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**Letters issued on the Second Five Year Plan
(arranged subject-wise).**

S. No.	Subject	Letter No.	Date
GENERAL			
1.	Preparation of the Second five year plan—Studies relating to problems of national development.	FYII/CDI/5/55	5.2.55
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3.	Second Five Year Plan of Ministries	FYII/CDI/9/55	24.3.55
4.	Second Five Year Plan (General)	FYII/CDI/12/55	3.4.55
5.	Development expenditure in the Second Five Year Plan.	O.M.No. FYII/CDI/13/55	4.4.55
6.	Development expenditure in the Second Five Year Plan.	FYII/CDI/13/55	4.4.55
7.	Development programmes to be included in State Plans—correspondence with Ministries.	FYII/CDI/11/55	5.4.55
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COMMUNITY PROJECTS			
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DISTRICT AND VILLAGE PLANNING :			
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3.	The Second Five Year Plan—preparation of District and Village Plans	FYII/CDI/6/55	22.2.55
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4.	Irrigation & Power Projects for the Second Five Year Plan.	PC (V) /1/3 (A) /54	31.5.54
5.	Irrigation & Power Projects for the Second Five Year Plan.	PC (V) /1/3 (A) /54	21.6.54

S. No.	Subject	Letter No.	Date
INDUSTRY :			
1.	Proposals for large-scale industrial projects to be undertaken by State Governments as part of the Second Five Year Plan.	PC (III) 19/4/54	10/11.9.54
TRANSPORT AND RAILWAYS :			
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2.	Transport requirements in respect of major projects for the Second Five Year Plan.	PC (III) 13/49/54	10.7.54
3.	Second Five Year Plan for the Development of Roads.	Ministry of Transport No. PI-15(39)/54	14.7.54
4.	Construction of new railway lines during Second Five Year Plan period.	Ministry of Railways No. 54/W/150/5	15.6.54
5.	Construction of new railway lines during Second Five Year Plan period.	Ministry of Railways States No. 54/W/150/5 Part 'C'	20.1.55
NATURAL RESOURCES & SCIENTIFIC RESEARCH :			
1	Programme of work to be carried out by the Geological Survey of India and the Indian Bureau of Mines during the period of the Second Five Year Plan commencing 1956-57	23/1/55-MI	6.4.55
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2.	The Second Five Year Plan—preparation of District and Village Plans.	FYII/CDI/1/54	28.4.54
3.	Irrigation & Power Projects for the Second Five Year Plan.	PC (V) 1/3(A)/54	13.5.54
4.	Irrigation & Power Projects for the Second Five Year Plan.	PC (V) /1(3) (A)/54	19.5.54
5.	Irrigation & Power Projects for the Second Five Year Plan.	PC (V) /1(3) (A)/54	31.5.54
6.	Construction of New railway lines during Second Five Year Plan period.	Ministry of Railways No. 54/W/150/5	15.6.54
7.	Irrigation & Power Projects for the Second Five Year Plan.	PC (V) /1(3) (A)/54	21.6.54
8.	Transport requirements in respect of major projects for the Second Five Year Plan.	PC (III) 13/49/54	10.7.54
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11.	Proposals for large-scale industrial projects to be undertaken by State Governments as part of the Second Five Year Plan.	PC (III) 19/4/54	10/11-9-54
12.	Basic policy of Road Transport Development under the Plan.	PC (III) 13/61/54	18.9.54
13.	Expansion of the National Extension Service and the Community Development Programme during the Second Five Year Plan period.	CPA/163/36,54-P	13.11.54
14.	The Second Five Year Plan—preparation of District and Village Plans.	PC (P) 58/54	28.12.54
15.	Construction of new railway lines during Second Five Year Plan period.	Ministry of Railways No. 54/W 150/5 part 'C' States	20.1.55
16.	Progress of the State Education Plans—Selected physical targets.	PC (VI) E/10/1/55	1.2.55
17.	Preparation of the Second five year plan—Studies relating to problems of national development.	FYII/CDI/5/55	5.2.55
18.	The Second Five Year Plan—preparation of District and Village Plans.	FYII/CDI/6/55	22.2.55
19.	Preparation of Second Five Year Plan—Health Programmes.	PC (VI) HL/1(1)/55	22.2.55
20.	Preparation of Second Five Year Plan—Health Programmes.	O.M.No.PC (VI) HL/1(1)/55	22.2.55
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32.	Plan-frame for the Second Five Year Plan.	FYII/CDI/12/55	12.4.55

No. PC (V)/IV (5)/54
GOVERNMENT OF INDIA
PLANNING COMMISSION

New Delhi, 23rd March, 1954.

From

SHRI YADAVA MOHAN, I.S.E.,
Chief, Natural Resources Division.

To

ALL STATE GOVERNMENTS.

SUBJECT—*Irrigation & Power Projects for the Second Five Year Plan.*

SIR,

I am directed to enclose a copy of the Resolution No. PC (V)/IV (5) /54, dated February 20, 1954, regarding the appointment of a technical committee to recommend projects which might be included in the Second Five-Year Plan.

2. The Advisory Committee on Irrigation and Power Projects have under preparation detailed proformas for the presentation of individual schemes and these will be sent shortly to State Governments. While it will take some time before detailed information concerning individual projects can be made available by State Governments, it is felt that it will assist the Committee and the Planning Commission in taking a general view of the scope and magnitude of the irrigation and power programme for the second planning period and conveying their preliminary suggestions, if State Governments will kindly furnish a brief description of the various schemes which they have in view. At this stage, all that is required for each scheme is a short note indicating the following aspects:

- (i) The general scope of the scheme and the area to be benefited (an index map may be attached).
- (ii) Whether the scheme has been investigated or is under investigation or has still to be investigated; where the investigation has not been carried out the date when the detailed project report is likely to be available (where a project report is available, it may be sent).
- (iii) The period required for
 - (a) construction, and
 - (b) development.
- (iv) Benefits from the scheme, year by year.
- (v) Phased programme of works, year by year.
- (vi) Expenditure involved, internal and external, year by year.
- (vii) Priority accorded to the scheme and its relationship to any other schemes which the State Government has undertaken or proposes to undertake.
- (viii) Any special features or reasons in support of the scheme.

3. These particular will relate to new irrigation and power schemes, or to stages in schemes in progress which have not yet been taken up. In respect of schemes which are in hand and will continue beyond the first planning period, details of phasing of expenditure and of the works programme may kindly be furnished. This will enable the State Government and the Planning Commission to appreciate the extent to which irrigation and power schemes taken up during the First Five-Year Plan involve commitments for the second five-year period.

4. Acknowledgement of this letter is requested. Replies may kindly be sent in duplicate not later than May 31, 1954.

Yours faithfully,
YADAVA MOHAN

[Enclosure]

PLANNING COMMISSION
ADVISORY COMMITTEE ON IRRIGATION AND POWER PROJECTS
RESOLUTION

New Delhi, the 20th February, 1954

No. PC(V)/IV(5)/54—In the First Five Year Plan the Planning Commission emphasised the need for following a national policy for the development of irrigation and power and also proposed the appointment of a Technical Committee for recommending the projects that might be included in the Second Five Year Plan.

2. The function of the Committee will be to examine projects proposed by the State and the Central Governments and other authorities and satisfy itself:—

- (i) that the schemes have been prepared after detailed investigation;
- (ii) that the estimates are complete and correct technically; and
- (iii) that the financial forecasts and estimates of benefits derived are based on accurate data and are reliable

and, on the basis of such enquiries, to advise the Planning Commission as regards the inclusion of projects in the Second Five Year Plan.

3. The Committee will consist of the following:—

1. Shri J. L. Hathi, Deputy Minister, Irrigation & Power—Chairman.
 2. Shri Kanwar Sain, ISE, Chairman, Central Water & Power Commission—Representative of Ministry of Irrigation and Power.
 3. Shri S. Ratnam, Joint Secretary, Ministry of Finance—Representative of Ministry of Finance.
 4. Shri A. C. Mitra, ISE, Chairman, Central Board of Irrigation and Power—President of the Central Board of Irrigation and Power for the year.
 5. Shri Dildar Hussain, President, the Institution of Engineers (India)—Representative of the Institution of Engineers (India).
 6. Shri A. N. Khosla
 7. Shri S. A. Gadkary
- } Engineers not in the service of any Government in India.
8. Shri Yadava Mohan, ISE, Chief, Natural Resources Division, Planning Commission—Secretary.
 9. Shri B. S. Nag, ISE, Director, Technical Examination, Central Water & Power Commission—Additional Secretary.

4. The Committee will determine the procedure for receiving schemes from the Central and State Governments and other authorities and for their examination, including the setting up of sub-committees, etc.

ORDER

ORDERED that a copy of this Resolution be communicated to all State Governments, all Chief Ministers of States, all Ministries of the Government of India, the Prime Minister's Secretariate, the Private and Military Secretaries to the President and heads of all Indian Missions abroad.

ORDERED also that a copy be published in the *Gazette of India*.

Y. N. SUKHTANKAR.

Secretary.

No. FYII/CDI/1/54
GOVERNMENT OF INDIA
PLANNING COMMISSION

New Delhi, April 28, 1954.

From

SRI Y. N. SUKTHANKAR, I.C.S.,
Secretary, Planning Commission.

To

ALL STATE GOVERNMENTS.

Subject—*The Second Five Year Plan—Preparation of
District and Village Plans.*

SIR,

As work has to commence soon on the Second Five Year Plan, the Planning Commission has been given preliminary consideration to questions connected with this subject.

2. The object of this letter is to convey suggestions on an important aspect of the Second Five Year Plan, *viz.* the manner in which, within the district, the work of planning may be organised and plans prepared for individual villages and groups of villages such as tehsils, talukas, National Extension development blocks, etc. It is essential that local initiative in formulating plans and local effort and resources in carrying them out should be stimulated to the maximum extent possible. This will help to relate the plans closely to local needs and conditions and also to secure public co-operation and voluntary effort and contribution.

3. Plans for districts and villages have naturally to be fitted within the framework of State plans which have, in turn, to take cognizance of plans which have to be prepared from the point of view of the country as a whole, such as, for instance, for multipurpose projects, national high-ways, major industries, etc. Similarly, certain types of development have to be planned for on a State or regional basis, *e.g.*, irrigation and power schemes of medium size, the State road system, road transport services and initial surveys for drawing up minor irrigation programmes. The district is, however, the pivot of the whole structure of planning, for, at this point plans from different sectors—those prepared at the State level and those prepared for smaller units—have to be brought together.

4. In asking districts to prepare local and village plans, departments at the State level should indicate the general framework for district plans. Thus, at the district level, there should be information and guidance about the programmes contemplated by the State Government, for instance, in respect of irrigation and power schemes, road system, land reclamation programmes, industrial schemes, programmes for education, health, etc. Within the district, guidance should be available for the plans of villages or groups of villages with reference to their special conditions, and local bodies should also be actively associated with planning, so that each of them has a plan of its own which is an integral part of the district plan.

5. It is recommended that with a view to gaining experience, as a first stage, plans may be worked out for three or four selected districts, say, one in each distinct region. The experience gained can then be reviewed and further work organised, so that at the village level as well as for districts, or parts of districts, planning becomes a live process,

closely linked with local needs and resources and evoking local participation and interest and contribution in money and labour.

6. It is hoped that by the end of the second planning period the entire country will be provided with the National Extension Service. In working out the details of the district plan, including its phasing, this aim should be kept in view. In National Extension areas, with their village level and other workers and panchayats and co-operatives, intensive village planning and development can be undertaken to a greater extent than in other areas. The coverage of the National Extension Service will increase from year to year. It is, therefore, suggested that even in areas which are not included within its scope, the attempt should be to organise planning along the same lines as in Extension areas. The aim should be to ensure that (i) every family has a plan of improvement for which it works, including agricultural production and subsidiary occupations; (ii) every family is made eligible to become a member of at least one co-operative society; and (iii) every family devotes a portion of its time and resources for the benefit of the community. In most villages there exist either panchayats or *ad hoc* village bodies which can express local opinion and help to organise local co-operation.

7. Village planning will be primarily concerned with agricultural production and activities ancillary thereto, including co-operation. Planning should therefore, aim in the first place at determining for each village or group of villages what steps can be taken over the period of the second plan to increase agricultural production and the volume of rural employment. Specific items to be considered are :—

- (1) Use and production of improved seeds ;
- (2) Use of manures and fertilisers ;
- (3) Consolidation of holdings ;
- (4) Village irrigation works ;
- (5) Reclamation of waste land ;
- (6) Contour bunding and soil conservation ;
- (7) Introduction of new crops (including vegetables and fruit growing), and improved implements and methods of cultivation ;
- (8) Improved cattle, including dairying ;
- (9) Development of subsidiary occupations, e.g., poultry, bee-keeping, piggeries, etc. ;
- (10) Planting trees ;
- (11) Khadi ;
- (12) Village industries, especially for supplying the needs of the rural market ;
- (13) Formation of multi-purpose co-operatives and strengthening of existing co-operative societies ; and
- (14) Improvement of village communications and other local works programmes.

Throughout, the human aspect should be emphasised that every family is assisted in its efforts to improve its conditions.

8. In respect of schemes of agricultural improvement, which it is proposed to include in the village plans, it would be necessary to specify (1) the contributions which the villagers themselves could make in the way of money, labour or supplies, and (2) the help which would be required of Government in the matter of technical advice, supplies and finance. Some estimate should also be made of the increase in production of the main crops and in employment as a result of the plans which are adopted.

9. In the field of agricultural production and local works, village planning is likely to be more definite than in other fields such as health, education, etc. It is necessary that these needs should also receive due attention as part of the programmes of social services which the State envisages for the plan period. In regard to these, local contributions should be obtained on a reasonable basis.

10. District plans will reflect local resources and requirements and guidance in village planning will be possible if from the beginning each district is divided into a few convenient "planning areas". These could be based on whatever considerations are appropriate in the particular circumstances, e.g., tehsil or taluka boundaries or coverage of the National Extension Service, or physical factors like hill or forest areas or social factors such as the tribal character of the population, or the economic impact on the rural areas of a growing town or of new industries or communications or irrigation and power development. The special problems of each "planning area" should be carefully assessed and should be taken into account in preparing village programmes.

11. In the second five-year plan, as suggested earlier, each town should have a plan of its own, with a defined part in the district plan. Each municipal authority should, therefore, be asked to work out plans for developing local services augmenting its own resources and integrating the programme of urban development with other activities under the State Plan.

12. In most States, there already exist development committees at district level with which leading non-officials and the principal social service agencies are associated. Where necessary, such bodies should be strengthened with a view to the preparation of the second five year plan and the achievement of the targets of the first five year plan. A considerable amount of responsibility for sifting local proposals and studying local problems and resources will naturally fall on such committees. It would be desirable for this reason to associate rural local bodies (like district and taluka boards) more fully with these development committees than is done at present. In turn, district and taluka development committees and similar bodies for smaller "planning areas" in the district should establish close co-operation with village panchayats and other agencies which may undertake village planning.

13. These are a few suggestions which State Governments may consider in asking district officers and district development committees to prepare district and village plans. The Planning Commission will be grateful if State Governments will initiate early action in this direction and will keep the Commission and the Advisers on Programme Administration advised of the steps taken by them. The Commission will also be glad if State Governments will communicate to it experience gained in formulating village and district plans which might be useful to other States.

Yours faithfully,

TARLOK SINGH

for Secretary, Planning Commission.

No. PC(V)/1/3(A)/54
GOVERNMENT OF INDIA
PLANNING COMMISSION

New Delhi May 13, 1954.

From

SHRI YADAVA MOHAN, I.S.E.,
Chief of Natural Resources Division &
Secretary, Advisory Committee on Irrigation
& Power Projects.

To

THE DEVELOPMENT COMMISSIONERS,
All State Governments.

SUBJECT—*Irrigation and Power Projects for Second Five Year Plan.*

SIR,

In my letter No. PC(V)/IV(5)/54 dated 23rd March 1954, the State Governments have been requested to furnish short notes on the Irrigation and Power Projects that they propose to recommend for inclusion in the Second Five-Year Plan.

2. Detailed project reports for most of these schemes would probably be under preparation with the State Governments now. The examination of these schemes would be expedited if all particulars required by the Advisory Committee are furnished along with the project reports.

3. I enclose a Form showing the various aspects which the Committee would consider in relation to the Irrigation and Power projects for the next plan period. It is hoped that this Form will assist the State Governments in furnishing full information and data required by the Committee.

4. To complete the technical examination of the projects in a reasonable time, it would be desirable that the various parts of the project *e.g.* hydrology, power, designs, estimates, etc., are examined in the different Directorates of the Central Water and Power Commission simultaneously. That Commission would, therefore, need four copies of the project reports. It is requested that six copies of the project report may be sent in the first instance two of which may please be sent to me and the other four to Shri B. S. Nag, Director, Technical Examination and Resources, Central Water & Power Commission, who is the Additional Secretary of the Advisory Committee.

5. In addition to the six copies of the project report, 10 copies of the enclosed Form may kindly be filled in and sent to me for distribution to the Members of the Advisory Committee for study.

6. Your co-operation in the matter will be appreciated.

7. 100/50 copies of the form are being enclosed with this letter for your use. Additional copies may be called for if required.

8. These forms may also kindly be completed for the schemes that you have already submitted for inclusion in the next Plan.

Yours faithfully,

YADAVA MOHAN

*Secretary, Advisory Committee on
Irrigation & Power Projects.*

Copy with a copy of the form forwarded to.

1. The Secretary (All State Governments)
2. The Chief Engineer Irrigation
Electricity (All State Governments).

Copy forwarded to:--

1. The Ministry of Irrigation and Power (Shri A. R. Khanna) (with 3 spare copies).
2. The Central Water & Power Commission (Shri B. S. Nag) (with 20 spare copies).

for information and necessary action.

YADAVA MOHAN

*Secretary, Advisory Committee on
Irrigation & Power Projects.*

II. Description and Features

A. IRRIGATION PROJECTS—CANALS AND TUBEWELLS

11. Major items of work. (Length of main canals, discharges, broad features of headworks, reservoirs, etc. In case of tubewell projects, numbers of tubewells, discharges, etc.)

12. Commanded area (acres) :—

(a) Gross	...	...	...
(b) Cultivable	...	...	...
(c) Irrigable	...	...	...
(d) Present cultivation (crop-wise)			...

13. Proposed annual irrigation with detailed crop pattern envisaged (acres) :

(a) Kharif	...	...	..
(b) Rabi	...	...	...

14. Existing intensity of irrigation (percentage of culturable commanded area) :

	Canals	Wells	Other sources	Total
(a) Kharif	
(b) Rabi	
(c) Annual	...	-	..	

15. Proposed intensity of irrigation (percentage of culturable commanded area) :

(a) Kharif	...	..	...
(b) Rabi	..	...	...
(c) Annual	...	...	...

16. (a) Is the land ready for irrigation ? If not, what works are required for developing irrigation (Levelling, bunding, drainage, colonisation, etc.) ?

(b) What are these works estimated to cost, and what approximate period will be required for their implementation ?

(c) What will people contribute for these works ?

17. Do the State Revenue and Agricultural Departments agree to the proposal made by the project authorities ?

18. What arrangements are contemplated for power for running tubewells ? If power is to be purchased from existing power systems, have arrangements for purchase been finalised ?

19. Tariff for purchase of power for tubewells.

B. Power Projects

20. Major items of work covered by the project. (Length and height of dam, length of canals and tunnels, size of power plant, boilers, etc.)
21. In the case of a steam power station, please state :
- (a) Source of cooling water
- (b) Source of fuel ...
- (c) Has above source been agreed to by Coal Commissioner ?
- (d) Estimated cost of coal at site ...
22. Anticipated power (in kw)
- | | I Stage | II Stage | III Stage |
|----------------------|---------|----------|-----------|
| (a) Installed | ... | ... | ... |
| (b) Firm | ... | ... | ... |
| (c) Secondary | --- | --- | --- |
23. Extent of the transmission system. (Route miles of trunk and main lines with voltage.)
24. If the project is to form part of an existing power system, the economics and advantages of such coordinated operation with existing sources may be stated.
25. Is the project an inter-State one ? If so what are the State concerned in the construction and operation of the project, and to what extent ?
26. Nature and extent of anticipated load of different categories :
- (a) Domestic and General ...
- (b) Agricultural
- (c) Industrial (Heavy and Light Industries) --

C. FLOOD CONTROL

27. Flood discharges :
- (a) Maximum Peak Flood ...
- (b) Moderated Flood Peak (as a result of the Project)
- (c) Optimum Flood Discharges required ...
28. Area affected by floods at present (by districts in square miles).
29. Area protected from floods (by districts in square miles).

II. NAVIGATION

30. Navigable reaches and length with depth of draft :

(a) Existing

(b) After completion of project— ...

31. Annual increase in traffic anticipated :

(a) Passenger

(b) Goods (Tonnage)

Figures of existing traffic—passenger and goods—to be given

32. Anticipated time for full development of traffic :

(a) Passenger

(b) Goods

III. Relationship to Other Projects

33. What other irrigation and/or power projects have been proposed for the area covered by this project ? (Brief notes on such projects, if any, to be attached, or referred to if incorporated in main project report).

