



GOVERNMENT OF ORISSA

**STATE DEVELOPMENT ADVISORY BOARD**

**SECOND MEETING**

**HELD ON THE 15TH AND 16TH JANUARY 1956**

**AT**

**BHUBANESWAR**

---

**RECORD OF PROCEEDINGS,**

**INLET ( PLANNING ) DEPARTMENT**

Government of India  
**PLANNING COMMISSION**  
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## COMPOSITION OF THE BOARD

Chairman	..	Chief Minister
Members	..	Ministers for Development, Finance, Revenue, Tribal and Rural Welfare, Industries, Education, Health, Works and Transport.
Members of the Rajya Sabha.	(1)	Shri Surendra Mohanti, M. P.
	(2)	Shri Jagannath Das, M. P.
Members of the Lok Sabha.	(1)	Shri Uma Charan Patnaik, M. P.
	(2)	Shri Lingaraj M'sra, M. P.
	(3)	Shri H. H. Maharaja Rajendra Narayan Singh Deo, M. P.
	(4)	Shri T. Sanganna, M. P.
Members of the Legislative Assembly.	(1)	Shri Surendranath Patnaik, M. L. A.
	(2)	Shri Jayakrishna Mohanti, M. L. A.
	(3)	Shri Shraddhakar Supakar, M. L. A.
	(4)	Shri Nishamani Khuntia, M. L. A.
	(5)	Raja Sailendra Narayan Bhanj Deo, M. L. A.
		President and Members of the Board of Revenue.
		Chief Secretary
Industrialists	..	(1) Shri Bijayananda Patnaik, M. L. A.
		(2) Shri Krutartha Acharya, Bargarh
Agriculturists	..	(1) Shri Dibakar Bohidar, Bolangir
		(2) Shri Gi ija Sankar Roy, Cuttack
Economists	..	(1) Dr. Sadasiva Misra, Ravenshaw College, Cuttack.
		(2) Shri K. V. Rao, S. C. S. College, Puri
Non-officials interested in development work.	(1)	Maharaja Shri K. C. Gajapati Narayan Deo, Parlakimedi.
	(2)	Shri Biswanath Das, Berhampur

**AGENDA**

- ITEM No. 1**—Memorandum on action taken on the recommendations of the first meeting of the State Development Advisory Board. (for information)
- ITEM No. 2**—Progress Report on the First Five-year Plan (for information).
- ITEM No. 3**—Revised Draft Second Five-year Plan of Orissa
- ITEM No. 4**—Role of Co-operation in the Second Five-year Plan
- ITEM No. 5**—Policy for Prohibition
- ITEM No. 6**—Land policy
- ITEM No. 7**—Progress Report on Hirakud Dam Project Stage I
- ITEM No. 8**—Progress in Land Acquisition and setting up of a Steel Plant at Raurkella.
- ITEM No. 9**—Training of Technical personnel
- ITEM No. 10**—Financial resources for the Second Five-year Plan
- ITEM No. 11**—Progress report on Community Projects and National Extension Service Blocks.

## MEMORANDUM

*Item No. 1 of the Agenda*—A statement giving details of the main recommendations made by the State Development Advisory Board at its first meeting held on the 7th and 8th of December 1954 and the action taken thereon is enclosed for information of the Board

*Recommendations made by the State Development Advisory Board at the first meeting and action taken thereon*

Item number as per agenda	Subject	Recommendations	Action taken
1	2	3	4
Item No. 1 ..	Review of the progress of the First Five-year Plan,	(a) The question of strengthening the administrative machinery for implomenting the Second Plan should be looked into.	(a) In accordance with the recommendation of the State Board as well as at the instance of he Planning Commission the question of streng-thening the administrative machinery to meet the requirements of the Second Plan is being considered by overnment. The cadre position of the various administrative services, viz., the I. A. S., O. A. S. classes I and II O. S. A. S. as well as that of Tahsildar, etc., has been reviewed after taking into account the increased demands that the implementation of the Second Plan in various sectors of develop-ment will make on the administrative personnel. Final decisions in the matter will be taken shortly.

1	2	3	4
		<p>(b) Assessment of the requirements of all categories of technical personnel and devising ways and means for meeting these requirements should be made.</p>	<p>(b) A Committee designated as Scientific and Technical Manpower Committee consisting of the following members has been set up by Government in Resolution No. 552-P., dated the 31st January 1955 :—</p> <p>Dr. P. K. Parija . . . Chairman</p> <p>Secretary to Govern- Member ment, Industries Department.</p> <p>Director of Public Do. Instructions, Orissa.</p> <p>Director of Industries, Do. Orissa.</p> <p>Industrial and Techni- Do. (Convenor) ca. Advisor.</p> <p>They were to examine and integrate suitably the requirements of trained personnel as assessed by various Departments of Government and that of industries both in public and private sectors and to work out a properly co-ordinated and comprehensive scheme for training. They are also required to examine the question in all its aspects and recommend to Government such measures as they may consider necessary for the achievement of the object. So far this Committee had 4 meetings and examined the requirements of different departments. Most of the Departments and Heads of Departments reported their requirements of trained</p>

personnel for the execution of the schemes to be taken up during the Second Five-year Plan period basing on the size of the Plan at Rs. 36 crores for Orissa. Since the size of the Second Plan has been more or less fixed at about Rs. 62 crores, the Departments and Heads of Departments have been requested to report their revised and up-to-date requirements to enable the Committee to consider and finalise their recommendations and report.

In the meantime, however, Departments of Government have assessed their requirements for technical personnel in framing the revised draft of the Second Five-Year Plan on the basis of the allocations made by the Planning Commission. Technical Training Schemes have been included in the Second Five-year Plan and certain preliminary training schemes have been taken up even during the year to meet the requirements for technical personnel in the Second Plan period.

(c) Relaxation of Rules of Procedure and financial control etc., for speedier implementation of development programmes.

(c) A Sub-Committee of the Inter-Departmental Committee (now State Development and Co-ordination Committee) is examining this question. It has already looked into a number of points and is likely to submit its final recommendation to Government shortly. In the meantime higher technical and administrative powers have been delegated to officers of the C. P. and N. E. S. Department for speedy execution of development works.

(d) Starting of an Engineering School at Jharsuguda.

(d) Started on the 15th August 1955

(e) Starting of an Adult Technical Training Centre at Rourkela.

(e) Started but is at present functioning at Cuttack pending erection of buildings at Rourkela.



1	2	3	4
Item No. 2 ..	Integration of National Extension Service Blocks with Anchals.	Suitable provision should be made in the Anchal Sasan Bill to enable the State Government to issue directions to the Anchal Sasan to adopt the National Extension Scheme and earmark the staff for this purpose.	Provision to this effect has been made in the Anchal Sasan Bill recently passed by the State Legislature.
Item No. 3 ..	The new policy for financing and execution of Minor Irrigation Projects.	The main recommendations of the Board were with regard to levying of water rate.	Suitable legislation for levying water rates is now under consideration of Government.
Item No. 5 ..	Reports on progress in the execution of Power-cum-Irrigation Projects in the First Five-year Plan and proposals for Irrigation and Power Projects for the Second Five-year Plan.	Recommended investigation of further possibilities of developing power and specifically recommended investigation of Tikarpada and Bhimkund Projects in 1955-56.	Staff was sanctioned for investigation of these projects during the current years. But due to paucity of technical personnel and pre-occupation of engineering staff with drought and flood schemes much progress has not been made in the investigation of these projects this year. Preliminary steps have, however, been taken for the investigation of these projects. The investigation of Tikarpada, Bhimkund and Balim-la projects has been included in the Second Five-year Plan.
Item No. 7 ..	Planning for Rural Development from the level of the Panchayats and preparation of District and Village Plans.	The primary unit of planning should be the village Panchayats should be consulted in framing the plan and the proper planning area will be roughly one National Extension Service Blocks.	In the memorandum circulated for the first meeting of the Board an indication had been given of how the village and district plans were being prepared. At that time it was proposed to take up this work in four selected districts and to circulate notes on the developmental activities that can be taken up in the Second Five-year Plan at the Panchayat level and included in the District Plan. Actually notes were circulated among the Panchayats of all the districts of the

Item No. 8	.. Betterment Levy	.. The Board accepted the principles covered in the Orissa Betterment Charges Bill.	<p>State in January 1955. At that time we did not have a clear picture of the Second Plan and only a broad indication could be given of the development work expected to be taken up under the Second Five-year Plan. As our Second Five-year Plan is now more or less finalized, it is proposed to issue a questionnaire to all the Grama Panchayats for the preparation of the village Plan. This questionnaire will contain short notes on the scope of district and village plans in various spheres of development. The village Plans will be actually framed by the Grama Panchayats and will be forwarded to the District Officer who will place it before the District Development Board and forward an integrated Plan for the District as finalised by the District Development Board. Although the Plan will be prepared by the Grama Panchayat, it will be framed on the basis of the felt-needs of each village within the Panchayat. The Grama Panchayat will be only the co-ordinating agency for drawing up of the Village Plans as there is no suitable organisation at the village level to handle this task. As at present the Plans of the Grama Panchayats will have to be co-ordinated at the District level. The suggestion for adopting an N. E. S. area as a Planning Unit cannot be implemented immediately as only a part of the State is at present covered by N. E. S. Blocks.</p> <p>The Bill has since been passed by the Legislature.</p>
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1	2	3	4
Item No. 10 ..	Supervised credit for marginal cultivators and craftsman.	<p>(a) How far the State Government can guarantee to make good a certain percentage of loan which may become irrecoverable should be examined.</p> <p>(b) Reserve Bank should be addressed to permit Panchayat Societies to federate and take loans direct from the Apex Bank.</p>	<p>(a) and (b) Since the last meeting of the Board the All-India Rural Credit Survey Committee set up by the Reserve Bank of India has issued its epoch-making report. This report has set the pattern for future co-operative development. Most of the recommendations of the Committee have been accepted. It has been decided to form the State Guarantee and Relief Fund at the State level and the National Co-operative Guarantee and Relief Fund at the Centre to meet losses incurred by Co-operative Credit institutions due to reasons beyond their control such as chronic famine, drought, etc. Similar funds are to be created in the Co-operative institutions themselves to meet other kinds of losses. Government will contribute to these funds a good part of the dividend accruing on the shares it holds in those institutions. It has been decided that there will be one large size Multipurpose Co-operative Society for a compact group of villages, say a Grama Panchayat area. In each district there will be a strong Central Bank to which Societies will be affiliated. The State Government will contribute about 50 per cent of the share capital of these Central Banks and the large-sized Societies. The Co-operative Panchayat Grain-gola Societies will form the nucleus of these large-sized Multipurpose Co-operative Societies.</p> <p>The All-India Rural Credit Survey Committee has emphasized that loans should be given only to credit-worthy persons who will be able to utilise the loan and repay it in time but an</p>

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important step in widening the scope of co-operative credit has been taken by the decision that security for loans should not be limited to landed property alone but may also include anticipated crops.

(c) State should also provide capital for Co-operative Societies in handicrafts.

(c) As far as non-agricultural societies are concerned the quantum of Government aid that might be given is still under consideration and will be finalised in consultation with the Government of India and the Reserve Bank.

(d) Co-operative Society of Rickshaw Pullers may be formed.

(d) Attempt was made to form a Co-operative Society on the lines indicated by the Board amongst the Rickshaw pullers of the town of Cuttack. The first attempt however did not succeed as most of the Rickshaw pullers are without adequate assets. After fresh enquiry, it has come to light that there are some rickshaw pullers in Cuttack who have got some credit worthiness and attempt is being made to form a Co-operative amongst them.

## MEMORANDUM

Item No. 2

SUBJECT—Review of the progress of the First Five-Year Plan of Orissa.

A memorandum on the progress of the First Five-Year Plan of Orissa was placed before the State Development Advisory Board at its last meeting in December 1954. It is now proposed to give an idea of the further progress in the implementation of the First Five-year Plan and also a review of the entire picture as it is today. In the memorandum placed in the last meeting of the Board the total size of the Plan was indicated to be Rs. 1,917.2 lakhs. In the meantime, however, the size of the Plan has gone up to Rs. 2,004 lakhs the increase being accounted for by addition of Rs. 40 lakhs on account of the revised estimate of Orissa's share in the Machkund Hydro-Electric (Joint) Scheme and of Rs. 47 lakhs on schemes under small town and rural electrification programme.

2. On the basis of the total outlay of Rs. 2,004 lakhs for the entire Plan period, the progress of expenditure during the first 4 years and the first half of the current financial year can be seen from the statement enclosed. The percentage of expenditure incurred upto 1954-55 works out to about 62 per cent of the total provision. From the statement it can be seen that the rate of expenditure during the first 3 years of the Plan has been markedly behind schedule (40 per cent in all) and in the memorandum placed before the Board at its first meeting the reasons for this slow progress were indicated. As will be evident from the enclosed statement, the progress during the 4th year of the Plan has been considerable and could have been even better but for the fact that during the latter part of the financial year 1954-55 Government machinery had to divert its attention in meeting the widespread drought conditions in the State with the consequent slowing down in the execution of Plan schemes. At the same time, however, it has to be remembered that works for drought relief although outside the Plan also constitute development works and should be a good indicator of the capacity of the administrative machinery to undertake developmental expenditure of a considerable magnitude. During the current financial year every attempt has been made to utilise the provisions in the Plan to the full and it will be noticed from the statement that practically the entire Plan provision is expected to be utilised in the current financial year. There is however a likelihood of non-utilization of planned provisions to a certain extent in one or two sectors of development. This is due either to certain technical difficulties or because the schemes come rather low in order of priority and there are more pressing important schemes required to be taken up. Steps have therefore been either already taken or are being taken now to take up other important and high priority schemes with a view to utilizing "savings" in the planned provisions.

The enclosed statement also gives details of expenditure incurred on Plan schemes during the period from April to September 1955. Even though the expenditure during this period bears a small proportion to the Budgeted provision for this year, the situation is far from discouraging. As the Board is aware this period is the slack season for execution of development works. The real working season starts round-about November. It is therefore hoped that the Budgeted provision on Plan schemes will be completely utilized by the end of the financial year. This is notwithstanding the fact that the recent unprecedented floods and drought in certain parts of the State have thrown a considerable amount of strain on the administrative machinery which has had to devote considerable time and attention to urgent flood and drought relief works.

