scheme of inservice training for the workers of the voluntary institutions at the schools of social work has also been approved.

8.5 The work of the evaluation of programmes is done by an evaluation unit in the Board. The evaluation of various programmes has also been carried out from time to time both by external agencies (*e.g.*, the Planning Commission and the UNICEF) as well as internal committees composed of officers appointed by the Board. The CSWB also receives annual progress reports from the states and inspection reports from the members of the state boards and the Inspectors and Welfare Officers. These reports are examined in the Board mainly to assess the achievement of physical targets and the progress of financial expenditure.

8.6 A meeting ground for the exchange of ideas is provided by the CSWB, through annual conferences of the chairmen of the state boards, regional conferences of the chairmen of the Project Implementation Committees, all-India conference of the chairmen of the national organisations and publications of jour

nals, brochures and reports. Similar conferences are held at the state and district levels under the auspices of the state social welfare advisory boards. A representative from the Central Board attends such conferences. This has, however, not been very regular.

8.7 The Central Board has been taking considerable initiative and has been providing active leadership to the state boards and voluntary organisations by sponsoring a number of programmes which did not exist in the states and preparing detailed instructions for the efficient implementation of the schemes. The Board is also charged with the responsibility of promoting the setting up of social welfare organisations on a voluntary basis in places where no such organisations exist. Much of the initiative of the Board is, however, related to the direct handling of and direct involvement in schemes and activities which should be left altogether to the states.

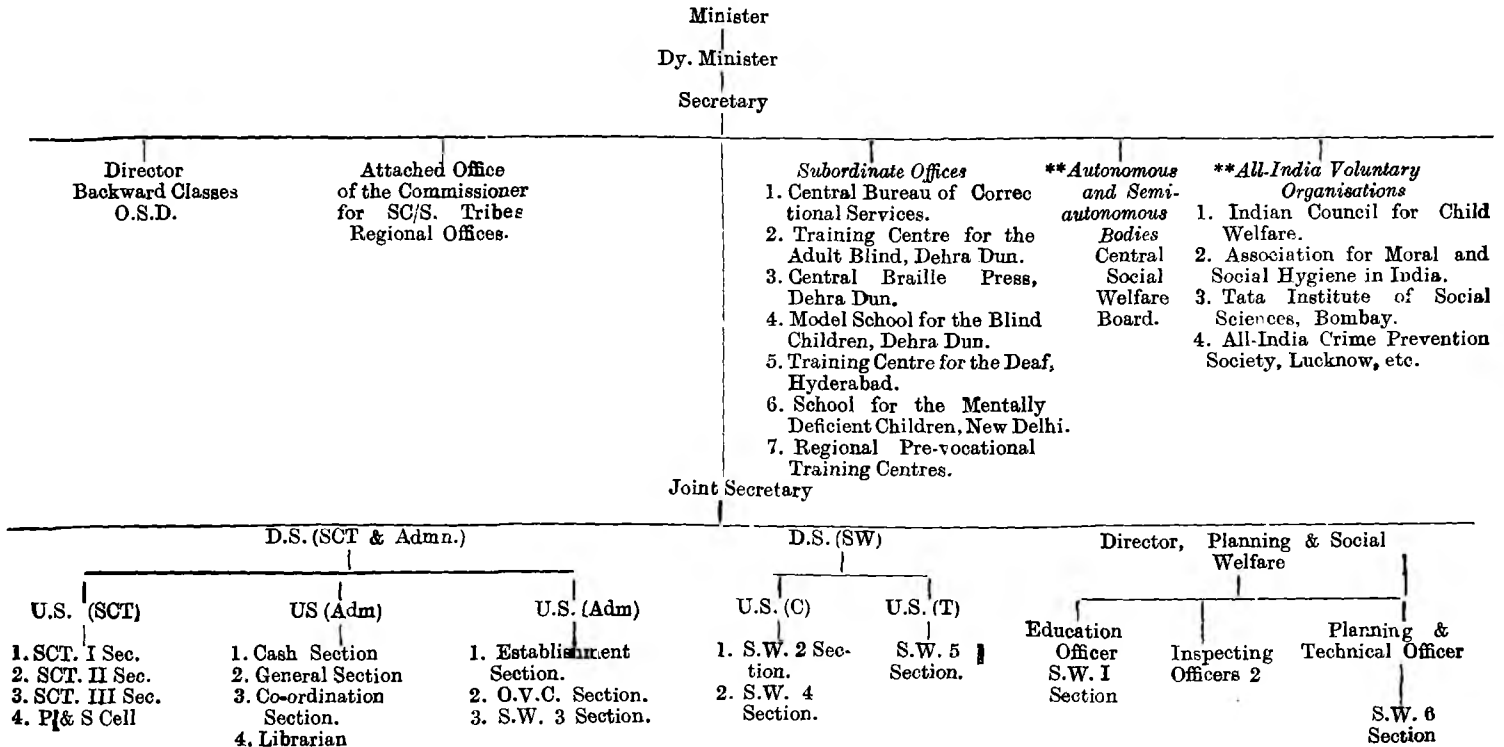
ORGANISA-
TION AT
THE
CENTRAL
LEVEL

9. The recommendations contained in the preceding paragraphs, if accepted, may necessitate some changes in the organisational structure at the central level, but it will be for the Government to work them out and take appropriate decisions.

10. There is one last issue to which reference may be made. It has been pointed out at the start that social welfare comprises various activities most of them finding a mention in List II of the Seventh Schedule. It has also been found on an analysis that decentralisation is possible and desirable in most of them. It needs, however, to be considered whether the "welfare of the handicapped" should not be isolated and given specific recognition in the Concurrent List of subjects. This would seem to be desirable because a small population interspersed over the entire country is involved and decentralised expenditure is not always possible administratively. For another, the Central Government could morally be given a special responsibility in regard to them. Development of expertise and of appropriate facilities will not for a long time to come be possible at any except central points. List III of the Constitution recognises the responsibility of both the centre and the states for the welfare of mentally deficient children but this class would constitute only a small portion of the total number of the handicapped persons. As the "handicapped" may be considered among the weakest sections of society, in a sense more so than the sections so recognised by the Constitution, *e.g.*, the Scheduled Castes, there would seem to be a justification for providing for greater central involvement with them constitutionally by making their welfare and training a concurrent subject.

Department of Social Welfare

ORGANISATION CHART



** Represents link through grant-in-aid.

Annexure II
(See paragraphs 3.2 and 4)

Department of Social Welfare

Functions proposed to be transferred to the state agency

S. No.	Function/ Scheme	Brief description	Remarks
1	2	3	4
1	Family and Child Welfare Project.	This is a new scheme being introduced in all the states and the UNICEF will assist in the implementation of the scheme. This represents the reorganised welfare extension projects on a broader organisational basis and integrated programme content. 800 such projects are proposed during the Fourth Plan. An outlay of Rs. 13 crores has been provided in the draft out line of the Fourth Plan. State's share in the project will be 25 per cent. The programme has the welfare extension projects as its main basis. The new projects will be different from the old ones in some ways but the programme is primarily based on the work already done in the previous three plans for the welfare of rural women and children. It cannot, therefore, be said to be of a pilot nature.	A Committee of the NDC recommended that this should be transferred to the state sector but the Planning Commission has already decided to treat this as a centrally sponsored scheme. There should normally be no centrally sponsored scheme. Such schemes should be wholly transferred to the states and should be state schemes. If necessary central assistance for them can be tied (covered by Entries 6 and 11 of List II).
2	Maintenance and education of children of displaced persons from Pakistan.	The Department of Social Welfare places lump sum funds at the disposal of state governments who have been permitted to sanction the stipends to the children within the prescribed ceilings.	The state governments are already performing all functions as well as day to day work including grant of stipends within the prescribed ceilings. The only cases which come to the centre are in regard to the relaxation of age limits for the sanction of stipends to girls and some other cases not covered by the rules. Power to relax age limits up to two years can also be delegated

1	2	3	4
3	Beggary.	Apart from the enforcement of state acts for the prevention of beggary, the state governments set up institutions variously termed as beggar homes, poor houses or work centres for able-bodied beggars and get 50 per cent assistance from the Central Government. Model schemes are prepared by the Central Bureau of Correctional Services.	to the states as also to make other relaxations to a specified extent (covered by Entry 27 of List III). This is largely a state plan scheme. A small portion (Rs. 1 crore) has been allocated in the Fourth Plan in the centrally sponsored sector with a view to establish model homes on a pilot basis. Only one unit of each of the pilot schemes may be directly run by the central agency and the rest should be located in the states concerned with the central assistance earmarked or tied, if necessary.
4	Prevention of crime and treatment of offenders and the Probation of Offenders Act, 1958.	This Act provides for the release of offenders on probation or after due admonition and for matters connected therewith. The state governments appoint Probation Officers for this work. The state governments get 50 per cent assistance from the Central Government. Model schemes are drawn up by the Central Bureau of Correctional Services.	No grants should be given from the centre. Only leadership should be provided (covered by Entry 4 of List II).
5	The Children Act, 1960 and juvenile delinquency.	This is a central act which provides for the care, protection, maintenance, welfare, training, education and rehabilitation of neglected or delinquent children and for the trial of delinquent children in the Union Territories. All states (except four) have similar acts. Model schemes are prepared by the Central Bureau of Correctional Services and the state governments get 50 per cent assistance from the Central Government.	The Act is implemented by the state governments according to the provisions contained in their respective acts. This is a state plan scheme (covered by Entry 4 of List II).

1	2	3	4
6 Special employment exchanges for the handicapped.	These schemes for the handicapped are at present handled by the centre. 9 special employment exchanges have already been set up and their main task is to place the blind, the deaf and the orthopaedically handicapped persons. The special employment exchanges in elhi and Bombay are undertaking on an experimental basis the placement of persons with neurological or respiratory disorders. It is proposed to set up 25 additional exchanges during the Fourth Plan.	Although employment is a concurrent subject, no central law has been enacted to cover this item. In fact, this scheme has been made a centrally sponsored one. It might have been possible to consider this activity as a central activity as long as there were only 9 exchanges to cover the whole country. Now that it is proposed to add 25 more, this scheme will no longer have an experimental character. It should, therefore, be transferred to state governments and included in the state plans as has been recommended in the case of other centrally sponsored schemes.	
7 Employment assistance to the physically handicapped persons.			
8 Integrated education of the blind.	This is a new scheme to be undertaken in the Fourth Plan and is yet to be formulated. This scheme envisages the placement of about 2,000 blind children in ordinary schools instead of the special residential schools which are very expensive.	This cannot be considered a research project falling in the central jurisdiction by virtue of Entries 65 and 66 of List I for the reason that this is a substantive activity proposed to be spread to a large number of schools all over the country.	
9 Nursery schools for handicapped children.	This is a new scheme still under formulation and proposed to be taken up in the Fourth Plan. Further details are not available.	This is a centrally sponsored scheme. The state governments can handle this scheme under Entry 11 of List II.	
10 Special schools for partially sighted children.	The Department proposes to set up a model school for partially sighted children as an integral part of the National Centres of the blind.	This is a centrally sponsored scheme. While the Government of India can set up a model school of this kind, the setting up of such schools in various states should be left to the state governments who can, no doubt, take guidance from and follow the results of experiments made in the model school. This is covered by Entry 11 of List II.	

1	2	3	4
11	Special school for cerebral palsied children.	This is a new scheme to be taken up in the Fourth Plan period. Details are still to be worked out.	This is a centrally sponsored scheme and can be handled by the state governments under the cover of Entry 11 of List II.
12	Establishment of co-operative societies by the handicapped.	It is not always possible to place trained handicapped persons in the open market and it is, therefore, proposed to set up co-operative and sheltered workshops to enable the handicapped to do constructive work.	This is a centrally sponsored scheme. It does not involve any special techniques which only the Central Government can provide. The state governments should, therefore, be able to initiate this scheme. The Central Government can give guidelines where necessary.
13	Establishment of pilot rehabilitation centres.	This is a centrally sponsored scheme, to be undertaken during the Fourth Plan period. It is still under formulation and details are not available.	The Government of India may establish one or two pilot centres from which the state governments can take a cue for the establishment of such centres in their own states. The large scale setting up of these centres should be undertaken by the state governments.
14	Professional seminars.	Special education and rehabilitation are new professions and there have been many developments during the last decade or so. The exchange of ideas and the spread of new knowledge through well prepared literature is considered essential. This will be done by organising professional seminars, workshops and the production of professional literature.	This is a central scheme during the Fourth Five Year Plan. The work can be done both at the central and the state level, centre confining to the seminars of inter-state character.
15	Relief and assistance fund scheme for the handicapped.	An outlay of Rs. 4.50 crores has been earmarked for this scheme in the Fourth Plan but no scheme has so far been prepared for utilisation of this amount.	The implementation of this scheme should be on the same lines as other schemes for the education of the handicapped. This should be decentralised (covered by Entry 11 of List II).
16	Government of India scholarships for the handicapped.	The Department of Social Welfare operates this scheme directly even in regard to the scrutiny of applications and release of scholarships direct to the heads of institutions where the handicapped have been admitted.	This work is of an executive nature and should, therefore, be performed by the state governments, general guidelines and policy being laid down by the centre.

1	2	3	4
	<p>The scholarships are given for general and technical education from pre-matric stage upwards. The state governments come into the picture only in regard to the forwarding and initial scrutiny of the applications. The Department appoints three <i>ad hoc</i> committees for scrutiny of applications and selection of candidates from among the deaf, the blind and the orthopaedically handicapped.</p>		
<p>17 Suppression of immoral traffic in women.</p>	<p>There is a central act for this purpose which is implemented by the state governments. The state governments also establish protective homes and reception centres where the ladies prosecuted under the Act are kept. The Department of Social Welfare gives 50 per cent assistance to the state governments. The responsibility for preparing model schemes is that of the Central Bureau of Correctional Services.</p>	<p>No grants should be given from the centre. Only leadership should be provided.</p>	
<p>18 Social and moral hygiene 'care' programme.</p>	<p>This scheme provides for the welfare of women in moral danger and those who are unattached. The institutions provided under the scheme include district shelters and state homes. Production units form an integral part of almost every home. This enables the inmates to earn some living wages and promotes self-reliance in them. Preparation of model schemes is the responsibility of the Central Bureau of Correctional Services but the schemes are implemented by the state governments.</p>	<p>The scheme is already implemented by the state governments. The centre should continue to give policy guidance and provide leadership only (covered by Entry 4 of List II).</p>	

1	2	3	4
19	Scheme for the welfare of non-student youth.	An outlay of Rs. 2·00 crores has been made for this scheme but the scheme is still in the process of finalisation.	This scheme can be decentralised.
20	State social welfare programme for women, children, the handicapped, etc.	Schemes are prepared by the state governments for the general welfare of women, children and the handicapped.	The scheme is already implemented by the state governments. Centre should continue to give policy guidance and provide leadership only.
21	Welfare Extension Projects in U.P. and Andhra Pradesh.	The welfare extension projects are mainly run through the CSWB though the grants to these two states are directly given by the Department of Social Welfare. This has been so due to past practice and no steps have been taken to route the grant through the CSWB.	Now that an integrated scheme on family and child welfare services is being introduced, this will automatically get transferred as a part of the centrally sponsored scheme. It should go to the states (covered by Entries 6 and 11 of List II).
22	Balsevika training programme.	This is at present a central scheme. The sphere of activities of Balsevika is concentrated mainly around the age group up to 6 years for normal children. The training consists of theory, lectures, practicals and field work including visits to institutions.	This is only a scheme for training workers and teachers. All work is at present being done by the Child Welfare Councils in the states on the basis of pattern grants from the central body. It should, therefore, be transferred to the states (covered by Entry 11 of List II).
23	Establishment of homes for the aged.	This scheme has not yet started.	(Covered by Entry 9 of List II).
24	Establishment of training centres.	Do	(Covered by Entry 11 of List II).
25	Training of teachers for the blind.	This scheme was introduced in the Third Plan as a step towards improving standards of teaching in schools for the blind. It was proposed to undertake the training on a regional basis. The scheme is operated in collaboration with the UNICEF, the American Foundation for Overseas Blind and with the co-operation of the National Association for the Blind and the National Academy of Teachers of the Blind.	This is now a centrally sponsored scheme. The state governments should take over the full responsibility for the operation of the scheme on contributory basis from the other beneficiary states. In the alternative, this may be run by the centre as a central scheme, using, if necessary, the state of location as an agent under Article 258 (covered by Entry 11 of List II).