34. What other existing projects will be assisted or affected by this project, and to what extent ?

35. (a) What other programmes of allied developments will be required in this area to avail of the full benefits of this project (e.g. roads, mandis, railway, factories, colonisation, etc.) ?

(b) What is the present stage of the above associated development ?

36. Soil conservation and Malaria control measures needed and proposed.

IV. Financial

37. Total estimated cost of the project in rupees—

	1st year	2nd year	3rd year	4th year	5th year	Subsequent years
(a) In foreign currency
(b) In Indian currency
(c) Total in rupees

38. Year in which above estimates were made, and by what percentage the above estimates are likely to be increased now ?

39. Allocated costs out of expenditure for common works :			
(a) Irrigation	...	...	...
(b) Power	---	...	...
(c) Flood Control	...	...	...
(d) Navigation	---	...	...
(e) Other heads (to be indicated broadly)		...	...
40. Cost directly chargeable to 'Irrigation'			...
41. Cost directly chargeable to 'Power'			...
(a) Generation	...	...	...
(b) Transmission	...	...	...
42. Unit Costs	...	...	...
(a) Per acre of annual irrigation			...
(b) Per kW of installed capacity			...
(c) Per kWh. at Generating Station			...
43. Revenues and Realisations :	...	...	...
(a) Betterment levy proposed :			
(i) Rate (lump sum and/or instalments)			...
(ii) Period of recovery	...	...	...
(iii) Date of commencement	...	...	...
(iv) Estimated yield	...	...	...
(b) Water rates for different crops			...
(c) Tariffs for power	...	...	...
44. People's contribution	---	---	---
45. Expected Returns (Percentage of capital cost)			
(a) Irrigation portion	---	---	---
(b) Power portion	...	...	...
(c) Flood relief portion	...	...	...
(d) Navigation portion	...	...	...
(e) Entire project	...	---	---

V. Employment and Training

46. Employment

(a) Yearly employment during construction (approximate), by categories

	Professional and technical.	Administrative	Clerical, services, etc.	Operating, processing etc.	Skilled workmen	Unskilled labour	Total
1st Year							
2nd Year							
3rd Year							
4th Year							
5th Year							

(b) Personnel required to be retained under above categories after completion of project (approximate).

Professional and technical	Administrative	Clerical, services, etc.	Operating, processing, etc.	Skilled workmen	Unskilled labour	Total

47. Training. (What training facilities can be provided on the project?)

48. Additional Remarks, notes, reports, etc., if any.

No. PC (V) 1(3) (A)/54
GOVERNMENT OF INDIA
PLANNING COMMISSION

New Delhi May, 19, 1954.

From

SHRI Y. N. SUKTHANKER, I.C.S.,
Secretary, Planning Commission.

To

ALL STATE GOVERNMENTS.

SUBJECT—*Irrigation and Power Projects for the Second Five Year Plan.*

SIR,

State Governments have already been informed about the appointment of an advisory committee for recommending irrigation and power projects to be included in the next Five Year Plan. The functions of the Committee and the procedure that will be adopted by them for dealing with new projects sent by State Governments have also been communicated in the Planning Commission letter No. PC(V)36/53 dated October 5, 1953, and the Planning Commission Resolution of the 20th February, 1954. In addition, detailed proformas have since been sent to the State Governments indicating the various aspects of the projects on which the Committee would require full information.

2. Broad principles for the determination of priorities among irrigation and power projects were indicated in paragraph 85 of Chapter XXVI of the First Five Year Plan. In the light of these recommendations the Planning Commission lays down the following general principles for considering the inclusion of irrigation and power projects in the Second Five Year Plan :—

(1) Projects for inclusion in the next plan must have been investigated in sufficient detail as provided in the rules issued by the Government of India in 1929, in connection with the preparation of projects the cost of which exceeded the then powers of sanction of provincial Governments (Rs. 50 lakhs). These rules are incorporated in the departmental codes of State Governments, some of whom have also issued additional instructions. It is necessary that before a project is administratively approved by a State Government all preliminary investigations relating to the availability of water, the broad features of the design, the approximate cost, the availability and suitability of land for irrigation the ability of the land-owners and cultivators to pay the proposed betterment contributions and water charges etc., in the case of irrigation projects, and the probability of finding load for the power to be developed and the necessary machinery etc., for its utilisation in case of power projects, have all been properly carried out and detailed financial statements worked out in accordance with the standard forms prescribed for the purpose. Before according administrative sanction to any project, its economics should be carefully studied and examined by the State Government.

(2) Projects which will add to agricultural production in the country should receive priority over projects relating to other uses of river-waters.

(3) Projects which are more remunerative in direct financial returns, in terms of cost of irrigation per acre or of power generated per unit and in total benefit to the community, and those which would yield quick results should be selected.

(4) Programmes for scarcity affected areas should receive due consideration.

(5) The requirements of agricultural production and power should be considered on a region-wise basis and integrated regional development should be aimed at.

(6) In any power project based on the use of coal, the possibility of using low grade coal, if available in the neighbourhood, must invariably be examined. Similarly, the use of middlings from coal washeries etc. and slack coal of which there are large accumulated stocks, should be encouraged for the development of power. It is possible now to design furnances to use such low grade high-ash-content coals. These remarks also apply to extension to or replacements of existing power plants.

3. The State Governments are requested to bear these principles in mind while recommending irrigation and power projects for inclusion in the next plan.

Yours faithfully,

TABLOK SINGH

for Secretary, Planning Commission.

No.PC (V) /1(3) (A) /54
GOVERNMENT OF INDIA
PLANNING COMMISSION

New Delhi, 31st May, 1954.

From

SHRI YADAVA MOHAN I.S.E.,
Chief of Natural Resources Division.

To

THE CHIEF ENGINEERS,
Irrigation/Electricity,
All State Governments.

SUBJECT—*Irrigation and Power Projects for the
Second Five Year Plan.*

SIR,

The Central Water and Power Commission are presently engaged in writing up an Irrigation and Power Manual, a section of which will be devoted to the preparation of Project Reports and Estimates. As the publication of this manual is likely to take sometime, a list has been compiled to include all items which should be dealt with in Project Reports. It is requested that reports on schemes that are sent to the Planning Commission for inclusion in the next Plan are completed with reference to the items shown in the enclosed list.

2. It will be seen that this list is distinct from the form sent with my letter No.PC(V)/1(3)(A)/54 dated 13-5.54, both in contents and in aims. Whereas the latter has been designed to spotlight the various aspects of the Project-technical, financial, regional etc., and is to form an adjunct to the project report, the reference list now enclosed has been prepared with a view to assist the Engineering Departments in ensuring that the Project reports are complete in all respects. As such, this reference list is to be incorporated in the project report itself and would form an integral part thereof.

3. It may be found that a number of items are not applicable, in some cases, particularly for comparatively smaller projects. Although information would have to be omitted for items as may be inapplicable, it is requested that maximum number of items may be covered in each case. For large river valley projects, information may invariably be given on all the items shown in the reference list.

4. I shall be grateful if the Project Reports sent to the Advisory Committee are checked up with the enclosed list before being finalised. The cooperation of the Engineering Organizations in this respect will eliminate delays in examination of the scheme, and will be gratefully appreciated. The list is being sent to the Press. The number of copies required by you may please be communicated.

Yours faithfully

YADAVA MOHAN

Chief of Natural Resources Division.

Copy forwarded for information and necessary action to :—

1. The Secretaries (All State Governments),
2. Ministry of Irrigation & Power (3 spare copies).
3. Central Water & Power Commission (12 spare copies).

YADAVA MOHAN

Chief of Natural Resources Division.

[Enclosure]

IRRIGATION AND POWER PROJECTS

List of Items and References

STATE

NAME OF PROJECT.....

CATEGORY OF PROJECT.....

ESTIMATED COST.....

Multipurpose
Irrigation,
Power,
Flood Relief

Reference to
page of report
or number of
Drawing.

I. Hydrological and General.

1. Have hydrological and meteorological data been collected showing the following information

- (a) A map showing sub-divisions of catchment by tributaries, water sheds, rain gauge and temperature recording stations, gauge and discharge sites, contours and isohyets.
- (b) Monthly and annual rainfall and temperature data for the catchment.
- (c) Average, maximum and minimum rainfall and temperatures.
- (d) Gauge and discharge data of tributaries and the main river.
- (e) Hydrographs of the river.
- (f) Maximum historical flood with hydrograph, and designed maximum flood and its frequency.
- (g) Maximum, minimum and average annual run-off.
- (h) Suitability of water for irrigation, drinking etc. and treatment contemplated, where required.
- (i) Silt data showing maximum, minimum and average silt intensities.
- (j) Erosion data and soil conservation measures, if any.
- (k) Sub-soil water data in the commanded area showing depth of water table and its seasonal variations.
- (l) Seismic data.

2. Has basin-wise development of the river been considered and the following information furnished ?

- (a) A map showing the over all proposals for valley development.
- (b) Alternative proposals, discussing their merits and demerits.
- (c) Extent to which any existing projects will be assisted or affected.

Reference to
page of report
or number of
Drawing.

3. Has reservoir data been collected completely and following information furnished ?

- (a) Reservoir topography ; area and capacity curves.
- (b) Probable rate of silting in the reservoir ; and the life of the reservoir comparison with silting of existing reservoirs.
- (c) Live storage ; the number of years in which the reservoir completely fills ; average annual utilisation ; evaporation losses ; extra storage provided for carry over from year to year, if any.
- (d) Working tables for the reservoir.
- (e) Flood absorption and flood routing.
- (f) Back water and tail water curves with bank levels.
- (g) Fetch of reservoir, direction and velocity of winds and free board.
- (h) Malaria Control of reservoir.
- (i) Area to be submerged and its classification ; acquisition and compensation for land and properties.
- (j) Programme of resettlement of population displaced from the reservoir area.

II. Head Works (Dam or Weir).

1. Have the following aspects been discussed and shown on a map ?

- (a) Dam site and considerations leading to its preference over other sites.
- (b) Borrow areas and quarries.
- (c) Roads and Railways, existing and proposed.
- (d) Colonies, Workshops and offices.

2. Has a detailed survey map of the dam site been prepared (scale 50 to 100 feet) showing the following ?

- (a) All the natural features e.g. out-crops of rocks, springs etc.
- (b) Dam and appurtenant works.
- (c) Site for construction plant e.g. crushing and concreting plant, construction power plant, compressed air station etc.

3. Have geological investigation been made and a report showing the following submitted ?

- (a) A brief account of regional geology, major rock types, effects of faulting etc., description of other structural features and their relation to possible leakage grouting proposals.
- (b) Laboratory tests of samples of foundation material and their interpretation.
- (c) Levels of ground water table and direction of flow and discussion of percolation tests.
- (d) Reference to any special condition affecting the preliminary designs.

Reference to
page of report
or number of
Drawing.

4. Have the following maps been included ?
 - (a) Combined topographical and geological map.
 - (b) Map showing bed rock contours.
 - (c) Logs of drill holes, test pits, exploratory tunnels etc.
 - (d) Maps, profiles and sections showing results of geophysical work or any other special method.
 - (e) Ground and Aerial photographs, if available.
5. Have investigations of construction materials been made and report showing the following attached ?
 - (a) Various types of embankment materials e.g. Pervious, semi-pervious, and impervious, with quantities in various borrow areas.
 - (b) Stone for rip rap and rock fill.
 - (c) Materials for stone masonry and concrete comprising rubble, fine and coarse aggregates, with quantities and physical properties.
 - (d) Source of supply of cement.
 - (e) Laboratory tests performed on items (a) to (d).
 - (f) Haul roads for transport of construction materials.
 - (g) Plans of borrow area and quarries with bore or trial pit data.
6. Have the main structure and appurtenant works e.g. dam, spillway power dam, out-lets, coffer dam etc., been designed and the following appended ?
 - (a) General plan, up stream and downstream elevations showing nature ground level final excavation levels.
 - (b) Foundation treatment and drainage.
 - (c) Spillway and outlets with energy dissipation arrangements.
 - (d) Maximum sections of overflow, non over flow and earth dams.
 - (e) Retaining and training walls.
 - (f) Galleries and other openings.
 - (g) Gates, hoists and other control equipment.
 - (h) Diversion works during construction etc.
 - (i) Design calculations with list of assumptions made and factors of safety adopted, together with justification for the types of structures adopted.

III. Irrigation.

1. Have the following investigations been made and report prepared.
 - (a) (i) Existing irrigation facilities indicating gross area, culturable commanded area irrigated area and extent of water utilised.

Reference to
page of report
or number of
Drawing.

- (ii) Proposed facilities indicating gross area, culturable commanded area and area proposed for irrigation.
 - (b) Soil survey and pattern of crops indicating existing and proposed areas under various crops.
 - (c) Existing and proposed duties, deltas and intensity of Irrigation.
 - (d) Monthly water requirements of crops based upon the proposed crop pattern.
 - (e) Existing and proposed water rates and land revenue rates.
 - (f) Losses due to evaporation, absorption and transmission from the canal system.
 - (g) Period of development of irrigation and its stages, if any.
 - (h) Direct benefits in foodgrains and other crops.
 - (i) Proposed Betterment levy with reasons.
 - (j) Water supply to towns and villages, if any provided.
 - (k) Possibility of water logging.
2. Have the alignments of main canals and branches and the following indicated in the reports and drawings ?
- (a) Contour map showing existing and additional irrigation, canals, principal towns, rail roads and highways.
 - (b) Alternative alignment of canals.
 - (c) Final alignment of main canals and Branches.
 - (d) Test pits or boring data for canal excavation and foundations of structures.
 - (e) Investigations for construction materials.
 - (f) Land acquisition and compensation for properties.
 - (g) Malaria control and health services.
3. Have the canals, branches and structures on them been designed and report and drawings prepared for the following ?
- (a) Remodelling the existing irrigation system, if any,
 - (b) Capacity factor, free board and other assumptions.
 - (c) L-Section and cross sections of the canals and branches.
 - (d) Cross drainage works, bridges, regulators etc. (L-Sections and cross sections of main structures and typical drawings for others).
 - (e) Method of calculation of discharges of cross drainage works.
 - (f) Distribution system including minors and outlets.
 - (g) Field channels and agency for their excavation.
 - (h) Regulation arrangements of off-taking channels.

Reference to
page of report
or number of
Drawing.

IV. Power Development.

1. Have investigations been made and the following details furnished ?
 - (a) Present position of power supply in the region, system loads, system load factor, etc.
 - (b) Extent of firm power available from the scheme (working tables and the basis of estimation of firm power should be supplied) and extent of secondary power if any.
 - (c) Load survey, future peak and energy demands, anticipated system load factor.
 - (d) The function which the proposed scheme would perform in relation to the other stations of the existing grid, if any, and details indicating how the scheme has been designed to fit into the existing grid.
 - (e) Proposed initial and ultimate installed capacities number and size of units, power factor, efficiency etc.
 - (f) The map showing the general layout of the schemes including the dam, water conductor system, power house, step-up substation and out going transmission lines.
 - (g) General map showing the transmission system and the location of the present and future loads.
 - (h) A note on the development of power in stages, if any.
 - (i) Present and proposed tariff rates, comparison of similar rates in other States and reasons for difference.
 - (j) Proposed sources of coal, fuel etc.
 - (k) Proposed source of cooling water.
 - (l) Investigations of construction materials.

V. Other Benefits.

1. Has the flood control aspect been investigated and designs and drawings prepared and the following particulars indicated ?
 - (a) Peak flood, moderated flood and optimum safe discharge in the flood plain.
 - (b) Area affected by floods at present and area which will get protected giving location and quantum.
 - (c) Special structure required for flood moderation, e.g :
 - (i) flood embankments ;
 - (ii) Regulation by barrage into various channels, old and new.
 - (d) Betterment levy, if any, for the area protected from floods.
2. Has navigation been provided and the following indicated ?
 - (a) Navigable reaches of river and canals with depth of drafts and clearances under structures.
 - (b) Location and design of locks with data of foundations and construction materials.

Reference to
page of report
or number of
Drawing.

- (c) Existing and proposed navigation traffic, both passenger and goods.
 - (d) Existing and proposed tollage rate or registration fees of navigation craft.
3. Has fish culture, recreation etc. been considered and if so, have following details been given ?
- (a) Present facilities and scope of the scheme.
 - (b) Structures required e.g. fish ladders gardens, health and pleasure resorts.

VI. Construction Programme, Equipments & Man-Power :

1. Has a construction programme been drawn up for the execution of the various components in the projects with the following details ?
- (a) Machinery and equipment available together with the proposed requirements.
 - (b) The quantities of materials involved together with the daily out-turn proposed for major items like masonry, concrete or earth work.
 - (c) Justification of the construction programme adopted.
 - (d) Yearly requirements of construction staff, technical and non-technical and labour skilled and un-skilled.
 - (e) Yearly requirements of Cement, Steel, Coal and other essential materials.
2. Have charts been furnished showing the construction programme and targets diagrammatically for the various components of the project ?

VII. Estimates and Analysis of Rates.

1. Have project estimates together with abstracts of quantities and costs for various components of the project been made and following details furnished ?
- (a) Estimated cost of the various stages of the project.
 - (b) The year to which the rates in the estimate pertain.
 - (c) Allocated costs of irrigation, power, flood control, navigation and other heads of the project.
2. Have analysis of rates been made and following details furnished ?
- (a) Labour out-turns for various items.
 - (b) Materials required for unit quantities of items of work.
 - (c) The current schedule of rates in the area and rates proposed. Comparison with rates obtained on analogous works.

VIII. Financial Returns and Benefits :

1. Has the financial aspect of the project been discussed and the following details furnished ?
- (a) The programme of expenditure on the various units of the project, in foreign exchange and in rupees.

Reference to page of report or number of Drawing.

- (b) The programme of development of irrigation, power, navigation etc.
- (c) Gross revenue statements from the different functions of the project together with schedule of water rates, betterment fees, irrigation cess, power rates and flood levies.
- (d) Statement showing maintenance and establishment costs and net revenues available.
- (e) A note on the productiveness of the project, stating percentage return, capital cost of irrigation per acre and of power per Kilowatt.
- (f) Financial resources available for construction of the project e.g. contribution by public, loan from centre etc.

2. Have total direct and indirect benefits of the project been stated in respect of the following ?

- (a) Irrigation.
- (b) Power.
- (c) Flood Control.
- (d) Navigation.
- (e) Employment
- (f) Other facilities.

.....

.....Engineer.

Place.....

Date.....

No. 54/W/150/5
GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS
(RAILWAY BOARD)

New Delhi, dated 15th June, 1954.

To
THE CHIEF SECRETARIES,
All part "A" and "B" States.

SUBJECT—Construction of New Railway lines during
Second Five Year Plan period.

DEAR SIR,

The Railway Ministry have received requests for new Railway lines from various State Governments and other interests for over 15,000 miles. The financial and material resources of the Union Government are, however, limited. As already indicated by the Minister of Railways in his last Budget speech, the Railways would try to construct new Railway lines including Doublings and Restoration upto 1500-2000 miles during the Second Five Year Plan period. In order to determine priorities, besides other factors to be taken into consideration, we would like to have the views of the State Government regarding the various lines proposed in their areas. It is, therefore, requested that you may kindly send by 15-9-1954, a list of urgent new lines strictly in order of priority, which the State Government recommends for consideration. A justification, together with the traffic prospects may also please be given for each line included in your list.

Yours faithfully,
H. K. L. SETHI
Director, Civil Engineering.

No. PC (V)/ 1(3) (A)/54
GOVERNMENT OF INDIA
PLANNING COMMISSION

New Delhi, the 21st June 1954.

From

SHRI YADAVA MOHAN, I.S.E.,
Chief of Natural Resources Division and
Secretary of the Advisory Committee
on Irrigation & Power Projects,
Planning Commission.

To

The DEVELOPMENT COMMISSIONER,
All State Governments.

SUBJECT—*Irrigation and Power Projects for Second Five Year Plan.*

SIR,

I am directed to invite attention to Planning Commission's letter No. PC (V)/IV(5)/54 dated the 23rd March, 1954, wherein the State Governments were requested to furnish by 31st May 1954, a brief description of the various schemes which they have in view in order that the Advisory Committee on Irrigation and Power Projects and the Planning Commission may form a general appreciation of the scope and magnitude of the irrigation and power programme for the second five year period and could convey their preliminary suggestions to the State Governments. Information was also requested regarding the phasing of expenditure and the works programme of the schemes which are in hand in the current five year plan and are likely to extend to the Second Five Year Plan. It is requested that this information be kindly sent now as soon as possible.

2. The Committee should submit their recommendations to the Planning Commission by January, 1955. The final project reports will, therefore, be required by the end of October, 1954. The early submission of the information referred to in the preceding paragraph, therefore, assumes immediate urgency.

3. Such Project Reports as may have been completed already may kindly be sent in accordance with the procedure given in my letter No. PC (V) /1/3 (A) /54 dated May 13, 1954. It will be appreciated that for proper examination of the schemes the project reports should be received in instalments as they get completed and not be held over till the last date. Your co-operation in this respect will be greatly appreciated.