3. It is necessary to invite the attention of the Board to the fact that during the year under review some new schemes have been included in the Plan and some extra expenditure has been incurred on some of the schemes already provided for in the Plan.

The more important of the new schemes taken up are listed below :—

- (1) Agriculture Extension Training Centre at Bhubaneswar.
- (2) Buildings for Veterinary College.
- (3) Training Centre at Rajgangpur for training of Junior Soil Conservation Assistants.
- (4) Training Centre for Block Level Co-operative Officers.
- (5) Purchase of shares in the State Housing Corporation.
- (6) Pilot Projects under Co-operation.
- (7) Purchase of 2,500 K. W. Set for the Rajgangpur Power House
- (8) Diesel Station at Rairangpur.
- (9) Investigation of Bhimkund and Tikerpara Projects.
- (10) Purchase of shares in the State Industrial Corporation.

These new schemes have been taken up firstly to utilise the anticipated savings under certain heads of development and secondly because these were considered essential for a variety of reasons. The technical training schemes were taken up in order to meet the demand for technical personnel not only for the schemes in the present Plan but also to meet the increasing demands that will arise during the Second Plan period. The two power schemes have been taken up to build up load for utilisation of Hirakud power. The new schemes under Co-operation have been taken up in order to give effect to some

of the recommendations made by the All-India Rural Credit Survey Committee as preparatory schemes for the ambitious programme in the co-operative field during the Second Plan period. The Planning Commission are being approached to approve the schemes formally and in the meantime the implementation of these schemes is under way.

4. In addition to the above new schemes additional provisions have also been made for some of the existing plan schemes in order to make them more effective, for instance, the provision for the Agricultural College has been increased from Rs. 18.80 lakhs to about Rs 33 lakhs in order to complete the college and hostel buildings and the staff quarters during the current year. The College actually started functioning in July 1954 in a temporary building in the New Capital.

5. This memorandum is placed before the State Development Advisory Board for information. An up-to-date report on the attainment of physical targets in the first Five-year Plan is under preparation and will be circulated to the Members shortly.

*Development Expenditure in the First Five-year Plan of Orissa*

( Rs. in lakhs )

Head/Sub-head	Provision in Plan 1951—56	Progressive Total 1951—56	Progress of expenditure						Actual ex- penditure April to September 1955
			1951-52	1952-53	1953-54	1954-55	Total 1951—55	1955-56 (Revised)	
1	2	3	4	5	6	7	8	9	10
<b>I. AGRICULTURE AND RURAL DEVELOPMENT</b>									
1. Agriculture ..	*203.02	182.11	27.79	26.25	19.86	* 24.10	98.00	*84.11	14.37
2. Animal Husbandry ..	36.93	39.31	4.33	5.13	6.65	5.67	21.78	17.53	2.45
3. Dairying and Milk Supply	9.15	8.36	1.50	2.09	1.62	1.52	6.73	1.63	0.35
4. Forests ..	17.23	17.63	1.13	1.35	1.79	4.50	8.77	8.86	0.63
5. Co-operation ..	5.14	23.27	0.82	0.57	0.61	0.83	2.83	20.44	0.57
6. Fisheries ..	30.22	27.69	7.34	4.65	4.32	4.65	20.96	6.73	2.08
<b>Total ..</b>	<b>301.69</b>	<b>298.37</b>	<b>42.91</b>	<b>40.04</b>	<b>34.85</b>	<b>41.27</b>	<b>159.07</b>	<b>139.30</b>	<b>20.45</b>

\* Figures include provision for the Scheme for reclamation of swamps, to relieve unemployment.

@ Does not include expenditure on buildings for Hirakud Polytechnic.



1	2	3	4	5	6	7	8	9	10
<b>II. IRRIGATION AND POWER</b>									
1. Irrigation Projects ..	300.00	289.67	69.48	53.82	33.80	48.69	205.79	83.88	9.55
2. Power Projects ..	543.57	538.42	58.55	58.61	70.93	120.19	308.28	230.14	40.73
Total ..	843.57	828.09	128.03	112.43	104.73	168.88	514.07	314.02	50.28
<b>III. INDUSTRIES</b>									
1. Cottage Industries ..	32.39	28.32	4.71	5.86	4.99	5.81	21.37	6.95	2.90
2. Other Industries ..	93.90	84.48	6.19	13.13	13.63	11.50	44.45	40.03	@ 1.00
Total ..	126.29	112.80	10.90	18.99	18.62	17.31	65.82	46.98	3.90
<b>IV—TRANSPORT</b>									
1. Roads ..	228.88	237.53	17.63	25.77	41.94	59.94	145.28	92.25	32.40
2. Road Transport ..	48.04	50.23	2.24	12.62	9.97	13.31	38.14	% 12.09	0.03
8. Ports and Harbour ..	1.00	..	..	..	..	..	..	..	..
Total ..	277.92	287.76	19.87	38.39	51.91	73.25	183.42	104.34	32.43

V—SOCIAL SERVICES									
1. Education ..	172.33	147.27	13.08	25.86	36.34	33.17	108.45	38.82	16.39
2. Medical ..	58.11	56.91	7.63	7.55	10.42	11.42	37.02	19.89	3.49
3. Public Health ..	106.03	105.71	5.51	10.96	19.97	32.94	69.38	36.33	11.00
4. Labour and Labour Welfare.	3.58	2.25	0.23	0.25	0.50	0.57	1.55	0.70	0.26
5. Welfare of Backward Classes.	111.28	135.21	14.33	19.88	22.71	33.58	90.50	44.71	8.24
Total ..	451.33	447.35	40.78	64.50	89.94	111.68	306.90	140.45	39.38
VI—MISCELLANEOUS	3.50	2.93	0.63	0.64	0.66	0.31	2.24	0.69	0.21
Grand Total ..	2,004.30	1,977.30	243.12	274.99	300.71	412.70	1,231.52	745.78	146.65

% Includes an amount of Rs. 2.19 lakhs to be provided in the second revised estimate.

**MEMORANDUM****SUBJECT—Revised Second Five-Year Plan of Orissa**

The draft Second Five-Year Plan of Orissa, which was sent to the Planning Commission in August last, was discussed with them in the middle of August by the representatives of the State Government and in the light of the discussions held at Delhi, the draft Plan had to be revised. The Planning Commission had fixed ceiling of Rs. 92 crores for the State's Second Five-Year Plan which was to include Hirakud Stage II, Delta Irrigation Scheme and the spill-over of Hirakud Stage I. Excluding provisions required for these Projects, the balance available for the State Second Plan in other sectors of development was Rs. 62·5 crores. The figure of Rs. 92 crores for the State Plan was arrived at on the basis of population taking into account the total allocation that the Planning Commission had determined for the States' Plans. The considerations on which the draft Plan of the State was revised have been indicated in the revised draft Second Five-Year Plan of the State. The printed copy of the draft Plan as well as the revised Plan have already been circulated amongst the members of the State Development Advisory Board. There have been certain further developments subsequently which are briefly mentioned in this memorandum.

In the revised Plan the total outlay, excluding the provisions required for Hirakud Stages I and II and Delta Irrigation, works out to Rs. 72·27 crores. The Planning Commission have asked us to keep our Second Plan within the ceiling of Rs. 62·5 crores provisionally fixed during the discussion with them in August last. They have asked us not to include in our Plan at this Stage the provisions for certain items like the conversion of National Extension Service into C. D. Blocks, Urban Water Supply, Employment Exchanges, Second Priority Schemes under Housing, extra provision that may be required to be made for Small-scale and Village Industries in accordance with the recommendations of the Karve Committee, Flood Control, etc. The reason is that the Planning Commission have not as yet taken a final decision about the allocations that should be made for these items. As and when these allocations are finally determined, additional provisions for these will be made in the State Plan. In a further communication the Planning Commission have also informed the State Government that in order to keep the States' Plans as well as the Plans of the Central Ministries within the ceiling of Rs. 4,800 crores which has now been fixed as the maximum total outlay in the public sector on the Second Five-Year Plan of the country, a further uniform reduction of 5 per cent will be necessary in the Plans of all the States and the Central Ministries as provisionally agreed to by the Planning Commission earlier. This means that the total outlay on the

State Second Five-Year Plan, viz: Rs. 62·5 crores, excluding the Hirakud Project and the Delta Irrigation Scheme, will have to be reduced by 5 per cent. The Planning Commission have also, however, pointed out that this reduction should be effected only by effecting economies in the expenditure proposed, but without affecting the physical targets. These two communications from the Planning Commission are now under consideration of the State Government and the final allocations between different sectors of development for the State Second Five-Year Plan are being worked out in accordance with the Planning Commission's directives.

This memorandum is placed before the State Development Advisory Board for information.

**MEMORANDUM**

**SUBJECT**—The role of Co-operation in the Second Five-Year Plan

Co-operation has been allotted a very important role in the Second Five Year Plan. In the field of agricultural credit, processing and marketing activities, handloom industry, cottage and village industries, co-operative institutions have been laid down as the main pattern of organisation. The All-India Rural Credit Survey Committee has recommended that direct Government finance to agriculture in the shape of taccavi should be strictly limited to periods of widespread distress, such as famine, scarcity, floods, etc., and that co-operative credit should be developed to take its place. The Government should actively participate in the organisation and operation of co-operative credit institutions by providing not less than 51 per cent of their share capital and subsidising the cost of staff in the initial stages. In other words, all the finance that the Government propose to make available to agriculture should preferably be passed on through co-operative credit institutions. In the field of marketing too co-operative agencies have been recommended. Primary, regional and apex marketing societies are to be organised for ensuring proper marketing of the agricultural produce in the same manner as primary credit societies, district central banks and apex bank are to be established for administering credit. The processing of primary produce is also to be done through co-operative agency. For example, baling of jute, ginning of cotton, extraction of sugar from sugarcane, etc. are, to be entrusted to co-operative organisations of producers. In fact, it has been suggested that private entrepreneurs should be discouraged from entering this field and that no licences should be issued to them and wherever the system of licences is in vogue, co-operatives should at all events be preferred to individual businessmen or groups of them. Similar recommendations have been made by the Karve Committee in respect of village and small-scale industries. According to this Committee co-operative organisations are the best agencies for the efficient utilisation of human resources and for making a democratic control of economic life possible. So it has been suggested that whatever help is proposed to be given during the Second Five-Year Plan to the handloom industry and village industries should be almost exclusively channelled through co-operative agencies and that attempts must be made to bring within the co-operative fold as many of the weavers and other artisans as possible so that the maximum number of these classes will derive benefit.

2. The country has accepted the socialistic pattern for its future economic and social development. The importance that the co-operative agencies have come to occupy is the direct consequence of the above decision. The suggestions of policy referred to in para. 1 have to be considered in this context. Several questions arise, how far can we

go with the co-operative method during the comparatively short period of the next five years? What policies should we adopt for bringing the co-operative method into practice throughout the country? Is it necessary or desirable to confine financial assistance, technical guidance, etc., during the next five years largely to those in the co-operative fold? Are the available human resources adequate for the task in hand? Although no straight and simple answers can be given to these questions it is necessary to lay down at this stage the broad principles that should govern policies during the next five years. There is no doubt that co-operation must succeed if the country is to become a socialistic commonwealth. The conditions that will ensure the success of the co-operative method will have to be studied and steps taken to create those conditions. Firstly, people must have faith in co-operation and everything possible should be done in this regard through publicity and propaganda. Secondly, co-operatives must be developed in such a manner as to enable them to attract honest and capable men who have the necessary qualities of leadership and business ability. Thirdly, the co-operatives must have trained executives. Fourthly, with a view to help these organisations of the weak to withstand competition of the strong and to tide over initial difficulties, products and services of co-operative organisations should be given a definite preference over the products and services of private organisations. Lastly, Government should actively participate in the organisation and operation of the co-operatives. They must contribute sizeable amounts to their share capital, lend trained personnel for their management, offer financial guarantees in the matter of debentures and in meeting unforeseen losses. They should also provide close supervision and timely guidance and maintain staff of the adequate number and quality for the purpose.

3. The State Development Advisory Board may consider the implications of the important role that co-operation has to play in the Second Five-Year Plan and advise generally on the problems of policy outlined above and in particular on the following aspects :—

(1) How best the direct Government finance to agriculture in the shape of taccavi can be co-ordinated with the programme of expansion of co-operative credit.

(2) Whether financial aid to the handloom weavers and other artisans should be more or less limited to those who are in the co-operative fold and will be brought within it hereafter. If the Board considers desirable to extend help to those outside the co-operative fold the best method of giving such aid will also have to be thought of.

(3) Whether the Government and quasi-government institutions should give as a rule preference to products and services of co-operative institutions in the matter of purchase of store etc., and whether this preference should also cover the price of those products and services. If the Board considers it necessary to accord price difference it will be necessary to think of the extent to which this preference may be given.

(4) In view of the necessity to sponsor and foster co-operative organisations in the field of processing and cottage industries what policy should Government follow in respect of the following items :—

- (i) Sugar factories,
- (ii) Spinning mills
- (iii) Rice mills,
- (iv) Oil mills.

It may be noted that the opinion is widely held that in view of the large number of unemployed persons the above noted industries should not be organised on factory basis and should be kept reserved for organisation on cottage basis. In this context it is to be considered whether an exception should be made in favour of co-operative associations. In other words, should not a co-operative association of sugarcane growers be allowed to establish a co-operative sugar factory and a co-operative association of weavers or producers of cotton a spinning mill. In coming to a conclusion on this subject one has to bear in mind the possible effects that even a co-operative sugar factory and a co-operative spinning mill have on related cottage industries like hand spinning and gur and khandasari industry which are also proposed to be organised on a co-operative basis. In fact, all these kinds of organisations will have to be allotted appropriate and balanced positions in the programme. The rice mills and oil mills may be considered on a different footing. The question is whether the producers of paddy and oil seeds will get any better return if they process their commodities on factory basis. Benefit to the producers through factory processing is not likely to be much in this case. So the criterion for policy in these cases is the possible effect of the organisation of a particular kind on the unemployment situation. From this point of view it is perhaps better for leaving the processing of paddy to hand-pounding and oil seeds to village presses. The hand-pounders and oilmen can be formed into co-operatives.