1	2	3	4
26	Pre-vocational training scheme.	This scheme was initially started at the behest of the UNICEF.	As a large number of centres (63) have already been set up
27	Holding of seminars.	The UNICEF still contributes a major portion of the expenditure on the scheme especially	this scheme can be considered to have crossed the experimental or pilot stage.
28	Budget of regional training centres.	in regard to the tools, equipment, library, training of instructors and career masters	The National Development Council in its meeting on the 9th of December 1966, decided to transfer
29	Progress reports of pre-vocational training centres.	and salaries of senior instructors (one for each centre) and career masters (one for each centre). These functions are performed in connection with the pre-vocational training for children of the age group 11 to 14 who do not go to school.	this centrally sponsored scheme to the state sector but subsequently the Planning Commission have decided to keep the <i>status quo</i> by treating the scheme as a centrally sponsored one. This activity excluding regional centres should be transferred to the states. The assistance rendered by the UN agencies can be passed on to the states. The centre need only advise on policy matters, on evolving model training centres and act as a clearing house of information. The regional level training may continue to be a central responsibility, (covered by Entry 11 of List II).
30	Progress of material and equipment to career masters.	There are five regional-cum-pre-vocational training centres located in Punjab, West Bengal, Maharashtra, Andhra Pradesh and Madras directly under the control of the Department. They are used for the training of instructors who in their turn impart training in 58 pre-vocational training centres at present being controlled by the state governments. There is a central co-ordination committee which looks after the functions of the regional centres and draws its members from a number of ministries, the UNICEF and ILO. Similarly, state co-ordination committees have been set up at the state level also with a view to running the centres under the control of the state governments and to decide about the selection of trainees, etc. The Department of Social Welfare gives grant-in-aid on the basis of 100 per cent expenditure. This grant will continue up to July, 1968 whereafter the expenditure is proposed to be shared by	
31	Supply of tools and equipment to regional and pre-vocational training centres.		
32	Supply of material and equipment to centres.		
33	Progress reports of regional pre-vocational training centres.		
34	Correspondence with state governments to remove the deficiencies of pre-vocational training centres.		
35	Construction of workshop sheds.		
36	Verification of antecedents and character of staff of regional training centres.		

1	2	3	4
		the Government of India and the state governments on a proportionate basis still to be decided.	
	<i>Release of funds to voluntary organisations not of an all-India character.</i>		
37 Assistance to voluntary organisations for the handicapped.		The object of this scheme is to render financial assistance to voluntary organisations engaged in the welfare of the handicapped and to encourage the development of essential services for the physically and mentally handicapped. Assistance is provided for developing all activities calculated to promote the education and training of the handicapped at all stages of education. The main items which are entitled to assistance relate to construction of buildings excluding staff quarters; purchase of furniture, books and educational or vocational equipment; salaries and allowances of staff; seminars, conferences and exhibitions; research and surveys and publication of journals, etc. The grant from the Central Government does not exceed 75 per cent of the non-recurring and recurring expenditure, the remaining expenditure being borne by the state governments and/or the institution/organisation concerned. Grants-in-aid for buildings would not exceed Rs. 1 lakh. The applications for grants-in-aid are scrutinised and forwarded to the centre by the state governments along with their recommendations.	Except in the matter of laying down the general policy and guidelines, the implementation of this scheme can be handled more competently and efficiently by the state governments concerned. If a particular organisation caters to more than one state, the different states can render assistance according to the merits of each case. In the case of all-India organisations assistance should be rendered by the Central Government.

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38 Inspection reports on the accounts of State Social Welfare Advisory Boards and welfare extension projects.	These organisations are at present directly responsible to the CSWB in regard to the utilisation of grants given to them. The inspection is done with the sole object of eradicating the shortcomings.	This supervisory function should be performed by the state governments. However, evaluation of the working of the state boards as well as programmes in general may be retained at the centre in accordance with the general policy which may emerge for carrying out evaluation in other fields.	

Department of Social Welfare

Functions proposed to be retained by the Department

S. No.	Function/scheme	Brief description	Remarks
1	2	3	4
I	<p><i>Providing initiative and leadership to the states and serving as a clearing house of information.</i></p> <p>Preparation of model schemes and general guidelines, e.g., social defence schemes, schemes for education of the handicapped, grant of scholarships, social welfare schemes, assistance to voluntary organisations etc.</p> <p>Policy matters</p> <p>Overall budget, e.g., budget for homes/infirmaries, vocational training centres, budget for CSWB schemes, budget for social welfare schemes and assistance to voluntary organisations, etc.</p> <p>Overall allocation/release of funds, e.g., allocation of funds to state governments and release of funds to voluntary organisations.</p> <p>Committee on child welfare</p>	<p>These are self-explanatory.</p> <p>This committee was set up in December 1962 to advise the Government on—</p> <p>(i) formulation of a national child welfare policy;</p> <p>(ii) to suggest policies, programmes, targets, etc., in the field; and</p>	<p>These functions have necessarily to remain with the centre.</p> <p>As the committee is concerned with national co-ordination and the drawing up of the national policy on the subject, this function should remain under the centre.</p>

1	2	3	4
		(iii) to secure co-ordination between the activities of the Ministry of Education, CSWB and the Indian Council for Child Welfare	
Central Bureau of Correctional Services.	This bureau is concerned with the following main functions :—		
	(i) to standardise the collection on a national basis of statistics relating to crime, jails, probation and other correctional work;	(i) As this involves all-India co-ordination, it should remain with the Bureau.	
	(ii) to develop a uniform policy of prevention of crime and treatment of offenders, exchange of information in regard to crime prevention and correctional services between the states; and	(ii) Since the Bureau has an advisory role and is a technical agency, this function should remain with it.	
	(iii) to exchange information, where necessary, between India, foreign governments and the UN.	(iii) This has obviously to remain with the centre.	
All matters relating to the administration of the CSWB.	These functions relate to:—		
	(a) general administration and recruitment/appointment to certain selected posts;	Since these functions relate to the day to day administration of the CSWB, they have to continue with the Department of Social Welfare.	
	(b) constitution and re-constitution of the Board;		
	(c) approval of the CSWB membership;		
	(d) rules governing the CSWB and amendments thereto—GPF, Rules of the Board;		
	(e) budget of the CSWB;		
	(f) inspection reports on the accounts of the CSWB; and		
	(g) status of the CSWB.		

1	2	3	4	
Administrative matters regarding the arrears in the Social Welfare Wing.	Preparation of statement for the Division of the cases received from the Minister.	All co-ordination work for Social Welfare Division.	These are administrative and supervisory functions for the successful working of all schemes launched by the Department of Social Welfare and as such should continue with it.	
Monthly Summary for the Cabinet.	Miscellaneous references on Social Welfare for Social Welfare Division.	These are self-explanatory.		
Re-appropriation of funds and reconciliation of expenditure with the Accountants General.	Appropriation Accounts and Audit Reports.			
Maintenance of lists of schools for the physically handicapped.	The Department of Social Welfare maintains the lists of schools for the physically handicapped in the country. These lists are periodically reviewed and brought up to date by making a reference to the state governments and other voluntary organisations.			This is a co-ordination function and leads to dissemination of information. It should remain with the centre.
Publication of the book 'Towards a Fuller Life'.					This is a new publication brought out by the Central Department focussing the attention of all concerned to help the blind to get a new life. It is also of general interest.	This is a function which has to remain with the centre.

1	2	3	4
National Advisory Council for the education of the handicapped and work relating to implementation of its recommendations.	<p>The Council is a permanent advisory body appointed by the Ministry of Education in 1955. It advises the Government on all problems concerning the education and welfare of the physically and mentally handicapped and assists in the formulation of new schemes for this purpose.</p> <p>The members of the Council include representatives of the Central Government, the Planning Commission, the CSWB, all state governments and Union Territories, representatives of the blind, the mentally handicapped and the deaf, eye specialists and ENT specialists.</p>	This is a function which has to remain with the centre.	
Publication of a quarterly journal on education, training and rehabilitation of the handicapped.	This is self-explanatory.	Publication of a journal which contains consolidated information about the whole country has obviously to be done by the central agency.	
II <i>Undertaking responsibility for drawing up the national plan for the development of welfare activities in close liaison with the states.</i>	It is self explanatory.	This is a central agency function and has necessarily to remain with the centre.	
Formulation of plan and work connected therewith.	It is self explanatory.	This is a central agency function and has necessarily to remain with the centre.	
III <i>Undertaking research at the national level.</i>	Overall research/ studies <i>e.g.</i> , grant to Delhi School of Social Work and Association for Moral and Social Hygiene in India, for carrying out research studies in the field of social welfare.	This is a central agency function and has necessarily to remain with the centre.	

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	National Research Institutes.	These institutes apparently carry out research at the national level in regard to the education and training of the handicapped.	Research at the national level in any subject should remain a responsibility of the centre.
IV.	<i>Undertaking training programme of a foundational nature.</i>	There are five regional training centres functioning under the control of the Central Government as a part of the pre-vocational training scheme. These centres train instructors who in turn impart training in 58 pre-vocational centres being controlled by the state governments. The regional centres are thus engaged in the training of trainers.	These are central agency functions and have necessarily to remain with the centre.
V.	<i>Taking the initiative in a limited way in evaluating programmes with a view to locating problems and taking remedial measures on an overall basis.</i>	These are self-explanatory.	These may continue with the centre.
VI.	<i>Providing a forum and meeting ground for state representatives for the exchange of ideas on different subjects and for the evolution of guide-lines.</i>		
VII.	<i>All-India Organisations.</i>	Indian Council for Child Welfare. It is a registered all-India organisation and has its state branches throughout India. It gets grants-in-aid from the	This is an organisation of a national character. It may continue to get central grants for activities of an all-India

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		Government for its headquarters as well as for passing central assistance to the state branches for executing programmes in states. It runs activities like Balsevika training and also participates in a number of international activities.	character. As regards other functions coming within the purview of the state branches, the programme should be assisted by the states concerned and the central organisation may only perform those functions which a central organisation should ordinarily perform, <i>e.g.</i> , providing leadership and initiative, acting as a clearing house of information, policy formulation, suggesting model schemes, training of trainers and evaluation, etc. Thus, schemes like training of Balsevikas should be decentralised.
Grants to the Association for Moral and Social Hygiene in India and other voluntary organisations of an all-India character.		This association has got branches in almost all the states and gets 100% grant from the Central Government for its central office. The expenditure of the state units is met by the Central Government to the extent of 60%, the remaining portion being contributed by the state governments concerned.	These institutions are of an all-India character; only head office should get central assistance. Assistance to state branches should be the responsibility of the states concerned.
Grant in-aid to All-India Crime Prevention Society, Lucknow.		This society among other things deals with social education of the public in the matter of prevention of crime, training in social defence etc. A sum of Rs. 5000 has been given by the centre as grant-in-aid during the last two years.	This institution is of an all India character.
Tata Institute of Social Sciences, Bombay.		Grant is being given by the centre to this Institute for its work in the field of social welfare. This is a type of a national institute which conducts a number of courses in social	Do.

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		sciences and admits candidates from all over India. The certificates and diplomas issued by this Institute are considered for recognition by the Department of Social Welfare.	
VIII <i>Matters relating to the Union Territories.</i>			
	Allotment of land to social welfare institutions in the Union Territory of Delhi and other cases relating to social work under Delhi Administration and other Union Territories including Bal Sahyog.	It is self-explanatory.	This is a function pertaining to a Union Territory and may remain with the centre.
IX <i>Matters relating to the United Nations/foreign countries/other foreign agencies.</i>			
	Collaboration with foreign governments/foreign agencies <i>e.g.</i> , the UNICEF, ILO experts, TCS of the Colombo Plan and under the SCAAP, FCOSOC, UN Correspondents, deputations, training under cultural exchanges with foreign countries, assignment of experts, etc. Delegations abroad.	These are self-explanatory.	These are central agency functions and have necessarily to remain with the centre.
	United Nations International Children's Emergency Fund.	Functions of the Department relate to the contribution of India's share to the UNICEF. Assistance received from it	This work has to be performed at the central level as it relates to an international agency.

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		in cash and kind is handled by the Department. Other co-ordination work including conferences about/ of the UNICEF is also undertaken.	
	Scholarships for the education and rehabilitation of the handicapped under the TCS of the Colombo Plan and under the SCAAP.	It is self-explanatory.	Dealings with foreign agencies have necessarily to be performed at the central level.
	Scholarships for the training of teachers of the handicapped offered by foreign agencies.	The Royal Commonwealth Society for the Blind, UK., offers some scholarships for advanced study in the UK., on the following subjects:— (1) welfare of the blind, and (2) teachers' training course, (3) advanced training in ophthalmology.	This is a function which has to be performed by a central agency.
		The Central Government meets only the travel cost while the rest of the expenditure is borne by the foreign agency concerned.	
X	<i>Schemes/Centres which are of the only kind in India and which have to be handled by a central agency e.g. Model Centre for Blind Children, Central Braille Press, Dehra Dun, and Training Centre for the Adult Deaf, Hyderabad.</i>		
	Model School for mentally deficient children.	This was a central scheme and during the year 1959-60 a provision of Rs. 30,000 was made for this item but the scheme was not taken up. At the end of the Second Plan	The present unit serves as a pilot centre and is the only one of its kind in the country. It should remain with the centre.

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period it was decided to run the scheme through the Delhi Administration, the centre giving the funds necessary for it. The school was established on 17-9-64 and a provision of Rs. 4 lakhs was sanctioned for this scheme for the Third Plan period.

Central Braille Press, Dehra Dun.

This Press was established in Dehra Dun in April, 1951. The object of the Press is to produce braille literature in the Indian languages. The Press also brings out a quarterly journal in Hindi.

This is at present a unit of the Central Government and is the only one of its kind in the country.

Model School for Blind Children, Dehra Dun.

The school was established in 1959 and provides accommodation for 70 children with free board and lodging facilities, irrespective of caste, creed or economic status. The object of the school is not merely to impart education on modern lines to a limited number of blind children but also to serve as a laboratory for the development of new methods and techniques of educating them.

The present unit serves as a pilot centre, and is the only one of its kind in the country. It will be developed as a national centre.

Training Centre for the Adult Blind, Dehra Dun.

This centre was established in January, 1950, and imparts training in engineering and non-engineering trades to adult blind men and women from all parts of the country. It accommodates 150 men and 35 women. Its main purpose is to help the trainees towards economic independence.

Do.

Training Centre for the Adult Deaf, Hyderabad.

This was established at Hyderabad in September, 1962. The following trades are taught at present for the benefit of the deaf :—

Do.

- (1) carpentry
- (2) tailoring

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- (3) fitting
 (4) wiremanship
 (5) sheet metal work
 (6) gas welding.

Establishment of an institute for rehabilitation of the handicapped.

Three centres for training teachers of the blind have already been set up and it is proposed to undertake the training of teachers of the deaf and mentally retarded children as well. The recent trend is to provide an integrated course in the education of all handicapped children followed by some period of training in the education of a specified category. For carrying out this experiment, it is proposed to set up a national institute.

This is a central scheme. The institute is in the nature of a national institution and administrative necessity requires it to be run by the centre. Decentralisation is neither practicable nor desirable. This activity is covered by Entry 65 of List I.

Financial assistance to the handicapped from the Minister's Discretionary Fund.

It is a prerogative of the Central Ministers to grant assistance to any person for a particular purpose from the discretionary fund at their disposal. In one particular case which was studied, the Deputy Minister for Education sanctioned a sum of Rs. 1,500 for the purchase of a powerloom by the applicant.

This will necessarily remain with the centre.