Yours faithfully,

YADAVA MOHAN

*Secretary of the Advisory Committee
on Irrigation & Power Projects.*

Copy (with 1 spare copy) to :

- (i) the Secretaries; all State Governments ;
- (ii) the Chief Engineers, Irrigation; all State Governments ;
- (iii) the Chief Engineers, Electricity; all State Governments ;
- (iv) Private Secretaries to Chief Ministers; all State Governments ;

Copy (with 12 spare copies) to the Central Water & Power Commission (Shri B. S. Nag).

Copy (with 3 spare copies) to the Ministry of Irrigation & Power (Shri A. R. Khanna).

YADAVA MOHAN
*Secretary to the Advisory Committee
on Irrigation & Power Projects*

No. PC (III) 13/49/54
GOVERNMENT OF INDIA
PLANNING COMMISSION

New Delhi, July 10, 1954.

From

SHRI Y. N. SUKTHANKAR, I.C.S.,
Secretary, Planning Commission.

To

ALL STATE GOVERNMENTS.

SUBJECT—*Transport requirements in respect of major projects.*

SIR,

The Railway Board has brought to the notice of the Planning Commission several cases in which some very big projects were undertaken by the State Governments without any prior assessment having been made of the transport requirements for the movements of materials, etc., with the result that the progress on the projects was hampered for want of facilities for prompt movement. The matter has been examined by the Commission in consultation with the Railway Board and it is felt that in respect of major projects which are either to be taken up in the remaining two years of the First Five Year Plan or are under contemplation for implementation in the Second Five Year Plan, it will be advisable for the State Governments to make an assessment of the transport requirements or any other special facilities to be provided by the Railways and to acquaint the Railway Board and also the Planning Commission with these requirements so that the arrangements necessary to be made on the part of the Railways could be considered well in advance.

2. As an example, reference may be invited to the substantial road construction programmes in States approved recently by the Ministry of Transport. For the implementation of these programmes to schedule, it is necessary to ensure adequate supplies of materials and reasonable prompt movement thereof. The State Governments would no doubt, work out estimates of their transport requirements in connection with these programmes and take up their requirements with the Railways concerned in consultation with the Railway Board and the Planning Commission.

3. It will be appreciated that the Railways are already working under heavy strain and such arrangements as might be necessary to enable them to cope with additional requirements must require a good deal of preliminary planning. It need hardly be emphasized, therefore, that they have to be supplied with as detailed material as possible and well in advance of the actual execution of the projects.

Yours faithfully,

E. P. MOON
for Secretary.

No. PL-15 (39) 54
GOVERNMENT OF INDIA
MINISTRY OF TRANSPORT (ROADS WING).

Telegrams:
"ROADING"

Jamnagar House,
Shahjehan Road,

New Delhi-2, 14th July, 1954.

From

SHRI K. RANGANATHAN,
Under Secretary to the Government of India.

To

The Secretary to the Government of Hyderabad,
Public Works Department.

SUBJECT—*Second Five Year Plan for the development of roads.*

SIR,

I am directed to refer to your letter No. GVD-32/GV/54-1846, dated the 31st May, 1954, (Enclosure 1) and to say that the Government of India have not issued any directive so far with regard to the preparation of road development programmes for inclusion in the Second Five Year Plan.

2. The question relating to the preparation of a National Highway Development programme for inclusion in the Second Five Year Plan was broadly discussed at the meeting of State Chief Engineers and Principal Engineering Officers held at Bangalore on the 8th and 9th June, 1954. A copy of the note on the subject discussed at the meeting is enclosed (Enclosure 2).

3. The magnitude of the National Highway development programme and the State road development programme will, of course, depend upon the financial ceilings that may be fixed in the Second Five Year Plan, taking into consideration the resources available and the comparative need for road development *vis-a-vis* development in other fields. In order to enable the Government of India to determine the ceilings, it is necessary that the State Government should prepare for their consideration proposals for the Second Five Year road development programmes.

4. The National Highway programme may be prepared on the lines indicated in the attached statement (Enclosure 3) and forwarded to this Ministry within three months. The State road development programme may be prepared on the following lines and included in the State's Second Five Year Plan to be submitted to the Planning Commission and a copy forwarded to this Ministry as early as possible:—

- (1) Provision may be made for the development of State Highways more or less on the lines proposed for the preparation of the National Highway programme.
- (2) Provision for the development of Major and other District roads and Village roads may be made on the basis of lower standards of development that may be considered suitable, as compared with those proposed for the development of National and State Highways, taking into account local conditions and other relevant factors such as the capacity of the State Public Works Department to undertake the magnitude of works proposed.

5. Since the preparation and approval of detailed road development programmes for the Second Plan period may take time, it is essential that for purposes of continuity there should be a sufficient number of works in progress at the end of the current plan period for execution during the second plan period. With this object in view, the road development programmes for which the Central Government are responsible have been recently expanded so as to include works costing altogether 100% above the provision made in the plan for the current five year period, the actual expenditure during the Plan period being restricted to the approved expenditure ceilings.

6. In this connection, I am to invite attention to this Ministry's letter No. PL-15 (20) 52, dated the 3rd February, 1954, in which the advantages of an expanded road development programme as indicated in the preceding para were explained and the State Government were requested to consider the desirability of expanding the State road development programme as suggested. The Government of India will be glad to know the action taken by the State Government on this suggestion.

Yours faithfully,

K. RANGANATHAN

Under Secretary to the Government of India.

Encls:

(1) one note

(2) one Statement.

Copy, with a copy of the letter replied to, and enclosures to the foregoing letter forwarded to:—

- (1) All State Governments other than the Government of Hyderabad, with the request that they may prepare suitable road development programmes for inclusion in the Second Five Year Plan and forward them to this Ministry.
- (2) All Chief Engineers and Principal Engineering Officers.
- (3) The Planning Commission.

K. RANGANATHAN

Under Secretary to the Government of India.

[Enclosure 1]

Copy of letter No. GVD-32/GV/54-1846, dated the 31st May, 1954 ; from the Secretary to the Government of Hyderabad, Public Works Department, Hyderabad, Deccan, to the Under Secretary to the Government of India, Ministry of Transport, Roads Wing, New Delhi.

SUBJECT—*Second Five Year Plan for development of roads.*

I am directed to state that in accordance with a directive issued by the Planning Commission, schemes pertaining to Irrigation and Power that are to be included in the Second Five Year Plan, have been formulated. But no directive has been received in respect of roads.

You are, therefore, requested kindly to inform this office whether any directive for preparation of road development programme to be included in the Second Five-Year Plan has been issued by your Ministry ; and if so a copy thereof may kindly be sent.



[Enclosure 2]

MINISTRY OF TRANSPORT (ROADS WING).

*Note for the Chief Engineers' Meeting, at
Bangalore on the 8th June, 1954.*

SUBJECT—*Second Five Year Plan.*

It is necessary that we should now prepare a Second Five-Year Plan for National Highways and other roads as early as possible. So far as the National Highways are concerned, the Second Five Year Plan should provide for the following type of works :—

- (1) Completion of works expected to be in progress at the end of the current Five Year Plan.
- (2) All missing bridges and road links on the National Highways system, except for the bridges over the Brahmaputra at Golpara and the Ganga at Farake. The Ganga Bridge may, however, be included in the Second Five-Year in case the State's Second Five-Year Plan provides for the constructions of a barrage at the site.
- (3) Improvement of geometrical standards, construction of by-passes, and replacement of dangerous bridges where necessary.
- (4) (a) Widening and upgrading road surfaces on the following lines:—
 - (i) Provision of 22' wide cement concrete carriageway where traffic is very heavy.
 - (ii) Provision of 22' wide black top surface where traffic is heavy.

Note:—Where the existing road surface consists of 12' wide concrete carriageway, 5 ft. wide asphalted beams may be provided on each side.

 - (iii) Provision of 12' wide blacktop surface elsewhere.
 - (b) Widening formation to 32 ft. where single lane carriageway exists and to 38 ft. where double lane carriageway exists or is proposed.
- (5) Any other items of work, which Chief Engineers may consider urgently necessary.

2. It will be seen that the first item proposed for inclusion in the Second Five Year Plan provides for the completion of works that will be in progress at the end of the current Five Year Plan. Chief Engineers have already been supplied with lists of works provided in the current Five Year Plan including the expanded programme recently approved. It is necessary that Chief Engineers should now estimate, as accurately as possible which of the works will be completed during the current plan period and which of them will remain in progress at the end of that period. The latter works have to be included in Item (i). Also the expenditure during the current plan period and the balances to be spent thereafter should be estimated correctly, and provision made on these lines.

No. PC(1)/VII/(1)/54
GOVERNMENT OF INDIA
PLANNING COMMISSION

New Delhi, July 15, 1954.

From

SHRI Y. N. SUKTHANKAR, I.C.S.,
Secretary, Planning Commission.

To

ALL STATE GOVERNMENTS.

SUBJECT—*Financial Resources for the Second Five Year Plan.*

SIR,

In connection with the preparation of the Second Five Year Plan the Planning Commission is undertaking an assessment of the financial resources likely to be available to the Centre and to the State Governments for the period of the Second Plan. A study of the financial position of the Centre is being initiated here. For an assessment of the resources of State Governments the Commission desires to have information along the lines indicated in the proformas attached. The Planning Commission will be grateful if the State Government kindly arrange to have the schedules filled in and six copies of the same sent to it by the 31st August, 1954.

2. The data asked for are intended to enable the Planning Commission to review the progress of resources and expenditure during the First Plan period and to assess in broad terms the financial resources which the State Governments themselves are likely to be able to find, at existing levels of taxation, for financing the new activities to be undertaken in the next Plan. For additional resources which the State Governments propose to find through taxation, a separate note may please be furnished. Explanatory notes have been attached to the schedules, but if there are any points on which further clarification is desired, a reference may be made to the Planning Commission.

3. The Planning Commission would like to take this opportunity of stressing the point that for financing the Second Five Year Plan maximum effort will have to be put into raise domestic resources. On the one hand, the claims of development are pressing, and the investment programmes envisaged for the economy, as a whole, will have to be raised so as to enable the country to double its per capita income over a period of 25 years or so as envisaged in the Report on the First Five Year Plan. On the other hand, external resources available may turn out to be smaller. The present Five Year Plan envisages that at the end of the Plan Period, sterling balances will have fallen more or less to the level required by way of external backing to the currency, and, therefore, in the Second Five Year Plan period the country will have to earn currently the foreign exchange needed to support its investment programme. No estimate can at this stage be made as to the amount of external assistance that might be available in the Second Plan period, but the possibility of this assistance being of a smaller order than in the First Five Year Plan has obviously to be reckoned with. The Planning Commission has always held the view that a plan for development must be based mainly on domestic resources and that with each succeeding plan the measure of domestic effort must be increased. The Commission hopes that this will be borne in mind while considering the measures for mobilising more resources for financing the Plan in the public sector. Undoubtedly, this problem is engaging the

attention of the Taxation Enquiry Commission and the recommendations that the Commission makes in its Report later in this year will have a vital bearing on the policy to be adopted in this respect. However, the problem is one which deserves continuous attention and each State Government will have to consider in concrete terms what measures can be adopted by it with due regard to local requirements and possibilities.

4. It will be recalled that the Planning Commission has made various suggestions to State Governments from time to time on this subject. Briefly, they are as follows :

I. Land revenue—

- (i) Land revenue resettlements in areas where they have been overdue ;
- (ii) Surcharges on land revenue, especially in higher ranges ;
- (iii) Special cesses on commercial crops ;
- (iv) Special assessments or ground rents in urban areas.

II. Water rates—

Raising of water rates to economic levels.

III. Betterment contribution.

IV. Additions to district or local cesses for financing expenditure on development schemes in the areas concerned.

V. Agricultural income-tax.

The Planning Commission will be glad to have an account of the measures that have already been taken so far and the consequential increases in revenues. This may be supplemented by a close examination of the possibilities of further action along these lines together with estimates of the likely increases that can be secured in this manner during the period of the Second Five Year Plan.

5. The need to look for additional resources is of course continuous and it is no less urgent now than it will be with the commencement of the Second Five Year Plan. As the State Governments are aware, the Central Government has this year floated the National Plan Loan with the object of drawing in resources from as large a number of the people as possible. Small Savings Schemes have already been in operation for several years. The larger the amount that can be drawn into the public exchequer through loans and small savings in this manner, the smaller correspondingly is the need to impose additional taxation. The Planning Commission will be glad to have from State Governments an appraisal of the efforts State Governments have made to raise subscriptions for the National Plan Loan and to achieve and improve upon the targets in respect of Small Savings Schemes.

Yours faithfully,

M. R. KOTHANDARAMAN

for Secretary to the Government of India.

Copy forwarded for information to Ministries of the Government of India.

M. R. KOTHANDARAMAN

Joint Secretary to the Government of India.

[Enclosure I]

Notes on certain items in Statement I

This statement deals with estimates of receipts on revenue account. These estimates are required for each of the five years of the First Plan. For the Second Plan period, instead of an annual break-up, aggregates for the first two years and the next three years are desired. For the period of the First Plan, entries against all the items are to be made. For the Second Plan period, no estimates are to be given for items 5 and 4 (d).

2. Item 2 deals with receipts from State taxes. In regard to the period of the Second Plan, the estimates given under this item should be based on the present rates of taxation. Measures for raising additional resources, either through increases in existing rates or through new taxes, should be shown in a separate note.

3. Items 1 and 4 of this statement relate to statutory transfers from the Centre to the States ; item 5 deals with all other transfers. Some of the transfers which come under item 5 of this statement are shown in budget papers of States under heads like Agriculture, Medical, Veterinary, Industries, etc., i.e., under the heads which are shown in this statement under item 3. For the purposes of this statement, all these transfers are to be deducted from the heads included under item 3 and are to be shown under item 5.

4. Transfers from various funds, if any, have also to be excluded from item 3 ; these are to be shown under item 6. In the budget papers, receipts under items 3 (b) (i), 3 (f) and 3 (g) are usually shown net of working expenses. In this statement also, these should be shown net. Under 'Road Transport Schemes' 3 (h), some State budgets show gross receipts ; in this statement receipts under this head are to be shown net.

STATEMENT I—contd.

(In lakhs of rupees)

	First Plan Period						Second Plan Period		
	1951-52 (Accts)	1952-53 (Accts)	1953-54 (R.E.)	1954-55 (B.E.)	1955-56 Estimates	Estimated total 1951-56	1956-58 Forecast	1958-61 Forecast	Estimated total 1956-61
1	2	3	4	5	6	7	8	9	10
3. OTHER REVENUES									
(a) Forests			
(b) Irrigation			
(i) Receipts from works for which Capital Accounts are kept (net of working expenses)			
(ii) Receipts from works for which no Capital Accounts are kept			
(c) Debt Services			
(d) Civil Administration (exclusive of Central grants)			
(e) Civil Works (exclusive of transfers from the Central Road Fund and other Central Grants)			
(f) Net receipts from Multi-purpose River Valley Schemes			
(g) Net receipts from Electricity Schemes			
(h) Net receipts from Road Transport Schemes			
(i) Miscellaneous (exclusive of transfers from funds and of Central grants)			
(j) Extraordinary receipts (exclusive of transfers from funds and of Central grants)			
<i>Total of 3 (a+...+j)</i>			
*4. STATUTORY GRANTS FROM THE CENTRE									
(a) Under Article 273			
(b) Revenue Gap Grants under Article 278			
(c) General Grants-in-aid under Substantive portion of Article 275(1)			
(d) Grants for Primary Education Article 275(1)			
(e) Grants for the development of Scheduled Areas and Scheduled Tribes under the two Provis to Article 275(1)			
<i>Total of 4 (a+...+e)</i>			

*For the Second Plan period receipts under items (a), (b), (c) and (e) may be assumed as per recommendations of the Finance Commission; for item (d) no estimates are to be given.

STATEMENT I—contd.

(In lakhs of rupees)

	First Plan Period						Second Plan Period		
	1951-52 (Accts)	1952-53 (Accts)	1953-54 (R.E.)	1954-55 (B.E.)	1955-56 Estimates	Estimated total 1951-66	1956-58 Forecast	1958-61 Forecast	Estimated total 1956-61
1	2	3	4	5	6	7	8	9	10
†5. OTHER GRANTS FROM THE CENTRE									
(a) Grants for Community Projects and National Extension Services ...									
(b) G. M. F. grants ...									
(c) Grants for Natural Calamities ...									
(d) Transfer from Central Road Fund ...									
(e) Grants for Industrial Housing ...									
(f) Contribution towards expenditure on displaced persons ...									
(g) Grants for Local Development Works ...									
(h) Food Production Bonus ...									
(i) Other Central grants (shown in budgets under heads included in item 3 above but not shown separately in this Statement).									
(j) Miscellaneous adjustments between Centre and State Governments ...									
<i>Total of 5 (a + ... + j)</i> ...									
6. TRANSFERS FROM FUNDS									
(a) Revenue Reserve Fund ...									
(b) Famine Relief Fund ...									
(c) Zamindari Abolition Fund ...									
(d) Other Funds ...									
<i>Total of 6 (a + ... + d)</i> ...									
7. TOTAL REVENUE RECEIPTS (1 + ... + 6)									

† For the period of the Second Five Year Plan, no estimates of receipts under item 5 are to be given.

[Enclosure II]

Notes on certain items in Statement II

Under item I *b* (*i*), interest payments should be shown gross. Under items 1 (*l*), 1 (*m*) and 1 (*n*) expenditure of non-developmental character only should be shown. That part of the expenditure which is developmental is to be shown in appropriate places under item 2.

2. Estimates of non-developmental expenditure during the period of the Second Plan should recognise that increases under these items have to be kept to a minimum and economies effected to the extent possible. It is necessary, at the same time, that due provision is made for any increase in non-developmental expenditure which, it is felt, is going to be necessary in the interests of administrative efficiency. In other words, an attempt should be made to give a realistic picture of the claims of non-developmental expenditure on the State's resources.

3. For the period of the Second Plan, the estimates of developmental expenditure under item 2 should not include expenditure on any new schemes since the object of these schedules is to get an estimate of the amount of funds remaining available for such schemes. The expenditure estimates should in other words, provide for :—

- (a) the inescapable expenditure on schemes initiated in the First Plan period but which may have to be continued in the Second Plan period,
- (b) the increased financial responsibility that the States will have to bear on schemes in respect of which the Centre's share is, according to arrangements already agreed upon, to diminish or to cease, and
- (c) maintenance of the level of development reached in various services and amenities at the end of the present Plan period [exclusive of what is provided for under (a) above].

Briefly, for the Second Plan period, estimates should relate to expenditure to which the State Government is already committed.

4. In determining what is a continuing scheme, expenditure on which is to be regarded as a commitment for which resources must be earmarked in advance, the criterion should be whether the activity proposed is terminable or whether it must be continued in order to give the desired results. For instance, if a scheme envisages starting of 1,000 schools, but if at the end of the present Plan, it is found that only 900 schools have been set up, the programme is terminable and the expenditure on the 100 schools remaining over must not be included in the figures shown in this statement. On the other hand, expenditure on, say, an uncompleted building has to be incurred in any case and has, therefore, to be shown in the estimates of committed expenditure. In other words, any activity which amounts to extending a facility or a service to a new area or to a new class of people must be regarded as a new scheme, expenditure on which should not be included in these estimates.

5. Details in regard to the three categories of schemes mentioned in para 3 above are to be given in Statement II-A.

STATEMENT II
EXPENDITURE ON REVENUE ACCOUNT

(In lakhs of rupees)

	First Plan Period					Second Plan Period			
	1951-52 (Accts)	(1952-53 Accts)	1953-54 (R.E.)	1954-55 (B.E.)	1955-56 Estimates	Estimated Total 1951-56	1956-58 Forecast	1958-61 Forecast	Estimated Total 1956-61
1	2	3	4	5	6	7	8	9	10
1. NON-DEVELOPMENTAL EXPENDITURE (Exclusive of grants to Local Bodies which are to be shown separately under item 4) ..									
(a) Direct Demands on Revenue (excluding Forests). ..									
(b) Debt services ..									
*(i) Interest on Debt and other obligations (Gross payments)									
†(ii) Appropriation for reduction or avoidance of debt ..									
(c) General Administration ..									
(d) Administration of Justice ..									
(e) Jails and Convict Settlements ..									
(f) Police ..									
(g) Famine Relief ..									
(h) Territorial and Political Pensions ..									
(i) Privy purses and Allowances of Indian Rulers ..									
(j) Superannuation Allowances and Pensions ..									
(k) Stationery and Printing ..									
(l) "Miscellaneous" Departments (exclusive of items of Developmental nature) ..									
(m) "Miscellaneous" exclusive of items of Developmental nature) ..									
(n) Extraordinary Charges (exclusive of items of developmental nature)									
Total of 1.(a+...+n) ..									

*For the Second Plan period, no provision for increase in payments on account of debt services should be made for any additional debt liability that might be incurred during that period.

†Only obligatory provision has to be made for the Second Plan period.

STATEMENT II—contd.