**MEMORANDUM****SUBJECT—Policy for Prohibition**

A copy of the Chapter on Policy for Prohibition in the Draft Memorandum for the Second Five-Year Plan issued by the Planning Commission is enclosed. The State Development Advisory Board may consider the various points raised in this Chapter and give their considered views and suggestions on the points on which the Planning Commission have suggested that the State Government may take action.

**POLICY FOR PROHIBITION**

For many years a considerable section of public opinion has urged that prohibition of consumption of intoxicating drinks and of drugs injurious to health should be carried out as an essential item of social policy. In Article 47 of the Constitution this has been already accepted as a directive principle. Since progress in this respect had been on the whole meagre, the Planning Commission set up a special committee to examine the experience gained regarding measures adopted by State Governments and to make recommendations for a programme of prohibition on a National basis, indicating the manner and stages in which and the machinery through which this programme should be carried out. The report of the committee which has been recently received is under consideration in consultation with State Governments and the Central Ministries. Here it will be sufficient to indicate the general approach to the subject.

In the consideration of any basic social policy, financial considerations although of great practical importance, are not to be treated as decisive in character. What is important is that the programmes should be so formulated that they can be implemented successfully over a period. For the country as a whole there is need for a common approach towards prohibition, but detailed programmes have to be drawn up by States. Some States will be able to proceed ahead of others and to the extent they do so, they will show the way and provide experience on which other States can base their detailed programmes.

A national policy like prohibition has to be approached from different directions such as enforcement measures, growth of the sanction of public opinion, voluntary work of social service agencies and of social workers and the provision of alternative interests and recreations. While the direction will be common, there is room for a degree of variation in the steps to be taken in different parts of the country according to local conditions and circumstances. Each State could formulate a series of specific tasks to be undertaken by it in the various directions



mentioned above. The Prohibition Enquiry Committee has suggested April, 1958 as the target date for the enforcement of prohibition uniformly throughout the country. We consider that there is practical advantage in each State Government approaching the problem in terms of phased programmes setting out specific targets to be achieved over the whole field of social and administrative action. While there should be general agreement on the main directions of the programme to be pursued, with provision for constant review and assessment, it would not be necessary to insist upon identical steps or identical dates for all the States in the Union. On balance this appears to us to be the best way of advancing towards the objective of prohibition.

The Prohibition Enquiry Committee has recommended the setting up of a Central Committee to review the progress of prohibition programmes and to co-ordinate activities in different States and to keep in touch with their practical difficulties. The Central Committee should, it has been suggested, make a report to the National Development Council once a year. We also think that it will be useful, as the Committee has proposed, that Prohibition Boards and district prohibition committees should be set up in the States and there should be Administrators of Prohibition to implement the programme.

Several of the proposals made by the Committee will need detailed examination by Ministries and States. We suggest that as a first step State Government may take action in the following general directions :—

1. discontinuance of advertisements and public inducements relating to drink ;
2. stoppage of drinking in public premises ( hotels, hostels restaurants, clubs ) and at public receptions ;

In applying rules to this effect, care must of course be taken to ensure that the rights of foreign missions are not affected and foreign visitors and tourists are not put to inconvenience or harassment ;

3. setting up of technical committees to draw up phased programmes with the object of—
  - (a) reducing progressively the number of liquor shops both in rural and urban areas ;
  - (b) closing liquor shops for an increasing number of days during the week ;
  - (c) reducing quantities supplied to liquor shops ;
  - (d) progressively reducing the strength of distilled liquor produced by distilleries in India

- (e) closing of shops in and near specified industrial and other development project areas ;
  - (f) removal of shops to places away from main streets and living quarters in towns and villages.
4. taking active steps to encourage and promote the production of cheap and healthy soft drinks ;
  5. assisting voluntary agencies in organising recreation centres ; and
  6. including prohibition as an item of constructive work in national extension and community project areas and social welfare extension projects.

# MEMORANDUM

Item No. 6

SUBJECT—Land Policy

A copy of the Chapter on Land Policy in the Draft Memorandum issued by the Planning Commission on the Second Five-year Plan is enclosed. The State Development Advisory Board is requested to consider the various recommendations of the Planning Commission contained in this Chapter and to give their views and suggestions.

## LAND POLICY

### INTRODUCTION

Land reform legislation in the States has been confined in the main to adjustments in relations between owners and tenants. While security of tenure has been assured and rents reduced in several States, progress in the transfer of rights of ownership to tenants has been slow. In a number of States difficulties in reconciling the claims of small owners with those of tenants have come to the surface. Very little has been done to provide land for landless agricultural workers and efforts in support of co-operative farming and co-operative village management have been half-hearted and meagre. Invariably the intentions of land reform legislation have not been fulfilled to the extent hoped for because of inadequate administrative action and weakness in organisation at the village level. The work of the Central Committee for Land Reforms, which includes the Planning Commission and the principal Central Ministries concerned, has helped to maintain a broad common approach in land reform programmes in the States, whose attention has been drawn from time to time to gaps in the implementation of land policy and to the need to carry out phased programmes of land reform.

2. With a view to formulating a comprehensive land policy for the period of the Second Five-year Plan, a Panel on Land Reform was set up by the Planning Commission in the summer of 1955. The work of the Panel is being done through four committees dealing respectively with tenancy reform, size of holdings, reorganisation of agriculture and Bhoodan. The detailed proposals for land policy during the second plan will be drawn up after the Panel has considered the reports of its committees and made its recommendations.

3. In the First Five-year Plan reference was made to the lack of reliable information concerning the distribution and size of holdings and it was proposed that a census of land holding and cultivation should be undertaken. This census has now been carried out in most States. For 18 States results of the census have become available and reports from other States are shortly expected. The eighth round of the National Sample Survey included an inquiry into land holdings, the results of which have been presented in a special report. The Rural Credit Survey has also brought valuable new data. Thus, from the point of view of the information available it is possible to appreciate more fully the implications of various aspects of policy and to ensure more satisfactory implementation.

## RIGHTS OF OWNERS

4. The abolition of intermediary rights has now been completed over the greater part of the country. The multiplicity of tenures has been reduced, although it has not been altogether eliminated. Taking a general view, existing tenures are being modified in the direction of two main categories of right holders, namely, (1) owners who hold land directly under the State, and (2) tenants who hold land from owners. It is desirable that the pattern of ownership should conform to certain commonly agreed rights and obligations. In the rural structure visualised for the future, small peasant-owners will form the main body of cultivators. A rural structure based on peasant-cultivators can meet the requirements of food and raw materials of a growing national economy only if land is used with care, the advantages of co-operative work and organisation are fully realised and a progressive system of agriculture is integrated with a great deal of non-agricultural work through the development of village industries, labour co-operatives and processing of livestock and agricultural products. In the success of the land reform programme, the national extension and community development programme has an extremely important part to play. On the eve of the Second Five-year Plan, changes in social and economic relationships within the village have to be viewed increasingly as part of the wider processes of social and economic development. It is with this leading consideration in view that the tentative recommendations which follow have been drawn up as a basis for further consideration.

5. Ownership of land, like other rights in a progressive community, entails certain obligations and limitations. The most important obligation concerns the use and management of land, to which subject reference is made in a later section of this Chapter. A ceiling on future acquisition of land already exists in several States. It is important that where it does not already exist the transfer of land should be subject to the ceiling being observed in respect of the transferee. In a number of States, as part of legislation relating to consolidation of holdings, the transfer of fragments is disallowed. It frequently happens, however, that provisions relating to prevention of fragments are not enforced. Provisions against fragmentation and against transfer and partition of fragments are essential in the interest of agricultural development and should be enforced with the active association of Village Panchayats. In the interests of cultivators, legislation should provide that mortgages of land with possession will be self-liquidating, being restricted to a period not exceeding ten years.

## TENANCY RIGHTS

6. Rights of tenants presents some of the more urgent issues in the field of land reforms and in practice it has been necessary to ensure protection to tenants in greater measure than was visualised in the land policy set out in the First Five-year Plan. Some of the difficulties which have arisen can be traced to inadequate definition of the expression "personal cultivation" which appears in every piece of legislation. A degree of uniformity in the use of this term is desirable

Personal cultivation may be said to have three elements, namely, risk of cultivation, personal supervision and labour. A person who does not bear the entire risk of cultivation or parts with a share of the produce in favour of another cannot be described as cultivating the land personally. The expression "personal supervision" may include supervision by the owner or by a member of his family, provided it is accompanied by residence in the village or in a near by village during the greater part of the agricultural season. As an element of personal cultivation, the performance of minimum labour, though correct in logic, presents certain difficulties in practice. It is, therefore, suggested that in legislation relating to tenancy reform the expression "personal cultivation" should be defined so as to provide for the risk of cultivation borne by the owner and personal supervision being exercised in the manner described above by the owner or by a member of this family. When land is resumed for personal cultivation, however, it is necessary that each of the elements of personal cultivation, including labour participation in the main Agricultural operations, should be insisted upon.

7. Existing legislation should be re-examined in terms of the definition of personal cultivation set out above, and suitable action taken to confer tenancy rights on individuals who have in the past been treated merely as labourers or 'partners in cultivation'. Because the definition of personal cultivation has been generally defective in the past, in a number of States crop-sharing arrangements which have all the characteristics of tenancy are not regarded as such and crop-sharers are denied rights allowed to tenants. A number of difficult problems relating to the implementation of tenancy reform legislation centre on the issue of resumption of land for personal cultivation.

8. Persons holding one family holding or less may be defined as small owners. In the light of the experience gained it is proposed that a small owner should be permitted to resume for personal cultivation one-half of the area owned by him but not less than the basic holding, that is, the minimum area needed for profitable cultivation in accordance with legislation relating to the prevention of fragmentation. Where, as a result of such resumption, the tenancy becomes smaller than a basic holding, the Government should endeavour to find land for cultivation so as to bring the tenancy to the level of a basic holding. This will be facilitated to some extent when land in excess of a ceiling becomes available.

9. In areas in excess of the limit of resumption for personal cultivation, tenants should have continuing and heritable possession. Tenants of lands liable to resumption for personal cultivation should have heritable (but not permanent) rights and also the right to make improvements: In the First five-year Plan it was stated that a rate of rent exceeding one-fourth or one-fifth of the produce should be regarded as requiring special justification. Progress in the regulation of rents has been uneven and in several states legislation lags behind.

We are unable to visualise circumstances in any part of the country which could now justify a level of rents in excess of one-fifth of the produce of land.

10. It is desirable that over a reasonably short period the bulk of the tenants should come into direct relationship with the State. In several States legislation provides for the right of purchase of land to tenants for cultivation. The right is often restricted to small sections of tenants cultivators and the terms on which ownership can be acquired are far from easy. Following the recommendations made in the First Five-year Plan, we suggest that by law the price to be paid by tenants for the acquisition of rights of ownership should be fixed as a suitable multiple of the rental value of land or of land revenue. Tenants should be in a position to pay this purchase price in annual instalments spread over a period up to ten years, the right of ownership being conferred by law on payment of the first instalment. The right of ownership will be subject of course to regular payment of instalments until the purchase price has been discharged. With a view to establishing a direct relationship with tenants, a State Government can issue compensatory bonds to owners and continue to recover rent directly from tenants. Tenants would have the option to acquire rights of ownership in the manner provided by law or to continue to pay rent to the Government.

11. During the past two or three years in some States, there have been instances of large-scale ejections of tenants and 'voluntary surrenders' of tenancies. We suggest that action should be taken to stay ejections of tenants and sub-tenants except on grounds of non-payment of rent and misuse of land. Most 'voluntary surrenders' of tenancies, are open to serious doubt as bona fide transactions and it is desirable that cases of alleged voluntary surrender should be reviewed and action taken, wherever necessary, to restore the tenants. It is common ground that a person suffering from a disability should be permitted to lease out land and should have the right to resume it for personal cultivation. This concession is generally extended to unmarried women, widows, minors, persons serving in the armed forces and those suffering from mental or physical disabilities. In the First Five-year Plan, it was proposed that the limit for resumption for personal cultivation should be set at three times the family holding. Resumption was to be on grounds of personal cultivation only and was to be limited to the area which the adult labour force of the family could actually bring under cultivation. These recommendations have not proved adequate in practice. It is, therefore, recommended that the limit of area which can be resumed for personal cultivation should now be fixed at one family holding and be subject to a minimum area being left to the tenant. A family holding has been defined by a committee of the Land Reform Panel as the area of land which yields a gross average income of Rs. 1,600 per annum, or a net annual income (including remuneration for family labour) of Rs. 1,200 and is not less than a plough unit.

## CEILINGS ON AGRICULTURAL HOLDINGS

12. The First Five-year Plan recommended in principle that there should be an absolute limit to the amount of land which any individual may hold. It was suggested that this limit should be fixed by each State, having regard to its own agrarian history and its present problems. The census of land holding and cultivation which was proposed, was intended to provide data relevant to decisions pertaining to ceilings on agricultural holdings. As suggested earlier sufficient information has now become available to support general proposals for the imposition of ceilings on agricultural holdings which individual States can adapt to local conditions.

13. It is proposed that during the Second Five-year Plan the policy of ceilings on agricultural holdings should be implemented throughout the country. The ceiling would apply to owned land (including land under permanent and heritable rights) held under personal cultivation, tenants being enabled to acquire rights of ownership on leased land on lines indicated earlier. Lands held by all the members of a family should be considered together, a family for this purpose being deemed to consist of husband, wife and dependent sons, daughters and grandchildren. The meaning of the expression "family holding" has been stated already. It is recommended that the ceiling should be fixed at three times the family holding for an average family whose members do not exceed five in number. Where the number of members is larger, the ceiling may extend to a maximum of six family holdings. Each State may determine according to prevailing local conditions the basis on which the size of family should be allowed for in the application of the ceiling. A question to which each State will have to give urgent attention is the effect of malafide transfers during the past two or three years on the application of ceilings on holdings.

14. Areas in excess of the ceilings should be acquired by the State on payment of compensation at rates to be determined. Compensatory bonds redeemable over 20 years may be issued to owners in respect of surplus lands.