XI. Other functions under taken by the Central Government.

Maintenance and rehabilitation of unattached displaced women and old and infirm displaced persons (with or without dependents) from West and East Pakistan staying in homes

The homes and infirmaries are maintained by the state governments. They are sanctioned every year by the Department of Social Welfare as also the grants for dolees staying outside the homes and infirmaries. The inmates of the homes are imparted training in various crafts with a view to enable

Rehabilitation of refugees is a responsibility, the bulk of which is already being discharged in collaboration with the state governments. Responsibility for the day to day administration needs to be left entirely to the state on 'agency functions' basis. The cases of transfer of dolees from one state to another

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and infirmaries located in different states.	Payment of cash doles to displaced unattached women and old and infirm persons (with or without dependents) from West and East Pakistan staying in homes/infirmaries or outside with friends, relations, etc.	them to earn a livelihood and then to leave the homes. The Central Government meets the entire expenditure including repairs of buildings. The cases of all inmates of homes and outside dolees are reviewed annually by a Central Government review committee which has a representative each from the Department of Social Welfare (a Class II Gazetted Officer), state government and the relevant institution. The review reports are submitted to and scrutinised by the Central Government.	by mutual correspondence between the states should also be handled by the state governments. It usually takes much time for the Central Government to take decisions on review reports and get them implemented. Since the homes and infirmaries are administered by the state governments, they are the best judges for weeding out ineligible and effect other economies. As the Government of India bears the entire expenditure, it should ensure by occasional inspections that all the instructions are followed by the state governments. In any case, it is not proposed to take away the power of the Central Government to weed out the dolees.
Training of unattached and displaced women from Pakistan staying in homes/infirmaries.	Grant of loans through state governments (West Bengal, Assam, Bihar) for the rehabilitation of displaced families of long-term liability category staying in homes and infirmaries or receiving cash doles outside homes/infirmaries.	These loans are granted through the state governments for the rehabilitation of displaced persons of long-term liability category. The Central Government have already laid down ceilings up to which the state governments can give loans for various purposes in accordance with the instructions laid down in this regard.	Rehabilitation of refugees is a responsibility undertaken by the centre but the grant of loans to the individuals and other administration work in this regard can be performed on an agency function basis by the state governments.
Exemption from import duty on appliances for the handicapped.	XII Release of foreign exchange.	This relates to centre's approval for exemption from import duty in respect of equipment, etc., imported for the handicapped. This is a central subject appearing in List I of Schedule VII to the Constitution.	This is a function which has to be performed by the central agency. This is a central function and has necessarily to remain with the centre.

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<p>XIII <i>Matters relating to inter-state questions or matters affecting more than one state.</i></p>	<p>Recognition of diplomas/degrees awarded by the schools of social work.</p>	<p>The Institute of Business Management, Calcutta, approached the Government for recognising their diploma on social welfare as equivalent to the M.A. Degree. The Department of Social Welfare after consultation with the UGC agreed to the proposal and asked the Institute to approach the Calcutta University in the matter.</p>	<p>Since this pertains to formulation of a uniform national standard, it should remain a central function.</p>

Department of Social Welfare
Financial Provisions for the period 1-4-66 to 31-3-71
Central Schemes

Serial No.	Programme	Provision	To be retained at the central level	To be decentralised
<i>A-Plan</i>		(Rs. in crores)		
1	Pre-vocational training	0.50	0.50	Nil
2	Social Defence (Central Bureau of Correctional Services)	0.50	0.50	Nil
3	Education, training and rehabilitation of the handicapped	3.50	1.00*	2.50
4	Training, research, survey and administration ..	1.50	1.50	Nil
5	Voluntary organizations:			
	(a) all India Organisations	2.00	0.50*	Nil
	(b) organisations not of an all-India character .. }	..	..	1.50*
		8.00	4.00	4.00
<i>B-Non-Plan. (Based on the revised estimates for 1936-67)</i>				
1	Grant in-aid to the Central Social Welfare Board ..	1.13	1.13	..
2	Contribution and grant-in-aid to the UNICEF ..	3.75	3.75	..
3	Homes/Infirmaries and outside doles for displaced persons from Pakistan	6.00	6.00	..
4	Rehabilitation of the handicapped:			
	(i) training centres	0.47	0.21	0.26
	(ii) rehabilitation centres	0.15	0.08	0.07
	(iii) scholarships to the handicapped	0.33	..	0.33
	(iv) others	0.07	0.07	..
		11.90	11.24	0.66

* Break up of individual schemes not available and hence the figures are approximate. If the proposals outlined in the study are accepted:

- (i) the value of the schemes proposed to be retained at the central level will be Rs. 15.24 crores (approx.) during five years; and
- (ii) the value of the schemes proposed to be transferred to the state agency will be Rs. 4.66 crores (approx.) during five years (this excludes the Social Welfare and Rehabilitation Directorate which has not been studied).

Annexure IV-B
(Sec paragraphs 4 and 7.2)

**Department of Social Welfare
and
Central Social Welfare Board**
Financial Provisions for the period 1-4-66 to 31-3-71
Centrally Sponsored Schemes

S. No.	Programme	Provision	To be retained at the central level	To be decentra- lised
(Rs. in crores)				
<i>A. Department of Social Welfare</i>				
1	Pre-vocational training	3.00	Nil	3.00
2	Social and moral hygiene and after-care, etc. ..	1.00	Nil	1.00
3	Employment exchanges for the handicapped ..	0.50	Nil	0.50
4	Youth welfare projects	2.00	Nil	2.00
		6.50	Nil	6.50

If the proposals outlined in the study are accepted, the value of the schemes proposed to be decentralised will be Rs. 6.50 crores and of those to be retained at the central level will be nil.

B. Central Social Welfare Board

1	Family and Child Welfare Programme	10.00	Nil	10.00
2	Children's programmes	2.50	Nil	2.50
3	Special programmes for women <i>e.g.</i> , condensed courses, socio-economic programmes	3.00	Nil	3.00
		15.50	Nil	15.50

If the proposals outlined in the study are accepted, the value of the schemes proposed to be decentralised will be Rs. 15.50 crores and of those to be retained at the central level will be nil.

Central Social Welfare Board

Functions proposed to be transferred to the state agencies

S. No.	Function/Scheme	Brief description	Remarks
1.	Welfare extension projects	Welfare extension project (rural) is a unit of 25 contiguous villages with a multi-purpose block relating to women, children and the physically handicapped. On the urban side, the project is operated in slums, overcrowded industrial areas, etc., minimum number of activities to be handled by a project being five. The Central Board has prepared a standard budget and meets 50% of the expenditure incurred by an institution, the remaining 50% is arranged by the institution from other sources including the state governments. The budget prepared on the above lines is approved by the state boards. Scheme for starting a project is approved by the Central Board and necessary share of the expenditure is released by the Central Board to the state board which then releases it to the institutions. The projects are run in two stages and after the completion of the second stage they are normally transferred to the voluntary institutions. Most of the existing projects are expected to be completed in the year 1968. However, very few	A large number of such projects is functioning at present in the various states. They cannot, therefore, be said to be of a pilot nature and should be handled at the state level. They should, therefore, be transferred to the states (covered by entries 6 and 11 of List II).

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of them will be transferred to the voluntary agencies etc., as they are proposed to be converted into family and child welfare projects, which are separately being proposed to be transferred to the states (although the Planning Commission have recently decided to treat this as a centrally sponsored scheme).

2 Family and child welfare scheme.

This is a new centrally sponsored scheme to be implemented with UN assistance. The Central Government will give grant to the extent of 75% of the expenditure. The programme envisages the opening of 1000 centres for locating family and child welfare projects in the CD blocks in addition to the centres to be converted from the welfare extension projects, etc. The programme is designed to achieve all-round development of the pre-school child and strengthening of the family. The new projects will be different from the old ones in some ways but the programme is primarily based on the work already done in the previous three plans for the welfare of rural women and children. It cannot, therefore, be said to be of a pilot nature. The assistance received from the UNICEF can be passed on to the states.

This scheme has already been approved by the Planning Commission as centrally sponsored against the recommendations of the Committee of the National Development Council made in December 1966. The scheme should be transferred wholly to the states (covered by Entries 6 and 11 of List II).

1	2	3	4
3	Family planning.	These schemes are prepared by the Ministry of Health. That Ministry also lays down the pattern of assistance, sanctions the grants and releases the funds. The voluntary institutions submit applications for grants to the state family planning officers who recommend them directly to the DGHS. The role of the Central Social Welfare Board appears to be that of a liaison between the state board and the DGHS.	This scheme should be entirely handled by the state family planning officers. No approval from the centre should be necessary.
4	Child welfare and special child welfare programme.	Presently these are centrally sponsored schemes and will be part and parcel of the integrated family and child welfare scheme when it is operated. Other activities relating to child welfare concern the adoption of children by foreign/Indian nationals and the foster care of children.	Since the main schemes are being recommended for transfer to the state sector, this activity will automatically be transferred. The organisations at the state level will be having a close liaison with voluntary organisations in the states concerned and are the right agencies for implementing the programmes (covered by Entries 6 and 11 of List II).
5	Welfare of jawan's family.	This scheme will cover the welfare of the families of the jawans during the latter's absence or in the event of death.	The scheme has not yet been worked out. The incidence of this scheme is on individual families and the states should handle this welfare work on an agency basis if funds have to be provided by the centre as a national responsibility. They should be provided by the Ministry of Defence and channelised through the states.
6	Border areas programme.	This programme covers the organisation of camps	The state governments concerned are in a better

1	2	3	4
		and the operation of social welfare projects with a view to engender awareness in regard to social welfare among the people residing in border areas. The expenditure is shared between the Central Board and the state governments in the ratio of 75 and 25.	position to judge the needs of the people living in border areas within their jurisdiction (covered by Entries 6 and 11 of List II).
7	Socio-economic programme.	This scheme relates to the production units of small scale industries attached to voluntary welfare institutions and organised as ancillary to larger industries, <i>e.g.</i> , handloom, coir, handicrafts, khadi and village industries. The pattern of financial assistance for the various schemes under this programme is determined in accordance with the nature of the programme.	The state social welfare department in collaboration with the Department of Industry will be in a better position to handle this scheme (covered by Entry 11 of List II).
8	Night shelters.	This is a model scheme to be implemented by voluntary organisations for which specific patterns of assistance, type of beneficiaries, etc. are laid down.	The states' agencies should be the correct agencies for according sanction straightway to various institutions if they fulfil the prescribed conditions. This should be their responsibility.
9	Welfare of the physically handicapped, old and infirm.	Five year grants are given to various institutions working for the welfare of the handicapped, etc., particularly in regard to education in the academic and technical field.	This scheme will have to be handled on similar lines as the scheme for the education of the handicapped being handled at present by the Department of Social Welfare. This should be decentralised.
10	Holiday homes.	Allocation for this scheme is met by the Central Board at the rate of Rs. 3,000 per home on the basis	The programme has been recently decentralised to the states and it should be possible for all states to

1	2	3	4
		of the holiday homes organised in the previous financial year. The proposals for setting up of such homes are at present approved by the Central Board.	take over this activity without delay.
11 Administration of state boards.		This relates to the internal administration of the state social welfare advisory boards.	Obviously, this should be entirely left to the states.
	<i>Training other than training of trainers/foundational training</i>		
12 Training of Gramsevikas including those in tribal areas, Mukhyasevikas and other project staff in the welfare extension projects.		This scheme contemplates short-term orientation/refresher courses for trained/untrained Gramsevikas working in the community development welfare extension projects and Mahilamandals. It involves organisation of camps/courses in a group of 20 Gramsevikas at the district headquarters.	Since the implementation is to be done on the spot, the state board will be in a better position to undertake this. There is no advantage in central control (covered by Entry 11 of List II).
13 Training of Balsevikas.		This scheme is expected to meet the requirements of Balsevikas in various projects. Short-term training courses which will be entrusted to voluntary organisations and supervised by the state boards have been organised. The courses will be of 3 months' duration.	This training is not of a foundational nature. Since the overall supervision over the voluntary organisations is even now done by the state boards, this position may continue. Even the training courses can and should be organised by the states themselves (covered by Entry 11 of List II).
14 Training in crafts and other vocations.		Grants are given by the Central Board to regional handicrafts training institutes for buildings and hostels for candidates to be admitted to the various courses under them. Train-	Even now the candidates are admitted on the basis of recommendations made by the state boards. This subject can, therefore, be easily handled by the state governments concerned

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		ing is given in book binding, leather work, making of toys, cane and bamboo work, dyeing and textile printing.	(covered by Entry 11 of List II).
15	Condensed courses.	These courses are run for two years for the education of adult women. The courses cater to the requirements of middle and matriculation standards. The grants are released by the Central Board to the state boards which in turn pass them on to the institutions concerned. The CSWB also gives guidelines, approves syllabi and fixes terms and conditions of the grants.	This is not a foundational training. A number of institutions have already attained the required capacity for running these courses. All the functions performed here by the CSWB can well be performed by the states. The scheme should, therefore, be wholly decentralised (covered by Entry 11 of List II).
	<i>Matters connected with voluntary institutions not of an all-India character; and release of funds to voluntary organisations not of an all-India character</i>		
16	Plan period grants to voluntary organisations which are not of an all-India character.	These grants are made to voluntary organisations for consolidation and improvement of social welfare activities, the maximum amount sanctioned being Rs. 50,000 for five years. Applications recommended by the state boards are decided by the CSWB.	It is from these grants that some of the activities mentioned in items 1 to 15 are financed. Besides, these grants are also used for financing miscellaneous expenditure. An itemwise discussion is already available above. The general conclusion is that the states are in a better position to assess requirements and launch, finance and supervise activities. The centre should not, therefore, finance any of these activities in any way (except, possibly, item No. 5). This
17	One year grants to voluntary organisations which are not of an all-India character.	One year grants are given to various organisations/ Mahilamandals for various purposes on the basis of state boards' recommendations. Lump sum grants are released by the	

1	2	3	4
		Central Board twice a year.	applies also to Mahila-mandals, an activity that has been carried on for a considerable period and cannot be considered to be experimental any longer. Whether the states will agree to finance all these activities becomes a question of priorities and the arrangements proposed in Section II of Volume I of the report will be operative.
	<i>Budgets / accounts/administrative matters relating to organisations including state boards located in the states and having no direct dealing with the central agency</i>		
18	Reconstitution of state boards.	All the state boards are constituted by the state governments. Since there are a good number of nominees of the CSWB also on all the state boards, the composition of the state boards is finalised by the state governments in consultation with the CSWB.	The state governments should be free to appoint their own advisory boards.
	<i>Inspections and detailed evaluation about the progress of various schemes</i>		
19	State board inspectorates.	The system of inspecting officers was established at the level of the Central Board in 1954. This was followed by the appointment of a team of inspectors and welfare officers who were attached with the officers of state boards. The inspectorate staff	Since the state boards are fully responsible for the implementation of social welfare schemes and as the inspecting staff is under their administrative control it is necessary that they should submit their inspection reports direct to the state boards and

1	2	3	4
		<p>have to get their tour programmes approved by the Central Board in advance. Though they are under the administrative control of the state boards, they are recruited by the Central Board and they submit their inspection reports to the state boards through the Central Board.</p>	<p>work under their instructions. Even the inspectors can be appointed and paid for by the states.</p>
	<p><i>Routine functions like maintenance, repairs, etc., relating to subjects falling in the state sector</i></p>		
20	Allocation of jeeps.	<p>This scheme involves allotment of jeeps to various institutions where extension projects are located.</p>	<p>Since the allocation is a matter of judgement on the spot, the state government will be in a better position to handle this item. In any case this scheme will now become part of the integrated scheme, "family and child welfare project" which has already been proposed for decentralisation to the states.</p>

Central Social Welfare Board

Functions proposed to be retained at the centre

S. No.	Function/Scheme	Brief description	Remarks
	<i>Providing initiative and leadership to the states and serving as a clearing house of information</i>		
1	Preparation of model schemes and general guidelines, e.g., holiday homes, night shelters, condensed courses, socio-economic programmes, border areas programmes, etc.	These are self-explanatory.	These functions have to remain with the centre.
2	Overall budget, e.g., budget of state social welfare advisory boards and voluntary organisations.		
3	Overall allocation/release of funds, e.g., to state boards and voluntary organisations.		
4	Child welfare supplement.	This relates to the preparation of the pamphlet 'organisation of rural Balwadi', a centralised publication meant for the use of various trainees and other agencies. The entire expenditure is borne by the CSWB.	As this activity is in the nature of co-ordination and provides a field for the dissemination of information on a vital subject, it should be handled by the centre.
5	Journals on 'Social Welfare' and 'Samaj Kalyan'.	These journals are brought out by the CSWB and are in the nature of extension activity.	As this leads to dissemination of information on a vital subject, it should remain with the centre.
6	Film publicity and production of films.	This is an extension activity which is very vital for the successful working of the various social welfare schemes undertaken by the CSWB and the state boards.	For achievement of uniformity and attainment of national standards this should remain with the central agency.