(In lakhs of rupees)

	First Plan Period						Second Plan Period		
	1951-52 (Accts)	1952-53 (Accts)	1953-54 (R.E.)	1954-55 (B.E.)	1955-56 Estimates	Estimated total 1951-56	1956-58 Forecast	1958-61 Forecast	Estimated total 1956-61
I	2	3	4	5	6	7	8	9	10
2. DEVELOPMENTAL EXPENDITURE (exclusive of grants to Local Bodies which are to be shown separately under item 4 and of interest payments which are to be shown under item 1 (b) (i))									
(a) Forests	...								
(b) Irrigation	...								
(c) Electricity Schemes	...								
(d) Multipurpose River Valley Schemes	...								
(e) Civil Works	...								
(f) Industries	...								
(g) Agriculture	...								
(h) Rural Development	...								
(i) Veterinary	...								
(j) Scientific Departments	...								
(k) Education	...								
(l) Medical	...								
(m) Public Health	...								
(n) Cooperation	...								
(o) Aviation	...								
(p) Ports	...								
(q) Community Projects and National Extension Services	...								
(r) Local Development Works	...								
(s) Miscellaneous Departments [exclusive of Estimates shown under 1 (l) above]	...								
(t) Other Developmental items	...								
Total of 2 (a+.....+t)	...								
3. TRANSFERS TO FUNDS									
(a) Revenue Reserve Fund	...								
(b) Famine Relief Fund	...								
(c) Zamindari Abolition Fund	...								
(d) Other Funds	...								
Total of 3 (a+.....+d)	...								
4. GRANTS TO LOCAL BODIES									
5. TOTAL EXPENDITURE ON REVENUE ACCOUNT	...								
(1+...+4)	...								

Financial Resources for the Second Five Year Plan

Name of the State.....

STATEMENT II-A

DETAILS OF DEVELOPMENTAL EXPENDITURE

(On Revenue Account)

(In lakhs of rupees)

	1956-58 (Forecast)	1958-61 (Forecast)	Estimated total 1956-61
1	2	3	4
1. FORESTS			
(a) Expenditure on such State schemes of the First Five Year Plan as may have to be continued in the Second Plan period.			
(b) Additional expenditure consequent on State's assuming increased or full responsibility on those schemes of the First Five Year Plan which have been sponsored by the Centre, and for which responsibility is to devolve more and more on States.			
(c) Expenditure for maintenance of the level of development reached at the end of the First Plan period [exclusive of what has been provided for under (a) above].			
<i>Total of 1 (a+b+c)</i>	---		
2. IRRIGATION			
(a) ---	---	---	---
(b) ---	---	---	---
(c) ---	---	---	---
<i>Total of 2 (a+b+c)</i>	---		
3. ELECTRICITY SCHEMES			
(a) ---	---	---	---
(b) ---	---	---	---
(c) ---	---	---	---
<i>Total of 3 (a+b+c)</i>	---		
4. MULTIPURPOSE RIVER VALLEY SCHEMES			
(a) ---	---	---	---
(b) ---	---	---	---
(c) ---	---	---	---
<i>Total of 4 (a+b+c)</i>	---		
5. CIVIL WORKS			
(a) ---	---	---	---
(b) ---	---	---	---
(c) ---	---	---	---
<i>Total of 5 (a+b+c)</i>	---		

STATEMENT II-A—contd.

(In lakhs of rupees)

	1956-58 (Forecast)	1958-61 Forecast	Estimated total 1956-61
I	2	3	4
6. INDUSTRIES			
(a)
(b)
(c)
<i>Total of 6 (a+b+c)</i>
7. AGRICULTURE			
(a)
(b)
(c)
<i>Total of 7 (a+b+c)</i>
8. RURAL DEVELOPMENT			
(a)
(b)
(c)
<i>Total of 8 (a+b+c)</i>
9. VETERINARY			
(a)
(b)
(c)
<i>Total of 9 (a+b+c)</i>
10. SCIENTIFIC DEPARTMENTS			
(a)
(b)
(c)	—
<i>Total of 10 (a+b+c)</i>
11. EDUCATION			
(a)
(b)
(c)
<i>Total of 11 (a+b+c)</i>
12. MEDICAL			
(a)
(b)
(c)
<i>Total of 12 (a+b+c)</i>

STATEMENT II-A—contd.

(In lakhs of rupees)

					1956-58 (Forecast)	1958-61 (Forecast)	Estimated total 1956-61
	1				2	3	4
13. PUBLIC HEALTH							
(a)			
(b)			
(c)			
<i>Total of 13 (a+b+c)</i>				...			137
14. COOPERATION							
(a)			
(b)			
(c)			
<i>Total of 14 (a+b+c)</i>				...			
15. AVIATION							
(a)			
(b)			
(c)			
<i>Total of 15 (a+b+c)</i>				...			
16. PORTS							
(a)			
(b)			
(c)			
<i>Total of 16 (a+b+c)</i>				...			
17. COMMUNITY PROJECTS AND NATIONAL EXTENSION SERVICES							
(a)			
(b)			
(c)			
<i>Total of 17 (a+b+c)</i>				...			
18. LOCAL DEVELOPMENT WORKS							
(a)			
(b)			
(c)			
<i>Total of 18 (a+b+c)</i>				...			
19. MISCELLANEOUS DEPARTMENT							
(a)			
(b)			
(c)			
<i>Total of 19 (a+b+c)</i>				...			

STATEMENT II-A—concl.

(In lakhs of rupees)

	1956-58 (Forecast)	1958-61 (Forecast)	Estimated total 1956-61
1	2	3	4
20. OTHER DEVELOPMENTAL ITEMS			
(a)
(b)
(c)
<i>Total of 20 (a+b+c)</i>
21. GRAND TOTAL OF DEVELOPMENTAL EXPENDITURE			
(a)
(b)
(c)
<i>Total of 21 (a+b+c)</i>

[Enclosure 3]

Notes on certain items in Statement III

In the budgets, there are a large number of items under deposits, funds and advances. For the purposes of this statement, these have been classified under certain categories as shown in item 5. All items relating to Cash Balance Investment Account and other Investment Accounts are to be taken separately and are to be shown under item 6.

2. For the period of the First Five Year Plan, figures in respect of all the items are to be given, but for the period of the Second Five Year Plan, no estimates are to be given in regard to items 1, 2, 6, 7 and 8.

Financial Resources for the Second Five Year Plan

Name of the State.....

STATEMENT III

RECEIPTS ON CAPITAL ACCOUNT

(In lakhs of rupees)

	1951-52 Accts.	1952-53 Accts.	1953-54 R.E.	1954-55 B.E.	1955-56 Estimates	Estimated total 1951-56	1956-58 Forecast	1958-61 Forecast	Estimated Total 1956-61
I	2	3	4	5	6	7	8	9	10
*1. LOANS FROM THE PUBLIC (GROSS) ...									
*2. LOANS FROM THE CENTRAL GOVERNMENT (GROSS) ...									
3. RECOVERIES OF LOANS AND ADVANCES BY STATE GOVERNMENTS (GROSS) ...									
4. UNFUNDED DEBT (NET) ...									
5. DEPOSITS, FUNDS AND ADVANCES AND OTHER MISCELLANEOUS ITEMS EXCLUDING CASH BALANCE INVESTMENT ACCOUNT AND INVESTMENT ACCOUNTS OF FUNDS ...									
a. Sinking Funds (net) ...									
b. Reserve Funds (i+...+vi)(Gross)									
(i) Depreciation Reserve Funds									
(ii) Famine Relief Fund ...									
(iii) Zamindari Abolition Fund ...									
(iv) Special Development Fund									
(v) Revenue Reserve Fund ...									
(vi) Other Reserve Funds ...									
**c. Deposit Accounts (i+ii) (Net) ...									
(i) Deposits of Local Funds ...									
(ii) Other Deposit Accounts									
d. Advances and other Miscellaneous heads under Deposits and Advances (Net) (excluding Cash Balance Investment Account and Investment Accounts of Funds) ...									
†e. Remittances and Miscellaneous Items (Net)									
Total of 5 (a+.....+e) ...									
††6. NET RECEIPTS FROM SALE OF SECURITIES HELD IN CASH BALANCE INVESTMENT ACCOUNT AND IN OTHER INVESTMENT ACCOUNTS ...									
††7. NET RECEIPTS FROM FLOATING DEBT									
††8. WITHDRAWALS FROM (+) OR ADDITIONS TO (-) CASH BALANCE ...									
9. TOTAL RECEIPTS ON CAPITAL ACCOUNT (1 + ... + 8) ...									

* For the period of the Second Five Year Plan, no estimates of receipts under items 1 & 2 are to be given.

** For the Second Plan period, no estimates are to be given for item 5c.

† For the Second Plan period, no estimates are to be given for item 5e.

†† For the period of the Second Five Year Plan, no estimates of receipts under items 6, 7 and 8 are to be given.

[Enclosure 4]

Notes on certain items in Statement IV

For the period of the First Plan, figures of development expenditure refer to total expenditure, i.e., the expenditure on the schemes in the Plan, as well as on schemes outside it. For the period of the Second Plan, the following two categories of expenditure are to be shown :—

- (a) Expenditure on the continuance of schemes initiated in the First Plan and to be continued in the Second Plan period ;
- (b) Development expenditure on such schemes as are not included in the First Plan, but which were nevertheless undertaken during that period and may have to be continued in the Second Plan. Details regarding these categories may be given in Statement IV-A.

2. While making entries under item 5, the following should be borne in mind :—

For the First Plan period, estimates for sub-items under item 5 should be exclusive of interest charges since these will have already been taken into account under item 1(b)(i) of Statement II. For the Second Plan period, interest charges on borrowings for proposed additional outlays should be shown here in brackets below the figures of estimated outlays. Interest payments which would continue in the Second Plan period in respect of borrowings in earlier years will have already been included in item 1(b)(i) of Statement II.

3. It might be mentioned here for general guidance that expenditure on continuing schemes on revenue account will not be shown in the Second Plan, but expenditure on capital account in respect of the two categories mentioned above will form part of the Second Plan.

Financial Resources for the Second Five Year Plan

Name of the State.....

STATEMENT IV-A

DETAILS OF CAPITAL OUTLAY UNDER DEVELOPMENT HEADS

(In lakhs of rupees)

	1956-58 Forecast	1958-61 Forecast	Estimated Total 1956-61
1. MULTIPURPOSE RIVER VALLEY SCHEMES			
(a) Expenditure on schemes initiated in the First Plan and which might have to be continued in the Second Plan.			
(b) Developmental expenditure on such schemes as were not included in the First Plan but which were nevertheless undertaken during that period and may have to be continued in the Second Plan.			
<i>Total of 1 (a+b)</i>
2. IRRIGATION			
(a)	---	---	---
(b)
<i>Total of 2 (a+b)</i>
3. ELECTRICITY SCHEMES			
(a)	---
(b)
<i>Total of 3 (a+b)</i>
4. INDUSTRIAL SCHEMES			
(a)
(b)	...	---	...
<i>Total of 4 (a+b)</i>	...	---	...
5. CIVIL WORKS NOT MET FROM REVENUE			
(a)
(b)
<i>Total of 5 (a+b)</i>
6. AGRICULTURAL IMPROVEMENT AND RESEARCH			
(a)
(b)
<i>Total of 6 (a+b)</i>
7. ROAD TRANSPORT SCHEMES			
(a)	...	---	---
(b)	...	---	...
<i>Total of 7 (a+b)</i>	...	---	---
8. COMMUNITY DEVELOPMENT PROGRAMME AND NATIONAL EXTENSION SERVICES			
(a)
(b)
<i>Total of 8 (a+b)</i>
9. OTHER SCHEMES			
(a)
(b)
<i>Total of 9 (a+b)</i>
10. GRAND TOTAL (1+... +9)			
(a)
(b)
<i>Total of 10 (a+b)</i>	---	---	---

Financial Resources for the Second Five Year Plan

Name of the State.....

STATEMENT V
FINANCIAL POSITION

(Some important heads of liabilities and assets)

(In lakhs of rupees)

Particulars	Outstanding as on 31st March 1951	Outstanding as on 31st March 1954	Outstanding as on 31st March 1955
A. INDEBTEDNESS			
1. Loans from the Public ...			
2. Loans from the Centre ...			
3. Floating Debt ...			
4. Unfunded Debt (under different sub-heads) ...			
B. CASH BALANCES AND HOLDINGS OF SECURITIES			
1. Cash Balances ...			
2. Securities held in Cash Balance Investment Account ...			
3. Securities held on account of other Reserve Funds ...			
C. LOANS AND ADVANCES BY THE STATES			
1. Loans and Advances by the States to Local Bodies ...			
2. Loans and advances to others ...			
D. HOLDINGS OF GRAIN, CLOTH AND SUGAR ...			

Financial Resources for the Second Five Year Plan

Name of the State -----

STATEMENT VI

ESTIMATES OF RESOURCES LIKELY TO BE AVAILABLE FOR THE SECOND FIVE YEAR PLAN

(In lakhs of rupees)

	1956-58 Forecast	1958-61 Forecast	Estimated total 1956-61
1. TOTAL RECEIPTS ON REVENUE ACCOUNT (Item 7 of Statement I) ...			
2. TOTAL EXPENDITURE ON REVENUE ACCOUNT (Item 5 of Statement II) ...			
3. BALANCE AVAILABLE FROM REVENUE ACCOUNT FOR EXPENDITURE ON SCHEMES TO BE INCLUDED IN THE SECOND FIVE YEAR PLAN (Item 1 minus Item 2) ...			
4. RECEIPTS ON CAPITAL ACCOUNT			
(a) Unfunded Debt (Net) (Item 4 of Statement III)			
(b) Recoveries of Loans and Advances (Item 3 of Statement I minus Item 3 of Statement IV)			
(c) Receipts from Deposits, Funds and Advances and other miscellaneous items excluding Cash Balance Investment Account and Investment Accounts of Funds (Net) (Item 5 of Statement III minus Item 4 of Statement IV)			
(i) Sinking Funds (Net) [Item 5 (a) of Statement III] ...			
(ii) Reserve Funds (Net) [Item 5 (b) of Statement III minus Item 4 of Statement IV] ...			
(iii) Advances and other miscellaneous heads under Deposits and Advances excluding Cash Balance Investment Account and Investment Accounts of Funds (Net) [Item 5 (d) of Statement III]			
Total of (c) (i + + iii) ...			
Total of 4 (a + + c) ...			
5. EXPENDITURE ON CAPITAL ACCOUNT			
(a) Repayment of loans to the public (Item 1 of Statement IV) ...			
(b) Repayment of loans to the Centre (Item 2 of Statement IV) ...			
(c) Schemes of State Trading (Net) [Item 6 (a) of Statement IV] ...			
(d) Payment of Compensation, etc., to Zamindars and Jagirdars [Item 6 (b) of Statement IV] ...			
(e) Commuted value of Pensions [Item 6 (c) of Statement IV] ...			
(f) Outlay under developmental heads (Item 5 of Statement IV) ...			
Total of 5 (a + + f) ...			
6. RESOURCES AVAILABLE FROM CAPITAL ACCOUNT FOR THE SECOND FIVE YEAR PLAN [Item 4 minus 5 (a) minus 5 (b) minus 5 (c) minus 5 (d) minus 5 (e)]			
7. TOTAL RESOURCES FOR THE SECOND FIVE YEAR PLAN (3+6)			

No. PC (III) 19/4/54
GOVERNMENT OF INDIA
PLANNING COMMISSION

New Delhi, 10th/11th September, 1954.

From

SHRI Y. N. SUKTHANKAR, I.C.S.,
Secretary, Planning Commission.

To

ALL STATE GOVERNMENTS.

SUBJECT—*Industrial Projects for the Second Five Year Plan.*

SIR,

I am directed to address you regarding proposals for large-scale industrial projects to be undertaken by State Governments as part of the Second Five Year Plan.

2. The majority of such projects included in the First Five-Year Plan were already under implementation before the plan was formulated and it was mainly on this account that they came to be included. More recently several State Governments have shown interest in the direct Development of industries and in response to the Planning Commission Circular letter No. PC(P) 99/53 dated August 24, 1953, regarding adjustments to the Plan, put forward proposals for taking up certain industrial enterprises as State Government projects. While there is great scope for industrial development and this is expected to proceed at an accelerated pace during the next Plan period, large-scale industry does not appear to be a field in which the resources and energies of State Governments can be most usefully employed. There are many other fields which should have a prior claim on them. For instance, with their knowledge of local raw material resources and markets the State Governments could make a vital contribution to national development by devoting their resources and personnel to small-scale and cottage industries. The resources of States may also have to be increasingly diverted to the provision of an efficient road system which will make an important though indirect contribution to industrial progress. The Central Government will themselves be taking up, either directly or through the Industrial Development Corporation, such large-scale industrial projects as are felt to be required to supplement the efforts of private enterprise and, this being so, the scope for initiative by State Governments is in any case limited. Moreover, whereas the Central Government are equipping themselves adequately for carrying out preliminary technical examination of industrial projects, State Governments cannot command such facilities. Most of them, too, do not possess sufficient resources of their own for carrying through such projects to completion, nor are they well organised for running them.

3. In view of these considerations, any proposals for new large-scale industrial projects to be taken up by State Governments, or even for expansion of existing undertakings will require very special justification if they are to be approved for inclusion in the next Five-Year Plan. The expansion of an existing undertaking, which has already proved successful, will ordinarily be more easy to justify than a completely new project, especially if the expansion is a natural and logical development or is calculated to bring about a substantial reduction in costs. It may be possible to justify a new project if it involves the processing of some raw

material the production of which is already entirely in the hands of the State Government, e. g., forest produce, or if it can be shown that the development of an industry in a particular locality is very desirable, that private enterprise is not forthcoming and that the Central Government cannot conveniently take it up. Such cases, however, are likely to be rare

4. Since work has already begun on the formulation of plans for industrial development in the next Five Year period, I am to request that if, in the light of what has been stated above, the State Government has any proposal to put forward, this may be communicated to the Planning Commission, with a copy to the Commerce and Industry Ministry, at an early date and in any case not later than 15th November, 1954. If a project has not yet been worked out in full detail but the State Government very much desire that it should receive consideration, then a general indication of its nature may be given, together with such details as are at present available, so that a decision can be reached whether further work on it is worth undertaking. If no proposal is received by November 15th, it will be assumed that the State Government has no proposal to put forward.

5. Proposals which have already been received and on which no final decision has yet been taken will, of course, continue to receive consideration.

6. In conclusion, I am to invite attention to the fact that industrial undertakings, even if run by State Governments as public enterprises, are not exempt from being licensed under the provisions of Section 11 (1) of the Industries (Development & Regulation) Act, 1951.

Yours faithfully,

M. R. KOTHANDARMAN

for Secretary.

Copy to -

Ministry of Commerce & Industry.

Ministry of Production.

M. R. KOTHANDARMAN

Joint Secretary.

No. PC (III) 13/61/54
GOVERNMENT OF INDIA
PLANNING COMMISSION

New Delhi, September 18, 1954.

From

SHRI Y. N. SUKTHANKAR, I.C.S.,
Secretary, Planning Commission.

To

ALL STATE GOVERNMENTS.

SUBJECT—*Basic Policy of Road Transport Development
under the Plan.*

SIR,

As the State Governments are aware, the nationalisation of road transport was not accorded high priority in the First Five Year Plan, since it was considered that the bulk of the resources of State Governments should be devoted to other purposes e.g., the development of agricultural production, irrigation and power and roads. In the Planning Commission's circular letter on unemployment No. PC (VI) L/48/53 dated July 30, 1953, the attention of the State Governments was drawn *inter alia* to this basic policy regarding road transport development under the plan and State Governments were requested to review their present licensing policies which in several cases were understood to severely hampering the growth of private road transport.

2. The Commission are concerned to note that most State Governments have continued to follow restrictive licensing policies. Some State Governments have also sent up new and ambitious schemes for extension of their nationalised services for which financial assistances has been sought from the Central Government. Instances have also come to the notice of the Planning Commission where the State Governments have spent from their own resources large funds on nationalisation programmes not included in the Plan, thus diverting funds from other more urgent schemes which were provided for in the Plan.

3. It is necessary to emphasise that in the present context of deficit financing, a special responsibility devolves on the Central and the State Governments not to divert funds to schemes outside the Plan, more particularly to schemes for which, with proper encouragement, considerable investment would be forthcoming from the private sector. It is obvious that the continuance of restrictive licensing policies in road transport undermines the confidence of private operators who are thus discouraged from expanding their business. Given a reasonable assurance of security of tenure, they would be prepared to make appreciable investments. There is much less justification for following these restrictive policies in the field of goods services where most State Governments cannot envisage nationalisation in the near future owing to the need for funds in other fields.

4. The Planning Commission have recently reviewed the entire policy regarding road transport development under the plan and in con-

sultation with the Central Ministry of Transport, have reached the following decisions regarding the principles to be followed during the next few years:

GOODS SERVICES:

- (i) Schemes for nationalisation of road freight services will not be considered for inclusion in the Plan until 1961, *i.e.*, the end of the Second Five Year Plan.
- (ii) Permits should be granted freely for periods of not less than three years in accordance with the provisions of the Motor Vehicles Act, 1939 ; and
- (iii) A special incentive should be given to viable units by granting them permits for a maximum period of five years under the provisions of the Motor Vehicles Act.