15. The following categories of farms may be exempted from the purview of ceiling—

(1) Composite enterprises such as tea, coffee and rubber plantations. In such enterprises income from land should be taxed along with income from industry. Such land should not be deemed to be agricultural land ;

(2) orchards where they constitute reasonably compact areas ;

(3) specialised farms engaged in cattle breeding, dairying, wool raising etc. ;

(4) highly efficiently managed farms which consist of compact blocks, on which heavy investment or permanent structural improvements have been made whose break-up is likely to lead to a fall in production.

The question has recently arisen whether sugar cane farms operated by sugar factories should be treated as part of composite enterprises or as instances of agricultural land. Various aspects of this problem are being studied.

16. In the settlement of lands acquired in consequence of the application of ceilings, tenants displaced as a result of resumption of land for personal cultivation, farmers with uneconomic holdings and landless workers should receive preference. Where the surplus areas are in fairly sizeable blocks, they should be operated through co-operatives. Farmers with uneconomic holdings below the basic level should be admitted into these co-operatives on agreement to pool their lands.

#### LANDLESS AGRICULTURAL WORKERS

17. During the First Five-year Plan, apart from enforcement of minimum wages in a number of States and measures relating to the allotment of residential sites, very little has been done for the direct benefit of landless agricultural workers. During the Second Five-year Plan we consider it imperative that there should be a large enough programme for giving land to agricultural workers. We recognise that with the existing pressure on land only a small proportion of agricultural workers can be settled on land. Nevertheless for reasons of social policy no less than those of economic development it is important that while the national economy develops and offers wider opportunities for employment to agricultural workers and others, some positive relief within the rural economy is given to a section of the population which has long suffered from disabilities and has been denied minimum social and economic opportunity. We suggest therefore that in each State after the data relating to the census of land holding and cultivation have been studied and the areas likely to become available assessed, detailed schemes for the resettlement on land of agricultural workers should be drawn up. Lands which become available through gifts to the extent they are made available, may also be brought into the scheme of resettlement. While special personal for organising the resettlement of landless workers will be required, the resources needed for development should be provided from agriculture, national extension and community development, village industry and other programmes for which provision exists in the plan. It would be desirable to set up in each State a special board, including non-official members, for advising on resettlement schemes for landless workers and reviewing progress from time to time. It would also be useful to have a similar board at the national level so that questions of policy and organisation and the progress of land resettlements schemes in the country as a whole can be reviewed from time to time.

#### REORGANISATION OF AGRICULTURE

18. The reorganisation of the agrarian structure is a large subject and in this chapter only a few of its aspects can be barely mentioned. In the First Five-year Plan it was urged that in all States programmes



for consolidation of holdings should be expended and pursued with vigour. Appreciable progress in the consolidation of agricultural holdings has been made only in a few states. We would reiterate the recommendation made earlier and suggest that in national extension and community project areas consolidation of holdings should be undertaken as a task of primary importance in the agricultural programme.

19. In the first plan the principle that in the cultivation and management of land, individual owners should conform to standards of efficiency determined by law was commended. In its application, this was conceived in the first instance in relation to large holdings. The subject has been studied in some detail by a sub-committee of the Panel on Land Reform. The main proposals made by the sub-committee, with which we are in general agreement, are as follows:—

(1) All cultivators should be under an obligation to maintain reasonable standards of efficient production and to preserve and develop the fertility of the soil. Land management legislation should provide the necessary incentives and sanctions for the performance of this obligation. Such legislation, however, is not to be viewed as a means of coercion in isolation from other factors essential for the maintenance of efficient production. Preservation of standards should be linked up with the fulfilment of certain conditions such as stability of tenure, consolidation of holdings, progressive development of co-operation and Government assistance in the provision of financial resources, technical guidance and supplies.

(2) Land management legislation should provide for standards of efficient cultivation and management which will permit objective qualitative judgements. A list of factors to be taken into account in judging the quality of management of a farm or a holding has been worked out by the sub-committee, so that it can be adapted suitably to the agricultural and economic conditions of different areas. On the basis of these factors, it should be possible to classify farms according to the quality of management into suitable grades, for instance, two grades above and two below the average grade. While farm is which fall into the first two categories should be given suitable encouragement and recognition, steps should be taken to ensure that those falling below the average are assisted in improving their standards. The legislation should provide for such measures as warning direction and supervision and, in the last resort, for assumption of management.

(3) Sanctions should be provided in the legislation for the fulfilment of certain obligations such as, for instance (a) in the case of a large and medium holding, bringing cultivable waste lands under cultivation within a reasonable period; (b) measures relating to levelling, bunding and fencing, maintenance of irrigation channels control of insects and diseases and eradication of weeds and terracing of fields; and (c) use of improved seeds, composting of farm refuse etc.; and

(4) While land management legislation has to apply eventually to farms of all sizes and in all areas, to gain experience, it may be applied in the first instance to selected areas. At the village level, the implementation of the legislation should be undertaken mainly through village panchayats but suitable arrangements for supervision should also be made.

20. In the first plan a number of suggestions for encouraging and assisting small and middle farmers to group themselves voluntarily into co-operative farming societies were offered. These have been reviewed and elaborated by the Committee of the Panel on Land Reforms dealing with the reorganisation of agriculture. The Committee has further suggested that in areas where property rights do not come in the way of establishment of co-operative farming, as in Government waste lands which have been reclaimed or are suitable for cultivation and in surplus lands obtained through the application of ceilings on agricultural holdings, settlement should as far as possible be on co-operative lines. In these areas intensive efforts should be made to develop suitable methods for co-operative farm operations and the necessary technical guidance financial aid and supervision should be made available. Agricultural holdings which are smaller in size than the basic holdings should receive special attention with the object of developing co-operation in all activities.

21. Co-operative village management under which the land and other resources of the village can be developed for the benefit of the entire village community, was set out in the first plan as the goal towards which the rural economy should over a period of years be reorganised. A number of steps were indicated which would enable village communities to develop their common activities so as to strengthen the community element in the village organisation and in village production. As was suggested in the First Five-year Plan,

“The system of co-operative reorganisation which will be found most feasible in practice has to be evolved by village communities out of the practice of co-operation in various directions and according to their own needs and problems. From the side of the Government what is needed is that village communities should receive sufficient guidance and assistance and, secondly, that the law should give them the means for bringing about the necessary changes in the management of land”.

An important development in this direction is the offer of more than 800 entire villages in Gramdan and the proposal of the Bhoodan workers to organise their economy on the basis of village needs and resources. We hope that through programmes for increasing agricultural production, national extension and community projects, village and small industries and welfare of backward classes, this and similar efforts for developing the rural economy through co-operatives will receive adequate support.

**MEMORANDUM**

**SUBJECT** —Hirakud Dam Project, Stage I and other River Valley Projects

A general report on River Valley Development Projects was submitted to the State Development Advisory Board during their first meeting. The purpose of the present report is to present information regarding the progress made in the interim period.

2. *Hirakud Dam Projects*—The construction of the main Dam is going forward at full speed and in various departments the progress is in advance of the targets. It is confidently expected that the construction of the main portions of the Dam will be completed, as planned, during the current year and that irrigation water and power will become available before the end of this year.

3. As the State Development Advisory Board is aware the power portion of the project has been designed in two parts. As reported at the time of the first meeting the total capacity of the first stage has already been entirely sold out and the construction of the second stage, which would mean approximately double the installed capacity, was urgently required. The demands for load continue to come in. Meanwhile orders for the second stage have not yet been placed as the matter is still under discussion with the Planning Commission. The Government of India have been advised of the extreme urgency of this requirement and it is hoped that orders will be placed very shortly.

4. On the basis of the present demand for power and at the present rate at which this demand is coming in, it is quite apparent that even if the second stage of the Hirakud Dam Project is completed, the needs for power will be far in excess of availability. In order to meet these needs and also in order to provide a balancing unit to the Hydro-Electric installation, the State Government are proposing to the Government of India that a Thermal Station of 50,000 K.W. capacity should be immediately installed on the coal fields near Jharsuguda.

5. As previously reported the construction of minors and water courses in the Sambalpur and Bolangir regions has been entrusted to the Hirakud Dam Project authorities to be done in continuation of the construction of canals which they are already doing. Land acquisition for this purpose has been taken up and is reported to be making satisfactory progress.

6. The Government of India have now agreed to the scheme for expansion of irrigation in the Delta region in Cuttack and Puri districts, which would be possible from the steady discharge that will be available from the Hirakud Dam. This work has been entrusted to the State P. W. D.

7. With the imminent closure of the Hirakud Dam the evacuation of the submersible area before the next monsoon has become a very urgent problem. The State Government are taking special steps to organise this mass evacuation. All these privileges and facilities that were given during the last season evacuation such as free transport, etc., will be given. Transit camps are ready for persons who do not wish to go immediately to new locations. In the meanwhile payment of compensation is being expedited and Government have ordered that every person in the submersible area, notwithstanding disputes in the matter, should be offered at least 75 per cent of the compensation due to him before evacuation so that no body would be faced with evacuation without some funds in hand immediately.

8. Certain other facilities have also been ordered to be given to the persons being displaced by the Hirakud Dam. Government have ordered that even in case where dispute arises in the matter of compensation and cases are referred to the Arbitrator, the 15 per cent extra offered for compromise should continue to be paid. High Court decisions in regard to quantum of compensation, wherever such cases are of general application, have been ordered to be followed. Temporary camps have been allowed to be set up near the periphery of the lake to be formed so that marginal cultivation may be undertaken by those who desire to do so. Arrangements have been made to remove deities from submersible temples to be taken and installed at other locations.

9. *Machkund Project*—Since the last meeting of the State Development Advisory Board, the first phase in the construction of the Machkund Project has been completed and one generator has been switched on. Power is being taken on the Andhra side. The construction of transmission lines on our side is being expedited.

10. The work on the completion of the project which will involve the closure of the Jalaput Dam is going forward at speed. Here also the closure of the Dam will necessitate the submersion of certain villages. Arrangements are being made for evacuation of the population from the submerged villages and their settlement on more or less the same line as in the case of the Hirakud Dam Project.

11. The rates of compensation in Machkund have always been low compared to the rates being given for land acquired at Hirakud. Recently, after a complete review of the position, increases in the rate of compensation have been ordered, to bring them in line with rates in comparable areas.

12. The Government of India has sanctioned a scheme for Soil Conservation in the Machkund basin and the work is expected to start this year.

**MEMORANDUM**

**SUBJECT**—Progress Report on Land Acquisition and setting up of the Steel Plant at Rourkela

1. 1. The establishment of a Steel Plant at Rourkela is a landmark in Orissa's industrial development and it is necessary to keep the State Development Advisory Board informed the progress of this important project.

1. 2. Although the establishment of the Steel Plant has been made the responsibility of a limited liability Company owned by the Central Government, the State Government have various responsibilities to discharge to ensure that the programme of establishment of the Factory goes forward according to schedule. Again, apart from the direct benefits to Orissa by the establishment of this Factory, which would be mainly in the nature of employment during construction and after the Factory goes into production and also in the nature of revenue on the utilisation of minerals the establishment of this Factory is bound to create a favourable climate for industrialisation, particularly establishment of Heavy Industries in and about Rourkela, in fostering which also the State Government will have a great part to play. The following report attempts to summarise action taken up to date and proposed to be taken hereafter to ensure that the maximum advantage is obtained to the State by the establishment of the Steel Factory.

2. 1. *General*—As already stated, the Steel Factory is being put up by a Limited Liability Company owned by the Central Government called Hindustan Steel Limited. One of the Directors in this Company is the Maharaja of Parlakimedi. The Company has an agreement with a German combine of two well-known Steel Firms of Germany, Krupps and Demag, and the design, lay out and construction of the Plant is to be done under the aegis of this combine. The Factory was originally designed to have a capacity of 5,00,00 tons of finished steel per year. However, last year it was decided that that the capacity should be increased to one million tons.

2. 2. The work on the site has been going on from about January 1955 and up to date a great deal of preliminary work has been accomplished such as laying out of roads, construction of buildings, testing for foundation etc. The actual Plant construction has not yet started and the final designs are reported to be only being now scrutinised. However, the reports are that the Factory will go into production, as originally anticipated, in 1958, achieving full production in 1959.

3. 1. *Land Acquisition*—The most important item of assistance from the State Government required by the Steel Factory is acquisition and handing over of land. This is being done under the Emergency

Act of 1948 and although there were certain difficulties due to lack of staff and other organisational weakness in the beginning the work is now proceeding smoothly and already an area of approximately 8 square miles has been acquired and handed over to the Steel Company. This has been made possible by the State Government setting up a special Land Acquisition Organisation under a Deputy Commissioner at Rourkela for this purpose.

3. 2. The total area under acquisition by the Company at present is approximately 32 square miles. It is understood that further requests for about 8.12 square miles may be expected hereafter. At the present rate of handing over, there should be no difficulty in meeting the demands of the Company for actual possession of land as and when they materialise.

3. 3. At the beginning of land acquisition, there was a great deal of misapprehension in the minds of the local population in regard to the rate of compensation and method of resettlement of the displaced population. These have all been now satisfactorily settled. Rates of compensation originally fixed were found low with reference to land values in other comparable areas and these have, therefore, been brought into line with the latest advices from other industrial areas. The latest figures have been accepted as satisfactory by the local population.

3. 4. In regard to re-settlement also, there was some misunderstanding in the beginning. Arrangements have, however, been made to give the maximum benefits to the displaced population. The proposals include lay out of building sites in fresh villages to be laid out near the Steel Plant area, subsidies for construction of houses and allotment of reclaimed irrigated land, to the extent available, to all those who do not desire to seek employment in the Steel Factory. The the Steel Company have agreed to provide employment to every able-bodied person among the displaced population and in all cases of employment, people from the acquired area would be given the highest preference. Transport for displaced persons, for themselves and their personal effects to their new house sites has been allowed.

4. *Water Supply*—The next important item on which the State Government have a responsibility in regard to the establishment of the Steel Plant is to ensure an adequate supply of water for the works and the population. Last year, following the previous unprecedented drought, the flow in the river Brahmani was found to be less than the minimum required for the operation of the Steel Works. The State Government have, therefore, proposed to build a Dam on the river Sankh, a tributary of Brahmani, at a place called Mandia, to ensure a sufficiency of water for the Steel Works and for all other industries that may spring up in that region. The Central Government will assist in this Project by the grant of a subsidy which is expected to be 50 per cent of the cost of the Project which may be of the order of Rs. 1.3 crores. Preliminary work has already been started and it is estimated that the Dam will be completed before the Monsoons in 1957.