1	2	3	4
7	Internal Audit.	} The same self-explanatory.	These are administrative and supervisory functions for the successful working of all schemes launched by the CSWB and as such should remain with the centre.
8	Release of funds and maintenance of accounts.		
9	Meetings of the CSWB. . .		
10	Co-ordination.		
11	Headquarters administration.		
	<i>Undertaking responsibility for drawing up the national plan for the development of welfare activities in close liaison with the states</i>		
12	Preparation of plans and other work connected therewith.	This is self-explanatory.	These functions have to remain with the centre.
	<i>Undertaking research at the national level</i>		
13	Overall research/studies, e.g., conduct of research through universities and other important social welfare institutions.	This is self-explanatory.	These functions have to remain with the centre.
	<i>Taking the initiative in a limited way in evaluation programme with a view to locating problems and taking remedial measures on an overall basis</i>		
14	Independent evaluation ; receipt of progress and random reports from state boards, checking of accounts of voluntary organisations directly financed or aided by the centre, etc.	The object is to process the progress reports received from the state boards and also review the evaluation arrangements and activities at the state board level.	Only a central agency can evaluate particular programmes on an all-India, basis mainly by screening the state evaluation of respective programmes with test checks on the spot.

1	2	3	4
15 Inspection of accounts of state boards and voluntary organisations.	This is self-explanatory.	This is an administrative and supervisory function and the successful working of all schemes launched by the CSWB and as such should remain with the centre.	
<i>Providing a forum and meeting ground for state representatives for the exchange of ideas on different subjects and for the evolution of guidelines</i>			
16 Meetings of the CSWB.	The chairmen of the state social welfare advisory boards are members of the CSWB and the meetings of the Board provide an opportunity for the exchange of views between central and state representatives.	This is a central function.	
<i>Dealing with all-India organisations</i>			
17 Yearly and five year grants to voluntary organisations/institutions of an all-India or regional character.	This is self-explanatory. These are organisations of a regional character which cover more than one state and run institutions to which they admit persons from different states.	This activity should continue to be undertaken by the centre but on the recommendations of the state in which the headquarters of the institutions are located.	
<i>Matters relating to the United Nations/foreign countries/ other foreign agencies</i>			
18 Collaboration with foreign governments/foreign agencies.	These are self-explanatory.	These functions have to remain with the centre.	
19 Deputations abroad and assignments of experts.			

1	2	3	4
20 Gifts from foreign countries and from philanthropists in the country.	Only one case of this type has occurred so far. A gift of toys was received from a welfare agency in the U.S.A. This was distributed by the CSWB to children between 4 to 10 years of age after calling for suitable names from all schools in the Delhi territory.	Should be retained by the centre because only the centre can co-ordinate the receipt of such gifts.	
<i>Release of foreign exchange</i>			
21 Release of foreign exchange, e.g., recommendations to the Central Government for release of foreign exchange.	This is self-explanatory.	This function has to remain with the centre.	

Study VII

SCHOOL EDUCATION

INTRODUCTORY

1. School education is a state subject. In this sector, besides providing leadership and guidance to the state governments, the Ministry of Education directly involves itself in the administration and sponsoring of a number of central and centrally sponsored schemes, financed through separate central appropriations. In the Fourth Plan the proposed outlay for school education on central and centrally sponsored schemes and also for giving grants to the National Council for Educational Research and Training (mostly for school education) is Rs. 58.20 crores (9.8 per cent of the outlay on school education in the state sector).

ORGANISATIONS DEALING WITH SCHOOL EDUCATION

2. At the centre all matters relating to school education are dealt with by

- (i) a part of the Education Ministry designated as the Bureau of School Education (BSE) [organisation chart is at *Annexure I*];
- (ii) a part of the Planning Unit of the Education Ministry;
- (iii) a part of the National Scholarships Division of the Education Ministry;
- (iv) a part of an autonomous institution known as the National Council for Educational Research and Training (NCERT) [organisation chart is at *Annexure I-A*]; and
- (v) a part of the Physical Education Division of the Ministry of Education.

CATEGORISATION OF ACTIVITIES

3.1 Their activities have been studied in detail and are broadly categorised below:—

- (i) providing initiative and leadership to the states and serving as a clearing house of information;
- (ii) undertaking responsibility for drawing up the national plan for the development of education in close collaboration with the states;
- (iii) undertaking research at the national level for development of education;

- (iv) undertaking training programmes of a foundational nature;
- (v) evaluating and checking in a limited way the progress of plan activities through a watch on the progress of plan expenditure;
- (vi) providing a forum and meeting ground for the state representatives for exchange of ideas on different subjects and for evolution of guidelines;
- (vii) evolution and administration of central and centrally sponsored schemes for improvement of the quality of school education and physical education;
- (viii) undertaking general educational surveys;
- (ix) follow-up action on decisions taken at seminars, meetings and conferences, etc.;
- (x) co-ordination with foreign governments and state governments for educational schemes involving foreign assistance or foreign exchange;
- (xi) giving direct grants to institutions and scholarships to students for educational purposes;
- (xii) miscellaneous statistical and parliament work; and
- (xiii) training of teachers and instructors.

3.2 A list of the central and centrally sponsored schemes in the field of school education (including that part of physical education having relation to school education) is at *Annexure II*. Details of the various schemes and other items of work under each category mentioned above are at *Annexures III to VII*.

3.3 The first item of work mentioned above, *i.e.*, "providing initiative and leadership to the states and serving as a clearing house of information" should perhaps be the most important function of a central ministry; the others, (ii) to (vi), could be said to be the natural implications of this function and flow from the central agency's role as leader, innovator and technical guide. Of the remaining activities mentioned at (vii) to (xiii) those mentioned at (vii), (viii), (xi) and (xiii) do not conform to the functions visualised as legitimate and necessary activities for a central agency as indicated in Chapter XI of the main report. All the items enumerated in paragraph 3.1 above are, however, discussed seriatim in the subsequent paragraphs.

ITEMISED
DISCUS-
SION

4.1.1 *Initiative and leadership* [items (i) to (vi) of paragraph 3.1]

Providing initiative and leadership to the states should normally imply purposeful activity in the following sectors:—

- (a) technical guidance;
- (b) dissemination of useful information;
- (c) policy formulation; and
- (d) formulation of plan and evaluation of programmes.

The first two functions mentioned above are performed by the NCERT which was set up as an autonomous organisation registered under the Societies Registration Act. The Council was established to undertake, aid, promote and co-ordinate research and training in all branches of education and to take various activities in furtherance of these objects.

In selecting areas for research, technical guidance and dissemination of information the Council locates items of national importance in various fields, arranges them in order of priority in relation to the requirements of state departments of education, training colleges, universities, educational institutions, etc., and organises research, survey and evaluation studies. All these require a preliminary survey of the work that is being done in the states and the organisation of programmes to fulfil their needs. Their programmes are undertaken in a phased manner in accordance with the priorities decided upon and the results of these programmes are meant to be applied in the field of education as quickly as possible.

POLICY
FORMULA-
TION

4.1.2 The Ministry of Education and the NCERT organise the following conferences and seminars for bringing together educational experts and representatives from the state governments to evolve realistic national policies in the field of education:—

- (i) meetings of the Central Advisory Board of Education (annual);
- (ii) meetings of the Education Secretaries of the state governments (these are *ad hoc* meetings called whenever necessary);
- (iii) meetings of the National Council of Women's Education (annual);
- (iv) seminars on compulsory primary education and girls' education (annual);
- (v) seminars on elementary education (annual);

- (vi) conference of the extension service departments of the state department of education (annual); and
- (vii) half-yearly conferences of the state institutes of education.

FORMULA-
TION OF
PLAN AND
EVALUA-
TION

4.1.3 It is in the sphere of formulation of plan and evaluation that a marked weakness is visible. This weakness has been felt by the Ministry of Education also for some time. At present the Ministry has no specific machinery for planning. It has, in stead, a small Plan Co-ordination Unit with limited duties and staff.

The following can be some of the functions that the Ministry may attempt to do on planning and evaluation:

- to undertake perspective planning;
- to help in the preparation of the plan in detail, *e.g.*, technical and financial aspects, including foreign exchange requirements;
- to keep a watch over the plan expenditure;
- to examine the requirements of man-power for the plan and to take necessary measures to provide the same;
- to examine the administrative aspects of the plan, like the expected work-load, most appropriate organisation to deal with this, etc.;
- to streamline the procedures for timely implementation of the plan and achievement of the targets;
- to evaluate the implementation of the plan;
- to undertake investigations, field studies, etc., relevant to the formulation of the plan and its implementation and evaluation;
- to collect, compile and maintain up-to-date information about norms, unit cost, etc., adopted (or to be adopted) in various states in India and other countries.

These functions are not being performed effectively in the Ministry at present, possibly for lack of proper organisational support.

It may be relevant to mention here that the Committee on Administration decided at its 21st meeting held on 8-2-1965 that there was an urgent need for strengthening the arrangements for handling planning work in the ministries concerned with development plans. For the Ministries of Health, Education and Food, Agriculture, Community Development and Co-operation, the Committee suggested that the Secretaries concerned should

carry out reviews of their planning arrangements and work out proposals so that the technical, financial and administrative aspects of the plan, as well as the expected work-load, the right organisation to deal with the work, the improvement of the procedure of planning and implementation, requirements of manpower and so on, could be attended to properly. The Bureau of Planning has since been reorganised but even so the activities listed above are not given the right attention and the Ministry itself is dissatisfied with the organisational support for the task.

EXTENT TO WHICH FUNCTION OF RE-SEARCH PERFORMED

4.1.4 The research programmes undertaken or completed by the NCERT during 1965-66 are listed in *Annexure III*. The results of this research are published and sent to the states for their guidance. Dissemination of information about what is happening in one part of the country to the other parts is also undertaken by the NCERT. During 1965-66 they undertook or completed the following activities in this field:—

- (a) study of administrative organisation of educational systems in various states;
- (b) comparative study of the constitution and functions of boards of secondary education;
- (c) advice on designs of school buildings;
- (d) analysis of B.Ed. syllabi of various universities, etc.;
- (e) improvement of text-books specially in science and mathematics;
- (f) preparation of instructional material;
- (g) examination reform; and
- (h) summer institutes for science teachers.

The NCERT thus seems to be aware of the importance of the role of the Ministry as leader and guide and is going about the job with some purpose.

DRAWBACK IN THE COMMUNICATION SYSTEM

4.1.5 There is, however, one drawback in the communication system between the Ministry of Education and the state governments. At present, communications to the states are, as a rule, addressed to the Secretary to the Education Department and communications only from him are formally acted upon. It may be more convenient at times for the officials of the Ministry to communicate directly with the Director of Public Instruction or his deputy concerned and to get the required information or advice directly from him and *vice versa*. This is done occasionally but in functional matters or in eliciting information this practice needs to be adopted systematically and to a much larger

extent. This suggestion would, however, require the concurrence of the state governments also for allowing the Directors of Public Instruction or their deputies to correspond directly with the officials of the Central Ministry.

4.2 *Evolution and administration of central and centrally sponsored schemes (item vii of paragraph 3.1)*

A—Central schemes

(1) Schemes relating to improvement of the quality of school education

Some of the major deficiencies in educational administration at the state level which have discouraged the states from taking up bold programmes of school education are said to be

- (i) the inadequate equipment of the education departments in the states for the immense tasks of educational expansion and improvement that have to be organised in the immediate future;
- (ii) the absence of a long-term perspective plan of educational development and consequent failure to identify priorities and evolve a proper strategy of development;
- (iii) the lack of adequate trained man-power; and
- (iv) the paucity of finances in the states' budgets.

The Central Ministry of Education has, therefore, taken up on itself the task of framing and implementing certain schemes it considers important. The deficiencies mentioned above, however, do not require direct central involvement, financial and administrative, in programmes for the improvement of quality in education. This involvement ought to be selective and limited to the activity that of necessity can be undertaken only by the centre. Thus, the allocation of resources should depend altogether on priorities settled taking the plan as a whole into account and financial need should not be an argument for encroachment by the Ministry into an activity in the state sphere. On the other hand, all programmes which have inter-state ramifications or overriding all-India significance must be taken up by the centre. Similarly, the centre could justifiably take up a scheme which is in the nature of an experiment, the success of which may induce the states to take up a bold programme. But the object underlying central experimentation should always be that the programmes are decentralised after the schemes are evaluated. Adopting these criteria, a number of schemes merit decentralisation. A full description and discussion of each of

these schemes may be seen in *Annexure IV*. Briefly, only the following schemes merit retention at the central level for some period:

- (i) *Training of secondary school teachers through correspondence courses*

The Central Government intend to implement the scheme through the universities of Calcutta and Baroda to start with. This scheme is regional in character and is a new experimental venture. The Central Government is administering the scheme as a central project. When this project is successful and similar courses are organised through the universities in all other states, this scheme may be transferred to the state sector.

- (ii) *Scheme for the reorganisation and expansion of teaching of science to students throughout the school stage in India*

This is a collaboration scheme (UNICEF) and will largely be in the state sector, the Central Government being mainly concerned with the development of new syllabi, new instructional material, training of science educators and science teachers of different levels and equipping all institutions with necessary science materials. The scheme may be fully decentralised to the states after it has run its full course during the Fourth Plan period.

PHYSICAL EDUCA- TION

(2) Schemes relating to physical education

Physical education is considered to be a part of general education. The Central Government implements the following six schemes in this sector involving schools, the details of which are separately given in *Annexure V*. Briefly, the schemes are:—

1. *National Fitness Corps*

This is an integrated physical education scheme combining the following three schemes existing earlier:—

- (i) the National Discipline Scheme;
- (ii) the Physical Education Programme; and
- (iii) the Auxiliary Cadet Corps.

The National Discipline Scheme used to be directly implemented by the Central Ministry through its own instructors. After the integration of all these schemes into one, the state governments were asked to take over the responsibility for implementation of this scheme and all the personnel involved. There has, however, been a difference of opinion between the

Central and state governments about the pay, allowances and other service conditions of these instructors. Pending a settlement of this question the Central Government continues to pay these instructors.

The Directorate of the National Fitness Corps maintains two training centres and two training institutions. Reorientation training to candidates sponsored by the state governments is imparted at the training centre to make them suitable instructors for the National Fitness Corps. One year training for turning out instructors for the National Fitness Corps is imparted at each of the two training institutions.

This is not, and should never have been, a subject for the Ministry to handle. The scheme should always have been a state scheme and should now be decentralised totally. The reluctance of both the centre and the states to handle it emphasises the point. The work of training, if necessary and more economical, could be retained at the centre, to be paid for by the states.

2. *Lakshmbai College of Physical Education, Gwalior*

This is a national institution catering to the needs of all the states. It could befittingly be retained by the Central Government.

3. *Strengthening of physical education training institutes*

Under this scheme grants are given to the state governments and other private physical education training institutions.

4. *Seminars on physical education*

5. *National Physical Efficiency Drive*

Apart from giving grants to the state governments, the Ministry of Education holds all-India competitions and gives awards and prizes.