PASSENGER SERVICES:

- (i) State Governments desiring to nationalise road passenger services should prepare phased programmes for consideration by the Planning Commission for inclusion in the Plan, defining clearly the areas of proposed nationalisation up till 1960-61, *i. e.*, the end of the Second Five Year Plan ; and these will be considered provided (ii) and (iii) below are accepted by the State Governments.
- (ii) In the areas that would be left outside the approved nationalised schemes, permits should be granted freely for periods of not less than 3 years in accordance with the provisions of the Motor Vehicles Act, 1939.
- (iii) Within the areas which are included in the approved nationalisation schemes, permits should be granted for the longest period permissible under the expansion schedule, but within the maximum limit set by the Motor Vehicles Act.
- (iv) Where Government participation is contemplated, the setting up of a tripartite organization in which State Governments, Railways and private Operators will participate, should be favoured.
- (v) In areas to be left entirely to private operators, special encouragement should be given to the formation of viable units.

5. It is possible that problems may arise in respect of road transport in large cities and hilly areas which will require special treatment. The Planning Commission will be prepared to consider such schemes on their merits.

I am to request that the State Governments will review their nationalisation schemes with a view to preparing phased programmes on the lines indicated above, for consideration of the Planning Commission for inclusion in the Second Five Year Plan. It has to be emphasised that to ensure financial and operational stability and to conserve funds for schemes given priority under the Plan, the State Governments would have to pursue the policy of nationalising road transport with due caution and in gradual stages.

I am further to request the State Governments to give urgent consideration to the revision of their licensing policies in accordance with paragraph 4 above.

Yours faithfully,

E. P. Moon

for Secretary.

No. CPA/163/36/54P
GOVERNMENT OF INDIA
COMMUNITY PROJECTS ADMINISTRATION.

New Delhi, November 13, 1954.

To

The Development Commissioners of
all State Governments (except N.E.F.A.).

SUBJECT.—*Expansion of the National Extension service and Community Development Programme during the Second Five Year Plan period.*

SIR,

In Section III of Chapter XV of the First Five Year Plan, the Planning Commission—recommended that “the Central Government should assist State Governments in establishing extension organisations so as to bring their entire area under extensive development within a period of about 10 years”. In pursuance of this recommendation, a National Extension Service has been planned, and is being organised, in about 1200 Blocks to cover one-fourth of the country during the first Plan period, *vide* letter No. CPA/163/52 dated 29th April, 1953.

2. The expansion programme for the Second Five Year Plan was considered by the third Development Commissioners’ Conference held at Ootacamund in May, 1954, and the following resolutions were passed :—

“ (1) It would be possible in most States to cover the entire country with National Extension Service Blocks during the second Five Year Plan period. For this it would be necessary to enlarge adequately the training facilities, particularly in respect of village level workers, veterinary graduates, and subordinate engineering personnel.

(2) In order to provide continuously the necessary incentive to increased effort, the present distinction between National Extension Service Blocks and Community Project Blocks should be retained during the Second Five Year Plan period also ”

It is now proposed to plan the expansion of this programme with a view to covering the rest of the country during the second Plan period. This would mean progressive undertaking of work in about 3800 more Development Blocks *vide Annexure I*. About half the number of Blocks, *viz.* 1900 may be chosen from these Blocks for intensive development on the lines of Community Projects.

3. In order to enable State Governments to formulate their second Five Year Plan suitably so as to provide for this expansion programme, a *tentative* statement showing the number of Blocks allotable to each State, together with the order of expenditure involved for the Centre as well as for the State on the existing pattern of sharing expenditure, is forwarded herewith, *vide Annexure 2*. The question of continuing the existing pattern of sharing expenditure (other than on staff) in respect of Blocks started during Second Plan period is still separately under consideration.

It may be mentioned that there will be some spillover of expenditure from the First Five Year Plan into the Second Plan period in respect of the Blocks taken up in 1954-55 and in 1955-56. In like manner, there will be a spillover of expenditure from the Second Five Year Plan to the third Plan period in respect of the Blocks taken up in the last two years of the second Plan period. Possibly, the "Carry-in" and "Carry-out" figures may balance each other and could be disregarded for purposes of planning. You may, however, wish to examine this so far as your State is concerned.

You will also take into account the continuing liability in the form of recurring expenditure on personnel in respect of the Community Project and National Extension Service Blocks which would have completed their three-year period of operation; the annual expenditure on this account is estimated at Rs. 33,000 per Block, of which 50% will be borne by the Central Government as indicated in para 8 of the Note forwarded with this Administration's letter No. CPA/163/52 dated 29th April, 1953 (Blue Pamphlet). This pattern of assistance will continue in respect of the Blocks to be taken up in the Second Five Year Plan. The Central Government's share for all States will, however, be subject to a ceiling of Rs. 6 crores a year, in respect of all Blocks whether started in the first or second Plan period.

4. It may also be mentioned in this connection that, as the entire country will be covered under the expansion programme by the end of the Second Five Year Plan, the resources at present provided under various schemes e.g. G.M.F., Minor Irrigation, Key-Village schemes etc. will form part of the resources available for the implementation of the N.E.S. programme.

5. You may now proceed to adumbrate your second Five Year Plan, in so far as Community Development and National Extension Service Programmes are concerned on the above basis, drawing up a phased programme from year to year, and formulating requirements of key personnel for the implementation of the expansion programme. The question of providing facilities and assistance in regard to training of various categories of personnel, particularly gram sevaks, veterinary graduates, and subordinate engineering personnel, for the Blocks to be taken up from year to year, is separately under consideration in consultation with the Ministries concerned, and a further communication will be sent to you later.

6. In the meantime, will you please let me know whether the proposals outlined in paragraphs 2 and 3 above are generally acceptable to the State Government for the purpose of drawing up an expansion programme for National Extension Service and Community Development in the Second Five Year Plan?

7. A reply is requested not later than 15th December, 1954.

Yours faithfully,

U. L. GOSWAMI

Secretary, C.P.A.

Copy forwarded to the Ministry of Finance for information.

Copy forwarded for information to all Chief Secretaries to State Governments.

U. L. GOSWAMI

Secretary, C.P.A.

[Annexure I]

COMMUNITY PROJECTS ADMINISTRATION

Statement showing the number of Blocks for allotment during the First and Second Five Year Plan periods.

Sl. No.	State	Population (in lakhs) excluding cities having more than one lakh population each.	Approx. No. of Blocks to cover the population in Col. 3 at 66,000 per block.	No. of Blocks to be taken up during the First Five Year Plan period so as to cover 1/4th of the population.	Community Development Projects/ Blocks allotted in 1952-53.	Equivalent to Blocks of revised pattern, (No. given in Col. 6 multiplied by 65/45 or 1.44)	Block allotted in 1953-54		N.E.S. Blocks allotted in 1954-55	Total allotment so far made (7+8+9+10)	Blocks which remain to be under Five Year Plan period (5-11)	Blocks to be taken during the Second Five Year Plan period (11+12)	Remarks
							Community Development Blocks	N.E.S. Blocks.					
1	2	3	4	5	6	7	8	9	10	11	12	13	14
Part 'A' States													
1.	Andhra	200.08	303	76	2 P	9	2	22	5	38	38	227	
2.	Assam	90.43	137	34	2 P & 2 D	12	3	12	5	32	2	103	
3.	Eihar	393.69	597	149	4 P & 1 D	19	2	14	20	55	94	448	
4.	Bombay	308.80	468	117	4 P & 1 D	19	6	28	22	75	42	351	
5.	Madhya Pradesh	205.41	311	78	4 P	17	4	30	44	95	—	216	
6.	Madras	328.55	498	125	4 P	17	4	28	20	69	56	373	
7.	Orissa	145.43	220	55	3 P	13	3	2	12	30	25	165	
8.	Punjab	119.92	182	46	4 P & 3 D	22	4	7	8	41	5	136	
9.	Uttar Pradesh	593.07	899	225	6 P	26	8	40	30	104	121	674	
10.	West Bengal	212.00	321	80	8 D*	8	3*	6*	10*	27	53	241	

*These are of special type. Community Development Blocks are Rural-cum-Urban type. N.E.S. Blocks have an additional provision of Rs. 1 lakh for cottage industries.

1	2	3	4	5	6	7	8	9	10	11	12	13	14
Part 'B' States													
11.	Hyderabad	174.36	264	66	2 P & 1 D	10	2	11	10	33	33	198	
12.	Madhya Bharat	72.71	110	28	2 P	9	2	3	7	21	7	82	
13.	Rajasthan	147.01	223	56	7 D	10	2	12	15	39	17	167	
14.	Mysore	86.66	131	33	1 P	4	—	7	7	18	15	98	
15.	PEPSU	34.93	53	13	1 P	4	1	4	6	15	—	38	
16.	Saurashtra	37.62	57	14	1 P	4	1	4	3	12	2	43	
17.	Travancore-Cochin	89.77	136	34	2 P	9	1	3	5	18	16	102	
Part 'C' States													
18.	Ajmer	4.96	8	2	1 D	1	—	1	—	2	—	6	
19.	Bhopal	7.34	11	3	1 P	4	1	3	3	11	—	—	
20.	Bilaspur*	1.26	2	1	1 D	1	1	—	—	2	—	—	*Since merged into Himachal Pradesh.
21.	Coorg	2.29	3	1	1 D	1	1	1	—	3	—	—	
22.	Delhi	5.52	8	2	1 D	1	—	1	—	2	—	6	
23.	Himachal Pradesh	9.83	15*	4	1 P	4	—	4	4	12	—	3	
24.	Kutch	5.67	9	2	1 D	1	—	1	1	3	—	6	
25.	Manipur	5.77	9	2	1 D	1	—	—	1	2	—	7	
26.	Tripura	6.39	10	3	1 D	1	—	1	—	2	1	7	
27.	Vindhya Pradesh	35.74	54	14	1 D	1	2	3	3	9	5	40	
28.	Jammu & Kashmir	30.00@	44	11	1 P	3	—	10	—	13	—	31	
TOTAL		3,355.21	5,083	1,274	45 P & 31 D	231	53	258	241	783	532	3,768	

P=Project.

D=Development Block.

@=Approximate.

[Annexure III]

Expansion Programme for Community Development and N.E.S.
Cost of Development

Sl. No.	State	Number of Blocks to be allotted		Total amount		Centre's Share				State's Share (Other than loan)		Short term Loan* @ Rs. 1.00 lakh per block		Remarks
		Intensive Dev. Blocks	N.E.S. Blocks	Intensive Dev. Blocks @ Rs. 1.0 lakh plus Rs. 1.0 lakh for short term loans	N.E.S. Blocks @ Rs. 4.50 lakhs plus Rs. 1.0 lakh for short term loans	Intensive Dev. Blocks @ Rs. 7.49 lakhs per Block	N.E.S. Blocks @ Rs. 1.0 lakhs per block	Intensive Dev. Blocks @ Rs. 4.58 lakhs per block	N.E.S. Blocks @ Rs. 2.25 lakhs per block	Intensive Dev. Blocks @ Rs. 2.93 lakhs per block	N.E.S. Blocks @ Rs. 1.25 lakhs per block	Intensive Dev. Blocks	N.E.S. Blocks	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1.	Andhra	113	114	1808.00	627.00	846.37	114.00	517.54	256.50	331.09	142.50	113.00	114.00	
2.	Assam	52	51	832.00	280.50	389.48	51.00	238.16	114.75	152.36	63.75	52.00	51.00	
3.	Bihar	224	224	3584.00	1232.00	1677.76	224.00	1025.92	504.00	656.32	280.00	224.00	224.00	
4.	Bombay	176	175	2816.00	962.70	1318.24	175.00	806.08	393.75	515.68	218.75	176.00	175.00	
5.	Madhya Pradesh	108	108	1728.00	594.00	808.92	108.00	494.64	243.00	316.44	135.00	108.00	108.00	
6.	Madras	186	187	2976.00	1028.50	1393.14	187.00	851.88	420.75	544.98	233.75	186.00	187.00	
7.	Orissa	83	82	1328.00	451.00	621.67	82.00	380.14	184.50	243.19	102.50	83.00	82.00	
8.	Punjab	68	68	1088.00	374.00	509.32	68.00	311.44	153.00	199.24	85.00	68.00	68.00	
9.	Uttar Pradesh	337	337	5392.00	1853.50	2524.13	337.00	1543.46	758.25	987.41	421.25	337.00	337.00	
10.	West Bengal	120	121	1920.00	665.50	898.80	121.00	549.60	272.25	351.60	151.25	120.00	121.00	
11.	Hyderabad	99	99	1584.00	544.50	741.51	99.00	453.42	222.75	290.07	123.75	99.00	99.00	
12.	Madhya Bharat	41	41	656.00	225.50	307.09	41.00	187.78	92.25	120.13	51.25	41.00	41.00	

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
13.	Rajasthan	84	83	1344.00	456.50	629.16	83.00	384.72	186.75	246.12	103.75	84.00	83.00	
14.	Mysore	49	49	784.00	269.50	367.01	49.00	224.42	110.25	143.57	61.25	49.00	49.00	
15.	PEPSU	19	19	304.00	104.50	142.31	19.00	87.02	42.75	55.67	23.75	19.00	19.00	
16.	Saurashtra	21	22	336.00	121.00	157.29	22.00	96.18	49.50	61.53	27.50	21.00	22.00	
17.	Travancore-Cochin	51	51	816.00	280.50	381.99	51.00	233.58	114.75	149.43	63.75	51.00	51.00	
18.	Ajmer	3	3	48.00	16.50	22.47	3.00	13.74	6.75	8.79	3.75	3.00	3.00	
19.	Delhi	3	3	48.00	16.50	22.47	3.00	13.74	6.75	8.79	3.75	3.00	3.00	
20.	Himachal Pradesh	1	2	16.00	11.00	7.49	2.00	4.58	4.50	2.93	2.50	1.00	2.00	
21.	Kutch	3	3	48.00	16.50	...	...	45.00	13.50	...	...	3.00	3.00	
22.	Manipur	3	4	48.00	22.00	...	...	45.00	18.00	...	...	3.00	4.00	
23.	Tripura	3	4	48.00	22.00	...	...	45.00	18.00	...	...	3.00	4.00	
24.	Vindhya Pradesh	20	20	320.00	110.00	149.80	20.00	91.60	45.00	58.60	25.00	20.00	20.00	
25.	Jammu & Kashmir	15	16	240.00	88.00	112.35	16.00	68.70	36.00	43.95	20.00	15.00	16.00	
TOTAL		...	1886	30112.00	10373.00	14028.77	1875.00	8713.34	4268.25	5487.89	2343.75	1882.00	1886.00	

Note : (1) Analysis of cost of development per block of each type is indicated in Annexures I & II of the Blue Pamphlet.

(2)* Short term loans to be provided through Reserve Bank of India, Cooperative Societies and State Governments. As these loans will be returnable mostly within one year and will, therefore be available for further disbursement from year to year, a provision at the rate of Rs. 3 lakhs for each block is not considered necessary for drawing up the Plan Budget, for this purpose a provision of Rs. one lakh per block for the total number of Blocks to be taken up during the Plan period may be regarded as adequate. The total amount required for this purpose will accordingly be Rs. 37.68 crores.

(3) No Block is to be allotted to Coorg and Bhopal as their areas will have been covered during the First Plan period.

(4) The entire expenditure (other than short-term loan) on the programme in respect of Kutch, Tripura and Manipur, has been tentatively shown under the column—'Centre's share—other than loan'. The portion of the expenditure representing 'third party' loans should be included, according to the existing procedure, in the Central Government's capital budget.

Statement showing the estimated financial burden on the Central Government and State Governments in regard to "Expansion of the Community Development Programme during Second Five Year Plan".

SUMMARY STATEMENT (details given in Annexure II)

1	2	3	"Other than loan" expenditure		"Loan Expenditure"		Share of Centre		State's share (other than loan)	Short-term loan
			4	5	6	7	8	9			10	11
	No. of Blocks to be allotted	Total amount (including short-term loan)	Recurring	Non-Recurring	Other than short-term	Short-term	Other than loan	Loan		
(i) National Extension Service Blocks	1886	103.73	28.29	37.83	18.75	18.86	42.58	18.75	23.44	18.86 (a)
(ii) Intensive Development Blocks.	1882	301.12	79.61	62.40	140.29	18.82	87.13	140.29	54.88	18.82 (b)
TOTAL ...	3768	404.85	107.90	100.23	159.04	37.68	129.81	159.04	78.32	37.68

Note : (1) Analysis of cost of development per block of each type is indicated in Annexure I and II of the Blue Pamphlet.

(2) (a) Short-term loans are to be provided through Reserve Bank of India, Co-operative Societies and State Governments. As these loans will be returnable mostly within one year and will, therefore, be available for further disbursement from year to year, a provision at the rate of Rs. 3 lakhs for each block is not considered necessary for drawing up the Plan Budget; for this purpose a provision of Rs. 1 lakh for the total number of Blocks to be taken up in the Plan period may be regarded as adequate. The total amount required for this purpose will accordingly be Rs. 37.68 crores.

(b) 'Short-term loan' provision will be necessary for the intensive development blocks also, as these blocks in the beginning, will be initiated as N.E.S. Blocks.

No. PC (P) 58/54.
GOVERNMENT OF INDIA
PLANNING COMMISSION.

New Delhi, December 28, 1954.

From

SRI Y. N. SUKTHANKAR, I.C.S.,
Secretary, Planning Commission.

To

ALL STATE GOVERNMENTS.

Subject:—*Preparation of district and village plan—
Review of action in the States.*

SIR,

A draft paper on the subject noted above, which has been prepared for consideration at the meeting of the Standing Committee of the National Development Council on January 7, 1955, is enclosed. The Planning Commission will be glad if you will kindly indicate—

- (i) your comments, in the light of the experience gained, on the points made in the draft paper,
- (ii) the extent to which progress has been made in your State in the preparation of district and village plans, and
- (iii) any other suggestions

Your reply is requested by January 4, 1955.

Yours faithfully,

B. V. RADHAKRISHNAN

for Secretary, Planning Commission.

[Enclosure]

**Preparation of district and village plans
Review of action in the States.**

Most State Governments have issued instructions for the preparation of district and village plans along the lines suggested in Planning Commission's letter of April 28, 1954. These instructions adapt the general suggestions made by the Planning Commission to a fair extent to the agencies available at village and other levels in the district and to the system of local administration. State Governments have not yet sent any accounts of problems and difficulties which may have been experienced in implementing these instructions. They are being requested to indicate the precise amount of progress they have made in the preparation of district and village plans. From a study of the instructions which have been issued by a large number of State Governments and communications received from them, it appears that there are a few points on which some guidance from the Standing Committee of the National Development Council would be of assistance to the States. A copy of this paper is being sent to all States with the request that they might comment on the issues discussed in this letter in the light of their practical experience and perhaps indicate how far they have been able to overcome particular difficulties.

2. Generally speaking, States have welcomed the idea of preparing district and village plans, but in two States the aim seems to be to ask district authorities to prepare district plans after ascertaining local opinion in some manner and in the light of local conditions. While this is an advance on the practice adopted at the time of the preparing the First Plan, in the present conditions it is necessary to go further and to ensure that in every State a genuine effort is made to prepare plans from the village upwards and for suitable "planning areas" within the district.

3. How to fit plans prepared in the district with plans prepared by departments for the State as a whole has been a problem in a number of States. Different solutions seem to have been proposed but perhaps a satisfactory answer has not yet been found.

A State plan has to be presented in two ways

- (a) for one set of purposes, according to the heads of development included in it, and
- (b) for other purposes, according to regions and districts.

Both under (a) and (b) the total development effort in a State is something larger than that shown in the State plan, for programmes with which the Central Government is mainly concerned administratively as well as programmes of development in the private sector are frequently as important for the development of a State as those included in its own area of direct responsibility.

Similarly, a district plan would include programmes prepared on a territorial basis for villages, groups of villages, taluks, municipal areas, etc., and also programmes falling within the district which are yet part of departmental plans drawn up initially at the State level. Thus, that part of the district plan which is prepared within the district is important not merely for range of activities it embodies but even more for the fact of association with certain activities of the people at every level, the opportunity afforded to them of determining their own needs and contributing towards their

fulfilment, and the close cooperation between the people and the administration which the conception of a district plan prepared from below helps to secure. This aspect has not been fully realised in all the States. The view in some States, according to the instructions issued, appears to be to regard the plans prepared by departments as the real thing and plans prepared in the district as being largely a matter of procedure to support the claim that the people have been associated in the preparation of the plan. For example, in some States it is said that the heads of departments would fix the targets for each district, even in spheres such as village roads, proposals prepared by the people in the district being modified accordingly.

The relationship between the State plan drawn up by departments and district plans drawn up in association with the people and their representatives is of course in part a matter of presentation but, even more, it is a matter of approach. This aspect deserves to be kept in view. It is recognised that so long as a State Plan as a whole does not assume a fairly clear and definite shape, there must be much tentativeness also in regard to the district plans.

4. There appears to be a tendency in several States to regard plans for taluks or extension blocks (which are generally the "planning areas" within the district) as a summation of village plans. On the other hand, what is needed is that the special problems of each "planning area" should be carefully assessed and should guide the preparation of programmes in villages within the area. In the nature of things, development work to be undertaken within a village will involve small investment accompanied of course by local contributions in labour. In each "planning area" there is room and need for investment at the village level as well as for investment conceived from the point of view of a larger area such as, for instance on a water supply or a drainage or anti-erosion or processing scheme which serves a number of villages together. Because of the attention given to village planning without sufficient attention at the same time to development in terms of "planning areas" another consequence seems to follow. From the instructions issued in several States it appears that the possibilities of cooperation with non-official agencies between the level of the village and the level of the district are likely to be utilised to a very inadequate extent.