5. *Electric Supply*—The Steel Plant will be a major consumer of electricity from the Hirakud Hydro-Electric Station. The construction of transmission lines from Hirakud to Rourkela is in full swing. In the meanwhile, for immediate needs during the construction period, the State Government have arranged with the Hirakud Project authorities that electricity may be supplied to the Company at Rourkela from the Power House at Raj-Gangpur where an additional generating set has been erected for this purpose.

6. *Roads and Railways*—The Company proposes to take iron ore from the Talদিহি range and for this purpose, certain State high ways between Rourkela (Panposh) and Bonai have to be improved and provided with bridges. This work has been taken in hand. The railways have not only to multiply the lines in and about Rourkela, to handle the greatly increased traffic due to the Steel Plant, but will have to construct new lines for the bringing of the ore from the mines to the Steel Works. Requisitions for land acquisition for this purpose have been received and are being dealt with expeditiously.

7. *Miscellaneous*—As already indicated, apart from the direct benefits that will arise to the State with the establishment of the Steel Plant in Rourkela, there are various indirect benefits to be hoped for.

7.1. *Employment*—In the matter of employment opportunities for the local population, it has already been stated that preference will be given to the persons displaced from the Steel Plant area. The question of making rules to give preference to Oriyas in all grades of employment has been taken up with the Government of India and they have issued directions to the Steel Company that this should be done, as far as is compatible with the necessity for sticking to the overall target for completion of the work. Apart from the immediate employment during the construction period, which will be mostly of unskilled personnel, the State has also to prepare to provide a large number of skilled workers that will be required for the Steel Plant. For this purpose, the Company are being assisted to recruit young men to be trained to become skilled technicians and a team of officers has already made one tour of selection during which 130 boys have been selected and are undergoing training at present. This training is being given directly by the Steel Company. Simultaneously the State Government have increased the capacity of the Orissa School of Engineering, Cuttack and has set up a new School of Engineering in Jharsuguda to provide skilled personnel of the Overseer type to be ready for absorption in the Steel Factory after they complete their courses. Again, an Adult Civilian Training Centre, specially for the purpose of the Steel Company, has been set up, temporarily in Cuttack to be moved into Rourkela when premises are ready there. Further extension of these training programmes and the introduction of training programmes for giving advance training to the products of the Adult Civilian Training Centres are under consideration.

7. 2. *Townships*—The Steel Plant Township, when completed, will, probably, become the largest Township in Orissa with the most modern amenities. For administrative reasons, the Steel Company are unable to allow non-employees, except tradesmen, etc., to reside in their Township area. The State Government have arranged that in the matter of selection of tradesmen etc., preference will be given to Oriyas. The village of Rourkela lying between the Steel Plant site and the site of the proposed Township is not being acquired by the Steel Company. The location of this village makes it highly desirable to prevent the growth of slump and unregulated construction. Also if this village is acquired and laid out into a proper Township, a large number of building plots could be made available to the higher income groups in Orissa. The Steel Plant have already agreed to provide the same grade of facilities in such a Township as they would in their own Township. It is, therefore, proposed to set up a model Township in this area after acquiring it at Government cost. Plots will be made available to local applicants and the displaced persons from the Steel Plant area would be given preference.

7. 3. *Heavy Industries*—As has already been indicated, a special reservoir is being constructed for supply of water to the Steel Plant. This reservoir is designed to supply many times the needs of the Steel Plant as it is anticipated that other Heavy Industries will be attracted to that area by the presence of the Steel Plant.

In the public sector, it is anticipated that the Government of India can be persuaded to locate their projected State owned factories for heavy structurals, Steel Castings, Heavy Forgings, Wagon Building etc., near the Steel Plant. In the private sector, the Cement Factory in Rajgangpur is being expanded and industrialists are being encouraged to take advantage of the increased amenities of that area and establish Heavy Industries round about Rourkela. The land acquisition staff already working on land acquisition for the Steel Factory, will assist other industries also to obtain land.

7. 4. *Small Industries and Co-operation*—The establishment of the Steel Plant and the creation of a large Township will provide a market for various Small Industries in the State including Agricultural and Animal Husbandry products. Accordingly, measures are being taken to set up Co-operative Societies to start production of the immediate needs of the population, such as milk, eggs, vegetables, etc.

7. 5. *Saw Mill*—Government have decided to open a small Saw Mill and Seasoning Kiln in Rourkela to supply timber and timber products to the Steel Factory.

7. 6. *Assistance to Industrialists*—During the course of construction of the Plant, large demands will be made for products like bricks windows, etc. Likely industrialists have been advised that schemes



for setting up industries to meet these needs would be favourably considered and the maximum extent of State assistance will be given to encourage their establishment.

7. 7. *Community Development*—In order to ensure the integrated development of the entire area and to prevent imbalance, National Extension Service Blocks have been started in the Rourkela area which will comprise the Steel Plant and its Township and Rourkela village.

**MEMORANDUM**

SUBJECT—Training of Technical Personnel

One of the chief obstacles that came in the way of speedy execution of the schemes under the State's First Five-Year Plan and impeded its progress is the shortage of technical personnel. Shortages in Engineering personnel, properly trained personnel in Agricultural, Veterinary, Health and Trained Teachers were particularly marked. The training facilities that existed were not sufficient to cope with the requirements of technical men in different sectors of development. An assessment regarding the man-power required to carry through the programme taken up under the First Plan as well as against the more ambitious programme contemplated under the Second Five-Year Plan was taken up towards the end of 1953, and arrangements for expanding training facilities were made in a number of directions. A scientific and technical man-power committee under the chairmanship of Dr. P. K. Parija was set up to assist Government in drawing up a planned programme of technical training in different spheres which would not only make up for the existing shortages and provide for the requirements of the Second Plan, but also allow for a little carryover for the third plan. The Committee has had several sittings in which the requirements for technical personnel in various Departments have been gone into carefully and its recommendations for removing the shortages of such personnel through setting up of various technical training institutions are being made available to Government from time to time.

2. Shortage of Civil Engineers, particularly at the supervisory level, was found to be rather acute as against the demand for a large number of such personnel in the Community Projects and National Extension Blocks as well as for a large number of works executed through the Revenue Department. Even with the raising of the admission of the only Civil Engineering School at Cuttack up to 150 candidates annually, the demand for such category of personnel could be met only very partially. To cover the wide gap a number of schemes have been initiated during the current year. A Sub-Overseers' training course at Berhampur, which will train 50 Matriculates every year as Fieldmen or Sub-Overseers, has been started. The course of training extends over a period of one year including 3 months practical training in field. The proposal is that after the present course of training is over, these Sub-Overseers would be made available to meet the immediate requirements of the N. E. S. and Community Projects and of the Revenue Department. When fully qualified Overseers will become available to take their place these Sub-Overseers will be given facilities for further two years' training so as to qualify as regular Overseers. A full-fledged Engineering School at Berhampur is scheduled to be started during the

year 1956-57 with admissions initially limited to 60. The school will be a privately managed one and the all-India Council of Technical Education, Government of India will finance 2/3rd of the capital expenditure and upto 50 per cent of the recurring expenditure of the scheme. A second school of Engineering has been started at Jharsuguda concentrating on training of Mechanical and Electrical Overseers, the Orissa School of Engineering at Cuttack eventually imparting training only to Civil Overseers. This school at Jharsuguda will provide training facilities to 180 students with an initial admission limited to 60 per annum. These schemes supplemented by the expansion of Orissa Engineering School at Cuttack, already in hand, is expected to considerably ease the shortage in the category of Civil Engineers at the supervisory level. More schemes such as Training in Printing technology, temporary location of Rourkela Training Centre at Cuttack, Training of Medical Auxiliary Personnel among others have also been started.

3. Schemes have also been formulated for establishment of an Engineering College and an Institute of Mineral Technology and included in the State's Second Five-Year Plan. The proposals are now under consideration of the University Grants Commission.

4. Arrangements have been similarly taken in hand for expanding training facilities in other spheres. The Agriculture College already established at Bhubaneswar will provide training to 214 candidates in 5 years. The first batch of Graduates will be available in 1957-58, and by 1960-61 the College will be turning out 60 Graduates a year. The Veterinary College established during the current year will turn out 110 Veterinary Graduates by the end of 1960-61. Steps have also been taken to depute candidates for the emergency courses started in Andhra, Madhya Pradesh and Hyderabad. For training of Stockmen, one more Stockmen Training Centre has been started during the current year.

5. Training of all categories of personnel required for the National Extension Service and Community Projects has been organised. Three Basic Agricultural Schools, one Basic Agricultural Wing and two Extension Training Centres, including the one started recently at Bhubaneswar, have been functioning for Training Grama Sevakas. A Home Economics Section has also been started to train Gramsevikas. While Co-operative Inspectors are being trained in the Co-operative Training Institute at Cuttack, another Training institute for their training has recently been set up at Gopalpur by Government of India. Group Level Workers such as Agricultural Supervisors, Veterinary Assistant Surgeons and Co-operative Inspectors are also being given reorientation training in extension methods in Extension Training Centre at Bolangir. Similarly Social Education Organisers, Medical Staff, Group Level Workers ( Industries ) and Block Development Officers are being sent out in batches for receiving short-course training in Institutions set up by the Government of India.

6. Due cognizance has been taken of the inadequate training facilities existing in the sphere of Elementary and Secondary Education. The Second Plan, therefore, provides for the setting up of 50 new Elementary Training Schools to turn out 1,500 trained teachers during the plan period. Provision has also been made for one more Secondary Training School in addition to the existing two and for a vocational training centre for imparting vocational training to teachers teaching vocational subjects in Secondary Schools. In the Second Plan for Health priority has been similarly given to the training schemes. The number of admission to the Shriram Chandra Bansa Medical College will be raised from 50 to 75 annually and there is a provision for deputation of 128 Medical Graduates for Post graduate studies in India and abroad. Specific Schemes have been formulated for training of 200 Midwives, 120 Nurses, 123 Health Visitors, 120 Pharmacists, 100 Dais and 250 Health Inspectors.

7. A comprehensive programme of training schemes has been formulated in our Second Plan in the Industries sector. With a view to providing foremen and chargemen and other superior technicians for industries that will grow up around Hirakud, a Poly-technic at Hirakud has been started under the First Plan and in the Second Plan it is proposed to increase the outturn of this Poly-technic to about 120 trainees per year. Another Poly-technic at Rourkela has also been provided for in view of the Steel Plant at Rourkela. This will train up sufficient number of technicians for Hindustan Steel Ltd. as well as for the subsidiary industries which are likely to grow up around the Steel Plant. Other training schemes have been included which will produce artisans for employment in small scale industries. The Mobile Training Units and Craft School will train workers who would be able to set up their own industries in the villages and also in the urban areas. The school of Arts and Crafts would provide training in Sculpture, Painting, Wood-carving etc. Besides, a scheme for the training of business managers for managing the industrial co-operatives has also been included under this sector.

Provision has therefore been made in the Plans for different sectors for schemes of training each keeping closely in view the shortages in technical man-power anticipated at the end of the First Five-Year Plan and estimated requirements of such personnel during the Second Plan. The Planning Commission has set up an Engineering Personnel Committee which is now engaged in making a general assessment position of the additional requirements of Engineering Personnel for implementing the Second Five-Year Plan in the fields of development such as Buildings and Roads construction, Railways, Industrial Development in the public and private sector, Mining and Irrigation and Power. It will also review the training programmes included in the plans of the Central and State Governments and will give its recommendations for ensuring adequate supplies of Engineering personnel in the next 15 years with special reference to the immediate requirements of the Second Five-Year Plan. Our State

Government has already furnished the required information in regard to the existing shortage and estimated additional requirements of such personnel to this Committee.

In addition to the training schemes mentioned above, 10 schemes listed at appendix C have been formulated under the programme of Educated unemployed and sent to the Planning Commission. These schemes while providing training facilities in important spheres are primarily designed to improve employment opportunities for educated persons in our State.

This memorandum is placed before the State Development Advisory Board for information and for soliciting any suggestions or advice they may like to give.

## APPENDIX A

### *List of important Training Schemes under operation*

1. Printing Technology and allied trades
2. Expansion of Orissa School of Engineering
3. Second Engineering School at Jharsuguda
4. Sub-Overseers' training course at Berhampur
5. Rourkela training centre temporarily located at the Orissa School of Engineering.
6. Industrial Schools
7. Training of Medical Auxiliary Personnel (Nurses, Midwives, Technicians).
8. Agricultural College, Agricultural Schools and Extension Training Centre.
9. Veterinary College and Stockman Training Centres
10. Forestors Training School and Forestguards Vernacular Training Schools.
11. Co-operation Training Institutes

## APPENDIX B

List of Training Schemes included in the Second Plan

### *Agricultural Production*

Agricultural Extension Training

Development of Agricultural College

### *Land Development*

Training of Junior Soil Conservation assistants

### *Ware Housing and Marketing*

Training of staff required for the Marketing development and regulated markets.

### *Veterinary*

Veterinary College

Training of Stockmen

Training of instructors etc.

Higher Training Abroad

Training in Artificial insemination

### *Dairying and Milk Supply*

Training of Personnel in dairying

### *Forest*

Training of Forestguards

Training of Assistant Conservators, Rangers and Foresters

### *Co-operation*

Co-operative Training

### *Village Panchayats*

Training of Panchayat Secretaries

### *Industries*

Polytechnic at Rourkela

Expansion of Hirakud Polytechnic

Small Industries Institute

Adult Training Centre

Modernisation of Industrial Schools

Automobile and diesel Training Institute  
 Craft Schools  
 Textile Training and Designing Institute  
 Carpentry, Smithy Production-cum-Training Centre  
 School of Arts and Crafts  
 Aid to Private Technical Schools  
 Mobile Village Industries Training Units

*Mining—*

School for training Junior Mines Managers

*Education—*

Opening Elementary Training Schools with modified Basic syllabus.  
 Establishment of Secondary Training Schools  
 Establishment of Vocational Training Centre  
 Grant to Utkal University for building and teaching ( for establishment of one College of Engineering and institute of Mineral technology ).  
 Opening of Master of Education classes in Training College  
 Introduction of Audio-visual Education in teachers training institutes.  
 Training of Physical Training Instructors  
 Training of Hindi teachers  
 Opening of two Junior Technical Schools  
 Expansion of the School of Engineering at Cuttack  
 Development of Jharsuguda School of Engineering.  
 Stipend for higher technical training.