6. *Promotion of research in special branches of physical education including yoga*

The activities of the centre described at 3 to 6 above are justified except those relating to seminars at the state or regional level or to the grant of direct financial assistance to private institutions. The responsibility for grants to private institutions should be decentralised to the state governments.

B.—Centrally sponsored schemes

These are listed in *Annexure II*. A full description and discussion of each of these schemes may be seen in *Annexure VI*.

Aim:

The aim of all the centrally sponsored schemes administered by the Education Ministry is to raise the quality of school education throughout the country.

Reasons:

Qualitative deficiencies in school education and the urgent need to rectify them were pointed out by:—

- (i) the Mudaliar Commission on Secondary Education;
- (ii) a conference of Education Secretaries held in 1963;
- (iii) the mid-plan appraisal carried out in 1963; and
- (iv) the Education Commission (1964—66).

A number of schemes to improve the quality of school education were, therefore, evolved by the Education Ministry for urgent implementation.

The main reasons for classifying these schemes as centrally sponsored appear to be the following:—

- (i) improvement of the quality of school education throughout the country is apparently viewed by the Education Ministry as a national problem requiring a co-ordinated effort at the national level and immediate action through crash programmes. The Education Ministry, therefore, wants to ensure the acceptance and implementation of these schemes by 100 per cent central assistance and direct central guidance and supervision;
- (ii) in the existing patterns of central assistance for education plan schemes in the state sector there is no provision for 100 per cent central assistance; and
- (iii) in the state sector the experience of the Education Ministry indicates that
 - (a) the schemes in the state sector progress slowly due to the difficulties of the state governments in financial adjustments;
 - (b) the states financially sound lift more of matching assistance leaving other states further behind due to financial weakness; and
 - (c) during periods of financial stringency the schemes for qualitative improvement get squeezed out by the schemes for the extension of education.

None of the schemes has an experimental or pilot or inter-state character and there is no operational necessity for the centre to sponsor them. In Chapter VIII of the main report it has been recommended that the centrally sponsored category should be abolished. This is certainly an administratively feasible proposition here. The arrangements proposed in Section II of Volume I of the report, especially in Chapters VII and VIII, take care of the question of adherence to priorities in the total perspective.

The centrally sponsored sector gives a foothold to the Ministry in the subject which is wholly allocated to the states by the Constitution. Since the local needs of the states vary considerably, it will not be desirable to include in the centrally sponsored sector some programmes which may vary from state to state. There is no reason in making a departure in the case of school education from the main principles given in Section II of Volume I. All the centrally sponsored schemes for improving the quality of school education should, therefore, be transferred to the state sector. One alternative to the abolition of centrally sponsored sector will be to tie the central assistance available for programmes of crucial importance and national in character. Identification of such programmes will have the approval of the planning bodies at the highest level. For the rest, the states should be free to operate within the limits suggested in Section II of Volume I.

4.3 Educational surveys (item viii of paragraph 3.1)

The National Council of Educational Research and Training undertakes general surveys covering the entire field of education as well as general and specific surveys of various educational sectors for assessing (a) deficiencies in various fields, (b) progress of education in various sectors, (c) comparative educational advancement by various states, etc. The results of these surveys stimulate research for removing the deficiencies or overcoming other bottlenecks. Such surveys and educational research are very closely connected and should, therefore, continue with the central organisation conducting research in this field.

4.4 Follow-up action on decisions taken at seminars, conferences, etc. (item ix of paragraph 3.1)

As the Ministry of Education and the NCERT organise a number of seminars and conferences which are attended by educational experts and representatives from the state governments, follow-up action on the decisions or recommendations of these

conferences and seminars are naturally the responsibility of the Ministry of Education and should, therefore, remain with it.

4.5 *Go-ordination with foreign governments and state governments for schemes involving foreign assistance (item x of paragraph 3.1)*

Some foreign governments give financial and other assistance for advancement of school education in India. The Ministry of Education enters into the necessary agreements for such assistance and works out the details of the schemes in consultation with the state governments. This activity should remain with the Central Ministry.

4.6 *Direct grants to institutions and scholarships to students for educational purposes (item xi of paragraph 3.1)*

A—Assistance to educational organisations

The Ministry of Education gives direct grants to educational institutions on their applications received through the state governments concerned with their recommendations. These grants are given for developing the following types of activities:—

- (i) project of experimental or educationally significant nature;
- (ii) laboratories, libraries and audio-visual equipment;
- (iii) production of educational literature but excluding text-books;
- (iv) educational and vocational guidance and student welfare;
- (v) training and research programmes in social welfare work;
- (vi) refresher courses, seminars, workshops and conferences;
- (vii) educational exhibitions; and
- (viii) buildings.

These grants are apparently discretionary in nature and are intended for the development of educational facilities in the recipient institutions. No principle can be discovered to show why the Ministry, rather than the appropriate state government, should concern itself with them. Total plan provision for such grants in the Fourth Five Year Plan is Rs. 1.10 crores in so far as school education is concerned.

There is apparently no ground for the Ministry of Education to give direct financial assistance to individual voluntary

institutions situated in the states. The scheme should be decentralised. The centre may give guidelines for checking the eligibility for such assistance. There may be a suspicion that the states are not likely to give grants to public schools like the Rajghat School, but that is no reason why the Ministry should, for in these matters the settlement of priorities should be the prerogative of the state government.

B—Scholarships

(1) The Ministry of Education administers a merit scholarship scheme giving 200 scholarships to school students for admission to residential schools. These scholarships are given after holding an all-India examination and selecting the first 200 candidates on the results of the examination.

This scheme involves (a) holding an all-India examination (b) co-ordinating the admission of 200 students all over the country to a limited number of residential schools and (c) disbursement of scholarships to the students. (a) and (b) may continue to be a central responsibility. (c) above has two implications: (i) provision for money for scholarships and (ii) physical disbursement of money to students. The responsibility for physical disbursement of money may continue to be that of the central agency to avoid delay in payment, but the provision may be made by the states. In other words, the states may accept this scheme as their own and include it in their own plan. Only those states which are willing to pay for the scholarships should participate in the scheme while the centre should only be an administering agency on behalf of the states. Otherwise, it will amount to an imposition of central will through financial inducement.

(2) The Ministry of Education allocates funds to the state governments for scholarships to the children of elementary school teachers. Applications for such scholarships are received through the state governments in the National Scholarships Division of the Education Ministry which screens the applications and selects the candidates for such scholarships. The scholarships are disbursed by the state governments.

As the selection is not on an all-India basis, there is no reason for the Central Ministry to conduct a check over and above the state governments' recommendations for selecting the candidates for such scholarships. This activity is, therefore, redundant. Such scholarships may be given to the candidates by the state governments on the basis of their own selection without any reference to the Ministry of Education.

C—Financial assistance to

- (i) Dr. Graham's Home and Inter-state Board of Anglo-Indian Education; and
- (ii) Bal Bhavan and National Children's Museum.

Financial assistance to Dr. Graham's Home and the Board of Anglo-Indian Education was the constitutional responsibility of the Government of India till 1960. It is being continued as a national policy and is a justified activity of the Central Government.

Bal Bhavan and National Children's Museum were set up at the initiative of the Central Government. An autonomous body has been set up to administer these institutions which receives grants from the Education Ministry.

Maintenance of such institutions should not normally be a function of a Central Ministry. This one, however, is a model institution situated in a Union Territory. Pace-setting in the Union Territories should not only be permissible but desirable. The effort, however, should be to associate the Union Territory Administration with the scheme so that it can serve more realistically as a model. The Education Ministry may, therefore, continue to give direct financial assistance to these institutions.

4.7 *Miscellaneous statistical and parliament work (item xii of paragraph 3.1)*

There are some miscellaneous activities with which the Ministry is concerned, like preparing briefs for consultative committee meetings and obtaining statistical data for answering parliament questions. This is an inescapable responsibility of the Central Ministry.

4.8 *Training of teachers and instructors (item xiii of paragraph 3.1)*

On the recommendation of the Planning Commission the Ministry of Education has established four regional colleges of education for training teachers for multi-purpose and secondary schools. The administration of these colleges was subsequently transferred to the NCERT. The regional colleges are carrying out certain new experiments in the field of teacher education, particularly by conducting content-cum-methodology courses for the training of teachers in science, technology, commerce, agriculture and other vocational fields. The principal aim of the colleges is to try out, evaluate and demonstrate new approaches to teacher education, particularly for science and teaching vocational subjects at the secondary school stage. In addition, the colleges seek to establish new standards in teacher education and

in-service training as a guide or model on an all-India basis. None of the existing teacher training colleges in the country is carrying out these functions. The colleges are thus trying to break new ground in the training of science teachers and teachers for technical and vocational subjects through special programmes of content-cum-methodology courses and development of programmes of in-service training.

A large back-log of untrained teachers—about five lakhs in all—had created a major problem for the development of school education in the country. As it is impossible for the state governments to train this number of teachers through their own institutions, the NCERT conducts a number of long-term, short-term and correspondence training courses through these institutions as well as through some universities. The candidates for such courses are sponsored by the state governments and selected by the educational institutions concerned. Scholarships and stipends are awarded to the candidates as incentives.

According to the Entries 65 and 66 of List I attached to Schedule VII to the Constitution, the creation and maintenance of the union agencies for imparting professional training is the responsibility of the Central Government. In view of his impossibility of training the large number of untrained teachers in the country through the training institutions of the states, the NCERT may continue to conduct training courses through its four regional training colleges and other universities.

OTHER
AUTONO-
MOUS
BODIES

5. There are two other autonomous bodies, namely, the Central Schools Organisation and the Central Board of Secondary Education which are also involved in school education (functions at *Annexure VII*). The former is responsible for all matters relating to the central schools while the latter is responsible for raising the standard of secondary examination and holding such examinations at suitable places.

Direct administration of schools is squarely the function of the states. But the schools administered by the Central Schools Organisation are mainly intended as a much needed welfare measure for the children of transferable Central Government servants who faced considerable difficulties earlier due to

- (a) difficulty in getting admission to a school in the middle of an academic session when the Central Government servant was transferred from one state to another;
- (b) different syllabi followed in different states; and

- (c) different regional languages as media of instruction in different states.

The Central Schools Organisation is, therefore, serving a very useful purpose which no state government is in a position to serve. As a welfare activity it might have been appropriate for the Home Ministry, which is the ministry responsible for the welfare of the Central Government servants generally, to administer these schools. But as these schools also serve the children of the defence personnel whose welfare is the responsibility of the Defence Ministry and as the main emphasis in the administration of these schools is to keep the educational standard high, the involvement of the Education Ministry in their administration is not inappropriate.

These activities may remain with the institutions concerned.

CONCLU-
SIONS

6. Only the following categories of functions should be performed by the Education Ministry and the NCERT for the development of school education in India:—

- (i) providing initiative and leadership to the states and serving as a clearing house of information;
- (ii) undertaking responsibility for drawing up the national plan for the development of education in close collaboration with the states;
- (iii) undertaking research at the national level for the development of education;
- (iv) undertaking training programmes of a foundational nature;
- (v) evaluating and checking the progress of plan activities through a watch on the progress of plan expenditure and inspections—not done fully at present;
- (vi) providing a forum and meeting ground for the state representatives for exchange of ideas on different subjects and for evolution of guidelines;
- (vii) evolution and administration of the following types of central schemes for the improvement of school and physical education:—
 - (a) schemes which are in the nature of pilot projects or experimental ventures which the state governments are not willing to undertake;
 - (b) schemes which cater to the needs of all the states or of a particular region comprising several states;

- (viii) undertaking general educational surveys;
- (ix) follow-up action on decisions taken at seminars, conferences, etc.;
- (x) co-ordination with foreign governments and state governments for educational schemes involving assistance or foreign exchange;
- (xi) giving direct grants to institutions in pursuance of constitutional responsibility;
- (xii) miscellaneous statistical and parliament work; and
- (xiii) training of teachers and instructors in inter-state institutions.

7. The acceptance of these recommendations would imply decentralisation of schemes and other activities estimated at Rs. 38.59 crores out of a total provision of Rs. 60 crores for central and centrally sponsored schemes in the Fourth Plan covered by this study. Details are indicated below:—

	Rs. (crores)
1. Central schemes in the field of school education ..	14.54
2. Centrally sponsored schemes for improvement of the quality of school education.	20.30
3. Assistance to voluntary educational institutions	1.10
4. Assistance to training institutions for physical education ..	1.32
5. Scholarships	1.33
Total ..	38.59

ORGANISATIONAL SET-UP OF THE BUREAU OF SCHOOL EDUCATION

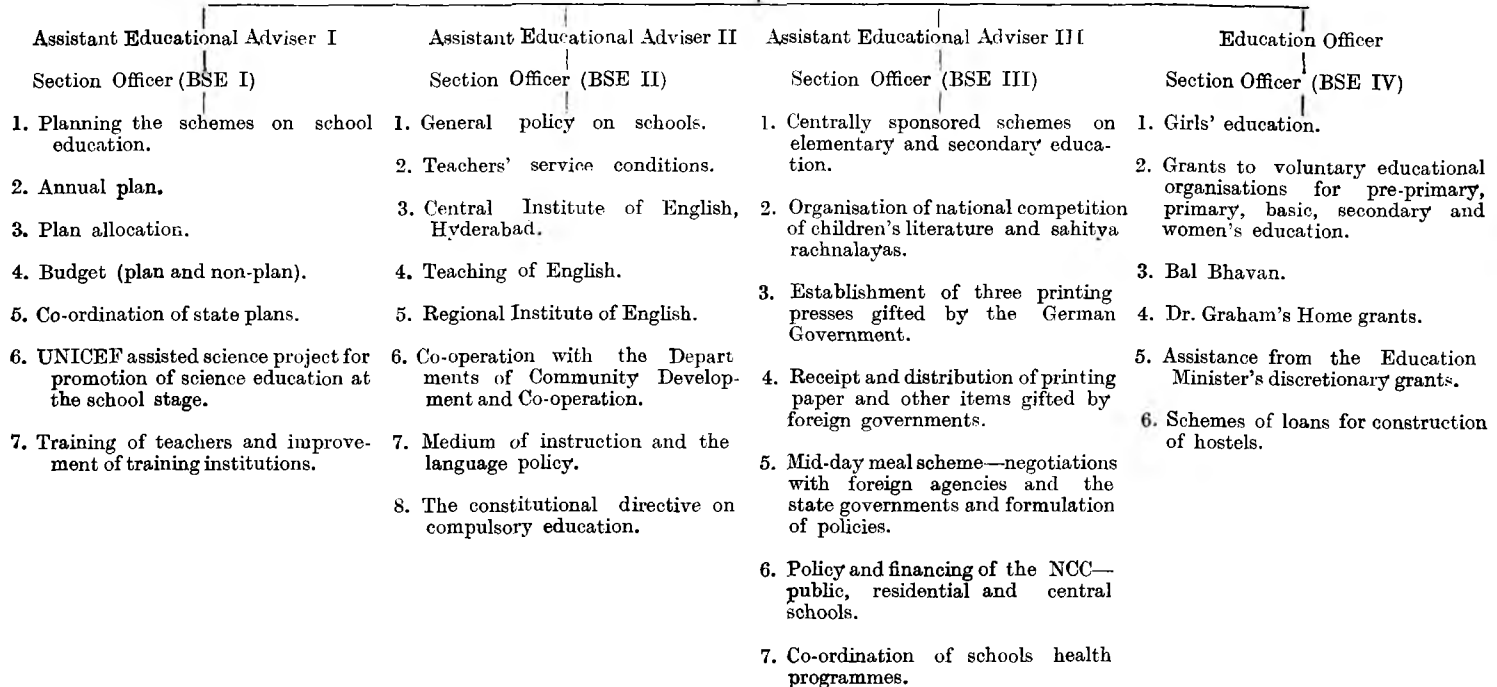
Ministry of Education

Annexure I
(See paragraph 2)