5. The planning Commission had suggested in its letter that rural local bodies like District and Taluk Boards should be associated more fully with development committees which have been set up during the last two or three years than is done at present. On the whole, this aspect does not seem to have received attention. It will be recalled that in Chapter VII of the First Five Year Plan, the Planning Commission had referred at some length to the role of local bodies in development programmes and had made several suggestions. These suggestions have been carried out to a meagre extent only and, on the whole, the approach in the States to the part which local organs of self-government should play in national development has been halting. It is the measure in which local bodies are brought into the preparation of district, taluk and other local plans that they will be able to participate effectively in carrying them out and, on this account, if local effort is to be augmented local agencies representing the people have to be utilised far more than has been the case so far.

6. There is a tendency, to judge from the instructions which have been issued in several States, to regard village planning as a way of drawing up several schemes serving the village community in different directions. Village planning is, however, intended to be something more. It is a method of organising the resources of the village community and enabling it to function as an organic unit which has responsibility for the welfare of every family in the village which forms part of it and of giving to each family the opportunity both of improving its own standards and of contributing to common welfare. For every family, therefore, there should be a programme for which it is willing to make the necessary sacrifice, the aim being that : (i) there is more employment and production

(ii) every family is represented on atleast one cooperative society, and (iii) every family makes its own contribution for works of benefit to the community. Participation in the work of the village panchayat and membership of the village cooperative, therefore, become the vital expressions of village planning. This aspect needs to be stressed much more in the formulation of district and village plans.

7. In some States guidance has been given to villages about the proportion of the cost of local schemes which they are expected to find and proportions which the State Government, under existing schemes, would find. Without sacrificing flexibility, it would appear desirable that all States should try to give some definite lead on this point. In one or two States, the amount of contribution promised by the local people, whether in a village or in a taluk, has been set down as a criterion for determining priorities between different schemes or schemes for different areas. There is a possibility that vagueness on this point may lead to vague plans and vague offers of contributions and also, if these offers are applied strictly as a test of priority, schemes which are inherently more essential for the welfare of a local area may suffer.

8. According to proformas prescribed for village plans by some States it seems that village schemes and the contribution by the people towards them are ascertained on the basis of a full period of the second plan. A five-year period is perhaps too long for a villager to envisage, specially when even this period does not start until 15 or 18 months from the time a proposal is first conceived. It is worth considering whether there would not be advantage in asking a village to indicate its plan of work for the first year of the plan in quite definite terms, while giving a more general indication for the five-year period. The latter has in fact greater significance as the size of the area for which a plan is prepared increases to, say, the taluka or the extension block of the district.

9. From the instructions issued it also appears that there is risk of excessive paper work in the preparation of village and other local plans. This aspect needs to be watched because elaborate recording, unless followed by corresponding action, may become a source of disappointment.

10. Except in two or three States, not much has been done to carry out the suggestion in paragraph 11 of the Planning Commission's letter of April 28, 1954 that each town should have a plan of its own, with a definite part in the district plan. Even where general instructions have been issued to Collectors, not much guidance seems to have been given and, as far as can be made out, the State Departments dealing with local bodies have not become actively concerned with comprehensive urban plans, their interest hitherto being limited to certain special schemes like water supply and drainage.

11. The idea of planning from below is a new one and ways of giving shape and substance to it have to be found by experience and trial and error. There are many difficulties in carrying it out. For overcoming these difficulties, exchange of experience between different States has a valuable contribution to make. There is little doubt that the preparation of district and village plans and their implementation in co-operation with the local people can be a powerful influence in accelerating capital formation and national development generally and, in particular, in mobilising local resources and enthusiasm.

No. 54/W/150/5/Part 'C' States
GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS (RAILWAY BOARD)

New Delhi, 20th January, 1955.

To

THE CHIEF SECRETARIES :

1. Ajmer,
2. Bhopal,
3. Bilaspur,
4. Cooch-Bihar,
5. Coorg,
6. Delhi,
7. Himachal Pradesh,
8. Kutch,
9. Manipur, and
10. Tripura.

SUBJECT—*Construction of New Railway lines during
Second Five Year Plan Period.*

SIR,

The Railway Ministry have received requests for new Railway lines from various State Governments and other interests for over 15,000 miles. The financial and material resources of the Union Government are, however, limited. As already indicated by the Minister of Railways in his last Budget speech, the Railways would try to construct new Railway lines including Doublings and Restorations upto 1500-2000 miles during the Second Five Year Plan period. In order to determine priorities, besides other factors to be taken into consideration, we would like to have the views of the State Government regarding the various lines proposed in their areas. It is, therefore, requested that you may kindly send by 28th February, 1955 a list of urgent new lines,, strictly in order of priority, which the State Government recommends for consideration. A justification, together with the traffic prospects may also please be given for each lines included in your list.

Yours faithfully,

D. SANDILYA

Joint Director, Railway Planning.

No. PC (VI) E/10/1/55
GOVERNMENT OF INDIA
PLANNING COMMISSION

New Delhi, 1 February, 1955.

To

ALL STATE GOVERNMENTS,
(Chief Secretaries, Planning Secretaries,
Development Secretaries, D.P.I's.)

SUBJECT—*Progress of the State Education Plans—
Selected Physical Targets.*

SIR,

In continuation of the Planning Commission's letter No. PC (P)/60/54 dated December 26, 1954, I am directed to say that, while information about the progress of expenditure on the implementation of the educational Plans of the States is generally available, details in regard to physical targets are very insufficient. It has, therefore, not been possible hitherto to show the progress of the Plan in physical terms in any adequate manner. This, it will be appreciated, is not a satisfactory state of affairs. Moreover, unless the Planning Commission can have an idea of the position likely to be reached in the different spheres of educational activity by the end of the first Five Year Plan, it would not be possible for them to do the necessary preliminary thinking in regard to the second Plan. The co-operation of the States is, therefore, requested in filling this gap in our information and I am to suggest that they give this matter their most careful and immediate attention.

2. I am to request that the information required may be supplied in the proforma attached. It will be seen that the control statistics given therein have been selected with a view to ascertaining the progress made in the vital tasks ahead of the country in the educational field and it is, therefore, very necessary that every care should be taken by each State to fill in every item in the proforma. Otherwise, it would be difficult to present an all-India picture.

Yours faithfully,

M. R. KOTHANDARAMAN

Deputy Secretary to the Government of India.

[Enclosure]

Selected Control Statistics Regarding Education

Item	1	2	3	4	5	6	7	8	9	10
	Position in 1950-51	Target for 5 years (1951-56)	Target achieved in 1951-52	Target achieved in 1952-53	Target achieved in 1953-54	Target achieved in 1951-54 (total)	Target expected to be achieved in 1954-55	Proposed target for 1955-56	REMARKS	
1. Primary schools (other than Basic) :										
(i) No. of Institutions	...									
(ii) No. of Pupils	...									
(iii) No. of Teachers—Trained	...									
Untrained	...									
2. Junior Basic Schools*										
No. of Teachers—Trained	...									
Untrained	...									
3. Middle Schools (other than Basic) :										
(i) No. of Institutions	...									
(ii) No. of Pupils	...									
(iii) No. of Teachers—Trained	...									
Untrained	...									
4. Senior Basic Schools* :										
No. of Teachers—Trained	...									
Untrained	...									
5. High/Higher Secondary Schools :										
(i) No. of Institutions	...									
(ii) No. of pupils	...									
(iii) No. of Teachers—Trained	...									
Untrained	...									

6. Arts and Science Colleges :
(including Universities)

- (i) No. of Institutions ...
- (ii) No. of Pupils ...
- (iii) No. of Teachers ...

7. Pupils by Age-groups :

- (i) 6-11— Boys ...
- Girls ...
- (ii) 11-14— Boys ...
- Girls ...
- (iii) 14-17— Boys ...
- Girls ...
- (iv) 17-23— Boys ...
- Girls ...

8. Professional and Technological Colleges :

- (i) No. of Institutions ...
- (ii) No. of Students ...

9. Technical and Vocational Schools† :

- (i) No. of Institution ...
- (ii) No. of Students ...

10. Special Branches of Professional and Technical Education.

- A. Engineering.**
- (i) No. of Institutions :
 - Colleges ...
 - Schools ...
- (ii) No. of Students :
 - Degree ...
 - Diploma ...
 - Certificate ...

Selected Control Statistics Regarding Education (Contd.)

1	2	3	4	5	6	7	8	9	10
B. Technology									
(i) No. of Institutions :	...								
Colleges	...								
Schools	...								
(ii) No. of Students :	...								
Degree	...								
Diploma	...								
Certificate	...								
C. Commerce :									
(i) No. of Institutions :	...								
Colleges	...								
Schools	...								
(ii) No. of Students :	...								
Degree	..								
Diploma	...								
Certificate	...								
D. Teacher Training (Excl. Basic)**									
(i) No. of Institutions :	..								
Colleges	..								
Schools	..								
(ii) No. of Students :	..								
Degree	..								
Diploma	..								
Certificate	..								

E. Physical Training

(i) No. of Institutions :

Colleges
Schools

(ii) No. of Students :

Degree
Diploma
Certificate**II. Social Education Centres Adult Schools.**

(i) No. of Centres/Schools

(ii) No. of Adults taught :

Men
Women

(iii) No. of workers/Teachers

NOTES : 1. The figures given here should reflect the total growth in educational facilities and not only the growth resulting from the implementation of the schemes included in the Plan.

2. Column 2 should give the total number of institutions, pupils, teachers, etc. in 1950-51; column 3, the addition that is to be made in 1951-56; columns 4, 5, 6, 8, and 9, the addition that is made or is to be made in particular year for which that column is meant; and column 7, the total of columns 4, 5, and 6.

3. Under no circumstances should institutions existing in 1950-51 be included in the control Statistics for the Plan period, even though the recurring expenditure on these institutions may be included in the State.

* Figures in regard to number and enrolment of basic schools and basic training institutions have already been asked from the State Governments *vide* Planning Commission circular letter No. PC (E) 2/54, dt. 29.11.54

† Include following types of Colleges : (1) Agriculture (2) Commerce (3) Teachers' Training (4) Engineering (5) Forestry (6) Law (7) Medicine (8) Physical Education (9) Technology and (10) Veterinary Science.

‡ Include following types of schools : (1) Agriculture (2) Arts and Crafts (3) Commerce (4) Engineering (5) Forestry (6) Medicine (7) Physical Education (8) Teachers' Training and (9) Technical and Industrial.

** In order to standardise information under this head, students reading for graduate and post graduate courses should be shown under "Degree"; those for whom basis minimum qualification for admission to the course is matriculation or equivalent and the duration of the course is three years or more should be shown under "Diploma"; and all those who go through a vocational and technical course of less than three years after some years of general education, may be even matriculates should be shown under "Certificate".

No. FYII/CDI/5/55
GOVERNMENT OF INDIA
PLANNING COMMISSION

New Delhi, February 5, 1955.

From

SHRI Y. N. SUKTHANKAR, I.C.S.,
Secretary, Planning Commission.

To

ALL STATE GOVERNMENTS.

SUBJECT—*Preparation of the second five year plan—Studies relating to problems of national development.*

SIR,

In connection with the preparation of the second five year plan certain technical and statistical studies concerning aspects of national development are being undertaken by the Planning Commission with the assistance of the Central Statistical Organisation and the Indian Statistical Institute, Calcutta. These studies are necessary for preparing a general outline of the next plan and for working out the inter-relationships between different sectors of the economy for purposes of planning. Some of these studies will require data which are not readily available in a published form. It may be necessary from time to time for the Central Statistical Organisation or the Indian Statistical Institute to make special enquiries and seek the assistance generally of State Governments for filling gaps in the existing information. The Planning Commission will be grateful if State Governments will kindly arrange to give such help as may be requested from them with the object of securing the necessary information.

Yours faithfully,

TARLOK SINGH
for Secretary, Planning Commission.

No. FYII/CDI/6/55
GOVERNMENT OF INDIA
PLANNING COMMISSION

New Delhi, February 22, 1955.

From

SHRI Y. N. SUKTHANKAR, I.C.S.,
Secretary, Planning Commission

To

ALL STATE GOVERNMENTS.

SUBJECT :—*The Second Five Year Plan—Preparation
of District and Village Plans.*

SIR,

Much valuable work has been undertaken at present in the States in regard to the preparation of district and village plans on the lines suggested in the Planning Commission letter No. FYII/CDI/I/54 dated April, 28, 1954 copy enclosed. Examination of the work done in some States and discussions with Ministers and officials indicate that it might be useful if the scope and central objectives of the rural development programmes contemplated in paragraph 7 of the letter are further elucidated.

2. Paragraph 7 of the letter is closely linked up with the programme for the spread of the National Extension movement throughout the country by the end of 1960-61. As has already been explained, this movement is a permanent one and is not limited to two or three years of intensive work such as was contemplated in the initial community projects. Its object is to provide the means—administrative, technical and financial—to enable each village community to solve its own problems and to raise living standards for every section of its population. This can be achieved only if the programme is sufficiently wide in scope to make a real impact on the life of all sections of the village community, including those who in the past have been without land or without adequate employment opportunities or have suffered from social or economic disabilities. The essence of National Extension work is the achievement of social change, that is, a change in outlook and in the sense of obligation which those who are better placed should have other members of the community and the building up of common institutions such as panchayats and cooperatives, which serve the whole group.

3. Paragraph 7 of the Planning Commission's letter outlines a comprehensive programme of development, embracing all aspects of the village economy. This is evident from the detailed programmes listed in that paragraph. These have, broadly speaking, two connected aims :—

- (i) Increased employment and production with the object of doubling real income within the shortest possible period, and
- (ii) Side by side with this the bringing about of social change by the spread of the cooperative movement in its varying forms and the inculcation of the spirit of self-help.

The specific items enumerated in paragraph 7 of the letter fall under three headings :—

I. Improvements of a permanent or medium-term nature :—

1. Village irrigation works ;
2. Reclamation of waste land ;
3. Contour bunding and soil conservation ;
4. Planting trees; village forests and improvement of grazing grounds ;
5. Consolidation of holdings ;
6. Improved cattle, including dairying ;
7. Development of subsidiary occupations, e.g. poultry, bee-keeping, piggeries, etc. ;
8. Khadi ;
9. Village industries, especially for supplying the needs of the rural market.

II. Steady improvements in methods and techniques :—

1. Use and production of improved seeds ;
2. Use of fertilisers and manures including compost, green manure etc. ;
3. Introduction of new crops including vegetables and fruit growing ;
4. Improved implements and methods of cultivation.

III. Local Works Programmes :—

Improvements of village communications and other local works programmes, provision of sufficient wholesome drinking water supplies.

In all these, the present pattern of financing—shares to be borne by the village people and by the States—should be followed. The above list is by no means exhaustive and programmes needed in villages or groups of villages not enumerated in the list, should be included. The programme for education and medical relief has been separately referred to in para. 9 of the Planning Commission's letter and does not form part of this letter.

4. In framing these programmes, it is necessary, from the national point of view, to place before villages a goal which they should strive to attain. This should be *doubling of production within a period of ten years*. The aim is to see that there is a more diversified pattern of cultivation and to ensure that land is put to the best use and that there is a balanced economy. It is unnecessary to point out that this goal involves, on the part of the State Governments, an obligation to provide the supplies and services and finances needed—good seeds ; fertilisers and manures (compost, green manure, etc.) ; short, medium and long-term finance, etc. Plans for these purposes should be worked out as a necessary supplement to the programmes of production. Similarly, programmes for expanding the cooperative movement, for setting up and assisting cottage and small-scale industries, etc., should also be prepared. As regards Central assistance, the pattern of assistance for the National Extension Service and the community projects areas is already familiar to the States. The question of adjusting the assistance for Grow More Food into the framework of assistance for National Extension areas is under consideration.

Assistance for other development schemes will be decided in each case on the basis of the State plan as a whole.

5. In working out these programmes, it is further essential to keep in mind the fundamentals of the National Extension movement. These are :—

First, every family should have its own plan for increased production and employment for which it is assisted.

Secondly, every family should be assisted so that it can be represented on a cooperative society in its own right. This is cardinal part of the programme. At present even in the best areas, only about 30 per cent of the families are members of cooperative societies in their own right. The problem of assisting others to become creditworthy by increasing production should be systematically tackled in every village. This is best done by giving loans in kind of seed and fertilisers recoverable at the time of harvest and enabling them to have supplementary occupations. The village panchayat or development council should be induced to take up this work under the guidance of the project and other district authorities.

Thirdly, every family should set apart a portion of its time for voluntary work as part of the community effort of the village.

Fourthly, the women and the youth of the villages should also share in the activities.

6. A programme under which every family in a village is offered the assistance needed, in a well-organised manner, with the objective of doubling agricultural production in the country within a period of ten years and in which every village will be enabled to provide itself with such amenities—wholesome drinking water supply, a road connecting it with a main road or railway station, etc., within a short time— cannot fail to appeal to the countryside and evoke enthusiasm. It is the duty of the official and non-official organisations to explain this objective and see that the implications of this are fully understood so that every family in the countryside is animated by a common aim and outlook and public co-operation is secured in the widest possible measure.

7. It is hoped that elucidation of the central aim of the Planning Commission's letter of April 28, 1954, will be of assistance in the completion of the rural development plans of the States.

Yours faithfully,

Y. N. SUKTHANKAR

Secretary, Planning Commission.

No. PC (VI) HL/1(1)55
GOVERNMENT OF INDIA
PLANNING COMMISSION

New Delhi, 22nd February, 1955.

To

ALL STATE GOVERNMENTS.

SUBJECT—*Preparation of the Second Five Year Plan Health Programmes*

SIR,

The Planning Commission have had under consideration the question of preparatory action to be taken in connection with the Second Five Year Plan. It is proposed that as a preliminary to the formulation of the Second Five-Year Plan in regard to medical and public health schemes, a review be made of the progress of those schemes included in the First Five Year Plan not only in terms of expenditure and physical targets achieved but also, where appropriate, in respect of recommendations made in the plan on matters of policy and organisation and the programmes to be carried out in the remaining portion of the current Plan period. Where the implementation has been inadequate, the reasons for this and the conclusions to be drawn therefrom in relation to the next Plan may also form part of this review. It is also necessary at this stage to form as exact an estimate as possible of the financial implications of the schemes of the First Five Year Plan, which will need to be continued in the Second Five Year Plan.

As a next step, it is proposed that objectives and priorities may be laid down for consideration in connection with schemes to be drawn up for inclusion in the Second Five Year Plan. It is suggested that the following subjects may form the basis of short papers with such variations as may found necessary:—

- (i) Development of medical and health services and facilities—hospitals, dispensaries, health units etc.
- (ii) Laboratory services and facilities.
- (iii) Production of hospital and laboratory equipment and drugs.
- (iv) Education, training and research.
- (v) Nutrition.
- (vi) Water Supply and Sanitation.
- (vii) Control of communicable diseases—malaria, T.B., V.D., Leprosy, etc., and after-care and rehabilitation centres.
- (viii) Health Services for : (a) mothers ;
(b) children, including school health ; and
(c) health education.
- (ix) Family Planning.
- (x) Vital, Health and Population Statistics and Services.
- (xi) Systems of medicine other than modern.
- (xii) Other subjects including public health law and financing of health schemes.

3. It is obvious that a comprehensive programme of development covering a wide field as indicated above cannot be completed in a single plan period. Long-term objectives will, therefore, have to be drawn up. In the light of such objectives, the targets and priorities in each field have to be clearly defined for the next Five Year period. These would, in turn, provide some rough indication of the magnitude of the Second Plan.

4. At this stage; in suggesting targets and programmes, regard should be had primarily to the needs of the country and the physical feasibility of implementing programmes in the light of probable availability of materials trained personnel (taking into account, of course, the new training programmes, that may be proposed), etc. rather than the availability of funds for the propose. The latter is a matter which will obviously have to be taken up when the programmes in different sectors of the economy are correlated. Suitable adjustments in individual programmes may then have to be made in the light of the overall availability of funds.

5. The proforma attached to this letter may, for convenience, be used for collecting and presenting data in a compact way, to supplement the narrative presentation of the Plan and the programmes. It will be appreciated if this is accompanied by a statement showing existing facilities (District-wise) e.g., Hospitals, Dispensaries, Health Units, Laboratories etc. and an organisational chart of Medical, Public Health and Engineering personnel.

6. I am to request that a memorandum on the State Government's tentative programmes for the Second Five Year Plan, together with a review of progress of the First Plan, on the lines indicated, may be sent to the Planning Commission, by the end of March 1955, with a copy to the Central Health Ministry.

Yours faithfully,

M. R. KOTHANDARAMAN

Deputy Secretary.

TRAINING :

(a) **Medical Institutions**—

Modern medicine			
Schools	—	Number	..
		No. of admissions	...
Colleges	—	Number	..
		No. of admissions	...
Homoeopathic			..
Schools	—	Number	..
		No. of admissions	...
Colleges	—	Number	..
		No. of admissions	...
Indigenous (Ayurvedic, Nature-cure & Unani)			..
Schools	—	Number	..
		No. of admissions	...
Colleges	—	Number	..
		No. of admissions	...