*Health—*

Improvement of Sriram Chandra Bhanj Medical College and attached Hospital.  
 Post-graduate Medical education.



**Training of Medical Auxiliary personnel :****Midwives,****Nurses,****Pharmacists,****Dais,****Health Inspectors,****Health Visitors****and****Deputation of candidates for D. P. H. Training.****Improvement to Gopabandhu Ayurvedic Vidyapitha, Puri.***Labour and Labour Welfare—***Training of Factory Managers in Industrial and Labour Relations.***Welfare of Backward Classes—***Reorganisation of Training Centres.****Training of Women.****Cottage Industries training and training-cum-production centre.****Compoundership training.****Training of candidates as Health Inspectors.**

## APPENDIX C.

### *Schemes for the educated unemployed*

1. Scheme for opening two Technical Training Centres.
2. Scheme for training centres for Electrical Supervisors and Wiremen.
3. Scheme for Training-cum-production Centre for manufacture of Agricultural Implements.
4. Scheme for opening a Civil Engineering Overseers Training School at Berhampur (in South Orissa).
5. Scheme for opening a Training-cum-production Centre for Handtools.
6. Scheme for Apprenticeship training in existing Industries and Workshops.
7. Scheme for starting an Institute of Radio Technology.
8. Scheme for opening a Health School.
9. Scheme for Training of Accounts Clerks for Government offices and Industries.
10. Scheme for training in short-hand and typewriting.

## MEMORANDUM

Item No. 10

### SUBJECT—Financial resources for Second Five-year Plan

The final draft Second Five-year Plan prepared by the State Government contemplates an outlay of Rs. 72.27 crores excluding the Hirakud and Delta Irrigation Schemes. Out of this a sum of Rs. 12.41 crores is contemplated to be spent during 1956-57. The Government of India and the Planning Commission have not yet agreed to this size of the Plan but the State Government have taken steps to make provision in the budget of 1956-57 in accordance with this revised draft Plan.

The Planning Commission have indicated that the total size of the Second Five-year Plan for the whole of India is likely to be Rs. 4,800 crores. They have also indicated that the total resources so far foreseen amount to Rs. 2,400 crores. The balance of Rs. 2,400 crores is to be met by deficit financing, such foreign assistance as may be available and further efforts to raise resources.

The sum of Rs. 2,400 crores mentioned by the Government of India as resources foreseen include the resources of different State available for financing the Second Five-year Plan. The matter of financial resources available from Orissa was discussed by the State Government with the Planning Commission. It was calculated that a sum of Rs. 15.9 crores will be available from the State for financing the Second Plan. The calculation were briefly as below for the plan period 1956—61.

	(Rs. in crores)
1. Receipts from revenue account at existing taxation level.	78.1
2. Receipts on capital account ..	9.7
3. Revenue from additional taxation (excluding betterment levy which will be utilised towards repayment of loans).	6.0
	---
Total ..	93.8
<i>Deduct</i> —Committed and Non-development Expenditure on revenue account.	68.4
Disbursement on capital account ..	9.5
	---
Total ..	77.9
	---

(Rs. in crores)

Resources available for Second Plan .. 15.9

The receipts on revenue account were calculated as below :—

## 1. Share of Central Taxes—

(a) Income-tax	..	..	..	11.5
(b) Central excise	..	..	..	4.2
(c) Estates duties	..	..	..	0.8
			Total	16.5

## 2. State Taxes—

(a) Land revenue	..	..	..	8.0
(b) Agricultural income-tax	..	..	..	0.5
(c) State excise duties	..	..	..	6.0
(d) Stamps	..	..	..	3.0
(e) Registration	..	..	..	0.6
(f) Taxe on motor vehicles	..	..	..	2.5
(g) General sales tax	..	..	..	8.5
(h) Sales tax on motor spirit	..	..	..	1.0
(i) Other taxes and duties	..	..	..	0.3
			Total	30.4

## 3. Other revenues—

(a) Forests	..	..	..	8.5
(b) Receipts from multipurpose river schemes	..	..	..	3.7
(c) Debt services	..	..	..	1.2
(d) Civil administration	..	..	..	4.0
(e) Civil Works	..	..	..	0.8
(f) Road Transport schemes (net)	..	..	..	0.5
(g) Miscellaneous	..	..	..	5.1
			Total	23.8

4. Statutory grants from the Centre .. 7.3

5. Transfer from funds .. 0.1

Grand Total .. 78.1

An increase of Rs. 1 crore has been assumed in land revenue as a result of survey and settlement operations. An increase of Rs. 3.5 crores has been assumed from Sales tax at existing rates as a result of general increase in commercial and industrial turnover anticipated during the period of the Second Five-year Plan.

The details of additional taxation are as below :—

		( Rupees in crores )
(a) Surcharge on Land Revenue .. ..		1.5
(b) Extension of coverage of sales tax .. ..		2.2

It is proposed to levy sales tax on foodgrains, cement, sugar, oils, etc.

		( Rupees in lakhs )
(c) Tax on passengers and goods .. ..		50
(d) Mining cess .. ..		60
(e) Other resources .. ..		1.2

These include flood protection cess, increased income from State Transport Scheme, Water cess, Sugarcane cess, Education cess, increased entertainment tax, water-rate, taxes on prize competition, betting tax, electricity duties.

The Government of India and the Planning Commission have impressed on the State Government that it is necessary to take steps from the very first year of the Plan in the direction of raising the additional resources discussed above. Unless this is done and the States's proportionate share of resources is raised it will be difficult for individual States to provide the matching contributions needed and to implement those schemes which are not assisted by the Central Government. It is of paramount importance that the revenue budget of States should be balanced. Government have also been examining the possibilities of increased revenue from taxes imposed by Local Bodies. It is anticipated that a sum of Rs. 79 lakhs can be raised by local bodies by way of taxes on lands and buildings, taxes on vehicles, taxes on animals and boats, taxes on professions, taxes on advertisements, theatre tax, duty on transfer of property, taxes on goods and passengers, tools, land cess and betterment tax.

The total resources for the Second Plan in India so far foreseen are only Rs. 2,400 crores as against the contemplated expenditure of Rs. 4,800 crores. The Government of India have therefore stressed that State Governments should explore all further possibilities of raising additional resources. This implies that as far as Orissa is concerned efforts will have to be made to raise additional resources beyond the said Rs. 15.9 crores calculated above. The members of the State Government Advisory Board are requested to offer their views on the proposals enumerated above for raising additional resources as already indicated by the State Government, to the Planning Commission and also on further possible avenues of raising more resources as desired by the Government of India.

## MEMORANDUM

Item No. 11

The memorandum on the progress of Community Development in Orissa is placed for information of the Board

### PROGRESS OF COMMUNITY DEVELOPMENT IN ORISSA

Community Development is the method and National Extension Service the agency through which an all-round and co-ordinated development of the rural life is being attempted. Community Development is essentially a programme of self help, that is, it aims at helping the rural communities to help themselves. The motive force for the development should come from the people themselves. The confidence has to be created in the villagers that if they organise themselves and are helped from the side of Government by necessary technical advice and guidance and supply of material not locally available, they can themselves bring about considerable improvement in their economic and social conditions. It is essential that village communities should not only be encouraged to participate in the execution of the programme of Community Development but should also plan their own programme.

The programme which for this purpose has been broadly drawn up as "Community Projects", "Community Development Blocks" and "National Extension Service Blocks" was launched on the 2nd October 1952 the birth day of Mahatma Gandhi. On that memorable day we started with three Projects and advanced a little forward in the next year (1953-54) when we had three Community Development Blocks and one National Extension Service Block. In the following year (1954-55) we increased our Blocks by one Community Development Block and 13 National Extension Service Blocks. During 1955-56 one National Extension Service Block was converted to a Community Development Block and 21 new Extension Service Blocks have been opened, 8 in the first series and 13 in the second series. So we have now 3 Community Projects, 4 Community Development Blocks and 35 National Extension Service Blocks, in other words, an equivalent of 52 National Extension Service Blocks covering about 25 per cent of the villages with 23.7 per cent of the area and 27.3 per cent of the population of the State. It is intended that by the end of the Second Plan period the entire area of the State by National Extension Service Blocks should be covered. According to present calculations there would be a total of about 220 National Extension Service Blocks by the end of the Second Plan period which means a programme of opening 168 National Extension Service Blocks during the Second Plan period.

The Policy behind the programme being to create amongst the people in the villages a sense of responsibility towards their own upliftment and the development of their own Community, they are

invited and persuaded to participate actively in several schemes designed and executed by Government so that in due course they may themselves insist upon and carry on the programme with the participation of Government.

The extent to which people's participation has been secured would be indicated by the fact that in the programme undertaken so far peoples' contribution has been forthcoming on an average between 20 per cent and 30 per cent of total Government expenditure and it is hoped that this percentage would improve with the opening of new National Extension Service Blocks. It is most unfortunate that certain parts of the State have been badly affected by drought for two successive years and some of these parts have experienced the worst floods also. It has, therefore not been possible for the people to give that measure of contribution in the execution of development works as they would have ordinarily done. There is however absolutely no doubt about the popularity of the programme of Community Development and National Extension Service. People of different areas are vying with each other for the allotment of National Extension Service Blocks and in some places enthusiasm and co-operation of the villagers have been outstanding.

In order to enable the Grama Panchayats to play an effective role in the framing and implementation of Block programmes all Sarpanches of Grama Panchayats in a Block are nominated as members of the Block Advisory Committees. The Village Level Workers, subject matter specialists and Block Development Officers keep in close touch with these local bodies, seek their co-operation and advice on schemes of welfare pertaining to the Block. The expectation is that with the guidance and help given by Block staff and Grama Panchayat Organisers, Grama Panchayats will quickly grow into welfare agencies in the rural areas. This process has also helped in throwing up local village leaders, with the Anchal Sasan pattern of administration coming into being Grama Panchayats will play a very vital role in the framing and implementation of all programmes of development in the rural areas. Since National Extension Service provides the permanent future pattern of administration the question has naturally arisen as to how best to integrate and coordinate this pattern with the administrative set up contemplated under the Anchal Sasan. This is under the active consideration of the State Government.

In the field of Agriculture and Animal Husbandry considerable progress has been registered. Most of the Agriculturists have taken to the use of fertilisers. There is increasing evidence that old agricultural methods and practices are changing. Rabi cultivation is gaining popularity. The desirability of growing fodder crops and having proper rotation of crops is now widely appreciated. The area reclaimed is more than 12,000 acres. Nearly 13,000 maunds of nucleus and improved seeds have been distributed. About 22,000 demonstration farms have been started. 222,000 maunds of fertilisers

have been distributed. The demand for fertilisers is so heavy, that in some places it could not be met in full. The area under vegetable and fruit cultivation was more than 18,000 acres. In the animal husbandry branch of the programme, progress has been systematic and good. Over 100,000 bulls were castrated, nearly 8,000 birds supplied, 1,000,000 animals inoculated and vaccinated and nearly 600,000 cattle treated for various diseases. Artificial insemination has, by now, gained considerable popularity in the rural areas. About 13 lakhs of fishery fingerlings were supplied.

On the Public Health side about 9,000 soakage pits and 6,000 rural latrines were constructed. Over 400 miles of drains have been constructed. More than 4,500 wells were either constructed or renovated.

For rural communications attention has been concentrated largely on building link roads from Grama Panchayat headquarters to the main roads and from one Grama Panchayat headquarters to another. About 1,400 miles of such Kutcha roads and about 200 miles of pucca roads have been constructed so far. In a number of cases villagers have done these roads entirely on their own and Government contribution has been very little. Equally marked enthusiasm has been noticed in the execution of local works.

In this State there has always been considerable demand for irrigation projects. Possibilities of taking up Minor Irrigation Projects particularly in the comparatively hilly tracts are being fully exploited. In the Project and Block areas large amounts are being spent on medium and Minor Irrigation projects and an additional area of more than 30,000 acres of land has been brought under irrigation.

The Social Education Programme has perhaps been most widely accepted. The response of the people in some areas is phenomenal. Nearly 3,000 Adult Literacy Centres were functioning and more than 80,000 adults, both men and women, have been taught in these Centres. It must, however, be confessed that very few women have yet taken advantage of these Centres. But the movement is spreading and there are indications that more and more village women are joining the centres not only for becoming literate but also for learning sewing, embroidery, knitting, etc. The Block staff are making a special drive to popularise this programme among the women folk.

Over 2,000 recreation centres have been started in the Project and Block areas mostly at the initiative of the villagers themselves. There is considerable local enthusiasm for Melas and other forms of community entertainment. The number of such entertainments organised so far stands at 10,000. It is interesting to note that in some remote corners of the State good musical talent has been discovered. Efforts are being made to encourage and develop it.



So far 300 schools have been converted into basic schools and about 750 new basic schools started. Work in this direction has been making satisfactory progress but the requisite number of trained teachers is not yet forthcoming.

It must be admitted that not much progress has yet been made in the field of village and cottage industries. A good beginning has however been made in training village craftsmen through *Production-cum-Training* Centres established in Community Project and Community Development Blocks and Peripatetic Units in the Project areas. Steps have also been taken to strengthen the Directorate of Industries and the Co-operative Department both at the Headquarters and in the field. A pilot Project in Cottage Industries has been started in one of the Community Projects. In the field of Co-operation considerable leeway has yet to be made up. There are a number of indigenous arts, crafts, and industries in which organised Co-operative effort is necessary both in the field of production and marketing. The experiment of Village exchanges being tried in Bengal has attracted considerable interest in this State also and the question of giving it a trial is under consideration.

*Training Programme*—It was not found possible to go ahead with the Community Project and National Extension Service Programme as fast as would have wished to in the earlier stages owing, among other things, to the fact that sufficient training facilities to train the required personnel did not exist. Considerable attention has therefore been given to the provision of better and wider training facilities. Training is at present imparted to the following categories of personnel—

Block Development Officers

Social Education Organisers

Block Level Officers in Cottage Industries and Khadi

Health Personnel working in the Blocks

Village Level Workers

Gram Sevikas.