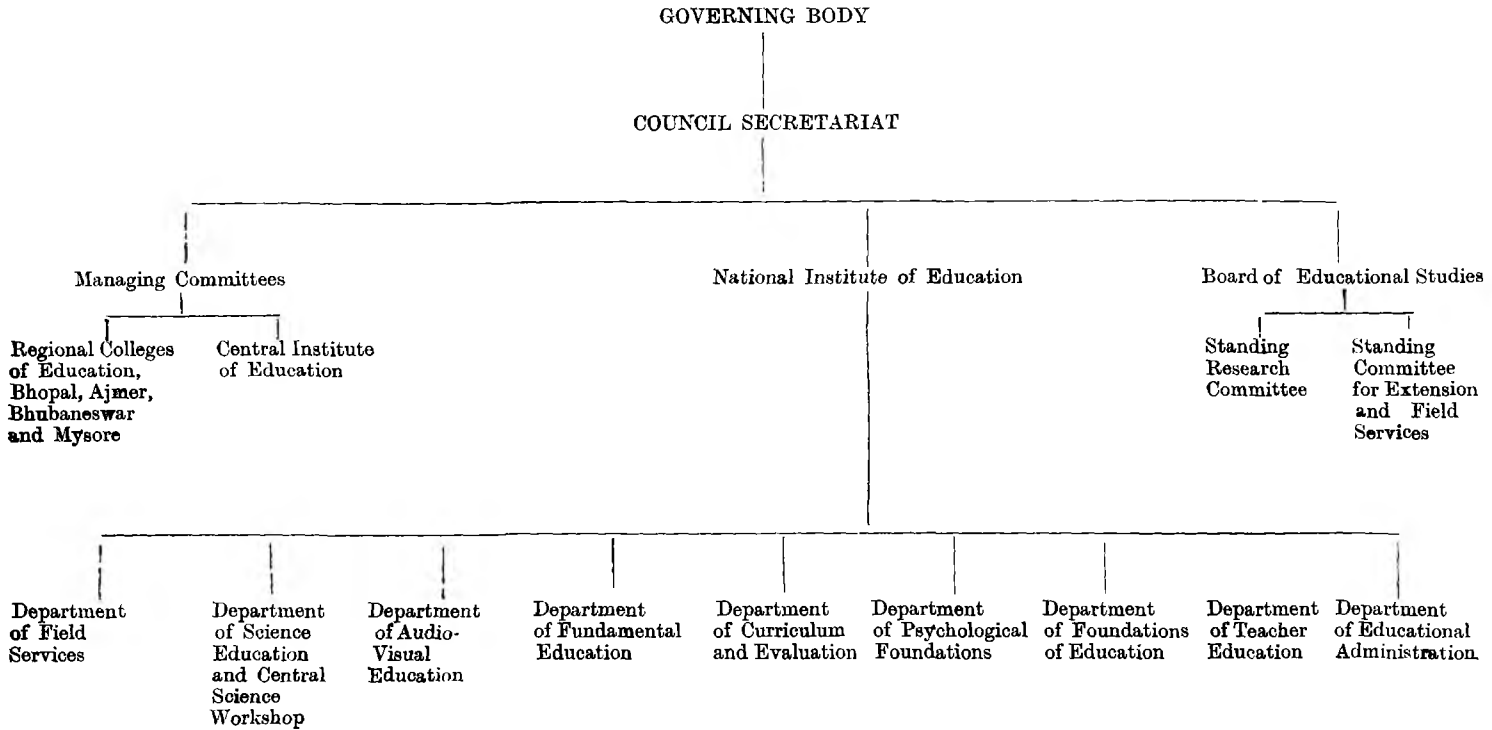
Bureau of School Education (BSE)

Joint Educational Adviser

Deputy Educational Adviser



ORGANISATIONAL SET-UP OF THE NATIONAL COUNCIL OF EDUCATIONAL RESEARCH AND TRAINING



Annexure II
(See paragraphs 3.2 and 4.2)

School Education

List of central and centrally sponsored schemes falling under "school education" and "physical education"

	Rs. (crores)
A. CENTRAL SCHEMES	
I. Pre-primary education	
Pre-education	0.50
II. Elementary education (<i>Training of Teachers</i>)	
1. Improvement	1.00
2. In-service training courses	2.00
3. Improvement of science	1.30
4. Work orientation in middle schools	0.10
5. Preparation and supply of text books	1.00
6. Other schemes (State Institutes of Education, etc.)	1.50
III. Secondary Education	
1. Correspondence courses	0.50
2. Full-time training of teachers	8.00
3. Training of teachers through correspondence courses	2.00
4. Improvement programmes of training	3.00
5. Vocational education at the secondary stage, technical schools, multi-purpose schools, agricultural schools, etc.	2.50
6. Development of selected schools	7.00
7. Other schemes (<i>e.g.</i> , Institute of English, Hyderabad, and assistance to other institutions)	1.50
IV. Educational research and training	6.00
V. Physical education	
1. National Fitness Corps Programme	1.20
2. Lakshmi Bai College of Physical Education, Gwalior	0.30
3. Strengthening of physical education training institutions	0.12
4. Seminars on physical education and recreation	0.02
5. National Physical Efficiency Drive	0.17
6. Promotion of research in special branches of physical education including yoga	0.08
Total	39.79

Annexure II—concl'd.

B. CENTRALLY SPONSORED SCHEMES

1. Strengthening of science laboratories	7.50
2. Establishment of state institutes of science education	2.50
3. State education evaluation units	0.25
4. State institutes of education	1.50
5. Establishment of bureaux of educational and vocational guidance	0.75
6. Training of elementary school teachers through correspondence courses	6.00
7. Other programmes	1.80

Total	20.30
-------	-------

Grand Total (A + B)	60.09
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School Education

Activities undertaken by the Ministry of Education and the NCERT in the field of school education

I. *Providing initiative and leadership to the states and serving as a clearing house of information*

The following items *inter alia* are covered by this item:

1. Educational development of hill areas and tribal population.
2. Designing of school buildings.
3. Prize competition for children's literature.
4. Reconstruction of secondary education—examining of different patterns of education.

The Ministry renders technical advice and formulates policy on school education.

II. *Undertaking responsibility for drawing up the national plan for development of education*

1. Work relating to the formulation of the five year plans—collection, compilation, analysis and consolidation of the requisite data.
2. Work relating to the setting up of the working group on general education and their subgroups/committees, etc.
3. Preparation of the agenda and other papers for the meetings of the working group, committees and conferences convened by the Planning Unit and other Divisions and their follow-up work, collection of the requisite information and the final preparation of the report.

III. *Undertaking research at the national level*

The research programmes undertaken or completed by the NCERT during 1965-66 were:—

1. Scholastic aptitude tests in Hindi for Grades VIII and IX.
2. Evaluating criteria for inspection and supervision of secondary schools.
3. Curriculum and teaching of mathematics in higher secondary schools.
4. Study of elementary school teachers—analysis of the functions of elementary school teachers.

Annexure III—contd.

5. Study of the syllabi of agriculture as a craft in basic training schools with a view to evolving a model syllabus.
6. Investigation into the methods of teaching arithmetic in the first three grades of elementary schools in Delhi.
7. Analysis of basic schools syllabi.
8. Check list for assessment of basic schools.
9. Framing syllabi in arts and crafts.
10. Study of teaching of craft in teachers' training institutions.
11. Experimentation in clay modelling and pottery making.
12. Syllabi in social studies.
13. Problems of teaching English.
14. Study of administrative organisation of educational system in different states.
15. Comparative study of the constitution and functions of boards of secondary education.
16. Development of norms necessary for the preparation of curriculum and learning experiences suitable for Indian children of various ages.
17. Preparation of a sample frame of primary, middle and higher secondary schools in India.
18. Stabilisation of abilities and interests in Indian children.
19. Sociometric studies.
20. Validation of procedures for the selection of teacher trainees for the two-year basic training course.
21. Personality adjustment and learning in higher secondary schools.
22. Science education in teachers' training colleges.
23. Position of science education in elementary teachers' training institutions.
24. Analysis of B.Ed. syllabi.
25. Follow-up research programme in the field of examination reform in Rajasthan.
26. Improvement of internal assessment procedures.
27. Science and mathematics teaching project.
28. Model syllabus for elementary teacher education.
29. Developing easily portable and stockable furniture for secondary schools.
30. Preparation of model text books and other instructional material.
31. Central science workshop.
32. Delhi schools improvement programme.
33. Workshops for the preparation of curriculum guides in certain crafts.

- 34. Experimental projects in schools.
- 35. Documentation centres.

IV. *Training programme of a foundational nature*

Central Institute of English, Hyderabad.

The Central Institute of English was established in 1958 by the Government of India (in co-operation with the Ford Foundation and the British Council) to improve the teaching of English in schools and colleges both through the organisation of research in the teaching of English and the training of teachers in suitable techniques. The Institute was registered as a society under the Societies Registration Act, 1860. The general superintendence, direction and control of its affairs vest in a governing body which is autonomous in character. The main functions of the Institute are:—

- (i) research in the techniques of English teaching;
- (ii) training of teachers of English; and
- (iii) co-ordination of English teaching programmes undertaken by various institutes and organisations in the country.

The Institute also renders financial assistance to the state and regional institutes.

The expenditure of the Central Institute of English is met out of the funds provided by (a) the Central Government and (b) the Ford Foundation. The Ford Foundation funds are spent on pay and allowances of the British experts, American linguists, research fellowships, stipends to trainees, supplies from abroad and on seminars.

A tentative provision of Rs. 40 lakhs has been made in the Fourth Plan for the Central Institute of English, Hyderabad.

V. *Evaluating and checking the progress of plan activities*

The quarterly expenditure statements of the central, centrally sponsored and state schemes are received in the Planning Unit of the Ministry of Education and reviewed to check the progress of these schemes. At present, proper evaluation of plan programmes is not done as the reviews of the progress of expenditure are (i) superficial and (ii) not supported by inspection and study at the places where the schemes are actually implemented.

VI. *Providing a forum and meeting ground for the state representatives for exchange of ideas*

The Ministry of Education and the NCERT organise the following conferences and seminars for bringing together educational experts and

Annexure III—contd.

representatives from the state governments to evolve realistic policies in the field of education:—

1. Meetings of the Central Advisory Board of Education.
2. Meetings of the National Council of Women's Education.
3. Seminars on compulsory primary education.
4. National seminars on elementary education.
5. Seminars on girls' education.
6. Meetings of the Education Secretaries of the state governments.
7. Conferences of the extension service departments of the state departments of education.
8. Half-yearly conferences of the state institutes of education.

VII. *See Annexure IV for detailed discussion.*

VIII. *Undertaking general educational surveys*

The NCERT conducts a number of general and specific educational surveys to determine the present stage of development of various sectors of school education and to locate imbalances and areas where further attention is needed. The second educational survey is being conducted under the NCERT. The objects of this survey are:—

- (a) to revise the data of the first educational survey held in 1957 and to collect data required for the preparation of district development plans for education;
- (b) to study the existing conditions of educational institutions in respect of staff, their qualifications, experience, age, enrolment, physical facilities in the form of buildings, libraries, laboratories and equipment, etc.; and
- (c) to conduct studies in a few industrially developing areas on man-power requirements and educational needs and demands and such other matters as pertain to human resources development and educational planning.

A number of other surveys have also been completed.

A provision of Rs. 7 lakhs has been made in the Fourth Plan.

IX. *Follow-up action on decisions taken at seminars, conferences, etc.*

1. All the follow-up action on decisions taken at a number of seminars and conferences organised by the Ministry and the NCERT is taken by the central agency.
2. Triple Benefit Scheme

The Triple Benefit Scheme aims at providing teachers of non-governmental institutions with pension, provident fund and compulsory insurance.

Annexure III—contd.

The Ministry is responsible for watching the progress made by the states in this direction through the various returns/reports received by it from the states.

3. The Three Language Formula

The Three Language Formula envisages the teaching of the following languages to school children:—

- (1) regional language and mother tongue when the latter is different from the regional language;
- (2) Hindi or in Hindi speaking areas, another modern Indian language; and
- (3) English or any other modern European language.

The Ministry of Education is responsible for the implementation of this formula, review of the progress made in this direction and other necessary follow-up action.

4. School Defence Corps Programme

The object of the scheme is to have a body of well-disciplined school children to participate in defence activities in times of national emergency.

The Ministry of Education supplies relevant literature and information to the state governments and is responsible for watching the implementation of this scheme.

5. School Health

The Ministry of Health holds meetings and seminars to consider the problems of health of school children. A representative of the Ministry of Education also attends. The decisions taken therein are conveyed to the state governments for implementation and progress reports are obtained.

X *Co-ordination with foreign governments and state governments for educational schemes involving foreign exchange/assistance*

Some foreign governments give financial and other assistance for advancement of school education in India. The Ministry of Education enters into the necessary agreements for such assistance and works out the details of the schemes in consultation with the state governments.

XI. *Giving direct grants to institutions and scholarships to students for educational purposes*

1. Assistance to voluntary educational organisations

The scheme was started in the First Five Year Plan and continued with expanded scope in the Second and Third Five Year Plans. It has now been included in the Fourth Five Year Plan with further liberalisation of rules.

Annexure III—contd.

Under this scheme assistance is given for developing the following types of activities:—

- (i) projects of experimental or educationally significant nature;
- (ii) laboratories, libraries and audio-visual equipment;
- (iii) production of educational literature but excluding text-books;
- (iv) educational and vocational guidance and student welfare;
- (v) training and research programmes in social welfare work;
- (vi) refresher courses, seminars, workshops and conferences; and
- (vii) educational exhibitions.

Financial assistance is given on a sharing basis. The grant-in-aid from the Central Government is at the rate of 60 per cent, the remaining expenditure being borne by the state governments and/or the institutions/organisations concerned.

This is a central scheme and is operated by the Ministry of Education. Applications for assistance are received duly recommended by the state governments concerned and are scrutinised by the Education Ministry. If the assistance is admissible, a sanction letter is issued by the Ministry. A provision of Rs. 1.10 crores has been made in the Fourth Five Year Plan in so far as school education is concerned. Half the amount of expenditure is released in the first instance and the rest on receiving a certificate from the institution/organisation concerned that the work has been executed.

2. Inter-State Board for Anglo-Indian Education and Dr. Graham's Home, Kalimpong

The Inter-State Board for Anglo-Indian Education and Dr. Graham's Home, Kalimpong were given grants by the Ministry of Education under Article 337 of the Constitution up to January, 1960. Under the scope of the Article, the central grants should have been stopped after 1960. The grants were, however, later renewed to this institution on the recommendation of the Chief Ministers' Conference that financial assistance given by the state governments/Central Government should continue even after January, 1960, to avoid any hardship to them. It is considered that the grant thus given is just a token one and gives a feeling to the minority community organisations that the government is giving all necessary encouragement to them. It is a sort of moral commitment which should be honoured. The Ministry has accordingly been giving annual grants to the Inter-State Board and Dr. Graham's Home.

The Ministry of Education is responsible for taking all the necessary action for budget provision, issue of grants and all other connected matters.

3. Bal Bhavan and National Children's Museum

Bal Bhavan: At the instance of Pandit Jawaharlal Nehru, Bal Bhavan was set up in 1956. Bal Bhavan is a registered society and its activities are teaching of art, craft work, singing, dancing, scientific experiments, etc.

Children's Museum: Pandit Jawaharlal Nehru, in his letter dated 14-4-1956 to the Education Minister, suggested the setting up of a children's museum to exhibit dolls, paintings and other objects of interest to children.

4. Merit scholarships in residential schools

The objective of these scholarships is to extend the benefit of public school education to deserving children especially of the lower income group who would otherwise be unable to secure such advantage because of lack of funds.

200 scholarships are awarded and continued until the scholars complete their school leaving examination courses, provided they continue to make satisfactory progress.

Children between the age of 9 to 12 years are eligible for the scholarships. The value of the scholarships depends on the income of parents/guardians.

Preliminary selection is made by each state government and the names of candidates are sent to the Ministry of Education duly recommended. For selecting meritorious students an all-India examination is conducted by the National Scholarships Division and the result is announced in the papers. The names of candidates to be admitted in each residential school are communicated to the state governments and heads of the institutions. The amount of scholarships is remitted to the institutions for disbursement to the scholars.