(b) **Number of personnel trained (Ancillary)** —

Dentists	...
Nurses	...
Nurse-midwives	..
Midwives	..
Dais	..
Technicians—Radiologists	..
Laboratory	..
Health Officers	...
Public Health Engineers	..
Health Visitors	—
Sanitary Inspectors	..
Vaccinators	...

TUBERCULOSIS :

Sanatoria — Number
No. of beds
Hospitals — Number
No. of beds
Clinics — Number
No. of beds

Tuberculosis wards in general hospitals —

Number
No. of beds

BCG Teams — Number
Number tested
Number vaccinated

VENEREAL DISEASES :

Number of clinics
No. of beds in hospitals

LEPROSY :

Number of institutions
Number of beds
Area affected
Population
Number of control units

MATERNITY & CHILD WELFARE :

Number of maternity hospitals
Number of beds
Number of maternity homes
Number of beds
No. of beds in general hospitals
No. of maternity & child welfare centres

NOTES :

- (*) Town : 5000 and above population.
- (**) Protected Water Supply = means piped water supply from a common source, including treatment to render the water safe.
- (***) Sanitation Facilities = means house latrines, community latrines, cleansing services and drainage.
- (†) Villages less than 5000 population.
- (%) Sanitary Water Supply = such as a sanitary well provided with cover and pump, drainage for spill-water etc.

TABLE I-B. VITAL STATISTICS

	1952	1953
1. Birth rate per 1000 of estimated population :	URBAN RURAL	
2. Death rate per 1000 of estimated population :	URBAN RURAL	
3. Death rate per 1000 of estimated population due to :	Cholera Dysentery & Diarrhoea Smallpox Plague Malaria (if available) T.B. (if available) Fevers Respiratory diseases	
4. Maternal mortality rate per mille of live and still births :	URBAN RURAL	
5. Infant mortality rate per mille of live births :	(a) URBAN RURAL	
	(b) (i) Deaths of female infants under one year of age per 1000 female births (ii) Deaths of male infants under one year of age per 1000 male births	

NOTE : States shown below may in addition supply corresponding statistics for Health Units mentioned in brackets :—

BOMBAY (Sirur Health Unit) ;
 UTTAR PRADESH (Pratabgarh Health Unit) ;
 WEST BENGAL (Singur Health Unit) ;
 MADRAS (Poonamallee Health Unit) ;
 DELHI (Najafgarh Health Unit) ;
 TRAVANCORE-COCHIN (Neyyattinkara Health Unit) ;
 MYSORE (Ramnagar Health Unit).

Sl. No.	Name of Scheme	Cost					PHASING OF EXPENDITURE					PHYSICAL TARGETS		
		Total	1951-56	1956-61	Balance after 1961	1956-57	1957-58	1958-59	1959-60	1960-61	Unit	1956-61		
	(B) CENTRALLY AIDED SCHEMES :													

No. PC (VI)HL/1 (1)/55
GOVERNMENT OF INDIA
PLANNING COMMISSION

New Delhi, 22nd February, 1955.

OFFICE MEMORANDUM

SUBJECT—*Preparation of the Second Five Year Plan Health Programmes.*

The Planning Commission have had under consideration the question of preparatory action to be taken in connection with the Second Five Year Plan.

2. It is proposed that as a preliminary to the formulation of the Second Five Year Plan a review should be made of the progress of the Central and Centrally-aided schemes included in the First Five Year Plan not only in terms of expenditure and the physical targets achieved, but also, where appropriate, in respect of recommendations made in the Plan on matters of policy and organisation and the programmes to be carried out in the remaining portion of the Plan period. In case the implementation has been inadequate, the reasons for this and the conclusions to be drawn therefrom in relation to the next Plan may form part of this review. It is also necessary at this stage to form as exact an estimate as possible of the financial implications of the schemes of the First Five Year Plan which will need to be continued in the Second Five Year Plan.

3. As a next step, it is proposed that objectives and priorities may be laid down for consideration in connection with schemes to be drawn up for inclusion in the Second Five Year Plan. It is suggested that the following subjects may form the basis for consideration with such variations as may be found necessary:—

- (i) Development of medical and health services and facilities—hospitals, dispensaries, health units etc.
- (ii) Laboratory services and facilities.
- (iii) Production of hospital and laboratory equipment and drugs.
- (iv) Education, training and research.
- (v) Nutrition.
- (vi) Water supply and sanitation.
- (vii) Control of communicable diseases—malaria, T.B., V.D., Leprosy etc., and after-care and rehabilitation centres.
- (viii) Health Services for:— (a) mothers ;
(b) children, including school health; and
(c) health education.
- (ix) Family Planning.
- (x) Vital, Health & Population Statistics and Services.
- (xi) Systems of medicine other than modern.
- (xii) Other subjects including public health law and financing of health schemes.

4. It is obvious that a comprehensive programme of development covering a wide field as indicated above cannot be completed in a single plan period. Long term objectives will, therefore, have to be drawn up. In the light of such objectives, the targets and priorities in each field have to be clearly defined for the next Five-Year period. These would, in turn, provide some rough indication of the magnitude of the Second Plan.

5. At this stage in suggesting targets and programmes, regard should be had primarily to the needs of the country and the physical feasibility of implementing programmes in the light of probable availability of materials, trained personnel (taking into account, of course, the new training programmes, that may be proposed), etc. rather than the availability of funds for the purpose. The latter is a matter which will obviously have to be taken up when the programmes in different sectors of economy are correlated. Suitable adjustments in individual programmes may then have to be made in the light of the overall availability of funds.

6. The proforma attached to this letter may, for convenience, be used for collecting and presenting data in a compact way, to supplement the narrative presentation of the Plan and the programmes.

7. It is requested that the Planning Commission may be furnished with a memorandum on the Health Ministry's tentative programmes for Second Five Year Plan, together with a review of progress of the First Plan, on the lines indicated, by the end of March 1955.

M. R. KOTHANDARAMAN
Deputy Secretary.

THE HEALTH MINISTRY.

D. O. No. FYII/CDI/8/55
PLANNING COMMISSION

New Delhi, March 24, 1955.

My dear

The Planning Commission would like to commence in the second half of July discussions with State Governments regarding their proposals for the second five-year plan. Work on the preparation of the second plan is well advanced in most States. During the past year States have taken steps towards formulating district and village plans and have also been examining proposals in irrigation and power and other fields in accordance with suggestions from the Planning Commission. There have also been discussions between individual Central Ministries and State officials. The Planning Commission would therefore be glad if you would kindly arrange to have your State Plan sent in by the middle of July. This will ensure that after there have been discussions between the Planning Commission and the States, you can make the necessary financial provisions in the budget for 1956-57 and take such administrative measures as may be required for implementing the first year's programmes without loss of time.

The Planning Commission Secretariat will shortly send to your Planning Department suggestions about suitable forms and indicators so that there may be a fair measure of uniformity in the presentation of plans and such aspects as physical targets, personnel and materials and equipment as well as information relating to expenditure are brought together.

Yours sincerely,

V. T. KRISHNAMACHARI.

To
ALL CHIEF MINISTERS.

D. O. No. FYII/CDI/9/55
PLANNING COMMISSION

New Delhi, March 24, 1955.

My dear

The Planning Commission would like to commence discussions with the Central Ministries from about the second half of June regarding their proposals for the second five-year plan. Work on the second plan in most of the Ministries is well advanced and some preliminary discussions have also taken place. The Planning Commission would, therefore, be grateful if your Ministry could send in its proposals for the second plan by about the middle of June.

There may be some questions which concern both the Ministries and State Governments. Discussions on these can be arranged from the beginning of April.

With kind regards,

Yours sincerely,

V. T. KRISHNAMACHARI.

To

ALL CENTRAL MINISTERS.

No. PC(I)/VII(1)/54
GOVERNMENT OF INDIA
PLANNING COMMISSION

New Delhi, March 30, 1955.

From

SHRI Y. N. SUKTHANKAR, I.C.S.,
Secretary to the Govt. of India, Planning Commission.

To

ALL STATE GOVERNMENTS.

SUBJECT—*Financial Resources for the Second Five Year Plan.*

SIR,

I am directed to forward a copy of a letter from the Government of Bombay No. FIN-1056-R dated 24th January, 1955, on the subject mentioned above. In paragraphs 2 and 4 of this letter, some points have been raised regarding the classification of developmental expenditure on revenue account between (i) Committed expenditure and (ii) the expenditure which would form part of the Second Plan. These have been discussed with the State Governments and the following conclusions have been reached :

- (i) The expenditure on *new* institutions and expenditure on provision of building, equipment and *additional* staff for the existing institutions should form part of the Second Plan. Only the expenditure on the *maintenance* of existing institutions is to be treated as committed expenditure.
- (ii) In the case of activities of a *repetitive character*, such as soil conservation, land reclamation, B.C.G. vaccination, anti-malaria measures, survey and settlement, etc., all expenditure except that on headquarters staff is to be treated as part of the Second Plan.
- (iii) All expenditure on maintenance of *existing research* schemes has to be treated as committed expenditure. Expenditure on *additional* research schemes only is to be included in the Second Plan. All grants-in-aid for research (existing as well as additional) should, however, be shown in the Second Plan.
- (iv) All expenditure on *existing* staff and on the maintenance of existing schemes which are in the nature of offering facilities for promotion of welfare, e.g., backward classes welfare, should be shown in the estimates of committed expenditure. Only the *additional* expenditure on such schemes would be included in the Second Plan.
- (v) In the case of schemes which are of *capital nature* but which, nevertheless, appear in the revenue budget, for example, roads, minor irrigation works, etc., all expenditure other than maintenance or ordinary repairs should be included in the Second Plan.
- (vi) Subsidies for the *maintenance* of *existing* institutions should be shown as part of committed expenditure, while subsidies of a *developmental* character to *new* societies and *additional* subsidies to the existing societies should be included in the Second Plan. Regarding taccavi loans, the increase in net outstanding over

1955-56 level are to be shown in the Second Plan. Other loans of a developmental character whether medium or longterm should be shown in the Second Plan.

- (vii) *All expenditure on Community Projects, National Extension Services and Local Development Works is to be included in the Second Plan and, therefore, no amounts are to be shown under these heads as committed expenditure for the Second Plan.*

2 I am to request that these conclusions be taken into account in estimating the committed expenditure for the Second Plan in terms of Planning Commission's letter No. PC(1)/VII/(1)/54 dated the 15/16th July, 1954. States which have already furnished estimates are requested to indicate if they require any modifications now.

Yours faithfully,

M. R. KOTHANDARAMAN

for Secretary to the Government of India.

[Enclosure]

3

No. FIN-1056-R
POLITICAL AND SERVICES DEPARTMENT.

Bombay Castle, 24th January, 1955.

From

SHRI N. S. PARDASANI, I.A.S.,
Deputy Secretary to the Government of Bombay.

To

THE SECRETARY,
Planning Commission.

SUBJECT—*Financial Resources for the Second Five Year Plan.*

SIR,

I am directed to refer to the Planning Commission's letter No. PC(1)/VII(1)/54 dated the 15/16th July, 1954,—on the subject mentioned above and to forward herewith statements I, II, II-A, III, IV, IV-A, V and VI in the prescribed form showing the estimates of receipts and expenditure on revenue and capital account and the financial position and estimates of resources likely to be available for the Second Five Year Plan so far as Bombay State is concerned.

2. In preparing these statements the principal difficulty experienced was with reference to the forecast of development expenditure on revenue account for existing schemes. The Planning Commission has suggested that in determining what is a continuing scheme expenditure on which is to be regarded as a commitment for which resources must be earmarked in advance, the criterion should be whether the activity proposed is terminable or whether it must be continued in order to give the desired results. In other words, any activity which amounts to extending a facility or service to a new area or to a new class of people must be regarded as a new scheme, expenditure on which should not be included in these estimates. In this respect it was found that it was not easy to decide whether a scheme should be regarded as constituting a commitment since several activities started during the first plan period, which may no doubt be continued in the Second Five Year Plan in accordance with the existing policy of Government are of a repetitive nature benefitting either new areas or new groups of people and are in effect fresh activities for the purpose of the Second Plan and are not in the nature of mere maintenance or existing activities. If these activities are merely shown as continuing schemes to be maintained in the Second Five Year period they cannot at the same time be shown in the Second Five Year Plan. The size of the Second Five Year Plan would, therefore, be very materially affected by the nature of schemes which are regarded as a commitment on account of activities already started. For the purposes of preparation of a forecast of expenditure during the Second Plan period the following basis has therefore been adopted in this State, viz.,

- (i) While expenditure on maintenance of institutions already established should be regarded as constituting a commitment, all expenditure on provision of buildings, equipment or *additional* staff for such institutions should form part of the Second Five Year Plan.
- (ii) All subsidies and loans (except short-term loans like Tagai) for developmental activities including those to existing or new

co-operative societies should be shown in the Second Five Year Plan since they directly contribute to future development.

- (iii) If the type of development work is repetitive in character, e.g., Soil Conservation, Land Reclamation, B.C.G. Vaccination, anti-malaria measures, survey and Settlement, prevention of fragmentation and consolidation, etc., it would not be inappropriate to show the entire cost including the cost relating to the staff for such schemes as a part of the Second Five Year Plan.
- (iv) All research schemes grant-in-aid for research being essentially for new activity the entire expenditure on such schemes should be shown in the Second Five Year Plan.
- (v) Schemes which are mostly in the nature of offering facilities for promotion of welfare e.g. Background Class Welfare, Development in Dangs District, Labour welfare and Grants for charitable purposes should be shown in the Second Five Year Plan since they are expected to benefit different classes of population and are essentially repetitive in nature.
- (vi) The entire expenditure on National Extension Service, Community Development projects and Local Development Works programme being in the nature of fresh activity rather than maintenance should be shown in the Second Five Year Plan.
- (vii) In the case of roads and minor irrigation works, all expenditure except that on maintenance and ordinary repairs should be shown as Development Expenditure in the Second Five Year Plan.

3. The Statements of financial resources which have been prepared on this basis are provisional. A detailed scrutiny is being made in consultation with the Heads of Departments and the Finance Department with a view to ensuring that the presentation of expenditure in the Second Five Year Plan is administratively convenient and is properly fitted in the appropriate budgetary heads.

4. On the basis suggested above, the entire expenditure on the maintenance of schemes completed during the first five year period figures as commitment in the second five year period. This expenditure will not, therefore, be reflected in any manner in the Second Five Year Plan. This is a matter which requires further consideration. As we proceed with our development work a number of institutions are established ; these involve considerable recurring expenditure. The maintenance of these institutions becomes an additional liability on the State. The total outlay on development has to be really judged by reference to the proper maintenance of such institutions as well as the establishment of new institutions or undertaking of new schemes. For example, in the case of primary education recurring grants-in-aid have to be given to local bodies for the maintenance of existing schools. These will remain outside the Second Five Year Plan on the present basis though the expenditure is being incurred on educating a larger number of children. This Government would, therefore, urge that in the presentation of the Second Five Year Plan, some means may be devised whereby the recurring expenditure on the maintenance of schemes completed during the first Five Year Plan is prominently brought out and, if possible, taken into account in determining the total size of the development effort involved in the Second Five Year Plan. In a way, what is really relevant from the point of view of the impact on the economy as a whole is not merely the expenditure on additional development but the total development heads. The Planning Commission would no doubt consider how this can be effectively expressed.

5. In paragraph 2 of the Planning Commission's letter State Government were requested to forward a note on the additional resources

which are proposed to be found through taxation. As the Report of the Taxation Enquiry Commission is yet to be published, it is proposed to consider this question later.

6. As desired in paragraph 4 of the Planning Commission's letter notes on the following items are enclosed :—

(i) Land Revenue

(a) Land Revenue Resettlements in areas where they are overdue.

(b) Surcharges on Land Revenue, and

(c) Special assessments or ground rents in urban areas.

(ii) Betterment contribution in respect of Road Development Schemes.

(iii) Agricultural Income Tax.

Notes on other items mentioned in paragraph 4 of the Planning Commission's letter will follow.

7. A note on the appraisal of the efforts of the State Government to achieve and improve upon the targets in respect of small Savings Scheme is also enclosed. As regards the efforts of the State Government to raise subscriptions to the National Plan Loan, I am to observe that a concerted drive was made in this State to publicise the loan and it is understood that a substantial measure of the loan contributions has been collected in Bombay State.

8. Six copies of the statements and notes accompanying this letter are enclosed as requested by the Planning Commission. As the information had to be collected from the heads of Departments and scrutinised in great detail it is regretted that it was not possible to compile these statements earlier.

Yours faithfully

Sd. N. S. PARDASANI,

Deputy Secretary to the Government of Bombay.

No. FIN-1055-R

POLITICAL AND SERVICES DEPARTMENT

Bombay Castle, January, 1955.

Copy, with accompaniments forwarded with compliments for information to :—

The Secretary to the Governor,
The Secretary to the Chief Minister,
The Personal Assistant to the Minister (Finance),
The Finance Department.

By order and in the name of the Governor of Bombay,

Sd. N. S. PARDASANI,

Deputy Secretary to the Government of Bombay.

No. FYII/CDI/6/55
GOVERNMENT OF INDIA
PLANNING COMMISSION

New Delhi, April 2, 1955.

From

SHRI Y. N. SUKTHANKAR, I.C.S.,
Secretary, Planning Commission

To

ALL STATE GOVERNMENTS.

SUBJECT—*The second five year plan—preparation
of district and village plans.*

SIR,

The Planning Commission has recently reviewed action taken in a number of States in connection with the preparation of district and village plans with reference to suggestions conveyed in letters No. FYII/CDI/1/54 dated April 28, 1954, and No. FYII/CDI/6/55 dated February 22, 1955. The following suggestions are being made in the light of this review :

(1) The manner in which planning in National Extension and community project areas is related to district planning is not always sufficiently appreciated. A district plan will include programmes for all parts of a district whether or not they are at present covered by the National Extension Service. The district plan should, therefore, take into account the requirements and programmes of areas which would come under the National Extension Service at different dates during the period of the second five-year plan. A general decision has already been taken to extend the National Extension Service to the entire area of each district more or less by the end of the second plan. Where this has not been done already, State Governments may kindly ensure that there is *forward planning* of (a) areas to be included in the various National Extension Service blocks and (b) the dates at which each National Extension Service block would be taken up as part of the overall National Extension Service programme.

(2) In drawing up State programmes for agriculture, animal husbandry, cooperation, health, education, cottage industries, etc., and in determining the tasks to be carried out, State departments should take account of the fact that successively larger areas would come under the National Extension Service and in these development would be undertaken on a more intensive scale. This has a considerable bearing on district plans which may not always be taken into account by State departments and by district authorities.

(3) Several of the programmes which are being worked at the village level do not have enough provision for the special case of Harijans and backward classes living in rural areas. The work of departments catering to the needs of this section of the population in the States should, therefore, be integrated as far as possible into village plans and the plans of National Extension Service blocks and other areas in the district.

(4) In some cases State departments have not given clear enough indication to the districts about the particular programmes or schemes for which the detailed planning would be done at the State level. The need to give this kind of indication was emphasised in paragraph 4 of the Planning Commission's letter of April 28, 1954. Village plans now under preparation do not always place sufficient emphasis on plans for increasing

rural production. These programmes constitute the crux of village planning and this should be explained to all concerned. This was emphasised in paragraph 7 of the Planning Commission's letter of February 22, 1955.

(5) There appears to be need for greater association with municipal bodies in working out development programmes for urban areas. State Governments may consider whether the departments concerned with local self-government and their staff could give special assistance in drawing up urban plans. Since practical experience in preparing urban plans is lacking, it would be useful to prepare detailed plans for one or two urban areas and circulate them to other local bodies ;

(6) Plans of departments at the State level are being drawn up in all States for a period of five years, 1956-57 to 1960-61, information regarding the tasks to be accomplished and the expenditure to be incurred being given for each separately. For districts, talukas and towns also it is necessary that the programmes should be for a five-year period. In respect of village plans, however, some States are finding it more feasible to prepare programmes for five years in a general way and more specifically for shorter periods, such as two years or three years. The Planning Commission suggests that in respect of village plans each State may adopt the period which appears best according to local conditions. For instance, if a two-year period is taken as the basis for specific village programmes, each year the village could add one more year to its immediate programme, so that it always has a two-year programme ahead of it.

(7) The Planning Commission hopes to have discussions with State Governments regarding their proposals for the second five year plan from the second half of July. After the draft State plans have been reviewed jointly by the Planning Commission with representatives of each State, the initial proposals of individual departments would have to be amended in some measure. This would, in turn, entail a process of correction down to the district and the village level. This task would have to be undertaken by district officers and district and taluka committees and village panchayats during the closing months of the year 1955-56. It is desirable that those concerned with planning in the districts should be aware from now on of this further stage in their work.

Yours faithfully,

Y. N. SUKTHANKAR

Secretary, Planning Commission.

D. O. No. FYII/CDI/12/55
PLANNING COMMISSION

New Delhi, April 3, 1955.

My dear

Deputy Chairman, Planning Commission, has asked me to forward for the comments and suggestions of your Ministry the following papers :

- * (1) Paper by Professor P. C. Mahalanobis on "RECOMMENDATIONS FOR THE FORMULATION OF THE SECOND FIVE YEAR PLAN".
- * (2) A paper by the Economic Divisions of the Planning Commission and the Finance Ministry "THE SECOND FIVE YEAR PLAN : A TENTATIVE FRAMEWORK".