Village leaders through Seminars

The Block Development Officers are trained at Ranchi or at Vilokhari under the auspices of the Government of India. So far 38 Block Development Officers and Project Executive Officers have already been trained and the remaining Project Executive Officers and Block Development Officers are still to get training. During the Second Five-Year Plan Period 163 project Executive Officers/Block Development Officers will receive training under this Scheme.

Out of the total number of 129 Social Education Organisers recruited, 96 have been trained, 28 are under training and 5 remain to be trained. The trained Social Education Organisers have been posted to 48 Blocks. The Social Education Organisers received training at Sriniketan, Gandhigram, Hyderabad and Belurmath. During the Second Plan Period 210 candidates will be trained for eventual appointments as Social Education Organisers.

There is a specialised type of training introduced under the instructions of the Government of India for the Block Level Officers on Cottage Industries at Calcutta. So far 6 candidates have already been selected for training from March next. The Block Level Extension Officers on Khadi and Village Industry are trained at Nasik and at Kalaputti. Six such candidates are now under training at Nasik, it is proposed to send 10 more candidates soon for training at Kalaputti.

The existing capacity of Group Level Workers Training Centre is 15 every two months. Extension Officers of the categories of Agriculture Supervisors, Veterinary Assistant Surgeons and Co-operative Inspectors receive training under this Scheme. They receive their usual basic training in their parent Departments. So far 33 such Officers have been trained. During the Second Plan Period 387 Group Level Workers will receive this training. It has been decided to shift the Training Centre from Bolangir. Extension Training Centre and to attach it to the Extension Training Centre at Bhubaneswar so that the trainees can have the benefit of instructions from Heads of Departments, Research Officers and other senior Officers. The training course is also being revised.

For Health personnel like Doctors, Health Visitors, Midwives and Dais, refresher's training is arranged at Singoor under the auspices of the Government of India. So far 22 such Officers have already been trained.

The Village Level Workers receive training inside the State at the Agricultural Schools and at the Extension Training Centres. So far 588 Village Level Workers have received training. 1,859 Village Level Workers and about 160 Gram Sevikas will receive training during the Second Plan Period.

One Inter-State and 5 Inter State Seminars were organised. Besides, two village leaders' Training Camps and one Co-operators' training Camp were held. These Seminars and camps have not only been very popular but have also proved extremely useful and educative. to both officials and non-officials including village leaders and farmers. Students' Camps were also organised in some of the Blocks and they did considerable constructive work. It is proposed to make a more organised drive to draw the students and farmers into the extension programme.

There is, thus, increasing evidences of the popularity of the programme of Community Development which has now reached some of the remotest parts of the State. Some idea of effectiveness and

usefulness can be had from the fact that so far more than two lakhs of people have got employment in various farms. Though still considerably handicapped for want of sufficient trained technical and other personnel, the Project and blocks have been able to achieve physical results which are quite impressive. But, what is more important, people's co-operation and participation in the new programme has become more solid and real and there are signs of this process transforming itself into a people's programme with Government's participation rather than Government programme with people's participation.

Details of various physical achievements are given below :—

*Progress till the end of September 1955 in Community Project  
and National Extension Service Blocks*

Field of activity	Detailed heads	Progress
(1)	(2)	(3)
Agriculture ..	1. Compost pits dug ..	59,936
	2. Fertilisers distributed (Mds.)	2,22,324
	3. Implements distributed ..	11,627
	4. Seeds distributed (Mds.) ..	1,73,300
	5. Demonstration Farms started.	21,642
	6. Area brought under fruits (Acres).	3,238
	7. Area brought under vegetable (Acres).	15,148
Reclamation ..	8. Area reclaimed (Acres)	12,291
Irrigation ..	9. Additional area brought under irrigation (Acres).	30,254
Co-operation ..	10. Co-operative farms started	32
	11. Credit Co-operative Society formed.	909
	12. Marketing Co-operative Society formed.	25
	13. Central Banks organised ..	6
	14. Multipurpose Co-operative Societies formed.	71
	15. Conversion of the credit societies into Multipurpose Co-operative Societies.	28

(1)	(2)	(3)
	16. Co-operative Grain Golas formed.	263
	17. (a) Weaver's Co-operative Society formed.	117
	17 (b) Building Co-operative Society formed.	30
	18. Amount of loan advanced to Co-operative society.	2,918,352
Animal Husbandry..	19. Breeding and A. I. Centres started.	148
	20. Bulls castrated ..	1,08,477
	21. Pedigree bulls supplied ..	82
	22. Pedigree birds supplied ..	8,033
	23. Cattle innoculated and vaccinated.	1,104,544
	24. Cattle treated ..	5,92,673
	25. Fisheries Fingerlings supplied.	14,66,000
Health and Sanitation	26. Soakage pits constructed ..	8,895
	27. Rural latrines constructed	6,624
	28. Drains constructed (Yds) .	7,46,316
	29. Wells constructed ..	3,071
	30. Wells renovated ..	1,763
Education ..	31. Schools converted into Basic	301
	32 New Schools started ..	749
Social Education'.	33. Adult Education Centres started.	2,967
	34. Adults under training ..	80,493
	35. Recreation Centres started..	2,068
	36. Community Entertainments organised.	9,487
Communication ..	37. Pucca Roads constructed (Miles).	218
	38. Kucha Roads constructed (Miles).	1,339
Arts and Crafts ..	39. Number under training ..	2,220
	40. Additional employment (No.)	2,02,526
Works ..	41. Village Houses constructed..	1,346
	42. Village Houses reconditioned	915
People's Contribution	43. Labour (Value Rs. 1,000) ..	} 3,766
	44. Cash or other contribution ..	
Expenditure ..	45. Total Government expenditure (Value Rs. 1,000).	11,366

**Proceedings of the Second Meeting of the State Development  
Advisory Board held in the Secretariat Conference Room,  
Bhubaneswar on the 15th and 16th January 1956**

**PRESENT**

1. Chief Minister—*Chairman*
2. Minister, Revenue, Excise and Supply
3. Minister, Home, Health and Law
4. Shri Biswanath Das, M. P.
5. Shri Surendra Mohanti, M. P.
6. Shri Jaganath Das, M. P.
7. Shri Uma Charan Patnaik, M. P. (attended on the 16th only)
8. Shri Lingaraj Misra, M. P., (attended on the 15th only)
9. Shri T. Sanganna, M. P.,
10. Shri Surendranath Patnaik, M. L. A.,
11. Shri Jayakrishna Mohanty, M. L. A.,
12. Shri Shradhakar Supakar, M. L. A.,
13. Shri Nishamani Khuntia, M. L. A.,
14. Shri Bijayananda Patnaik, M. L. A.,  
(attended on the 16th only)
15. President, Board of Revenue
16. Chief Secretary
17. Member (C. T.) Board of Revenue
18. Member (Excise), Board of Revenue
19. Shri Kruthartha Acharya
20. Shri Dibakar Bohidar
21. Shri Giriya Sankar Roy, M. A.,  
(attended on the 15th only)
22. Shri K. V. Rao.

In his brief opening address in Oriya the Chairman, Shri Naba-krushna Chaudhuri, drew the attention of the members to the broad objectives and the pattern of the Second Five-year Plan. He pointed out that unless we had a clear idea about the plan we were going to execute, one would naturally face difficulties in its actual implementations. The idea of planning, he said, was comparatively new to this country and there was not as yet sufficient planning consciousness.

Our budgets, he said, were still being framed on the old lines by distributing the total amount available among different departments after considering the individual requirements, but without any well considered and settled basis of priorities. The result was that in this method of budgeting very little scope was left for meeting expenditure of inexcusable nature on any important scheme that might have to be taken up during the middle of a year. This old method of budgeting and similar old practices which did not conform to the new pattern of planning, needed, therefore, considerable modifications to adapt them to the new conditions.

Referring to the pattern of outlay on the Second Five-year Plan of the country, the Chairman pointed out that immediate returns could not be expected for the entire amount that would be spent during the Second Plan period. Heavy expenditure had been provided in the Plan with a view to increasing production of iron and steel cement, electricity heavy machinery etc. Expenditure in these directions would be incurred with long-term objectives in view and, therefore, there could be no question of quick returns from such investments. The object of this heavy expenditure, he said, was to create certain conditions at the end of the Second Plan period. The aim of the Second Plan was to increase the national income by 25 per cent at the end of the Plan period and to keep, as objective for the Third Five-year Plan, an increase of the National income by 50 per cent. Stressing the long-term objective of planning the Chairman pointed out that priority is being given to the basic industries in the Second Five-year Plan. It was indeed a matter of shame, the Chairman observed, that we should go on importing from foreign countries most of the machinery required for the factories that we are setting up or propose to set up. This practice had to be given up and emphasis was, therefore being given in the Second Plan to the production of the required machinery and equipment in our country.

The Chairman observed that the First Five-year Plan could not be regarded as a plan in the real sense. This view was widely accepted and everyone looked on the First Plan as a preparatory plan for the future plans. Now that we have crossed this preparatory stage, we have reached the actual planning stage. We had, therefore, to plan and work now keeping the long-term objectives in view.

Speaking about the resources and the pattern of investment for the Second Five-year Plan, the Chairman observed that the capacity of our people to invest for the future is limited. Nobody could be ever expected to invest 100 per cent of his income. In fact, for our people who are very poor, it was extremely difficult and involved tremendous sacrifice on their part to cut down their present expenditure and save for the future. Even so, every person however poor he might be, always spends something mainly by way of investment for increasing his earnings in the future by cutting out some of his most

pressing requirements of the present. We have to act in the same spirit and to assess what we can save and give away as taxes and loans for investment in the Second Plan for securing its objectives.

The Chairman pointed out that against this ackground of the limitation of the country's resources, great emphasis has had to be given in the Second Plan to the development of basic industries to increase the national wealth. After balancing the extent of increase required in the production of iron and steel and the extent we can save from immediate consumption during the next plan period, it has been decided to establish three new Steel Plants in the Second Plan. The setting up of the Steel Plants would necessarily require corresponding expansion of railway lines. Extension of railway communications has, therefore, been given considerable importance in the Second Plan. The heavy outlay required on these and similar items would leave limited capital resources for investment on production of consumer goods in the Second Plan. It is, therefore, necessary for us to consider how this small provision can be utilised to the best advantage of the country. This inevitably leads us to adopt the labour intensive methods of production-house-hold and village industries.

Concluding his speech the Chairman requested the members to keep these broad aspects of the Second Plan in view while considering the Plan so that they may be in a position to clearly appreciate the frame work of the Plan.

After the Chief Minister's inaugural speech the Board divided itself into three Sub-Committee to consider the various items on the agenda as follows :—

#### SUB-COMMITTEE No. I

( *Items 3 and 5 of the Agenda* )

1. Chief Minister
2. Shri S. N. Mohanti, M.P.
3. Shri L. Misra, M.P.
4. Shri T. Sangana, M.P.
5. Member ( Excise ) Board of Revenue
6. Shri V. Ramanathan, I.C.S., Special Relief Commissioner  
( Attended by special invitation ).

#### Sub-COMMITTEE No. II

( *Items 4 and 6 of the Agenda* )

1. Revenue Minister
2. Shri Jagannath Das, M.P.
3. Shri J. K. Mohanti, M.L.A.
4. Shri Nishamani Khuntia, M.L.A.
5. President, Board of Revenue
6. Prof. K. V. Rao
7. Shri Giriya Sankar Roy
8. Shri Krutartha Acharya
9. Shri Dibakar Bohidar

## SUB-COMMITTEE No. III

( *Items 9 and 10 of the Agenda* )

1. Home Minister
2. Shri Biswanath Das, M.P.
3. Shri Shradhdhakar Supakar, M.L.A.
4. Chief Secretary
5. Member ( C. T. ) Board of Revenue

Sub-Committees Nos. I and III met and finalised their resolutions in the afternoon of the 15th January 1956. Sub-Committee No. II met in the afternoon of the 15th January 1956, and also in the morning on the 16th January 1956, before the meeting of the full Board commenced. The proceedings of the Sub-Committees are given in the annexure.

The Board met again at 10-30 A. M. on the 16th January 1956

The Chief Minister Presided

The Board first took up the consideration of the proceedings of the Sub-Committee No. I.

*Item No. 3--Revised Second Five-year Plan of Orissa*—Shri B. Patnaik, M.L.A., emphasised the importance of detailed Planning for implementations of the various important schemes in the Plan. The Board was assured that this was being done. Shri U. C. Patnaik, M.P. suggested a survey of the raw material resources of the State. He was informed that this was being done but the data will become available only after some time. In the mean time, however, basing on the information already available, schemes for industrial development have already been provided in the Plan and their implementation could begin from the next year.

3. The Board strongly supported the idea of balanced regional development of industries. The recommendations on this point of the meeting of the Standing Committee of the National Development Council held on the 6th and 7th January was read out for the information of the Board and the Board fully endorsed these recommendations.

4. Several members of the Board emphasised the importance of mineral development for this State and expressed anxiety that this was not fully provided for in the Second Five-year Plan. The Chief Minister emphasised the need for supplementing by State effort the survey work being undertaken by the Geological Survey of the Government of India. He also suggested using University students and private persons. He pointed out that private persons had done a great deal in the U. S. A. for locating Uranium deposits in their country which the State had not been able to do.



5. While endorsing fully recommendation No. 3 of the Sub-Committee, the Board came to the conclusion that the exploitation and development of the mineral wealth of the State could only be done through a Corporation of the same kind as the Hindustan Steel Limited and that in such a Corporation the State Government should have its due share. The Board also decided to recommend to the Central Government that mining of Iron, Manganese and Chrome should be nationalised. As an immediate step, the Board recommended that in selected areas, such as Sukinda, the State Government should undertake mining for purposes of export. This view point should be pressed on the Government of India with a detailed scheme worked out. The working out of the detailed scheme should not take more than six months.

6. The Board also recommended that the scheme in the plan for promoting and assisting co-operatives in mining should be started quickly.