The Ministry of Education maintains accounts of disbursement made by it to the scholarship holders through the educational institutions.

5. Scholarships to children of elementary school teachers

Under this scheme, applications are invited by the state governments and sent to the Ministry of Education which screens the applications, selects the candidates for the scholarships and forwards their names to the state governments. Scholarships are disbursed by the state governments concerned. Appropriate funds are allocated to the state governments by the centre for this purpose.

XII. *Miscellaneous statistical and parliament work*

There are some miscellaneous activities with which the Ministry is concerned like conditions of service, emoluments of primary school teachers, complaints about text-books, preparing briefs for consultative committee meetings and obtaining statistical data for answering parliament questions.

XIII. *Training of Teachers by the NCERT*

(1) Training through regional colleges of education

The Ministry of Education has established four regional colleges of education in the country for the training of teachers required for multi-purpose and secondary schools. This project was subsequently transferred to the NCERT.

The regional colleges are carrying out certain new experiments in the field of teacher education, particularly by conducting content-cum-methodology courses for the training of teachers in science, technology, commerce, agriculture and other vocational fields. The principal aim of the colleges is to try out, evaluate and demonstrate new approaches to teacher education particularly for science and teaching vocational subjects at the secondary school stage. In addition, the colleges seek to establish new standards in teacher education and in-service training as a guide or model on an all-India basis. None of the existing teacher training colleges in the country is carrying out these functions. The colleges are thus trying to break new ground in the training of science teachers and teachers for technical and vocational subjects through special programmes of content-cum-methodology courses and development of programmes of in-service training.

The colleges offer a wide range of courses in which subject training and training in pedagogy are integrated into a single process.

(2) Demonstration multi-purpose higher secondary schools

One demonstration school is attached to each of the four regional colleges of education.

(3) Other training programmes

- (i) Summer schools cum-correspondence courses
- (ii) Central Institute of Education

The Central Institute of Education (CIE) is a department of the National Institute of Education which in turn is a part of the NCERT, an autonomous body. The Central Institute of Education is primarily a training institution in education. It is affiliated to the University of Delhi for the purpose of awarding degrees and doctorates to successful candidates.

It offers the following courses:

1. a post-graduate course in education leading to B.Ed. degree of the University of Delhi for day scholars;
2. a correspondence course leading to the B.Ed. degree for teachers in service in Delhi schools (University of Delhi);

Annexure III—concl.

3. an advanced course in education leading to the M.Ed. degree of the University of Delhi for day scholars;
 4. a two-year part-time course leading to the M.Ed. degree for teachers in service; and
 5. a research course in education leading to the Ph.D. degree of the University of Delhi.
- Other activities of the CIE include training, workshop and seminars.

School Education

Evolution and administration of the central schemes for improvement of the quality of school education (item vii paragraph 3.1)

A. Central schemes

1. Pre-school education

A provision of Rs. 2 crores has been made for pre-school education—Rs. 0.50 crores in the central sector and Rs. 1.50 crores in the state sector. The provision in the central sector has been placed at the disposal of the NCERT and is intended to be mainly utilised for the following purposes:—

- (a) conducting training courses for teachers' education in the field of pre-primary education;
- (b) conducting research in the problems of pre-primary education; and
- (c) producing literature and material which provides models for pre-primary schools and training institutions in the country.

In order to fulfil these objectives, teachers of pre-primary schools and training institutions have to be carefully trained, curricula for them are to be drawn up, equipment has to be designed and parental involvement is to be secured. Research studies have to be taken up on the developmental pattern of the children. Machinery has to be set up for effective guidance and supervision of the pre-primary schools and training colleges.

The Ministry of Education is concerned with the following:—

- (i) laying down of minimum standards for institutions imparting pre-primary education;
- (ii) carrying out research in child development; and
- (iii) assisting experimentation and building up model pre-primary schools.

The Department of Social Welfare on the other hand would (i) mobilise voluntary effort for promotion of pre-primary education and other services required for the development of the age group 0—6; (ii) extend financial assistance for the appointment of trained staff, purchase of equipment and provision of supplementary nutrition in these schools/institutions; (iii) draw upon the advice of educational experts on the evolution and maintenance of minimum standards of pre-primary education and in general (iv) co-ordinate its activities with the other concerned programmes of social services.

Annexure IV—contd.

It has been agreed that all action will be taken by the Department of Social Welfare. The Ministry of Education have nominated a representative on the Committee on Child Welfare set up by that Department.

Conclusion

Administration and control of institutions imparting pre-school education are the responsibility of the state governments. The state governments are also responsible for assisting private institutions through grants-in-aid, if needed, as also providing necessary supervision and guidance. The Central Government may only perform the functions of a clearing house, collate the results of research as also produce any literature which may be beneficial to the states. The remaining aspects of the scheme may be decentralised.

2. Improvement of teachers' training institutions of elementary education

The object of this scheme is to improve the physical facilities of teachers' training institutions at the elementary stage in the country. In particular, the scheme aims at improving laboratory, library and hostel facilities. Funds will also be given for audio-visual aids and craftsheds. In the Fourth Plan, a sum of Rs. 14 crores has been provided for this scheme—Rs. 1 crore in the central sector and Rs. 13 crores in the state sector. The funds provided in the central sector will be utilised for providing, in order of priority, laboratory, library, audio-visual aids and hostel facilities while those in the state sector will be utilised for increasing the staff of the institutions wherever necessary and for upgrading qualifications and emoluments of the staff, etc. About 680 colleges will be selected for development. Norms would be laid down in respect of each of the physical facilities in relation to the enrolment in the training institutions. The deficiency of each institution selected under the scheme will be assessed in the light of these norms.

Conclusion

As it is, the funds provided in the central sector will be utilised for providing some physical facilities to the teachers' training institutes. This is the responsibility of the state governments and the funds for providing these facilities must come from the state plans. The state governments may, therefore, take over this part of the scheme also.

3. Scheme for the reorganisation and expansion of the teaching of science to students throughout the school stage in India

The increasing importance of science has created pressing educational demands. 'Scientific literacy' is becoming essential for all citizens who wish to understand the world they live and work in and to participate intelligently in their future. This requires that all students should be enabled to study science for as long a period as possible during the school stage and that they should be prepared to work with increasingly sophisticated scientific ideas and techniques.

Annexure IV—contd.

Some time back the UNICEF offered to provide assistance for a scheme for strengthening the teaching of science in the schools. After considering this proposal of the UNICEF, the Government of India in the Ministry of Education has formulated a comprehensive scheme for the strengthening and reorganising the teaching of science throughout the school stage in the Indian schools. The scheme attempts to present a comprehensive programme by drawing on different schemes which are already included in the plan outlay for the Fourth Five Year Plan. A provision of Rs. 16 crores has been made in the Fourth Five Year Plan under 'improvement of science' of which Rs. 14.70 crores will be in the state sector and Rs. 1.30 crores in the central sector.

The governing board of the UNICEF has already approved assistance to this scheme to the tune of U.S. \$ 21,82,000 for meeting 50 per cent of the cost of supply of science equipment to the key training institutions and reimbursement of 50 per cent of the expenditure required for the training of the science educators of the institutions. This assistance is for the first two years of the scheme out of which a sum of U.S. \$ 8,00,000 has been sanctioned. The UNICEF has indicated that it would assist the implementation of the scheme further to a total sum of U.S. \$10 million after evaluating the progress of the scheme.

The main features of the new scheme will be :

- (1) development of new syllabi for classes I—X;
- (2) development of new instructional materials;
- (3) training of science educators and science teachers at different levels;
- (4) equipment of all institutions with necessary science materials;
- (5) introduction of a programme of teaching science at the primary stage through mobile vans; and
- (6) introduction of the revised syllabi and instructional materials in the schools.

The amount of expenditure in respect of individual items of the scheme would be provided from the following sources: —

Serial No.	Items of expenditure	Amount to be utilised			UNICEF share
		Central sector	Centrally sponsored sector	State sector	
1	2	3	4	5	6
		%	%	%	%
1.	Staff salary for the preparation of syllabi, text materials, etc.	100	..	..	..
2.	Contingencies, printing and publication of the above materials as trial edition in English for the use of the states	100	..	..	..

1	2	3	4	5	6
3.	Supply of equipment to state institutes of education, state institutes of science, training colleges and training schools	.. ..	50	..	50
4.	Supply of equipment to schools	.. ..	50	..	50
5.	Supply of mobile vans and other accessories	.. ..	..	..	100
6.	Manufacture of kits etc.	.. ..	36	35	29
7.	Salary of mobile van staff	.. ..	..	100	..
8.	Training of key personnel	.. ..	..	50	50
9.	Training of method masters of training schools	.. ..	..	50	50
10.	Training of teachers of selected secondary schools	.. ..	..	50	50
11.	Training of primary and middle school teachers	.. ..	..	50	50
12.	Supply of text-books	.. ..	..	100	..
13.	Translation of text-books into regional languages	.. ..	..	100	..

It will thus be seen that the direct involvement of the Central Government will be limited to the preparation of syllabi, text material, publications and partly the manufacture of kits. The rest of the expenditure will be met from UNICEF assistance and funds provided in the centrally sponsored and state sectors.

The scheme will be implemented in four phases. The work on these four major areas is already being done or proposed to be done during the Fourth Plan period. This is an educational scheme designed to meet personnel demands for providing science education of better quality to the largest possible number of students reading in the schools. The approach will help in establishing uniform standards of science teaching in all subjects, and will be able to lay national standards in this subject at different stages of school education.

Conclusion

The scheme may be operative as a central scheme until all the four phases are completed. Thereafter, the states may take up the programme on their own. The central agency will, however, continue to provide leadership and technical guidance, wherever necessary.

4. Preparation and supply of text books

The Federal Republic of Germany has offered as gift three printing presses to the Government of India. In consultation with the state governments it was decided that these presses would be located at Mysore, Bhubaneswar and Chandigarh for printing of school books and other educational

Annexure IV—contd.

literature. Land in all cases would be provided by the state governments free of cost.

These presses will be under the administrative and technical control of the Chief Controller of Printing and Stationery. This office would be responsible for printing books and distributing them according to the instructions of the Ministry of Education. The Ministry of Education will undertake full responsibility for the preparation of manuscripts of the books to be published, for getting them prescribed and for their distribution and sale. The running cost of the presses is to be covered from the books printed and the work handled.

A total provision of Rs. 6 crores (Rs. 5 crores in the state sector and Rs. 1 crore in the central sector) has been made in the Fourth Plan for the preparation and supply of text-books.

The presses shall serve the educational policy of the Government of India by printing school text-books and other educational literature, like supplementary reading books for children and reference books for teachers, etc.

Conclusion

In so far as the literature at the level of children is concerned, the printing work can be decentralised to the states, *i.e.*, the states can draw upon the services of these regional presses, if they so desire, by making the necessary payment. The centre may retain only the function of preparing model books for children.

5. Other schemes: Sahitya Rachnalayas

With a view to training authors, writers and teachers in the techniques of preparing books for children, the Government of India have been organising sahitya rachnalayas (literature workshops) since 1955-56. The purpose of sahitya rachnalayas is to bring together persons who have already earned some reputation as authors and to give them a short reorientation course to enable them to write for children. In view of the usefulness of the scheme it is proposed to organise 25 rachnalayas during the Fourth Five Year Plan period at the rate of 5 rachnalayas per year. The scheme is a central scheme. The total outlay in the Fourth Five Year Plan on this scheme is Rs. 4 lakhs.

Conclusion

It is a very useful scheme but it is not understood why the Central Government should undertake this activity for which the state governments are primarily responsible. Except for literary workshops which have an all-India significance or inter-state ramifications, the other workshops should be the responsibility of the state governments.

6. Correspondence courses for students of secondary stage

The aim of this scheme is to provide facilities of secondary education to such employed and other persons who are normally deprived of formal education in schools. This scheme will also cater to the needs of students in remote areas where no educational facilities are available.

The main features of the scheme are:

- (a) the standard of examination for the correspondence students will be the same as for the regular candidates taking the high school or higher secondary examinations;
- (b) the fees charged from the correspondence students will be less than those charged from the regular students;
- (c) the correspondence courses will be conducted in Hindi, English or the regional languages;
- (d) the duration of the correspondence courses will be one year more than the duration of the corresponding courses in schools;
- (e) the centre for correspondence courses will employ: (i) teachers for preparing lessons, (ii) full-time or part-time employees for correcting the replies submitted by students and (iii) administrative and library staff;
- (f) the centre for correspondence courses will set up a multiple text-books library to provide reading material to the correspondence students;
- (g) personal contact programmes will be arranged for the correspondence students in local schools;
- (h) the cost of tuition through correspondence is expected to be Rs. 50 per pupil per annum; and
- (i) the cost of the scheme will be met entirely by the Central Government.

A sum of Rs. 0.50 crore has been provided in the central sector in the Fourth Plan. This provision will be utilised for giving grants to the agencies conducting correspondence courses to enable them to meet the deficit for organising the courses.

Conclusion

The scheme is of the nature which can be decentralised to the states without any difficulty.

7. Training of secondary school teachers through correspondence courses

The expansion of secondary education during the three plans has been so rapid that the supply of trained teachers has not kept pace with the demand. There was a back-log of about one lakh untrained secondary

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teachers at the end of the Third Plan. This scheme aims at setting up departments for correspondence courses in two universities, *viz.*, Baroda and Calcutta to start with, and if the scheme proves popular it will be extended to other universities.

The main features of the scheme are:

- (a) the university concerned will conduct the training courses through a department of correspondence courses to be set up for this purpose;
- (b) experienced trainers will be appointed for lesson writing and the preparation of courses. Practical work to trainees will be imparted under the supervision of senior experienced teachers. Other practical work, *viz.*, craft project, laboratory work for science students, psychology practicals, etc., will be taught by attaching the trainees to the nearest training colleges. The centres will have laboratories and facilities for the organisation of craft work;
- (c) the duration of the correspondence courses will be 15 months instead of 9 months as prescribed for the regular students; and
- (d) a tuition fee of Rs. 100 per trainee will be charged from the correspondence students.

A provision of Rs. 2.00 crores has been made in the Fourth Five Year Plan. Apart from this, the NCERT will utilise a part of the provision for this scheme for correspondence courses-cum-summer-institutes in the Central Institute of Education, Delhi, and in the four regional colleges of education.

Conclusion

The Central Government is administering the scheme as an experimental central project. It is legitimate, therefore, for the centre to handle it. When this project is successful and similar courses are organised through the universities in all the other states, this scheme may be transferred to the state sector.

8. Improvement of secondary teachers' training colleges

There are about 240 training colleges for graduate secondary teachers in the country. A large number of these lack the necessary facilities in respect of laboratories, libraries, audio-visual aids, etc. Most of these training colleges are managed by private organisations which do not, by and large, provide the minimum facilities required for the efficient functioning of these institutions. A sum of Rs. 3 crores has been provided in the central sector in the Fourth Five Year Plan.

Object of the scheme

The object of this scheme is to improve the physical facilities of secondary training colleges in the country. In particular, the scheme aims at improving laboratory, library, workshop, hostel facilities and audio-visual aids in various teachers' training colleges.

The main features of the scheme are:

- (i) in the Fourth Plan about 150 secondary teachers' training colleges will be selected for development at an average cost of Rs. 2 lakhs each. The Central Government grant will be utilised for providing various physical facilities in the colleges; and
- (ii) norms would be laid down in respect of each of the physical facilities in relation to the enrolment in the training institutions. The deficiencies of each institution selected under the scheme will be assessed in the light of these norms.

Conclusion

The NCERT is already conducting training courses through its four regional colleges which may continue to be operated by it. The scheme, as formulated, aims at providing physical facilities to about 150 selected secondary teachers' training colleges which are spread over a large area. It will, therefore, be useful if the scheme is decentralised. Even otherwise, teachers' training is treated as a state subject. The norms for selection of institutes may be laid down by the centre, if considered necessary.