I enclose copies of these papers.

Yours sincerely,
TARLOK SINGH.

To
THE SECRETARIES OF ALL CENTRAL MINISTRIES.

* Not enclosed.

No. FYII/CDI/13/55
GOVERNMENT OF INDIA
PLANNING COMMISSION

New Delhi, April 4, 1955.

From

SHRI Y. N. SUKTHANKAR, I.C.S.,
Secretary, Planning Commission.

To

ALL STATE GOVERNMENTS.

SUBJECT—*Development expenditure in the second five year plan.*

SIR,

I am desired to forward herewith copies of an explanatory note on the subject mentioned above. This note may kindly be brought to the attention of all the departments and officials concerned with the submission of development schemes.

Yours faithfully,
TARLOK SINGH
for Secretary, Planning Commission.

[Enclosure]

Development Expenditure in the second five year plan.

The question, what kind of expenditure should be reckoned as developmental expenditure for the second five year plan resolves itself into the question, what kind of development schemes should be shown as part of the second plan.

2. The first five year plan included many new schemes, both on revenue and capital account, and a proportion of development schemes which were carried over from the post-war reconstruction plans, although they had been completed before 1951. The second plan will not take over development schemes which have been completed during the period of the first plan.

3. There will be four categories of development schemes in the second plan :

- (a) New development schemes on capital account ;
- (b) New development schemes on revenue account. (Some of these may in fact be of a capital nature) ;
- (c) Development schemes which are part of the first plan but, not being completed by 1955-56, a portion of the expenditure will be carried into the second plan, that is, only that portion of the expenditure which is expected to be incurred from 1956-57 is counted for the second plan ;
- (d) Development schemes which represent *additions* to or *extensions* of development institutions or establishments which already exist and are part of the normal maintenance responsibilities of the Government or which, being completed during the period of the first plan, should be deemed to become part of the future normal maintenance responsibilities of the Government. In other words, in each such case, expenditure on their maintenance is committed expenditure, not to be regarded as part of the second plan. Only expenditure on *additions* or *extensions* of the programmes or establishments in such cases will reckon for the second plan.

4. Illustrations bearing specially on (d) above are given in the Planning Commission's letter No. PC (I)/VII (1) 54, dated March 30, 1955, from which the extract below is reproduced.

- “(i) The expenditure on *new* institutions and expenditure on provision of building, equipment and *additional* staff for the existing institutions should form part of the second plan. Only the expenditure on the *maintenance* of existing institutions is to be treated as committed expenditure.
- (ii) In the case of activities of a *repetitive character*, such as soil conservation, land reclamation, B.C.G. vaccination, anti-malaria measures, survey and settlement etc., all expenditure

except that on headquarters staff is to be treated as part of the second plan.

- (iii) All expenditure on maintenance of *existing* research schemes has to be treated as committed expenditure. Expenditure on *additional* research schemes only is to be included in the second plan. All grants-in-aid for research (existing as well as additional) should, however, be shown in the second plan.
- (iv) All expenditure on *existing* staff and on the maintenance of existing schemes which are in the nature of offering facilities for promotion of welfare e.g., backward classes welfare, should be shown in the estimates of committed expenditure. Only the *additional* expenditure on such schemes would be included in the second plan.
- (v) In the case of schemes which are of *capital nature* but which, nevertheless, appear in the revenue budget, for example, roads, minor irrigation works, etc., all expenditure other than maintenance or ordinary repairs should be included in the second plan.
- (vi) Subsidies for the *maintenance of existing* institutions should be shown as part of committed expenditure, while subsidies of a *developmental* character to *new* societies and *additional* subsidies to the existing societies should be included in the second plan. Regarding taccavi loans, the increase in net outstanding over 1955-56 level are to be shown in the second plan. Other loans of a developmental character whether medium or long-term should be shown in the second plan.
- (vii) *All expenditure* on Community Projects, National Extension Services and Local Development Works is to be included in the second plan and, therefore, no amounts are to be shown under these heads as committed expenditure for the second plan."

5. In elucidation of (c) in para 3, it is suggested that expenditure should be reckoned as being carried over from the first plan to the second plan only in respect of those development schemes or projects which—

- (i) were sanctioned in the first plan by the authority concerned as distinct units (e.g., an irrigation scheme, a road or a set of roads sanctioned against an estimate, an industrial project, a power plant, etc.),
- (ii) form part of the capital budget or are of a capital nature even though they may appear in the revenue budget, e.g., a road or a minor irrigation scheme or a hospital or a school.

There will be marginal cases in which it may be necessary to use discretion but, generally speaking it will be best not to treat, for instance, schools or dispensaries or key village centres on which no appreciable commitment has been made and which are not likely to commence during the period of the first plan as schemes to be carried over from one plan to the next. They may of course be included as part of new schemes drawn up for the period of the second plan.

6. Financial estimates for any scheme or programme or any group of schemes or programmes for the second five year plan should be presented, in the following general form :—

FINANCIAL ESTIMATES

(Rs. in thousands/lakhs)

	Estimated expendi- ture 1955- 56	1955- (Bud- get)	1956- 57	1957- 58	1958- 59	1959- 60	1960- 61	Total 1956- 1961	Total on com- pletion
1. Estimated expenditure.									
2. Non-recurring expenditure.									
3. Recurring expenditure.									
4. Loan expenditure.									
5. Foreign Exchange expenditure.									
6. Estimated income.									
7. Estimated value of local contribution if any :									
(a) included in item (1).									
(b) not included in item (1).									

In this statement, it may be noted that

- (1) The total expenditure on a scheme is to be shown, irrespective of whether it is met in part by the Centre ;
- (2) The expression "expenditure on a scheme" means expenditure to be incurred by public authorities.

There may be some doubt whether the estimated value of the local contribution, if any, should be shown as part of the cost of a scheme. The guiding principle is that when the responsibility for further maintenance rests with a public authority, the figure of expenditure shown should be inclusive of the value of public contribution. On the other hand, if the Government's contribution is in the nature, say, of a subsidy towards a work whose future maintenance will not be the responsibility of public authorities, only the expenditure to be incurred by the public authorities directly will be shown against the schemes, the estimated value of the local contribution being indicated separately ;

- (3) In the case of loan expenditure, only medium and long-term loans are to be included in the figure of estimated expenditure. (However, as pointed out in the letter cited earlier, when working out financial estimates for a State as a whole or for the Central Government as a whole, even in respect of short-term advances, increase in net outstandings at the end of 1960-61 over the level of 1955-56 would be reckoned as development expenditure for the second plan) ; and
- (4) For 1955-56 figures should be given where schemes are carried over from the first plan to the second plan.

No. FYII/CDI/13/55
GOVERNMENT OF INDIA
PLANNING COMMISSION

New Delhi, April 4, 1955.

OFFICE MEMORANDUM

SUBJECT—*Development expenditure in the second five year plan.*

Copies of an explanatory note on the subject mentioned above are forwarded herewith with the request that this note may kindly be brought to the attention of all the sections and officials concerned with the submission of development scheme.

TARLOK SINGH
Joint Secretary

To
ALL CENTRAL MINISTRIES.

[Enclosure]

Development Expenditure in the second five year plan.

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3. There will be four categories of development schemes in the second plan :

- (a) New development schemes on capital account ;
- (b) New development schemes on revenue account. (Some of these may in fact be of a capital nature) ;
- (c) Development schemes which are part of the first plan but, not being completed by 1955-56, a portion of the expenditure will be carried into the second plan, that is, only that portion of the expenditure which is expected to be incurred from 1956-57 is counted for the second plan ;
- (d) Development schemes which represent *additions* to or *extensions* of development institutions or establishments which already exist and are part of the normal maintenance responsibilities of the Government or which, being completed during the period of the first plan, should be deemed to become part of the future normal maintenance responsibilities of the Government. In other words, in each such case, expenditure on their maintenance is committed expenditure, not to be regarded as part of the second plan. Only expenditure on *additions* or *extensions* of the programmes or establishments in such cases will reckon for the second plan.

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- (vii) *All expenditure* on Community Projects, National Extension Services and Local Development Works is to be included in the second plan and, therefore, no amounts are to be shown under these heads as committed expenditure for the second plan."

5. In elucidation of (c) in para 3, it is suggested that expenditure should be reckoned as being carried over from the first plan to the second plan only in respect of those development schemes or projects which—

- (i) were sanctioned in the first plan by the authority concerned as distinct units (*e.g.*, an irrigation scheme, a road or a set of roads sanctioned against an estimate, an industrial project, a power plant, etc.),
- (ii) form part of the capital budget or are of a capital nature even though they may appear in the revenue budget, *e.g.*, a road or a minor irrigation scheme or a hospital or a school.

There will be marginal cases in which it may be necessary to use discretion but, generally speaking it will be best not to treat, for instance, schools or dispensaries or key village centres on which no appreciable commitment has been made and which are not likely to commence during the period of the first plan as schemes to be carried over from one plan to the next. They may of course be included as part of new schemes drawn up for the period of the second plan.

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(Rs. in thousands/lakhs)

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7. Estimated value of local contribution if any :								
(a) included in item (1).								
(b) not included in item (1).								

In this statement, it may be noted that

- (1) The total expenditure on a scheme is to be shown, irrespective of whether it is met in part by the Centre ;
- (2) The expression "expenditure on a scheme" means expenditure to be incurred by public authorities.

There may be some doubt whether the estimated value of the local contribution, if any, should be shown as part of the cost of a scheme. The guiding principle is that when the responsibility for further maintenance rests with a public authority, the figure of expenditure shown should be inclusive of the value of public contribution. On the other hand, if the Government's contribution is in the nature, say, of a subsidy towards a work whose future maintenance will not be the responsibility of public authorities, only the expenditure to be incurred by the public authorities directly will be shown against the schemes, the estimated value of the local contribution being indicated separately ;

- (3) In the case of loan expenditure, only medium and long-term loans are to be included in the figure of estimated expenditure. (However, as pointed out in the letter cited earlier, when working out financial estimates for a State as a whole or for the Central Government as a whole, even in respect of short-term advances, increase in net outstandings at the end of 1960-61 over the level of 1955-56 would be reckoned as development expenditure for the second plan) ; and
- (4) For 1955-56 figures should be given where schemes are carried over from the first plan to the second plan.

No. FYII/CDI/11/55
GOVERNMENT OF INDIA
PLANNING COMMISSION

New Delhi, April 5, 1955.

OFFICE MEMORANDUM

SUBJECT—*Development programmes to be included in State plans.*

The Planning Commission hopes to hold discussions with State Governments regarding State plans for the period 1956-61 from the second half of July, 1955. It is therefore necessary that at an early date States should be informed about the kind of schemes which the Central Government would specially wish them to include in their programmes.

2. It is proposed that for the second five year plan the plans of States should include to the maximum extent possible all programmes to be implemented by a State Government or by public authorities such as local bodies or special boards set up within a State. The fact that for any particular programme either the whole or part of the resources come from the Central Government or from agencies set up by it should not, as a rule, effect the inclusion of a programme within the State plan. This general principle has to be adopted, amongst others, for the following reasons :

- (1) At the stage of drawing up the plan the total resources which are available to a State Government for development have to be viewed with reference to the total programme which it expects to carry out. It is against this overall commitment that the requirements of Central assistance as well as measures to be taken for increasing State resources have to be viewed ;
- (2) In the second five-year plan an important aspect is the preparation of plans at various levels below that of the State, that is, for the village, the town, the taluka, tehsil or extension block and the district. At each level, *e.g.*, the district or State, three kinds of development programmes sponsored by or on behalf of public authorities would be included in the plan, namely :
 - (a) programmes initiated at the level in question, *e.g.*, taluka/-town, district, States ;
 - (b) programmes initiated at lower levels and integrated with (a) ; and
 - (c) programmes initiated at levels above and integrated with (a) *e. g.*, schemes assisted in a specific manner by the Central Ministries;
- (3) Public participation and association of non-official bodies is expected to be an important part of the programmes under the second five year plan. Such participation and association depend on the programme for a territorial unit being put to the people of the area as a whole ;
- (4) The need to avoid shortfalls in expenditure in State plans because of defects in planning either at the Centre or in the States.

In drawing up their plans, therefore, State Governments should be in a position to give proper consideration to the priorities which Central

Ministries may recommend and include in their plans as an integral part programmes in line with these priorities. This will enable State Governments to undertake forward planning for various programmes, keeping in view the needs of areas which would come within the scope of the National Extension Service from year to year.

3. Ministry of Food and Agriculture etc are therefore requested to divide their proposals into two categories :

- (1) those to be implemented directly by the Central Government,
and
- (2) those to be implemented by State Governments.

In respect of the latter Ministry of Food and Agriculture etc, are requested to prepare a brief paper summing up their thinking and suggestions about the kind of development schemes which they would like States to include in their State plans. On the basis of these papers, after discussions between the Planning Commission and the Ministries, it is proposed to address general communications to the States. It is suggested that papers summarizing the suggestions of the Ministries may be sent to the Planning Commission by *April 14*, so that during the second half of April discussions can take place and conclusions reported to the National Development Council on may 5 and 6.

4. At this stage it is not proposed to go into questions of the form and quantum of Central assistance for individual development schemes which Ministries may recommend. This aspect will be considered at a later stage.

5. There may be a few programmes in respect of which, even though the responsibility for implementation will rest with the States, for the time being they may have to be shown as Central programmes. These would be in the nature of exceptions which should be indicated and explained in the notes to be prepared by the Ministries.

6. As Ministries are aware, the Planning Commission will discuss their plans with them from the second half of June, 1955. Separate papers concerning these programmes may please be sent when they are ready.

TARLOK SINGH
Joint Secretary.

To

The Ministries of :

- (1) Food and Agriculture
- (2) Commerce and Industry
- (3) Education
- (4) Health
- (5) Information and Broadcasting
- (6) Irrigation and Power
- (7) Transport
- (8) Works, Housing and Supply.
- (9) Labour.

No. 23/a/55-MI
GOVERNMENT OF INDIA
MINISTRY OF NATURAL RESOURCES AND
SCIENTIFIC RESEARCH

New Delhi, 6th April, 1955.

From

SHRI T. GONSALVES,
Deputy Secretary to the Government of India.

To

ALL STATE GOVERNMENTS.

SUBJECT—*Programme of work to be carried out by the Geological Survey of India and the Indian Bureau of Mines during the period of the Second Five Year Plan commencing 1956-57.*

SIR,

I am directed to state that the proposals for the Second Five Year Plan for the Geological Survey of India and the Indian Bureau of Mines have to be finalised in consultation with the Planning Commission at an early date. In order to draw up the programme, it is necessary to know the work which the State Government desire to be undertaken during the five year period commencing 1956-57 with the priorities which they consider should be given to each survey. I am, therefore, to request that a note in quadruplicate giving this information may kindly be sent so as to reach this Ministry by 25th April 1955, at the latest. If the State Government have nothing to add to the recommendations forwarded in reply to this Ministry's letter No. M18 (31)/54, dated the 8th March 1954, it would suffice if the undersigned is informed to this effect by telegram.

The receipt of this letter may kindly be acknowledged.

Yours faithfully,

T. GONSALVES

Deputy Secretary to the Government of India.

Copies to:—

1. The Planning Commission, New Delhi.
2. The Director, Geological Survey of India, Calcutta.
3. Director, Indian Bureau of Mines, New Delhi.
4. M III Branch.

M. MALHOTRA

Under Secretary to the Government of India.

No. 23/1/55-MI
GOVERNMENT OF INDIA
MINISTRY OF NATURAL RESOURCES AND
SCIENTIFIC RESEARCH

New Delhi, 6th April, 1955

OFFICE MEMORANDUM

SUBJECT:—*Programme of work to be carried out by the Geological Survey of India and the Indian Bureau of mines during the period of the Second Five Year Plan commencing 1956-57.*

The undersigned is directed to state that the proposals for the Second Five Year Plan for the Geological Survey of India and the Indian Bureau of Mines have to be finalised in consultation with the Planning Commission at an early date. In order to draw up the programme, it is necessary to know the work which the Ministries desire to be undertaken during the Five year period commencing 1956-57 with the priorities which they consider should be given to each survey. It is, therefore, requested that a note in quadruplicate giving this information may kindly be sent so as to reach this Ministry by the 25th April, 1955 at the latest. **[If the Ministries have nothing to add to the recommendations forwarded in reply to this Ministry's office memorandum No. M18(31)/54, dated the 8th March, 1954, it would suffice if intimation to this effect is sent to the undersigned immediately.]*

The receipt of this office memorandum may kindly be acknowledged.

T. GONSALVES

Deputy Secretary to the Government of India.
MINISTRY OF PRODUCTION/C & I/I & P/DEFENCE.

Copies to:—

1. The Planning Commission, New Delhi.
2. The Director, Geological Survey of India, Calcutta.
3. The Director, Indian Bureau of Mines.
4. M III.

M. MALHOTRA

Under Secretary to the Government of India.

*[] Not for Ministry of Defence.

No. FYII/CDI/14/55
GOVERNMENT OF INDIA
PLANNING COMMISSION

New Delhi, April 7, 1955

From

SHRI Y. N. SUKTHANKAR, I.C.S.,
Secretary, Planning Commission.

To

ALL STATE GOVERNMENTS.

SUBJECT—*Development programmes to be included in State Plans.*

SIR,

The Planning Commission has informed Central Ministries that for the second five-year plan the plans of States should include to the maximum extent possible all programmes to be implemented by a State Government or by public authorities such as local bodies or special boards set up within a State. The fact that for any particular programme either the whole or part of the resources come from the Central Government or from agencies set up by it should not, as a rule, affect the inclusion of a programme within the State plan.

2. This general principle has to be adopted, amongst others, for the following reasons :

- (1) At the stage of drawing up the plan the total resources which are available to a State Government for development have to be viewed with reference to the total programme which it expects to carry out. It is against this overall commitment that the requirements of Central assistance as well as measures to be taken for increasing State resources have to be viewed ;
- (2) In the second five-year plan an important aspect is the preparation of plans at various levels below that of the State, that is, for the village, the town, the taluka, tahsil or extension block and the district. At each level, *e.g.*, the district or State, three kinds of development programmes sponsored by or on behalf of public authorities would be included in the plan, namely :
 - (a) programmes initiated at the level in question, *e.g.*, taluka, town, district, States ;
 - (b) programmes initiated at lower levels and integrated with (a) ; and
 - (c) programmes initiated at levels above and integrated with (a), *e.g.*, schemes assisted in a specific manner by the Central Ministries.
- (3) Public participation and association of non-official bodies is expected to be an important part of the programmes under the second five-year plan. Such participation and association depend on the programme for a territorial unit being put to the people of the area as a whole ;
- (4) The need to avoid shortfalls in expenditure in State plans because of defects in planning either at the Centre or in the States.

3. The Planning Commission is conferring with Central Ministries regarding suggestions which might be conveyed to State Governments about the kind of development programmes they might specially consider including in their plans. In several cases there has been a degree of consultation already between the Central Ministries and the States and the latter are sufficiently familiar with the thinking at the Centre. The Planning Commission hopes to convey by the end of April any further suggestions which may emerge from its consultations with the Ministries. In the meantime, State Governments will kindly proceed on the basis of their own appreciation of needs and practical possibilities and of the working of the First Five Year Plan ; they will also please take into account suggestions which may have been reached in any recent conferences or exchange of views between the Central Government and the States.

4. It is realised that there may be a few programmes in respect of which, even though the responsibility for implementation will rest with the State Government, for the time being, it may be necessary to show them as Central programmes. These would be in the nature of exceptions.

5. The question of the form and quantum of Central assistance for individual development schemes is not being considered at this stage. It is proposed to deal with this subject later from a more general point of view. At present the main concern is to ensure that the programmes which are included in State plans embody as fully as possible the results of the experience gained during the First Five Year Plan and the assessment carried out by the Central Ministries and the State Governments in each field.

6. The Planning Commission will be glad to clear any point concerning the scope of State plans on which States may feel that clarification is needed.

Yours faithfully,

TARLOK SINGH

for Secretary, Planning Commission.

D. O. No. FYII/CDI/12/55
PLANNING COMMISSION

New Delhi, April 12, 1955.

My dear

As you are aware, joint studies relating to a 'plan frame' for the second five year plan have been undertaken by the Indian Statistical Institute and the Economic Division of the Planning Commission. The Economic Division and Professor Mahalanobis have prepared papers making tentative suggestions regarding the size and structure of the second plan. These papers were recently considered by the Commission's Panel of Economists who have submitted a report. I am sending these papers for your consideration.

The Planning Commission has not yet formulated its own conclusions on the points touched upon in these papers. While these are being studied in the Commission, we feel that it would be useful if you could also consider them and send any observations you might have on questions of policy as well as on matters relating to the magnitude and directions of investment and the targets which might be aimed at during the second plan.

I expect that by the end of this month the Planning Commission will be able to send a further paper setting out some of its tentative views for the consideration of the Standing Committee and the National Development Council at the meetings to be held on the 5th and 6th May.

Yours sincerely,

V. T. KRISHNAMACHARI.

To

ALL CHIEF MINISTERS AND CENTRAL MINISTERS.