7. Shri Shraddhakar Supakar, M.L.A. suggested the starting of a mining college or at least a mining school in this State, as he felt that otherwise enough number of technical personnel will not be available for mining development. It was pointed out to the Board that the Centre was likely to start an institution for training the higher technical personnel required for mining development. It was also proposed to start a degree course in Geology in the Ravenshaw College under the auspices of the university and that funds for this purpose were likely to be obtained through the University Grants Commission. It was decided that as an immediate step the number of seats in Geology and Mining available in the various existing institutions in the country for Oriya boys should be increased and a suitable number of candidates from this State should also be sent abroad for training.

8. *Policy for Prohibition*—The majority in the Board agreed with the recommendations of the Sub-Committee with the modification that Beer and Cidar should not be excluded from the purview of prohibition. Several individual members, however, expressed different views on the subject ranging on the one hand from support for complete and immediate all-India prohibition to no prohibition at all. One view expressed was that when prohibition is introduced in any area addicts should be registered and the quantity of drinks supplied to them should be rationed which should gradually be decreased.

The Board then took up the subjects dealt with by Sub-Committee No. III.

9. *Training of Technical Personnel*—The Board accepted the recommendations of the Sub-Committee. Several members expressed anxiety as regards the need for expeditious implementation of the training schemes to ensure that the requisite number and classes of

trained personnel, particularly of the lower categories, become available in time for implementation of the various schemes of the Second Five Year Plan.

10. *Financial resources for the Second Five-Year Plan*—Board agreed with the views of the Sub-Committee.

11. *The role of Co-operatives in the Second Five-Year Plan*—While agreeing with the recommendations of the Sub-Committee No. II the Board recommended the following :—

- (i) Provision of general education in co-operation in all educational institutions at the secondary stage.
- (ii) Appointment of an expert committee to examine carefully the need for simplification of Acts and Rules governing co-operation with a view to enable the common man to understand this easily and be drawn towards co-operation rather than as happens at present, be deterred by the existing complicated Acts and Rules.

12. *Land Policy*—As this subject could not be considered by the Sub-Committee, the Board decided that another Sub-Committee should be formed to study the subject carefully and place its views before the next meeting of the Board. This Sub-Committee should consist of the following :—

- (1) Revenue Minister, Chairman
- (2) Shri Surendra Mahanti, M.P.
- (3) Shri Jayakrushna Mahanti, M.L.A.
- (4) Shri Nishamani Khuntia, M.L.A.
- (5) Shri Surendra Nath Patnaik, M.L.A.
- (6) Shri B. S. Mahanti, Member, Board of Revenue
- (7) Prof. K. V. Rao

The Sub-Committee should meet on the 23rd, 24th and 25th February.

13. *Other topics considered by the Board*—Shri U. C. Patniak, M.P., placed before the Board the need for a railway line to connect Chatrapur and Gopalpur with Russelkonda and beyond and up to Mujjaguda to open up the Phulbani Adibasi area. He said that when the Union Deputy Minister for Home Affairs was here he had considered this proposal and had agreed with it and had taken up the matter with the Transport Ministry.

The Board were informed of the eight railway lines that have been put on the priority list for this State. The Board agreed that Shri U. C. Patnaik's proposal may be included as the ninth item.

14. Shri U. C. Patnaik emphasised the importance of undertaking the investigation of the Rushikulya irrigation system with a view to its improvement and expansion. The Board agreed that this matter should be given priority.

15. While discussing the difficulty of getting work done in specially difficult and unhealthy areas, it was suggested, and the Board accepted the suggestion, that some allowance should be given to the Engineering personnel who are required to work in such areas or on work such as investigation, laying of transmission lines through difficult country, etc. Similarly doctors sent to work in difficult areas should also be given an allowance.

16. It was decided that the next meeting of the Board should be held in April 1956.

## ANNEXURE I

### Recommendations of the Sub-Committee of the State Development Advisory Board to consider item Nos. 3 and 5 of the agenda

#### PRESENT

- (1) Chairman (*Chief Minister*)
- (2) Shri Surendra Mohanti, M. P.
- (3) Shri Lingaraj Misra, M. P.
- (4) Shri T. Sanganna, M. P.
- (5) Shri V. Ramanathan, I. C. S., Special Relief Commissioner
- (6) Shri B. S. Mohanti, I. A. S., Member (Excise), Board of Revenue.

*Item No. 3—Revised Second Five-Year Plan of Orissa*—The revised plan was generally discussed. In the course of discussion an important point was raised by Shri Surendra Mohanti about the inadequacy of the provision of Rs. 7.5 crores for Industries in the Second Five-Year Plan. He was of the view that for a State like Orissa, having predominantly agricultural economy, a much bigger programme of Industrial development was necessary to reduce the pressure on land as well as to improve the economy of the State with a view to bringing it on a level with other advanced States. The Chief Minister explained that the provision for heavy industries in the public sector and the industries to be set up in the private sector during the Second Plan period was not reflected in the State Plans and, as such, the provision in the State Plan did not give a complete picture of the industrial development in the State during the Second Plan period.

Shri Surendra Mohanti also enquired whether any attempt had been made to assess the taxable capacity of the people in this State particularly while giving a forecast of the additional financial resources to be raised in the Second Five-Year Plan period. The Chief Minister explained that no data was available to determine this at present, but it was hoped that the Economic Survey which has been recently completed, would provide some useful data on the subject. The report was likely to come out soon.

After further discussion the Sub-Committee resolved that the Board may accept the revised Second Five-Year Plan of the State subject to the following recommendations :—

(1) Now that it has been the agreed principle that within the resources available every effort should be made to provide for balanced development in different parts of the country, the Board recommends

that the State Government should press this point with the Government of India and the Planning Commission for giving greater weightage to Orissa in the matter of location of Industrial undertakings in both the public and private sectors.

(2) The Board recommends that the State Government should persuade the Government of India and the Planning Commission to allow them to participate in suitable undertakings in the private sector with a view to encouraging industrial undertakings in the State.

(3) In view of the fact that it has now been accepted in principle that mineral development should be in the public sector, the Board recommends that the State Government should take necessary steps for taking up the working of as many mines in the State as possible. This would also help in augmenting the financial resources of the State.

(4) The Board recommends that steps be taken by State Government to make suitable provision in the Plan for Rural Housing; which does not find place in the revised Plan.

*Item No. 5—Policy for prohibition*—The Sub-Committee discussed the recommendations of Planning Commission on the policy for prohibition and considers that the Board should recommend to the State Government acceptance of these recommendations. The Sub-Committee however considered that Beer and Cider could be excluded from the purview of prohibition.

## ANNEXURE II

### Recommendations of the Sub-Committee of the State Development Advisory Board

SUBJECT—The role of co-operation in the Second Five-Year Plan

The memorandum circulated by the Department was read out and discussed in detail. The main recommendations of the All-India Rural Credit Survey Committee and the Karve Committee and the schemes that have been included in the Second Five-Year Plan for implementing these recommendations were explained in detail by the Registrar of Co-operative Societies. The points raised by the members regarding provision for Co-operative Insurance, distribution of fertilizers, Co-operative farming societies, need for better supervision and training at all levels, creation of a common co-operative cadre for all the co-operative institutions, formation of co-operatives of actual producers and not of middle-men, simplification of co-operative laws, payment of remuneration to the chief executives of the co-operative institutions were also discussed in detail and the following conclusions were reached :—

(1) The necessary amendments should be made to the Co-operative Acts and rules to enable the Co-operatives to pay remuneration to the office bearers such as Presidents or Vice-Presidents of the Co-operative institutions wherever possible or necessary and for implementation of the various programmes included in the Second Five-Year Plan.

(2) That in the distribution of Taccavi loans wherever Co-operative Societies have been fully organised Government will route the loans through the usual Co-operative channels. This will go a long way in accelerating the pace of movement.

(3) That Government aid to the handloom weavers and other artisans should be limited to those who are in the Co-operative fold and will be brought under its fold hereafter and that the recommendations of the Karve Committee to the effect that where there are not large number of artisans of different categories to form separate Co-operative Societies of their own the Multipurpose Primary Society should also cater to the needs of those artisans be accepted.

(4) That the Government and quasi-Government institutions should purchase the products of and utilise the services of Co-operative institutions wherever available. The question as to whether any price preference should be given to the products of the Co-operative institutions was discussed in detail. It was felt that while all possible Government assistance should be given to co-operatives in purchasing and marketing their goods economically and efficiently, no price preference need ordinarily be given to co-operatives against individual concerns.

(5) (a) That as far as Orissa is concerned banning of sugar factories would not be desirable, but attempts should be made to organise sugar mills on co-operative basis.

(b) That if it is decided to give licence to new spinning mills it should be restricted to co-operative spinning mills only.

(c) That there is no necessity to give licence to new rice-mills and processing of rice should be made on hand-pounding basis.

(d) That in the case of oil mills no new mills should be established except in areas like Koraput where alternative methods of crushing are not possible. The possibility of introducing power Ghanies should be fully examined and experimented upon.

(6) That Co-operative Farming should be encouraged by the State, particularly in the matter of resettlement of land less labourers.

## ANNEXURE III

### Proceedings of Sub-Committee No. III

SUBJECT—Training of Technical personnel

Shri B. N. Das urged for the revival of the indigenous system of treatment both for men and cattle. It was pointed out that some provision has already been made in the plan for increasing the number of Ayurvedic hospitals. The Committee considered it necessary to include in the plan schemes for research in Ayurvedic medicines and treatment. All the available knowledge on the subject should be carefully collected. Subsidies may also be given to reputed persons practising the Ayurvedic medicine so that they can extend their field of operation.

2. The Minister for Public Health pointed out that in the programme provided in the Second Five-Year Plan for Medical and Public Health there was no scope for making any reduction which could give necessary funds for admitting the schemes mentioned above, and that additional funds for this purpose will, therefore, be required. Dr. Mahanti pointed out that it may be possible to find funds for the research schemes from the Board of Industrial and Scientific Research.

3. Shri Kapila suggested that a second Medical College should be started at Sambalpur during the Second Plan period. It was pointed out that this would not be possible within the funds allocated for Medical and Public Health. The Committee, however, considered that this proposal may become important and should not, therefore, be given up altogether, and if funds become available later, the proposal should go into the plan.

4. The question was considered whether it would be preferable to start some of the training institutions as private-managed institutions where necessary local initiative and capacity was forthcoming. The advantage of this would be that a greater measure of financial assistance would be available from the All-India Council of Technical Education than would be available if an institution is Government-managed. Also experience has shown that private management, because it is comparatively free from the operation of complicated procedure can get things done quickly. The instance of the Berhampur Engineering School was cited in this connection. Still apprehension was expressed in regard to management of Training Institutions by private persons or committees. It was felt that of the three alternatives that were available, namely, (a) full Government management, (b) formation of corporation or autonomous body (c) private management, (b) was the best. It would make for speedy execution without any danger of lack of control over the institution



by Government. Nevertheless where local initiative is forthcoming and financial contribution from their side will also be available, the case for private management can be considered.

5. In regard to the training of Dais, Shri B. N. Das suggested that indigenous Dais may be given a short courses of training. The Director of Health said that the department may be prepared to do this, but he doubt d whether suitable candidates in adequate number would be forthcoming for such training.

6. The Committee strongly recommend that the highest priority should be given to the implementation of the technical training schemes. It was pointed out in this connection that the biggest bottleneck was the construction of buildings required for those schemes. The committee recommend that where buildings costing a substantial amount are required, big firms of contractors and Consulting Engineers or Architects should be employed for preparing plans and designs and constructing such buildings. The additional expenditure that might be incurred in doing so would in the Committee's opinion be very much worthwhile.

7. The Committee also suggest that an expert committee should be required to go deeply into the question of strengthening the State P. W. D. and improving their method and procedure of work so that the construction work is speeded up and the entire construction programme of the second plan can be completed in time.

8. The Committee also recommend that the possibility of utilising old buildings of Rajas and Zamindars which they no longer require for their own purposes, should be investigated. These may either be purchased where they can be had for a reasonable price or may be taken on rent.

9. The Committee recommend that an institution should be started in this State for training Health Visitors. This they suggest because it was pointed out that the number of Health Visitors required for the Second Five-Year Plan cannot be trained by sending our candidates to the existing institutions in the country.

10. The Committee also recommend that apprentice training should be arranged to the fullest extent possible in all private and Government factories and workshops including the factories and workshops of the Central Government as for example, the railway workshop at Khurda Road.

*Financial Resources*—The Committee agree with the proposals formulated by the State Government and submitted to the Planning Commission for raising additional taxes to finance the Second Five-Year Plan.

**GOVERNMENT OF ORISSA**  
**CABINET (PLANNING) DEPARTMENT**  
**RESOLUTION**  
**No. 7788-P.**

*Dated Bhubaneswar, the 21st October 1955*

**SUBJECT**—Setting up of a suitable machinery for implementation of the  
 Second Five-year Plan

**READ**—Resolution No. 582-Cab., dated the 4th May 1953

Government have been considering for sometime how best the Members of Parliament from this State could be associated with the work relating to planning and more particularly with the formulation of the Second Five-year Plan and its implementation. The inclusion of the Members of Parliament in the Boards already functioning at the State and District levels will, it is considered, be the best manner in which this can be done. Government have accordingly decided to strengthen the State Development Advisory Board and the District Development Boards in the following manner:—

- (i) By inclusion of two members of the Rajya Sabha and four members from the Lok Sabha, to be nominated by Government, in the State Development Advisory Board ; and
- (ii) By inclusion of Members of Parliament in the District Development Boards of the district/districts in which the constituencies they represent lie.

**ORDER**—Ordered that the Resolution be published in the next issue of the *Orissa Gazette*.

By order of the Governor

**J. A. DAVE**

*Joint Secretary to Government*

GOVERNMENT OF ORISSA  
CABINET (PLANNING) DEPARTMENT  
NOTIFICATION

No. 7794-P.

*Dated Bhubaneswar, the 21st October 1955*

In pursuance of Resolution No. 7738-P., dated the 21st October 1955, the following Members of Parliament are nominated to be Members of the State Development Advisory Board.

*Members of the Rajya Sabha—*

- (1) Shri Surendra Mohanti
- (2) Shri Jagannath Das

*Members of the Lok Sabha—*

- (1) Shri Uma Charan Patnaik
- (2) Shri Lingaraj Mishra
- (3) Shri Rajendra Narayan Singh Deo, Maharaja of Patna
- (4) Shri T. Sanganna

By order of the Governor

J. A. DAVE

*Joint Secretary to Government*