9. Vocational education at the secondary stage—technical schools and multi-purpose schools

The Mudaliar Commission recommended the establishment of multi-purpose schools providing for the teaching of practical subjects such as agriculture, commerce, fine arts, home science and technical subjects. For those students who are not able to pursue higher studies, these courses are designed to serve as a preparation for entering a vocation.

During the Fourth Plan period it is proposed to strengthen as many multi-purpose courses as possible, by providing minimum necessary equipment, tools and land required to bring the multi-purpose courses to a reasonable level of efficiency. The object is to strengthen the courses already taught. A sum of Rs. 2.50 crores has been provided in the Fourth Five Year Plan for this scheme.

Conclusion

The scheme should be transferred to the state governments and necessary facilities should be provided by them.

10. Development of selected schools

On the express recommendation made at the time of the mid-Plan appraisal, the Ministry of Education decided to provide better educational facilities to talented children in good institutions, selected for the purpose. The main improvements which are intended to be brought about in these selected schools are similar to those included in the central schools scheme, with this difference, that while the central schools scheme will cater mainly to the needs of children of transferable Central Government employees, the scheme of selected schools for talented children will cater mainly to the

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needs of talented children in the selected areas. It has been decided to entrust this scheme to the Central Schools Organisation.

The following improvements would be aimed at in the selected schools:

- (a) better teachers;
- (b) better teacher-pupil ratio;
- (c) well-equipped laboratories/workshops;
- (d) efficient library service;
- (e) facilities for diversification, co-curricular activities and physical education; and
- (f) hostel facilities.

A provision of Rs. 7 crores has been made for this scheme in the Fourth Plan.

Conclusion

The scheme aims at providing facilities to selected schools in the states. This is a conflicting area of activities which could best be handled by the state governments. Moreover, the consideration of imparting education in regional languages would necessitate its implementation under the aegis of the state governments. This scheme is not an experimental venture capable of being eventually adopted by the states but requiring central involvement initially. The states must, therefore, handle this scheme. However, if the scheme is considered to be of crucial importance, the assistance for it can be tied.

11. The NCERT is concerned with a number of educational research and training programmes in the sphere of school education for which the Central Ministry has included a provision of Rs. 6 crores in the Fourth Plan for giving grants to the Council. The Ministry of Education has, in addition, entrusted the Council with the implementation of various central schemes. It has not been possible to examine and make any concrete recommendations for the schemes of the NCERT and also for the following schemes as the details have not yet been worked out and approved:

- | | |
|---|-----------------|
| (i) in-service training courses for training of teachers in the field of elementary education | Rs. 2.00 crores |
| (ii) work orientation in middle schools ... | Rs. 0.10 crore |
| (iii) full-time training of teachers in the field of secondary education | Rs. 8.00 crores |

It will take some time before the schemes are drawn up and approved by the National Council/Education Ministry. However, before these schemes are taken up by the NCERT, the Education Ministry should examine them in the light of the principles outlined in Chapter XI of Volume I of the report and effect decentralisation to the states in the light of those principles.

School Education

Physical education schemes (Item vii, paragraph 3.1)

1. National Fitness Corps

The object of the scheme is to cover all students in the middle, high and higher secondary schools in the country under an 'Integrated Programme of Physical Education' since named National Fitness Corps (NFC)—woven into the fabric of the education system in the context of the recommendations made by the Kunzru Committee. The NFC programme as per the decision taken in consultation with the state governments is to replace the existing programmes of physical education, National Discipline Scheme (NDS) and Auxiliary Cadet Corps (ACC). In pursuance of this decision, from the academic session 1965-66, the NFC programme has been introduced in the middle, high and higher secondary schools in a phased manner as one of the compulsory curricular activities—the high and higher secondary schools being taken up first and the middle schools gradually brought under the programme during the Fourth Plan period.

A total allocation of Rs. 220 lakhs has been earmarked for the NFC programme for the Fourth Plan period. Out of this, Rs. 120 lakhs have been allocated in the central sector with a corresponding provision of Rs. 100 lakhs under the state sector. The allocation of Rs. 100 lakhs placed under the state sector will cover expenditure on the reorientation training of over 60,000 selected subject teachers from the middle schools. It may be added that the coverage of the middle schools (with an enrolment of less than 250) under the NFC programme has to be achieved by utilising the services of selected subject-teachers from the middle schools who have a flair for this work by redistributing their academic work amongst the rest of the teachers.

The allocation of Rs. 120 lakhs under the central sector is proposed to be utilised for the following items of expenditure:—

(i) reorientation training of the in-service teachers/ NDS instructors/physical education teachers/ ACC teachers	... ..	Rs. 25 lakhs
(ii) payment of honorarium to the ACC teachers utilised for the implementation of NFC pro- gramme	... ..	Rs. 15 lakhs
(iii) strengthening of the central training institutes of the NFC Directorate	... ..	Rs. 30 lakhs
(iv) expenditure on training cost of the teachers at the central training institutes	... ..	Rs. 25 lakhs
(v) strengthening of the central NFC Directorate and/or states' supervisory set-up	... ..	Rs. 25 lakhs
		<u>Rs. 120 lakhs</u>

2. Lakshmibai College of Physical Education, Gwalior

The Lakshmibai College of Physical Education, a co-educational institution, was set up by the Government of India at Gwalior in 1957, as a national institution to provide a three-year degree course at the undergraduate level and also to develop post-graduate studies and research in physical education and recreation. When fully developed, the college will have an annual intake capacity of 100 for the under-graduate course and 50 for the post-graduate course. The college has so far turned out 179 graduate and 5 post-graduate teachers of physical education. The deficit of the college, both recurring and non-recurring is met by the Government of India on a cent per cent basis.

Till recently the college was being administered by an autonomous Board of Governors exclusively set up for the purpose. However, in order to achieve a better co-ordination and liaison between the Lakshmibai College of Physical Education (Gwalior) and the National Institute of Sports (Patiala), the Government of India have set up a society for the administration of the central institutes in the field of physical education and sports. The existing separate societies administering the two institutions have been merged into the new society. The development programme of the college during the Fourth Plan period is estimated to involve a total expenditure of Rs. 30 lakhs.

3. Strengthening of physical education training institutes

The object of the scheme is to assist physical education training institutions through non-recurring grants up to 75 per cent for the improvement and/or development of their training facilities, *i.e.*, development of playgrounds, construction of gymnasiums, swimming pools, hostels, administrative blocks and purchase of library books and equipment. (An allocation of Rs. 12 lakhs has been made for the purpose in the central sector and an allocation of Rs. 20 lakhs has also been recommended for the state sector).

4. Seminars on physical education

The object of the scheme, which was initiated during the Second Five Year Plan, is to organise all-India seminars with a view to providing an opportunity to the workers and experts in the field of physical education and recreation, etc., to come together to exchange views and share experiences on important problems pertaining to their profession.

The scheme further provides for organising "follow-up seminars" at the state and/or regional level with assistance from the Government of India. The expenditure on the all-India seminars will be met by the Government of India on a cent per cent basis.

The scheme is to be continued during the Fourth Plan and 10 all-India seminars and 50 follow-up seminars are proposed to be organised. The scope of the scheme is proposed to be extended so as to bring within its purview seminars of headmasters of schools and principals of academic colleges in

order to explain to them the correct concept of physical education and recreation.

The scheme is expected to involve a total expenditure of Rs. 3.5 lakhs. Out of this, an allocation of Rs. 1.5 lakhs has been made in the central sector and the remaining Rs. 2 lakhs in the state sector.

5. National Physical Efficiency Drive

The object of the scheme which was initiated during the Second Plan period, is to awaken general awareness of the need and value of physical fitness and to arouse enthusiasm of the people for higher standards of physical efficiency and achievement. The scheme is based on precise and carefully graded physical fitness tests which are carried out in the testing centres located all over the country. The scheme also provides for national awards which are given to persons who reveal proficiency of a very high order in all-India competitions organised every year.

During the Fourth Plan period no grants will be sanctioned by the Central Government and the expenditure will be met by the state governments/Union Territories out of their own state plans.

An allocation of Rs. 20 lakhs for the scheme has been recommended for inclusion in the state sector of the Fourth Plan. No contribution will be made by the Central Government in this behalf. The Central Government will continue to incur the direct expenditure on the scheme as hitherto for the supply of star-pins, grant of national awards, etc., and an allocation of Rs. 17 lakhs for this purpose has been provided for in the central sector. The total expenditure on the scheme during the Fourth Plan is, therefore, estimated at Rs. 37 lakhs. By the end of the Fourth Plan period a participation target of 50 lakhs is likely to be reached.

6. Promotion of research in special branches of physical education including yoga

Under this scheme, the following sub-schemes, which were initiated during the Second Plan period, are proposed to be continued with an overall allocation of Rs. 8 lakhs:—

- (a) Promotion of yoga: The scheme provides for assistance to yoga institutions of an all India character for promotion of research and teacher training activities.
- (b) Promotion of research in physical education: The scheme provides for extending assistance to physical education training institutions for taking up research/study projects approved by the Central Advisory Board of Physical Education and Recreation.
- (c) Preparation of popular literature: The scheme provides for assistance for preparing popular literature on the basis of the recommendations made by the Popular Literature Sub-Committee of the Central Advisory Board of Physical Education.

Annexure VI

(See paragraphs 3.2 and 4.2)

School Education

Centrally sponsored schemes for improvement of the quality of school education (Item vii, Paragraph 3.1)

1. Improvement of secondary education

(i) Strengthening of science laboratories

The scheme was started with the object of strengthening science laboratories of schools to enable them to function more effectively while imparting practical instructions to students. The scheme covers all schools teaching science subjects at the level beyond the elementary stage. A provision of Rs. 750 lakhs has been made in the Fourth Plan.

(ii) Establishment of state institutes of science education

State institutes of science education are intended to serve as the technical arm of the Directorate of Education and the state boards of secondary education and to promote and improve the teaching of science in schools at all stages. Its functions include construction of science curriculum, preparation of text-books and designing and organising in-service training courses for science teachers. The provision for this scheme in the Fourth Five Year Plan is Rs. 250 lakhs.

2. State education evaluation units

This scheme was evolved as a result of the recommendations made by the Secondary Education Commission (Mudaliar Commission) and the University Grants Commission relating to reforms in the examination system. It was introduced in 1962-63 with the primary objective of ensuring reforms in the examination system. Other goals of the scheme are to identify and define the specific educational objectives underlying the various school subjects, to participate in various activities in schools and to correlate the curriculum to these objectives. It is proposed to strengthen the existing staff in the units and to organise seminars, workshops and orientation courses, etc.

A provision of Rs. 25 lakhs is included in the Fourth Five Year Plan for this scheme.

3. State institutes of education

The U.S. Government has agreed to provide funds for all schemes relating to the improvement of elementary education. The scheme was initiated in 1963-64 with the following objectives:—

1. improvement of education in elementary schools;
2. improvement of elementary teacher education;

3. improvement of supervision of elementary schools;
4. production of literature for elementary schools and teachers;
5. training of inspecting and teaching staff; and
6. provision of extension service to all training institutions for elementary teachers.

There is a provision of Rs. 150 lakhs for this scheme in the Fourth Five Year Plan.

4. Establishment of bureaux of educational and vocational guidance

The scheme aims at providing guidance services to students. Each school is to be manned by a well-trained guidance counsellor/career master. This also involves training of teachers as career masters.

The scheme was initiated in the beginning of the Third Five Year Plan. Bureaux have been established in most of the states. In all 2670 schools were covered by this programme during the Third Five Year Plan period. It is proposed to train 2200 career masters per year. The programme can be divided into the following two parts:—

- (a) school guidance programme
 - (i) appointment of guidance counsellors; and
 - (ii) training of career masters.
- (b) strengthening of the existing state bureaux and establishing new ones.

There is a provision of Rs. 75 lakhs for the scheme in the Fourth Five Year Plan.

5. Training of elementary school teachers through correspondence courses

The expansion of elementary education during the three plans has been so rapid that the supply of trained teachers has not kept pace with the demand. There is a back-log of about 4 lakh untrained elementary teachers. The present scheme aims at setting up centres for correspondence courses in the states where the number of untrained teachers is fairly large.

The main features of the scheme are:—

- (a) the state institutes of education will be in overall charge of conducting the training courses through correspondence. A separate department will be attached to these institutions for this purpose;
- (b) experienced teachers and educators will be appointed for lesson writing and preparation of courses;
- (c) the duration of the correspondence courses for teachers will be one term more than the normal duration for regular students;

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- (d) no tuition fees will be charged from these trainees; and
- (e) the Department of Correspondence Courses will have a good library. Text books and reading materials will be supplied regularly to the students.

A provision of Rs. 6 crores has been made for this scheme in the Fourth Five Year Plan.

6. Other programmes

A provision of Rs. 180 lakhs has been earmarked for 'improvement of schools—other programmes in the centrally sponsored sector. The details are yet to be finalised.

School Education

Autonomous bodies

1. Central Board of Secondary Education

The Central Board of Secondary Education is responsible for raising the standard of secondary education, making its services available to various educational institutions in the country and meeting the educational needs of those students who have to move from state to state.

The Educational Adviser to the Government of India is the controlling authority of the Board.

The objects, constitution, functions, etc., of the Board are as under:—

1. The Board shall conduct examination at the secondary stage of education and such other examinations as it may consider fit, subject to the approval of the controlling authority or as it may be called upon to conduct by the Government of India, Ministry of Education and do such acts ancillary to the object as may be necessary.

2. The services of the Board may be availed of by any educational institution in India or outside, which wishes to prepare candidates for the examinations conducted by the Board, and the Board shall have the power to recognise such an institution for the purpose of its examinations.

3. The Board conducts the following examinations:—

- (a) Higher Secondary Examination in Delhi Scheme.
- (b) Higher Secondary (multi-purpose) Examination in Delhi Scheme.
- (c) Higher Secondary Technical Examination in Delhi Scheme.
- (d) Higher Secondary Agriculture Examination in Delhi Scheme.
- (e) All-India Higher Secondary Examination.
- (f) Ratna (proficiency in Hindi), Bhushan (high proficiency in Hindi), and Prabhakar (honours in Hindi) Examinations.
- (g) Such other examinations as the Board may from time to time prescribe.

2. Central Schools Organisation

1. The Central Schools Organisation was registered on the 15th of December, 1965, as a society under the Societies Registration Act, 1860.



2. The principal object of the Organisation is to administer the central schools scheme started by the Government of India, Ministry of Education. In pursuance of the recommendation of the Second Pay Commission, it was decided that the Central Government should encourage the growth of secondary schools with a common syllabus and medium of instruction for the benefit of the children of the Central Government employees liable to frequent transfers, as well as other floating population in the country.

3. The Education Secretary to the Government of India is the Chairman of the Organisation and its members include senior officers of the Ministries of Home Affairs, Defence, Works, Housing and Supply and Finance, as well as distinguished educationists, including representatives of the Central Board of Secondary Education, the National Council of Educational Research and Training and the state governments.

4. The main features of the scheme are:—

- (i) locations for establishing these schools are chosen on the basis of concentration of defence personnel, other transferable Central Government employees, and floating population;
- (ii) the schools cater, in order of priority, to the educational needs of the children of transferable Central Government employees including defence personnel, personnel of all-India services and other floating population. They are, however, not run exclusively for the Central Government employees. There is a fair proportion of other eligible categories also;
- (iii) instructions are imparted through the media of Hindi and English in these schools, the ultimate objective being to enable the pupils to achieve a reasonable measure of proficiency in both the languages. In the initial stage, they start with either Hindi or English medium;
- (iv) the schools prepare pupils for the all-India Higher Secondary Examination conducted by the Central Board of Secondary Education, New Delhi;
- (v) the schools are intended to be partly residential in character, so that parents who are transferred during a session or course may leave their children behind in the hostel;
- (vi) the schools are to be developed as quality schools with some of the good features of public schools, without unduly raising the cost of education; and
- (vii) the quality of teaching is kept reasonably high by an appropriate teacher-pupil ratio and by providing a suitable proportion of teachers with high qualifications.